

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: SB 992

INTRODUCER: Senator Brandes

SUBJECT: Department of Financial Services

DATE: January 15, 2016

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|-----------|----------------|-----------|--------------------|
| 1. | Billmeier | Knudson | BI | Pre-meeting |
| 2. | | | AGG | |
| 3. | | | AP | |

I. Summary:

SB 922 makes various changes to statutes relating to the Department of Financial Services (DFS or the Department).

Current law requires plaintiffs to serve lawsuits on insurance companies by serving documents initiating the lawsuit at the Department. These documents are sent to DFS by mail or by process server. This bill would allow the DFS to create a system for electronic service of process and create an internet-based system for distributing documents to insurance companies.

The Chief Financial Officer is designated the State Fire Marshal. He administers the state fire code and the certification of firefighters. This bill provides for expiration of firefighter certifications after 4 years and provides a renewal process. It provides additional grounds that the State Fire Marshal can suspend, revoke, or deny an application for certification.

The bill provides that employees of the state university system, a special district, or a water management district can participate in the deferred compensation program from state employees administered by the Department.

This bill amends the Florida Single Audit Act to raise the audit threshold from \$500,000 to \$750,000 to conform to the federal single audit act. It reorganizes the statute to place the provisions relating to higher education entities in one section.

The Department administers the sinkhole neutral evaluation program for the resolution of disputed sinkhole insurance claims. This bill amends the qualifications of the neutral evaluator to provide that one cannot serve as a neutral evaluator on a claim if the individual was employed, within the previous 5 years, by the firm that did the initial sinkhole testing.

Current law provides that an insurer shall offer sinkhole coverage but allows the insurer to require an inspection before issuing coverage. Many insurers have underwriting guidelines that do not allow issuance of coverage if the risk is within five miles of a sinkhole. This bill provides that an inspection is not required if the location of the risk does not meet the insurer's underwriting guidelines.

This bill allows the DFS to have access of digital photographs from the Department of Highway Safety and Motor Vehicles to investigate allegations of violations of the insurance code. This will allow, for example, the DFS Division of Agent and Agency Services access to photographs to aid in the investigation of insurance agents.

II. Present Situation:

This bill amends various provisions relating to the DFS.

Service of Process on the Chief Financial Officer

Service of process is the formal delivery of a writ, summons, or other legal process or notice to a person affected by that document. Section 48.151, F.S., provides that the Chief Financial Officer ("CFO") is the agent for service of process for:

- All insurers applying for authority to transact insurance;
- All licensed nonresident insurance agents;
- All nonresident disability insurance agents;
- Any unauthorized insurer under s. 626.906 or s. 626.937;
- All domestic reciprocal insurers;
- All fraternal benefit societies;
- All warranty associations;
- All prepaid limited health service organizations; under chapter 636; and
- All persons required to file statements under s. 628.461.¹

All persons or entities for which the CFO is the agent for service of process must designate an individual to receive documents served on DFS. In order to serve process on an insurance company or other entity for which the CFO is the agent, a plaintiff must mail the summons and other documents to the DFS or serve the documents at the DFS by personal service at the DFS Tallahassee office. The plaintiff must pay a \$15 fee to the DFS for service.² The CFO cannot accept service via electronic mail.³

Once the DFS receives the documents, it forwards them to the insurer or entity.⁴ The CFO can use registered or certified mail to send the documents to authorized insurers.⁵ The CFO can use registered mail to send the documents to unauthorized insurers.⁶ Section 624.307, F.S., also allows the CFO to use certified mail, registered mail, or other verifiable means to serve regulated entities.

¹ See s. 48.151(3), F.S.

² See s. 624.502, F.S.

³ See <http://www.myfloridacfo.com/division/legalservices/ServiceofProcess/default.htm> (last accessed January 13, 2016).

⁴ See ss. 624.307, 624.423, and 626.907, F.S.

⁵ See s. 624.423, F.S.

⁶ See s. 626.907, F.S.

