

By the Committees on Appropriations; and Banking and Insurance;  
and Senator Brandes

576-04646-13

20131046c2

1                                   A bill to be entitled  
2           An act relating to insurance; amending s. 215.555,  
3           F.S.; postponing the date that repeals the Florida  
4           Hurricane Catastrophe Fund emergency assessment  
5           exemption for medical malpractice insurance premiums;  
6           amending s. 316.646, F.S.; authorizing a uniform motor  
7           vehicle proof-of-insurance card to be in an electronic  
8           format; providing construction with respect to the  
9           parameters of a person's consent to access information  
10          on an electronic device presented to provide proof of  
11          insurance; providing immunity from liability to a law  
12          enforcement officer for damage to an electronic device  
13          presented to provide proof of insurance; authorizing  
14          the Department of Highway Safety and Motor Vehicles to  
15          adopt rules; amending s. 320.02, F.S.; authorizing  
16          insurers to furnish uniform proof-of-purchase cards in  
17          an electronic format for use by insureds to prove the  
18          purchase of required insurance coverage when  
19          registering a motor vehicle; amending s. 554.1021,  
20          F.S.; defining the term "authorized inspection  
21          agency"; amending s. 554.107, F.S.; requiring the  
22          chief inspector of the state boiler inspection program  
23          to issue a certificate of competency as a special  
24          inspector to certain individuals; specifying how long  
25          such certificate remains in effect; amending s.  
26          554.109, F.S.; authorizing specified insurers to  
27          contract with an authorized inspection agency for  
28          boiler inspections; requiring such insurers to  
29          annually report the identity of contracted authorized

576-04646-13

20131046c2

30 inspection agencies to the Department of Financial  
31 Services; amending s. 624.413, F.S.; revising a  
32 specified time period applicable to a certified  
33 examination that must be filed by a foreign or alien  
34 insurer applying for a certificate of authority;  
35 amending s. 626.0428, F.S.; requiring each insurance  
36 agency to be under the control of an agent licensed to  
37 transact certain lines of insurance; authorizing an  
38 agent to be in charge of more than one branch office  
39 under certain circumstances; providing requirements  
40 relating to the designation of an agent in charge;  
41 prohibiting an insurance agency from conducting  
42 insurance business at a location without a designated  
43 agent in charge; providing a definition for the term  
44 "agent in charge"; providing that the designated agent  
45 in charge is liable for certain acts of misconduct;  
46 providing grounds for the Department of Financial  
47 Services to order operations to cease at certain  
48 insurance agency locations until an agent in charge is  
49 properly designated; amending s. 626.112, F.S.;

50 providing licensure exemptions that allow specified  
51 individuals or entities to conduct insurance business  
52 at specified locations under certain circumstances;  
53 revising licensure requirements and penalties with  
54 respect to registered insurance agencies; providing  
55 that the registration of an approved registered  
56 insurance agency automatically converts to an  
57 insurance agency license on a specified date; amending  
58 s. 626.172, F.S.; revising requirements relating to

576-04646-13

20131046c2

59 applications for insurance agency licenses; conforming  
60 provisions to changes made by the act; amending s.  
61 626.321, F.S.; providing that a limited license to  
62 offer motor vehicle rental insurance issued to a  
63 business that rents or leases motor vehicles  
64 encompasses the employees of such business; amending  
65 s. 626.382, F.S.; providing that an insurance agency  
66 license continues in force until canceled, suspended,  
67 revoked, or terminated; amending s. 626.601, F.S.;  
68 revising terminology relating to investigations  
69 conducted by the Department of Financial Services and  
70 the Office of Insurance Regulation with respect to  
71 individuals and entities involved in the insurance  
72 industry; repealing s. 626.747, F.S., relating to  
73 branch agencies, agents in charge, and the payment of  
74 additional county tax under certain circumstances;  
75 amending s. 626.8411, F.S.; conforming a cross-  
76 reference; amending s. 626.8805, F.S.; revising  
77 insurance administrator application requirements;  
78 amending s. 626.8817, F.S.; authorizing an insurer's  
79 designee to provide certain coverage information to an  
80 insurance administrator; authorizing an insurer to  
81 subcontract the audit of an insurance administrator;  
82 amending s. 626.882, F.S.; prohibiting a person from  
83 acting as an insurance administrator without a  
84 specific written agreement; amending s. 626.883, F.S.;  
85 requiring insurance administrators to furnish  
86 fiduciary account records to an insurer's designee;  
87 providing that administrator withdrawals from a

