

## Committee on Banking and Insurance

### **CS/CS/CS/HB 959 — Department of Financial Services**

by Commerce Committee; Finance and Facilities Subcommittee; Insurance and Banking Subcommittee; and Rep. LaMarca (CS/CS/SB 1874 by Appropriations Committee; Banking and Insurance Committee; and Senator Boyd)

The bill amends sections of Florida Statutes relating to the powers and duties of the Department of Financial Services (DFS) and the head of DFS, the Chief Financial Officer (CFO). The bill provides the following changes:

#### **Service of Process**

- Requires the DFS to create a secure online portal as the sole means for the Chief Financial Officer to accept service of process as the agent for service of process on insurers, insurance agents, and other specified persons regulated under the Florida Insurance Code.
- Provides that service of process is valid and binding upon the insurer on the date the process served on the CFO is delivered to the insurer, or the insurer has been notified by the DFS that such information has been made available on the DFS online portal.

#### **Division of Insurance Agents and Agencies**

- Adds an exemption to the examination requirements for an all-lines adjuster.
- Authorizes an adjuster who holds an adjuster license and who is an unaffiliated insurance agent to obtain an adjuster appointment while maintaining his or her unaffiliated agent appointment.
- Revises provisions relating to fingerprinting requirements to comply with federal law.
- Creates notice requirements for agencies that cease doing business, and creates penalties for noncompliance.
- Increases the authority of the DFS to investigate and prosecute violations committed by a licensee while licensed under ch. 626, F.S., even if the license has expired, is not renewed, or is surrendered.
- Revises provisions relating to the qualifications and bond requirements of public adjusters.
- Specifies that public adjuster compensation may not be:
  - Based on attorney fees and costs paid to the insured;
  - Increased solely because the claim is litigated;
  - Based on amounts attributable to additional living expenses coverage, unless a specified disclosure is made.
  - Clarifies that in addition to the agent, the insurance agency must also hold an appointment issued by an insurer in order to sell a title insurance policy.

#### **Funeral, Cemetery, and Consumer Services**

- Eliminates the fee cap of \$50 for a consumer transferring the burial rights from one purchaser to another and revises the licensure requirements for embalmers and funeral directors.

- Allows funeral directors and embalmers licensed in other states to obtain reciprocal licensure in Florida if they have engaged in full-time licensed practice in that state for at least five years. A funeral director may also obtain reciprocal licensure if the applicant meets certain educational requirements.

### **State Fire Marshal**

- Authorizes expenditure of funds from the Firefighter Assistance Grant Program for the purchase of other equipment and tools and protective clothing and equipment compliant with certain standards;
- Revises firefighter certification requirements by eliminating the option of passing an exam, rather than completing 54 hours of continuing education, to renew a fire safety certificate;
- Increases penalties the State Fire Marshal may impose on contractors and unlicensed persons by authorizing the State Fire Marshal to impose an administrative fine of up to \$10,000, in addition to or in lieu of revocation or suspension of a fire protection contractor's certificate; and
- Updates provisions relating to the inspection of boiler rooms to reflect current industry standards and clarifies that a fee is required if an inspector is required to make a special trip to conduct a testing and verification inspection.

### **Division of Workers' Compensation**

- Specifies an employer applying for an exemption from workers' compensation coverage to provide a *valid* driver license or *valid* identification card and complete an online tutorial as a condition for application;
- Revises the formula for calculating coverage penalties to reduce the period subject to a penalty, with exceptions;
- Provides a penalty credit for an employer who has been issued a stop-work order or an enforcement action if the employer successfully completes an online tutorial;
- Extends the deadline for an employer to produce requested business records from 10 business days to 21 days before the DFS can take an administrative action;
- Requires the carrier to send an informational brochure to the injured worker within three business days, instead of three days, after the employee or employer notifies the carrier of an injury; and
- Revises onsite audit requirements of construction classes by requiring such annual audits if the estimated annual premium is \$10,000 or more.

### **Division of Accounting and Auditing**

Updates the state's cash management and financial system provisions to reflect the transition to the Planning and Accounting, Ledger Management (PALM) system and specifies the electronic file format local governments must use to file financial reports.

### **Division of Rehabilitation and Liquidation**

Provides employees and retired employees of the Division of Rehabilitation and Liquidation or their surviving spouses are enrollees of the state group insurance program.

**Florida Patient's Compensation Fund (Fund)**

- Revises the structure and authority of the Fund by eliminating the board of governors of the Fund and transferring the supervision of the Fund to the CFO or his or her designee; and
- Prescribes duties of the CFO and the DFS to wind down the Fund, and to dissolve the Fund on or before December 31, 2023.

If approved by the Governor, these provisions take effect July 1, 2022, except as otherwise provided.

*Vote: Senate 39-0; House 113-0*