According to representatives of the DFS, many law firms are creating and filing documents in court electronically but must print and send paper copies to the DFS. The DFS believes it could improve efficiency if plaintiffs were allowed to serve DFS electronically.⁷

Alternative Retirement Benefits for OPS Employees

Section 110.1315, F.S., requires that upon review and approval by the Executive Office of the Governor, the DFS must provide an alternative retirement income security program for eligible temporary and seasonal employees of the state who are compensated from appropriations for other personal services. The DFS is allowed to contract with a private vendor or vendors to administer the program under a defined-contribution plan under ss. 401(a) and 403(b) or s. 457 of the Internal Revenue Code, and the program must provide retirement benefits as required under s. 3121(b)(7)(F) of the Internal Revenue Code.⁸ By creating the program for such employees, the state does not have to contribute to Social Security as an employer.⁹ The DFS reports that the program has saved the state \$11 million in 2013 and 2014.¹⁰

Florida Deferred Compensation Program

Section 112.215, Florida Statutes, requires the CFO to create a deferred compensation plan for state employees. The plan allows state employees to defer a portion of their income and place it in an investment account. The employee does not pay taxes on the deferred amount or any investment gains until the employee withdraws the money.¹¹

Approval of Bonds

Section 137.09, F.S., provides that each surety upon every bond of any county officer shall make affidavit that he or she is a resident of the county for which the officer is to be commissioned, and that he or she has sufficient visible property therein unencumbered and not exempt from sale under legal process to make good his or her bond. These bonds must be approved by the board of county commissioners and by the DFS. Section 374.983, F.S., requires each commissioner of the Board of Commissioners of the Florida Inland Navigation District to post a surety bond in the sum of \$10,000 payable to the Governor and his or her successors in office, conditioned upon the faithful performance of the duties of the office. This bond must be approved by the CFO. The DFS has not been required to approve bonds under either of these statutes in quite some time and believes the requirements are not needed.¹²

Florida Single Audit Act

Section 215.97, F.S., creates the Florida Single Audit Act. The DFS has explained the history and purpose:

⁷ Interview with DFS staff, January 13, 2016.

⁸ See s. 110.1315(1), F.S.

⁹ See *Description of Intended Single Source Purchase*, Department of Financial Services, December 22, 2015 at http://www.myflorida.com/apps/vbs/adoc/F20507_PUR7776DFSTRSS151610.pdf (last accessed January 14, 2016).

¹⁰ *Id.*

¹¹ See <https://www.myfloridadeferredcomp.com/SOFWeb/default.aspx> (last accessed January 14, 2016).

¹² See Department of Financial Services, *Senate Bill 992 Bill Analysis* (January 12, 2016).

In 1998, the Florida Single Audit Act was enacted to establish state audit and accountability requirements for state financial assistance provided to nonstate entities. The Legislature found that while federal financial assistance passing through the state to nonstate entities was subject to mandatory federal audit requirements, significant amounts of state financial assistance was being provided to nonstate entities that was not subject to audit requirements that paralleled federal audit requirements. Accordingly, it was the intent of the Act that state audit and accountability requirements, to the extent possible, parallel the federal audit requirements.¹³

Each nonstate entity that expends more than \$500,000 in state financial assistance¹⁴ in a fiscal year is required to have an audit for that fiscal year. Nonstate entities include local governments, nonprofit organizations, and for-profit organizations.¹⁵

Section 215.97(8)(o), F.S., provides that contract involving the State University System or the Florida College System funded by state financial assistance may be in the form of:

- A fixed-price contract that entitles the provider to receive full compensation for the fixed contract amount upon completion of all contract deliverables;
- A fixed-rate-per-unit contract that entitles the provider to receive compensation for each contract deliverable provided;
- A cost-reimbursable contract that entitles the provider to receive compensation for actual allowable costs incurred in performing contract deliverables; or
- A combination of the above contract forms.

The DFS reports that because references to higher education entities are spread throughout the Florida Single Audit Act, there is confusion over which provisions apply in various situations.¹⁶

Driver Licenses Photographs

The Department of Highway Safety and Motor Vehicles maintains digital photographs of licenses pursuant to s. 322.142, F.S. Those photographs are exempt from public disclosure but may be shared with various state agencies to assist the agencies' with their duties. The DFS can obtain such photographs to facilitate the validation of unclaimed property claims and the identification of false or fraudulent claims.¹⁷

Boiler Regulation

Chapter 554, F.S., is the Florida Boiler Safety Act. The DFS administers the boiler safety code. Section 509.211, F.S., provides that every enclosed room or space that contains a boiler and that is located in a public lodging establishment must be equipped with a carbon monoxide sensor that bears the label of a nationally tested laboratory and complies with the most recent

¹³ See <https://apps.fldfs.com/fsaa/singleauditact.aspx> (last accessed January 14, 2016).

¹⁴ State financial assistance is state resources provided to a nonstate entity to carry out a state project.