576-04646-13

20131046c2

88        fiduciary account be made according to specific  
89        written agreements; providing that an insurer's  
90        designee may authorize payment of claims; amending s.  
91        626.884, F.S.; revising an insurer's right of access  
92        to certain administrator records; amending s. 626.89,  
93        F.S.; revising the deadline for filing certain  
94        financial statements; amending s. 626.931, F.S.;  
95        deleting provisions requiring a surplus lines agent to  
96        file a quarterly affidavit with the Florida Surplus  
97        Lines Service Office; amending s. 626.932, F.S.;  
98        revising the due date of surplus lines tax; amending  
99        s. 626.935, F.S.; conforming provisions to changes  
100       made by the act; amending s. 626.936, F.S.; conforming  
101       provisions to changes made by the act; amending s.  
102       627.062, F.S.; requiring the Office of Insurance  
103       Regulation to use certain models or straight averages  
104       of certain models to estimate hurricane losses when  
105       determining whether the rates in a rate filing are  
106       excessive, inadequate, or unfairly discriminatory;  
107       amending s. 627.0628, F.S.; increasing the length of  
108       time during which an insurer must adhere to certain  
109       findings made by the Commission on Hurricane Loss  
110       Projection Methodology with respect to certain  
111       methods, principles, standards, models, or output  
112       ranges used in a rate finding; providing that the  
113       requirement to adhere to such findings does not limit  
114       an insurer from using a straight average of results of  
115       certain models or output ranges under specified  
116       circumstances; amending s. 627.072, F.S.; authorizing

576-04646-13

20131046c2

117 retrospective rating plans relating to workers'  
118 compensation and employer's liability insurance to  
119 allow negotiations between certain employers and  
120 insurers with respect to rating factors used to  
121 calculate premiums; amending s. 627.281, F.S.;  
122 conforming a cross-reference; amending s. 627.351,  
123 F.S.; requiring Citizens Property Insurance  
124 Corporation to submit a biannual report on the number  
125 of residential sinkhole policies issued and declined;  
126 providing legislative intent; establishing a Citizens  
127 Sinkhole Stabilization Repair Program for sinkhole  
128 claims; providing definitions; providing program  
129 components; specifying the corporation's liability  
130 with respect to sinkhole claims; requiring the  
131 corporation to offer specified deductible amounts for  
132 sinkhole loss coverage; amending s. 627.3519, F.S.;  
133 requiring the Florida Hurricane Catastrophe Fund and  
134 Citizens Property Insurance Corporation to provide an  
135 annual report to the Legislature and the Financial  
136 Services Commission of their respective aggregate net  
137 probable maximum losses, financing options, and  
138 potential assessments; amending s. 627.4133, F.S.;  
139 increasing the amount of prior notice required with  
140 respect to the nonrenewal, cancellation, or  
141 termination of certain insurance policies; deleting  
142 certain provisions that require extended periods of  
143 prior notice with respect to the nonrenewal,  
144 cancellation, or termination of certain insurance  
145 policies; prohibiting the cancellation of certain

576-04646-13

20131046c2

146 policies that have been in effect for a specified  
147 amount of time except under certain circumstances;  
148 amending s. 627.4137, F.S.; adding licensed company  
149 adjusters to the list of persons who may respond to a  
150 claimant's written request for information relating to  
151 liability insurance coverage; amending s. 627.421,  
152 F.S.; authorizing the electronic delivery of certain  
153 insurance documents; amending s. 627.43141, F.S.;  
154 authorizing a notice of change in policy terms to be  
155 sent in a separate mailing to an insured under certain  
156 circumstances; requiring an insurer to provide such  
157 notice to the insured's insurance agent; amending s.  
158 627.6484, F.S.; providing that coverage for each  
159 policyholder of the Florida Comprehensive Health  
160 Association terminates on a specified date; requiring  
161 the association to provide assistance to  
162 policyholders; requiring the association to notify  
163 policyholders of termination of coverage and provide  
164 information concerning how to obtain other coverage;  
165 requiring the association to impose a final assessment  
166 or provide a refund to member insurers, sell or  
167 dispose of physical assets, perform a final  
168 accounting, legally dissolve the association, submit a  
169 required report, and transfer all records to the  
170 Department of Financial Services; repealing s.  
171 627.64872, F.S., relating to the Florida Health  
172 Insurance Plan; providing for the future repeal of ss.  
173 627.648, 627.6482, 627.6484, 627.6486, 627.6488,  
174 627.6489, 627.649, 627.6492, 627.6494, 627.6496,

