Bill No. <u>CS/HB 339</u> Amendment No. ____ CHAMBER ACTION Senate House 1 2 3 4 5 6 7 8 9 10 Senator Diaz-Balart moved the following amendment: 11 12 13 Senate Amendment (with title amendment) On page 8, between lines 18 and 19, 14 15 16 insert: 17 Section 10. Paragraph (e) of subsection (1) of section 626.321, Florida Statutes, is amended to read: 18 626.321 Limited licenses.--19 20 (1) The department shall issue to a qualified individual, or a qualified individual or entity under 21 22 paragraphs (c), (d), and (e), a license as agent authorized to transact a limited class of business in any of the following 23 24 categories: 25 (e) Credit life or disability insurance.--License 26 covering only credit life or disability insurance. The license 27 may be issued only to an individual employed by a life or health insurer as an officer or other salaried or commissioned 28 29 representative, or to an individual employed by or associated 30 with a lending or financing institution or creditor, and may 31 authorize the sale of such insurance only with respect to 1 12:59 PM 05/04/00 h0339c1c-37j01

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borrowers or debtors of such lending or financing institution 1 2 or creditor. However, only the individual or entity whose tax 3 identification number is used in receiving or is credited with 4 receiving the commission from the sale of such insurance shall be the licensed agent of the insurer. No individual while so 5 6 licensed shall hold a license as an agent or solicitor as to 7 any other or additional kind or class of life or health 8 insurance coverage. An entity other than a lending or financial institution defined in s. 655.005(1)(g), (h), or (p) 9 10 holding a limited license under this paragraph is shall also be authorized to sell credit insurance and credit property 11 12 insurance. An entity applying for a license under this section: 13 Is required to submit only one application for a 14 1. 15 license under s. 626.171, excluding the requirements of s. 16 626.171(5), provided that the entity is regulated by any of 17 the following federal or state agencies: Office of the 18 Comptroller of the Currency; the Securities and Exchange Commission; or the Department of Banking and Finance. 19 Is not required to obtain a license or appointment 20 2. 21 for each office, branch office, or place of business making use of the entity's business name by applying to the 22 department for the license on a simplified form developed by 23 24 rule of the department for this purpose. However, the licensed 25 entity shall file with the department the address and telephone number of each place of business at which credit 26 27 insurance is being marketed or sold. This information must be 28 filed annually by January 1 in an electronic format as specified by the department by rule. The licensee is required 29 30 to file with the department, in the same specified electronic 31 format, any changes, additions, or deletions regarding each

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place of business marketing or selling credit insurance within 1 2 30 days after such change. 3 Is not required to pay any additional application 3. 4 fees for a license issued to the offices or places of business 5 referenced in subsection (2), but is required to pay the 6 license fee as prescribed in s. 624.501, be appointed under s. 7 626.112, and pay the prescribed appointment fee under s. 624.501. A copy of the license obtained under this paragraph 8 shall be posted at each the business location at for which 9 10 employees are selling insurance authorized under the entity license it was issued so as to be readily visible to 11 12 prospective purchasers of such coverage. Section 11. Subsection (1) of section 627.679, Florida 13 14 Statutes, is amended to read: 627.679 Amount of insurance; disclosure.--15 (1)(a) The amount of credit life insurance written 16 17 under one or more policies shall not exceed by more than \$5 the total of the payments of the specific contracts of 18 indebtedness in connection with which it is written, when the 19 indebtedness is repayable in substantially equal installments 20 21 or in one installment or a single payment. (b) The total amount of credit life insurance on the 22 life of any debtor with respect to any loan or loans covered 23 24 in one or more insurance policies shall at no time exceed 25 \$50,000 with any one creditor, except that loans not exceeding 1 year's duration shall not be subject to such limits, and on 26 27 such loans not exceeding 1 year's duration, the limits of 28 coverage shall not exceed \$50,000 with any one insurer. (c) Before any credit life insurance may be sold, the 29 30 creditor agent or agent shall obtain a separate written 31 acknowledgment with respect to each of the following:

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1 That the borrower understands that he or she has 1 2 the option of assigning any other policy or policies the 3 borrower owns or may procure for the purpose of covering such 4 loan and that the policy need not be purchased from the creditor agent in order to obtain the loan. 5 2. That the borrower understands that the credit life б 7 coverage may be deferred if, at the time of application, the 8 borrower is unable to engage in employment or unable to 9 perform normal activities of a person of like age and sex, if 10 the proposed credit life insurance policy contains this restriction. 11 12 3. That the borrower understands that the benefits 13 under the policy will terminate when the borrower reaches a 14 certain age and that the borrower's age is accurately 15 represented on the application or policy. 16 17 Notwithstanding the required disclosures set forth in this 18 paragraph, if the sale of credit life insurance is solicited or consummated telephonically, the creditor or agent shall 19 provide the foregoing disclosures to the borrower within 30 20 21 days from the date the coverage takes effect. The borrower shall be notified that he or she has 30 days from the date the 22 disclosures are received to rescind the credit life insurance 23 24 coverage. 25 26 (Redesignate subsequent sections.) 27 28 29 30 And the title is amended as follows: On page 1, line 16, after the semicolon, 31 4

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1	insert:
2	amending s. 626.321, F.S.; authorizing
3	individuals and entities holding a credit life
4	or disability insurance license to sell credit
5	insurance; modifying requirements for
6	licensure; amending s. 627.679, F.S.; requiring
7	certain disclosures to be made within a
8	specified time upon the sale of credit life
9	insurance; allowing a borrower a specified time
10	from the date of such disclosures to rescind
11	the coverage;
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