

Committee on Banking and Insurance

CS/CS/CS/HB 651 — Department of Financial Services

by Regulatory Affairs Committee; Governmental Operations Appropriations Subcommittee; Insurance and Banking Subcommittee; Rep. Beshears and others (CS/CS/SB 992 by Appropriations Committee; Banking and Insurance Committee; and Senator Brandes)

This bill amends various statutory provisions relating to the Department of Financial Services (DFS).

Current law requires plaintiffs to serve lawsuits on insurance companies by serving documents initiating the lawsuit at the DFS. These documents are sent to the DFS by mail or by process server. The bill allows 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 (CFO) is designated the State Fire Marshal. The CFO administers the state fire code and the certification of firefighters. This bill provides for expiration of firefighter certifications after four 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 creates a procedure for an applicant for firefighter certification with a criminal record or dishonorable discharge from the United States Armed Forces to obtain a certificate if they can demonstrate by clear and convincing evidence that they do not pose a risk to persons or property. The bill updates the safety requirements and standards for carbon monoxide detectors in rooms containing boilers. The bill amends the Anti-Fraud Reward Program to allow rewards for persons who provide information related to crimes investigated by the State Fire Marshal.

The bill creates the “Firefighter Assistance Grant Program.” The purpose of the program is to improve the emergency response capability of volunteer fire departments and combination fire departments. The program will provide financial assistance to improve firefighter safety and enable fire departments to provide firefighting, emergency medical, and rescue services to their communities.

Under current law, the exemption for medical malpractice insurance premiums from emergency assessments of the Florida Hurricane Catastrophe Fund will expire May 31, 2016. The bill extends the exemption until May 31, 2019.

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

The 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.

The bill provides that a licensed health insurance agent who assists an insured with coverage questions, medical procedure coding issues, balance billing issues, understanding the claim filing process, or filing a claim is not acting as a public adjuster.

The bill authorizes the DFS to select five persons nominated by the Florida Surplus Lines Association to serve on the Florida Surplus Lines Service Office board of governors. Current law requires the DFS to select members from the Florida Surplus Lines Association's regular membership but does not provide for nominations. The bill also provides that a surplus lines agent who has not transacted business during a quarter need not file an affidavit with the Florida Surplus Lines Service Office stating that all business conducted by the agent has been submitted to the office.

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 five years, by the firm that did the initial sinkhole testing.

The bill provides increased rulemaking authority for the unclaimed property program within the DFS.

The bill exempts travel insurance from the full rate review requirements of s. 627.062(2)(a) and (f), F.S., and the requirement to annually make a rate filing under s. 627.0645, F.S., if the insurance is issued as a master group policy, with a situs in another state, where each certificateholder pays less than \$30 for each covered trip, and if the insurer has written less than \$1 million in annual travel insurance premiums in this state during the most recent calendar year.

The bill appropriates the recurring sum of \$229,165 and one position to implement the bill.

If approved by the Governor, these provisions take effect July 1, 2016.

Vote: Senate 39-0; House 113-0