576-04646-13

20131046c2

175 627.6498, and 627.6499, F.S., relating to the Florida  
176 Comprehensive Health Association Act, definitions,  
177 termination of enrollment and availability of other  
178 coverage, eligibility, the Florida Comprehensive  
179 Health Association, the Disease Management Program,  
180 the administrator of the health insurance plan,  
181 participation of insurers, insurer assessments,  
182 deferment, and assessment limitations, issuing of  
183 policies, minimum benefits coverage and exclusions,  
184 premiums, and deductibles, and reporting by insurers  
185 and third-party administrators, respectively; amending  
186 s. 627.7015, F.S.; revising the rulemaking authority  
187 of the department with respect to qualifications and  
188 specified types of penalties covered under the  
189 property insurance mediation program; creating s.  
190 627.70151, F.S.; providing criteria for an insurer or  
191 policyholder to challenge the impartiality of a loss  
192 appraisal umpire for purposes of disqualifying such  
193 umpire; amending s. 627.706, F.S.; revising the  
194 definition of the term "neutral evaluator"; amending  
195 s. 627.7074, F.S.; requiring the department to adopt  
196 rules relating to the certification of neutral  
197 evaluators; amending s. 627.736, F.S.; revising the  
198 time period for applicability of certain Medicare fee  
199 schedules or payment limitations; amending s. 627.745,  
200 F.S.; revising qualifications for approval as a  
201 mediator by the department; providing grounds for the  
202 department to deny an application, or suspend or  
203 revoke approval of a mediator or certification of a

576-04646-13

20131046c2

204 neutral evaluator; authorizing the department to adopt  
205 rules; amending s. 627.841, F.S.; providing that an  
206 insurance premium finance company may impose a fee for  
207 payments returned due to insufficient funds; amending  
208 s. 627.952, F.S.; providing that certain persons who  
209 are not residents of this state must be licensed and  
210 appointed as nonresident surplus lines agents in this  
211 state in order to engage in specified activities with  
212 respect to servicing insurance contracts,  
213 certificates, or agreements for purchasing or risk  
214 retention groups; deleting a fidelity bond requirement  
215 applicable to certain nonresident agents who are  
216 licensed as surplus lines agents in another state;  
217 amending ss. 627.971 and 627.972, F.S.; including  
218 licensed mutual insurers in financial guaranty  
219 insurance corporations; amending s. 628.901, F.S.;  
220 revising the definition of the term "qualifying  
221 reinsurer parent company"; amending s. 628.909, F.S.;  
222 providing for applicability of certain provisions of  
223 the Insurance Code to specified captive insurers;  
224 amending s. 634.406, F.S.; revising criteria  
225 authorizing premiums of certain service warranty  
226 associations to exceed their specified net assets  
227 limitations; revising requirements relating to  
228 contractual liability policies that insure warranty  
229 associations; providing an effective date.