¹⁵ See s. 215.97(2)(m), F.S.

¹⁶ See Department of Financial Services, *Senate Bill 992 Bill Analysis* (January 12, 2016).

¹⁷ See s. 322.142(4), F.S.

Underwriters Laboratories Standard 2034.¹⁸ The statute provides that the carbon monoxide detector is not necessary if the DFS Division of State Fire Marshal determines the carbon monoxide hazard has been mitigated.¹⁹

Sinkhole Insurance Coverage

Section 627.706, F.S., provides that an insurer shall offer sinkhole coverage but allows the insurer to require an inspection before issuing coverage. Many insurers have underwriting guidelines that do not allow issuance of coverage if the risk is within five miles of a sinkhole.²⁰ According to the DFS, this leads to situations where a consumer pays for and obtains an inspection and subsequently learns the insurer will not issue coverage.²¹

Neutral Evaluators

Sections 627.707-627.7074, F.S., create requirements for the investigation of sinkhole claims and a neutral evaluation program to help resolve sinkhole claims. Section 627.707, F.S., requires an insurer, upon receipt of a sinkhole claim, to inspect the policyholder's premises to determine if there is structural damage that may be the result of sinkhole activity. If the insurer confirms that structural damage exists but is unable to identify the cause or discovers that such damage is consistent with sinkhole loss, the insurer shall engage a professional engineer or a professional geologist to conduct testing²² to determine the cause of the loss if sinkhole loss is covered under the policy.²³ If the insurer determines that there is no sinkhole loss, the insurer may deny the claim.²⁴

Neutral evaluation is available to either party if a sinkhole report has been issued.²⁵ Neutral evaluation must determine causation, all methods of stabilization and repair both above and below ground, and the costs of stabilization and all repairs.²⁶ Following the receipt of the sinkhole report or the denial of a claim for a sinkhole loss, the insurer notifies the policyholder of the right to participate in the neutral evaluation program.²⁷

Neutral evaluation is nonbinding, but mandatory if requested by either the insurer or the insured.²⁸ A request for neutral evaluation is filed with the DFS. The request for neutral evaluation must state the reason for the request and must include an explanation of all the issues

¹⁸ The standard relating to carbon monoxide detectors. See <http://ulstandards.ul.com/standard/?id=2034> (last accessed January 14, 2016).

¹⁹ See s. 509.211(4), F.S.

²⁰ See Department of Financial Services, *An Act Relating to the Department of Financial Services* White Paper (on file with the Committee on Banking and Insurance).

²¹ See Department of Financial Services, *An Act Relating to the Department of Financial Services* White Paper (on file with the Committee on Banking and Insurance).

²² s. 627.7072, F.S., contains testing standards in sinkhole claims.

²³ s. 627.707(2), F.S.

²⁴ s. 627.707(4)(a), F.S.

²⁵ s. 627.7073, F.S., requires that a report be issued if testing required under s. 627.707-7074, F.S., is performed.

²⁶ s. 627.7074(2), F.S.

²⁷ s. 627.7074(3), F.S.

²⁸ s. 627.7074(4), F.S.

in dispute at the time of the request.²⁹ The neutral evaluator receives information from the parties and may have access to the structure. The neutral evaluator evaluates the claim and prepares a report describing whether a sinkhole loss occurred and, if necessary, the costs of repairs or stabilization.³⁰ The report is admissible in subsequent court proceedings.³¹ Section 627.7074(6), F.S., requires the insurer to pay reasonable costs associated with the neutral evaluation.

Section 627.7074(7), F.S., provides reasons for which a neutral evaluator may be disqualified:

- A familial relationship within the third degree exists between the neutral evaluator and either party or a representative of either party.
- The proposed neutral evaluator has, in a professional capacity, previously represented either party or a representative of either party in the same or a substantially related matter.
- The proposed neutral evaluator has, in a professional capacity, represented another person in the same or a substantially related matter and that person's interests are materially adverse to the interests of the parties. The term "substantially related matter" means participation by the neutral evaluator on the same claim, property, or adjacent property.
- The proposed neutral evaluator has, within the preceding 5 years, worked as an employer or employee of any party to the case.