230

231 Be It Enacted by the Legislature of the State of Florida:

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576-04646-13

20131046c2

233 Section 1. Paragraph (b) of subsection (6) of section  
234 215.555, Florida Statutes, is amended to read:  
235 215.555 Florida Hurricane Catastrophe Fund.—  
236 (6) REVENUE BONDS.—  
237 (b) *Emergency assessments*—  
238 1. If the board determines that the amount of revenue  
239 produced under subsection (5) is insufficient to fund the  
240 obligations, costs, and expenses of the fund and the  
241 corporation, including repayment of revenue bonds and that  
242 portion of the debt service coverage not met by reimbursement  
243 premiums, the board shall direct the Office of Insurance  
244 Regulation to levy, by order, an emergency assessment on direct  
245 premiums for all property and casualty lines of business in this  
246 state, including property and casualty business of surplus lines  
247 insurers regulated under part VIII of chapter 626, but not  
248 including any workers' compensation premiums or medical  
249 malpractice premiums. As used in this subsection, the term  
250 "property and casualty business" includes all lines of business  
251 identified on Form 2, Exhibit of Premiums and Losses, in the  
252 annual statement required of authorized insurers by s. 624.424  
253 and any rule adopted under this section, except for those lines  
254 identified as accident and health insurance and except for  
255 policies written under the National Flood Insurance Program. The  
256 assessment shall be specified as a percentage of direct written  
257 premium and is subject to annual adjustments by the board in  
258 order to meet debt obligations. The same percentage applies  
259 ~~shall apply~~ to all policies in lines of business subject to the  
260 assessment issued or renewed during the 12-month period  
261 beginning on the effective date of the assessment.

576-04646-13

20131046c2

262           2. A premium is not subject to an annual assessment under  
263 this paragraph in excess of 6 percent of premium with respect to  
264 obligations arising out of losses attributable to any one  
265 contract year, and a premium is not subject to an aggregate  
266 annual assessment under this paragraph in excess of 10 percent  
267 of premium. An annual assessment under this paragraph continues  
268 ~~shall continue~~ as long as the revenue bonds issued with respect  
269 to which the assessment was imposed are outstanding, including  
270 any bonds the proceeds of which were used to refund the revenue  
271 bonds, unless adequate provision has been made for the payment  
272 of the bonds under the documents authorizing issuance of the  
273 bonds.

274           3. Emergency assessments shall be collected from  
275 policyholders. Emergency assessments shall be remitted by  
276 insurers as a percentage of direct written premium for the  
277 preceding calendar quarter as specified in the order from the  
278 Office of Insurance Regulation. The office shall verify the  
279 accurate and timely collection and remittance of emergency  
280 assessments and shall report the information to the board in a  
281 form and at a time specified by the board. Each insurer  
282 collecting assessments shall provide the information with  
283 respect to premiums and collections as may be required by the  
284 office to enable the office to monitor and verify compliance  
285 with this paragraph.

286           4. With respect to assessments of surplus lines premiums,  
287 each surplus lines agent shall collect the assessment at the  
288 same time as the agent collects the surplus lines tax required  
289 by s. 626.932, and the surplus lines agent shall remit the  
290 assessment to the Florida Surplus Lines Service Office created

576-04646-13

20131046c2

291 by s. 626.921 at the same time as the agent remits the surplus  
292 lines tax to the Florida Surplus Lines Service Office. The  
293 emergency assessment on each insured procuring coverage and  
294 filing under s. 626.938 shall be remitted by the insured to the  
295 Florida Surplus Lines Service Office at the time the insured  
296 pays the surplus lines tax to the Florida Surplus Lines Service  
297 Office. The Florida Surplus Lines Service Office shall remit the  
298 collected assessments to the fund or corporation as provided in  
299 the order levied by the Office of Insurance Regulation. The  
300 Florida Surplus Lines Service Office shall verify the proper  
301 application of such emergency assessments and shall assist the  
302 board in ensuring the accurate and timely collection and  
303 remittance of assessments as required by the board. The Florida  
304 Surplus Lines Service Office shall annually calculate the  
305 aggregate written premium on property and casualty business,  
306 other than workers' compensation and medical malpractice,  
307 procured through surplus lines agents and insureds procuring  
308 coverage and filing under s. 626.938 and shall report the  
309 information to the board in a form and at a time specified by  
310 the board.

311 5. Any assessment authority not used for a particular  
312 contract year may be used for a subsequent contract year. If,  
313 for a subsequent contract year, the board determines that the  
314 amount of revenue produced under subsection (5) is insufficient  
315 to fund the obligations, costs, and expenses of the fund and the  
316 corporation, including repayment of revenue bonds and that  
317 portion of the debt service coverage not met by reimbursement  
318 premiums, the board shall direct the Office of Insurance  
319 Regulation to levy an emergency assessment up to an amount not

576-04646-13

20131046c2

320 exceeding the amount of unused assessment authority from a  
321 previous contract year or years, plus an additional 4 percent  
322 provided that the assessments in the aggregate do not exceed the  
323 limits specified in subparagraph 2.

324 6. The assessments otherwise payable to the corporation  
325 under this paragraph shall be paid to the fund unless ~~and until~~  
326 the Office of Insurance Regulation and the Florida Surplus Lines  
327 Service Office ~~have~~ have received a notice from the corporation and  
328 the fund ~~a notice~~, which shall be conclusive and upon which they  
329 may rely without further inquiry, that the corporation has  
330 issued bonds and the fund has no agreements in effect with local  
331 governments under paragraph (c). On or after the date of the  
332 notice and until the date the corporation has no bonds  
333 outstanding, the fund shall have no right, title, or interest in  
334 or to the assessments, except as provided in the fund's  
335 agreement with the corporation.

336 7. Emergency assessments are not premium and are not  
337 subject to the premium tax, to the surplus lines tax, to any  
338 fees, or to any commissions. An insurer is liable for all  
339 assessments that it collects and must treat the failure of an  
340 insured to pay an assessment as a failure to pay the premium. An  
341 insurer is not liable for uncollectible assessments.

342 8. If ~~When~~ an insurer is required to return an unearned  
343 premium, it shall also return any collected assessment  
344 attributable to the unearned premium. A credit adjustment to the  
345 collected assessment may be made by the insurer with regard to  
346 future remittances that are payable to the fund or corporation,  
347 but the insurer is not entitled to a refund.

348 9. If ~~When~~ a surplus lines insured or an insured who has

576-04646-13

20131046c2

349 procured coverage and filed under s. 626.938 is entitled to the  
350 return of an unearned premium, the Florida Surplus Lines Service  
351 Office shall provide a credit or refund to the agent or such  
352 insured for the collected assessment attributable to the  
353 unearned premium before ~~prior to~~ remitting the emergency  
354 assessment collected to the fund or corporation.

355 10. The exemption of medical malpractice insurance premiums  
356 from emergency assessments under this paragraph is repealed May  
357 31, 2016 ~~2013~~, and medical malpractice insurance premiums shall  
358 be subject to emergency assessments attributable to loss events  
359 occurring in the contract years commencing on June 1, 2016 ~~2013~~.

360 Section 2. Subsection (1) of section 316.646, Florida  
361 Statutes, is amended, and subsection (5) is added to that  
362 section, to read:

363 316.646 Security required; proof of security and display  
364 thereof; dismissal of cases.—

365 (1) A ~~Any~~ person required by s. 324.022 to maintain  
366 property damage liability security, required by s. 324.023 to  
367 maintain liability security for bodily injury or death, or  
368 required by s. 627.733 to maintain personal injury protection  
369 security on a motor vehicle shall have in his or her immediate  
370 possession at all times while operating such motor vehicle  
371 proper proof of maintenance of the required security. Such proof  
372 shall be a uniform proof-of-insurance card, in paper or  
373 electronic format, in a form prescribed by the department, a  
374 valid insurance policy, an insurance policy binder, a  
375 certificate of insurance, or such other proof as may be  
376 prescribed by the department. If a person presents an electronic  
377 device to a law enforcement officer for the purpose of

576-04646-13

20131046c2

378 displaying a proof-of-insurance card in an electronic format:

379 (a) The person presenting the device is not deemed to  
380 consent to access to any information on the electronic device  
381 other than the displayed proof-of-insurance card.

382 (b) The law enforcement officer is not liable for damage to  
383 the electronic device.

384 (5) The department may adopt rules to implement this  
385 section.