Provisions Related to the State Fire Marshal

Florida's fire prevention and control law, ch. 633, F.S., designates the CFO as the State Fire Marshal. The State Fire Marshal, through the Division of State Fire Marshal within the DFS, is charged with enforcing the provisions of ch. 633, F.S., and all other applicable laws relating to fire safety and has the responsibility to minimize the loss of life and property in this state due to fire.³² Pursuant to this authority, the State Fire Marshal regulates, trains, and certifies fire service personnel and firesafety inspectors; investigates the causes of fires; enforces arson laws; regulates the installation of fire equipment; conducts firesafety inspections of state property; and operates the Florida State Fire College.

In addition to these duties, the State Fire Marshal adopts by rule the Florida Fire Prevention Code³³, which contains fire safety rules that pertain to the design, construction, erection, alteration, modification, repair, and demolition of public and private buildings, structures, and facilities and the enforcement of such fire safety laws and rules, at ch. 69A-60, F.A.C.

III. Effect of Proposed Changes:

Service of Process on the Chief Financial Officer (Sections 1, 9, 10, 11, and 12)

This bill provides an alternative means for plaintiffs to serve process on insurers and other regulated persons. The bill allows the DFS to create an internet-based transmission system to accept service of process by electronic transmission of documents. This will allow plaintiffs to

²⁹ s. 627.7074, F.S. The statute also requires the Department of Financial Services to maintain a list of neutral evaluators and provides for disqualification of neutral evaluators in specified circumstances.

³⁰ ss. 627.7074(5), (12), F.S.

³¹ s. 627.7074(13), F.S.

³² s. 633.104, F.S.

³³ See <http://www.myfloridacfo.com/division/sfm/BFP/FloridaFirePreventionCodePage.htm> (last accessed January 14, 2016).

serve documents electronically and allow DFS to remove the requirement that paper documents be served.

Once served, the CFO can mail the documents, send them by some other verifiable means, or make them available by electronic transmission to a secure website established by the DFS. Once documents are made available electronically, the CFO shall send notice of receipt to the person designated to receive legal process. The notice shall state the date and manner in which the copy of process was made available and contain a hyperlink to obtain a copy.

The bill increases the service of process fee paid to the DFS when service of process is made on unauthorized insurers from \$15 to \$25. The fee is increased because for the current fee is generally exceeded by the cost for the DFS to serve unauthorized insurers.

Alternative Retirement Benefits for OPS Employees (Section 2)

Section 2 amends s. 110.1315, F.S., to remove the review and approval duties from the Executive Office of the Governor relating to the alternative retirement income security program for temporary and seasonal employees of the state.

Florida Deferred Compensation Program (Section 3)

Section 3 of this bill amends s. 112.215, F.S., to provide that persons employed by a state university, special district, or a water management district are eligible to participate in the deferred compensation program established by the CFO. According the DFS, some of these employees have been participating in the program but the DFS staff believed the statute needed clarification.³⁴

Approval of Bonds (Sections 4 and 7)

The bill amends ss. 137.09 and 374.983, F.S., to remove the requirement that the DFS approve bonds for county commissioners and commissioners of the Florida Inland Navigation District. The bonds will still be reviewed by the county boards and by the Florida Inland Navigation District.

Florida Single Audit Act (Section 5)

The bill amends the Florida Single Audit Act to raise the audit threshold from \$500,000 to \$750,000. According to the DFS, the federal single audit threshold was recently raised from \$500,000 to \$750,000. The bill matches the Florida threshold to the federal threshold. Many entities that receive state financial assistance also receive federal financial assistances. This change prevents an entity from having to comply with different audit thresholds.³⁵

³⁴ See Department of Financial Services, *An Act Relating to the Department of Financial Services* White Paper (on file with the Committee on Banking and Insurance).

³⁵ See Department of Financial Services, *Senate Bill 992 Bill Analysis* (January 12, 2016).

This bill removes “for-profit organizations” from the Florida Single Audit Act. For-profit organizations receiving state financial assistance will no longer be subject to audit under the Act. For-profit organizations are not subject to audit under the federal act.³⁶

The bill creates a new subsection to the Florida Single Audit Act to consolidate the provision of the Act relating to higher education entities.³⁷ The bill provides that any contract or agreement between a state awarding agency and a higher education entity that is funded by state financial assistance must comply with s. 215.971(1), F.S., (providing that the contract must include provisions relating to scope of work, deliverables, consequences for nonperformance, and return of unused funds) and s. 216.3475, F.S. (limiting payments to the prevailing rate for services). The contract must be in the form or a combination of the following:

- A fixed-price contract that entitles the provider to receive compensation for the fixed contract amount upon completion of all contract deliverables.
- A fixed-rate-per-unit contract that entitles the provider to receive compensation for each contract deliverable provided.
- A cost-reimbursable contract that entitles the provider to receive compensation for actual allowable costs incurred in performing contract deliverables.

The bill provides that if a higher education entity has extremely limited or no required activities related to the administration of a state project and acts only as a conduit of state financial assistance, the Single Audit Act does not apply to the conduit higher education entity. The bill provides that the subrecipient that is provided state financial assistance by the conduit higher education entity is subject to the contracting requirements of the bill.

The bill does not exempt the higher education entity from compliance with maintaining records concerning state financial assistance and does not exempt the entity from laws that allow access and examination of those records by the state awarding agency, the higher education entity, the DFS, or the Auditor General.

Driver Licenses Photographs (Section 6)

This bill amends s. 322.142, F.S., to allow the DFS to have access of digital photographs from the Department of Highway Safety and Motor Vehicles to investigate allegations of violations of the insurance code. This will allow, for example, the DFS Division of Agent and Agency Services access to photographs to aid in the investigation of insurance agents.³⁸

Boiler Regulation (Section 8)

This bill amends s. 509.211, F.S., to remove the reference to a “nationally recognized testing laboratory.” It requires the carbon monoxide detector to bear the certification mark from a testing and certification organization accredited in accordance with ISO/IEC Guide 65, General

³⁶ See Department of Financial Services, *Senate Bill 992 Bill Analysis* (January 12, 2016).

³⁷ The bill defines “higher education entity” as a Florida College System institution or a state university.

³⁸ See Department of Financial Services, *Senate Bill 992 Bill Analysis* (January 12, 2016).

Requirements for Bodies Operating Product Certification Systems.³⁹ It requires that carbon monoxide detectors comply with Underwriters Laboratories Standard 2075.

The bill removes the ability of the Division of State Fire Marshal determine that some other method has adequately mitigated the risk. It requires the carbon monoxide to meet the statutory requirements.

Sinkhole Insurance Coverage (Section 13)

This bill allows the insurer to determine whether a risk meets underwriting guidelines before requiring a sinkhole inspection.

Neutral Evaluators (Section 14)

The bill provides that a proposed neutral evaluator is disqualified if he or she has, within the preceding 5 years, worked for the entity that performed the initial sinkhole testing required by s. 627.7072, F.S.

Provisions Related to the State Fire Marshal (Sections 15-20)

Section 15 of this bill adds the Division of State Fire Marshal to the definition of “fire service provider.” Section 633.102, F.S., defines “fire service provider” as a municipality or county, the state, or any political subdivision of the state, including authorities and special districts, employing firefighters or utilizing volunteer firefighters to provide fire extinguishment or fire prevention services for the protection of life and property. The term also includes any organization under contract or other agreement with such entity to provide such services.

Section 16 of this bill provides that the provisions of the Life Safety Code, part of the Florida Fire Prevention Code, do not apply to “newly constructed” one and two-family dwellings. One and two-family dwellings are exempt from the Florida Fire Prevention Code and representatives of the DFS are concerned that the statute could lead to confusion.⁴⁰

Firefighter and Volunteer Firefighter Training and Certification

To work as a firefighter, an individual must hold a current and valid Firefighter Certificate of Compliance or Special Certificate of Compliance issued by the Division of State Fire Marshal (“Division”).⁴¹ To obtain a firefighter certificate of compliance, an individual must:

- Satisfactorily complete the Minimum Standards Course⁴² or have satisfactorily completed training for firefighters in another state which has been determined by the division to be the equivalent of the training required for the Minimum Standards Course.

³⁹ “ISO” is the International Organization for Standardization. See <http://www.iso.org/iso/home.htm> and <http://www.businessdictionary.com/definition/International-Standards-Organization-ISO.html> (last accessed January 14, 2016).

⁴⁰ See Department of Financial Services, *Senate Bill 992 Bill Analysis* (January 12, 2016).

⁴¹ See s. 633.416, F.S.

⁴² This course provides the basic fundamental knowledge and skills to function in a fire fighting environment and consists of at least 398 hours. See <http://www.myfloridafo.com/Division/SFM/BFST/Standards/default.htm> (last accessed January 14, 2016).