386 Section 3. Paragraph (a) of subsection (5) of section  
387 320.02, Florida Statutes, is amended to read:

388 320.02 Registration required; application for registration;  
389 forms.—

390 (5) (a) Proof that personal injury protection benefits have  
391 been purchased when required under s. 627.733, that property  
392 damage liability coverage has been purchased as required under  
393 s. 324.022, that bodily injury or death coverage has been  
394 purchased if required under s. 324.023, and that combined bodily  
395 liability insurance and property damage liability insurance have  
396 been purchased when required under s. 627.7415 shall be provided  
397 in the manner prescribed by law by the applicant at the time of  
398 application for registration of any motor vehicle that is  
399 subject to such requirements. The issuing agent shall refuse to  
400 issue registration if such proof of purchase is not provided.  
401 Insurers shall furnish uniform proof-of-purchase cards, in paper  
402 or electronic format, in a form prescribed by the department and  
403 shall include the name of the insured's insurance company, the  
404 coverage identification number, and the make, year, and vehicle  
405 identification number of the vehicle insured. The card must  
406 ~~shall~~ contain a statement notifying the applicant of the penalty

576-04646-13

20131046c2

407 specified in s. 316.646(4). The card or insurance policy,  
408 insurance policy binder, or certificate of insurance or a  
409 photocopy of any of these; an affidavit containing the name of  
410 the insured's insurance company, the insured's policy number,  
411 and the make and year of the vehicle insured; or such other  
412 proof as may be prescribed by the department constitutes ~~shall~~  
413 ~~constitute~~ sufficient proof of purchase. If an affidavit is  
414 provided as proof, it must ~~shall~~ be in substantially the  
415 following form:

416

417 Under penalty of perjury, I ...(Name of insured)... do hereby  
418 certify that I have ...(Personal Injury Protection, Property  
419 Damage Liability, and, when required, Bodily Injury  
420 Liability)... Insurance currently in effect with ...(Name of  
421 insurance company)... under ...(policy number)... covering  
422 ...(make, year, and vehicle identification number of  
423 vehicle).... ...(Signature of Insured)...

424

425 Such affidavit shall include the following warning:

426

427 WARNING: GIVING FALSE INFORMATION IN ORDER TO OBTAIN A VEHICLE  
428 REGISTRATION CERTIFICATE IS A CRIMINAL OFFENSE UNDER FLORIDA  
429 LAW. ANYONE GIVING FALSE INFORMATION ON THIS AFFIDAVIT IS  
430 SUBJECT TO PROSECUTION.

431

432 When an application is made through a licensed motor vehicle  
433 dealer as required in s. 319.23, the original or a photostatic  
434 copy of such card, insurance policy, insurance policy binder, or  
435 certificate of insurance or the original affidavit from the

576-04646-13

20131046c2

436 insured shall be forwarded by the dealer to the tax collector of  
437 the county or the Department of Highway Safety and Motor  
438 Vehicles for processing. By executing the aforesaid affidavit,  
439 no licensed motor vehicle dealer will be liable in damages for  
440 any inadequacy, insufficiency, or falsification of any statement  
441 contained therein. A card shall also indicate the existence of  
442 any bodily injury liability insurance voluntarily purchased.

443 Section 4. Subsection (8) is added to section 554.1021,  
444 Florida Statutes, to read:

445 554.1021 Definitions.—As used in ss. 554.1011-554.115:

446 (8) "Authorized inspection agency" means:

447 (a) A county, city, town, or other governmental subdivision  
448 that has adopted and administers, at a minimum, Section I of the  
449 A.S.M.E. Boiler and Pressure Vessel Code as a legal requirement  
450 and whose inspectors hold valid certificates of competency in  
451 accordance with s. 554.113; or

452 (b) An insurance company that is licensed or registered by  
453 an appropriate authority of any state of the United States or  
454 province of Canada and whose inspectors hold valid certificates  
455 of competency in accordance with s. 554.113.

456 Section 5. Section 554.107, Florida Statutes, is amended to  
457 read:

458 554.107 Special inspectors.—

459 (1) Upon application by ~~any~~ an authorized inspection agency  
460 ~~company licensed to insure boilers in this state,~~ the chief  
461 inspector shall issue a certificate of competency as a special  
462 inspector to ~~an~~ any inspector employed by the agency if he or  
463 she ~~company, provided that such inspector~~ satisfies the  
464 competency requirements for inspectors as provided in s.

576-04646-13

20131046c2

465 554.113.