- Passes the Minimum Standards Course examination.
- Possesses the qualifications in s. 633.412, F.S.⁴³

Section 633.412, F.S., provides qualifications for certification as a firefighter. A person must:

- Be a high school graduate
- Be at least 18 years old
- Have no felony convictions
- Have no misdemeanor convictions relating to the certification or for perjury or false statements
- Be of good moral character
- Be in good physical condition as determined by a division approved physical examination
- Be a nonuser of tobacco or tobacco products for at least year prior to the application

Section 17 of the bill requires that an individual seeking a firefighter certificate of compliance must pass the minimum standards course examination within 6 months after completing the minimum standards course.

A volunteer firefighter certificate of completion is used to individuals who satisfactorily complete a course established by the division.

Current law provides that if the division suspends or revokes individual's certificate, it must suspend or revoke all other certificates issued to the individual. Section 18 of this bill gives the division the discretion to suspend or revoke other certificates according to standards provided by rule.

Section 17 of the bill provides that a certificate of compliance or a certificate of completion expires four years after the date of issuance unless renewed.

Retention and Renewal of Certificates

Section 633.414, F.S., provides requirements to retain a firefighter certificate of compliance and a volunteer firefighter certificate of completion. In order for a firefighter to retain a certificate of compliance, the firefighter must, every 4 years:

- Be active as a firefighter;
- Maintain a current and valid fire service instructor certificate, instruct at least 40 hours during the 4-year period, and provide proof of such instruction to the division;
- Successfully complete a refresher course consisting of a minimum of 40 hours of training; or
- Within 6 months before the 4-year period expires, successfully retake and pass the Minimum Standards Course examination.

In order for a volunteer firefighter to retain a volunteer firefighter certificate of completion, the volunteer firefighter must, every 4 years, be active as a volunteer firefighter or successfully complete a 40 hour refresher course.

⁴³ See s. 633.408(4), F.S.

Section 19 of the bill requires that the firefighter complete a “Firefighter Retention Refresher Course within six months before the 4-year period expires. The bill provides that a certificate expires if the individual does not meet retention requirements.

Fire investigators⁴⁴ are firefighters with at least 160 of additional training in fire chemistry, fire origins, building construction, and fire protection or other courses approved by the division.⁴⁵ The bill provides that a fire investigator certificate is valid for a period of 4 years after issuance. To renew the certificate, a fire investigator must take 40 hours of continuing education during the 4 year period.

Section 19 of the bill provides that a certificate for a firefighter, volunteer firefighter, or fire investigator expires if the certificate holder fails to meet the requirements of s. 633.414, F.S., and provides that the State Fire Marshal may suspend, revoke, or deny a certificate if a reason for denial existed but was not known at the time of issuance, for violations of ch. 633, F.S., or rules or orders of the State Fire Marshal, or falsification of records.

Section 20 of the bill provides that an individual is ineligible to apply for renewal of certification after July 1, 2013, if the individual has been convicted of a felony or convicted of a misdemeanor relating to certification or false statements.

Effective Date (Section 21)

This bill takes effect July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

Section 13 of this bill provides that an insurer shall make sinkhole coverage available unless the location of the risk does not meet the underwriting guidelines for sinkhole coverage filed by the insurer with the OIR. If the risk meets the underwriting guidelines, the insurer may require an inspection of the property.

⁴⁴ See 69A-37.065, F.A.C.

⁴⁵ See <http://www.myfloridacfo.com/division/sfm/bfst/Documents/FireInvestigators.pdf> (last accessed January 15, 2016).

Article III, section 6, Fla. Const., provides that “every law shall embrace but one subject and matter properly connected therewith, and the subject shall be briefly expressed in the title.” The bill is entitled an act “relating to the Department of Financial Services” It can be argued that the requirements relating to sinkhole coverage and sinkhole inspections do not relate to the DFS.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

This bill increases the service of process fee for service on unauthorized insurers from \$15 to \$25.

B. Private Sector Impact:

This bill creates a system for electronic service of process at DFS. This could result in cost savings for plaintiffs who serve documents at DFS but reduce revenue for process servers who serve pleadings at the DFS office in Tallahassee.

C. Government Sector Impact:

The DFS anticipates a \$54,000 per year recurring savings from reduced postage, printing, and information technology costs due to the changes in the service of process statutes in this bill.⁴⁶

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 48.151, 110.1315, 112.215, 137.09, 215.97, 322.142, 374.983, 509.211, 624.307, 624.423, 624.502, 626.907, 626.706, 627.7074, 633.102, 633.208, 633.408, 633.412, 633.414, and 633.426.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

⁴⁶ See Department of Financial Services, *Senate Bill 992 Bill Analysis* (January 12, 2016).

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