466 (2) The certificate of competency of a special inspector  
467 remains ~~shall remain~~ in effect only so long as the special  
468 inspector is employed by an authorized inspection agency ~~a~~  
469 ~~company licensed to insure boilers in this state~~. Upon  
470 termination of employment with such agency ~~company~~, a special  
471 inspector shall, in writing, notify the chief inspector of such  
472 termination. Such notice shall be given within 15 days following  
473 the date of termination.

474 Section 6. Subsection (1) of section 554.109, Florida  
475 Statutes, is amended to read:

476 554.109 Exemptions.—

477 (1) An ~~Any~~ insurance company that insures ~~insuring~~ a boiler  
478 located in a public assembly location in this state shall  
479 inspect or contract with an authorized inspection agency to  
480 inspect such boiler ~~so insured~~, and shall annually report to the  
481 department the identity of the authorized inspection agency that  
482 performs a required boiler inspection on behalf of the company.  
483 A ~~any~~ county, city, town, or other governmental subdivision that  
484 ~~which~~ has adopted into law the Boiler and Pressure Vessel Code  
485 of the American Society of Mechanical Engineers and the National  
486 Board Inspection Code for the construction, installation,  
487 inspection, maintenance, and repair of boilers, regulating such  
488 boilers in public assembly locations, shall inspect such boilers  
489 so regulated; provided that such inspection shall be conducted  
490 by a special inspector licensed pursuant to ss. 554.1011-  
491 554.115. Upon filing of a report of satisfactory inspection with  
492 the department, such boiler is exempt from inspection by the  
493 department.

576-04646-13

20131046c2

494 Section 7. Paragraph (f) of subsection (1) of section  
495 624.413, Florida Statutes, is amended to read:

496 624.413 Application for certificate of authority.—

497 (1) To apply for a certificate of authority, an insurer  
498 shall file its application therefor with the office, upon a form  
499 adopted by the commission and furnished by the office, showing  
500 its name; location of its home office and, if an alien insurer,  
501 its principal office in the United States; kinds of insurance to  
502 be transacted; state or country of domicile; and such additional  
503 information as the commission reasonably requires, together with  
504 the following documents:

505 (f) If a foreign or alien insurer, a copy of the report of  
506 the most recent examination of the insurer certified by the  
507 public official having supervision of insurance in its state of  
508 domicile or of entry into the United States. The end of the most  
509 recent year covered by the examination must be within the 5-year  
510 ~~3-year~~ period preceding the date of application. In lieu of the  
511 certified examination report, the office may accept an audited  
512 certified public accountant's report prepared on a basis  
513 consistent with the insurance laws of the insurer's state of  
514 domicile, certified by the public official having supervision of  
515 insurance in its state of domicile or of entry into the United  
516 States.

517 Section 8. Subsection (4) is added to section 626.0428,  
518 Florida Statutes, to read:

519 626.0428 Agency personnel powers, duties, and limitations.—

520 (4) (a) Each place of business established by an agent or  
521 agency, firm, corporation, or association must be in the active  
522 full-time charge of a licensed and appointed agent holding the

576-04646-13

20131046c2

523 required agent licenses to transact the lines of insurance being  
524 handled at the location.

525 (b) Notwithstanding paragraph (a), the licensed agent in  
526 charge of an insurance agency may also be the agent in charge of  
527 additional branch office locations of the agency if insurance  
528 activities requiring licensure as an insurance agent do not  
529 occur at any location when the agent is not physically present  
530 and unlicensed employees at the location do not engage in  
531 insurance activities requiring licensure as an insurance agent  
532 or customer representative.

533 (c) An insurance agency and each branch place of business  
534 of an insurance agency shall designate an agent in charge and  
535 file the name and license number of the agent in charge and the  
536 physical address of the insurance agency location with the  
537 department at the department's designated website. The  
538 designation of the agent in charge may be changed at the option  
539 of the agency. A change of the designated agent in charge is  
540 effective upon notification to the department, which shall be  
541 provided within 30 days after such change.

542 (d) For the purposes of this subsection, an "agent in  
543 charge" is the licensed and appointed agent who is responsible  
544 for the supervision of all individuals within an insurance  
545 agency location, regardless of whether such individuals deal  
546 with the general public in the solicitation or negotiation of  
547 insurance contracts or the collection or accounting of moneys.

548 (e) An agent in charge of an insurance agency is  
549 accountable for wrongful acts, misconduct, or violations of  
550 provisions of this code committed by the agent or by any person  
551 under his or her supervision while acting on behalf of the

576-04646-13

20131046c2

552 agency. This section may not be construed to render the agent in  
553 charge criminally liable for an act unless he or she personally  
554 committed or knew or should have known of the act and of the  
555 facts constituting a violation of this chapter.

556 (f) An insurance agency location may not conduct the  
557 business of insurance unless the agency designates an agent in  
558 charge at all times. If the agency fails to update the  
559 designation of the agent in charge within 90 days after the date  
560 of a change in designation, the department shall automatically  
561 revoke the agency's license.

562 Section 9. Subsection (7) of section 626.112, Florida  
563 Statutes, is amended to read:

564 626.112 License and appointment required; agents, customer  
565 representatives, adjusters, insurance agencies, service  
566 representatives, managing general agents.-

567 (7) (a) ~~Effective October 1, 2006,~~ No individual, firm,  
568 partnership, corporation, association, or any other entity shall  
569 act in its own name or under a trade name, directly or  
570 indirectly, as an insurance agency, unless it complies with s.  
571 626.172 with respect to possessing an insurance agency license  
572 for each place of business at which it engages in an any  
573 activity that ~~which~~ may be performed only by a licensed  
574 insurance agent. However, an insurance agency that is owned and  
575 operated by a single licensed agent conducting business in his  
576 or her individual name and not employing or otherwise using the  
577 services of or appointing other licensees is exempt from the  
578 agency licensing requirements of this subsection. A branch place  
579 of business that is established by a licensed agency is  
580 considered a branch agency and is not required to be licensed so

576-04646-13

20131046c2

581 long as it transacts business under the same name and federal  
582 tax identification number as the licensed agency and has  
583 designated a licensed agent in charge of the location as  
584 required by s. 626.0428 and the address and telephone number of  
585 the location have been submitted to the department for inclusion  
586 in the licensing record of the licensed agency within 30 days  
587 after insurance transactions begin at the location ~~Each agency~~  
588 ~~engaged in business in this state before January 1, 2003, which~~  
589 ~~is wholly owned by insurance agents currently licensed and~~  
590 ~~appointed under this chapter, each incorporated agency whose~~  
591 ~~voting shares are traded on a securities exchange, each agency~~  
592 ~~designated and subject to supervision and inspection as a branch~~  
593 ~~office under the rules of the National Association of Securities~~  
594 ~~Dealers, and each agency whose primary function is offering~~  
595 ~~insurance as a service or member benefit to members of a~~  
596 ~~nonprofit corporation may file an application for registration~~  
597 ~~in lieu of licensure in accordance with s. 626.172(3). Each~~  
598 ~~agency engaged in business before October 1, 2006, shall file an~~  
599 ~~application for licensure or registration on or before October~~  
600 ~~1, 2006.~~

601 (b)1. If an agency is required to be licensed but fails to  
602 file an application for licensure in accordance with this  
603 section, the department shall impose on the agency an  
604 administrative penalty in an amount of up to \$10,000.

605 ~~2. If an agency is eligible for registration but fails to~~  
606 ~~file an application for registration or an application for~~  
607 ~~licensure in accordance with this section, the department shall~~  
608 ~~impose on the agency an administrative penalty in an amount of~~  
609 ~~up to \$5,000.~~

576-04646-13

20131046c2

610        (c) ~~(b)~~ Effective October 1, 2013, the department must  
611 automatically convert the registration of an approved a  
612 registered insurance agency to shall, as a condition precedent  
613 to continuing business, obtain an insurance agency license if  
614 the department finds that, with respect to any majority owner,  
615 partner, manager, director, officer, or other person who manages  
616 or controls the agency, any person has:

617            1. ~~Been found guilty of, or has pleaded guilty or nolo~~  
618 ~~contendere to, a felony in this state or any other state~~  
619 ~~relating to the business of insurance or to an insurance agency,~~  
620 ~~without regard to whether a judgment of conviction has been~~  
621 ~~entered by the court having jurisdiction of the cases.~~

622            2. ~~Employed any individual in a managerial capacity or in a~~  
623 ~~capacity dealing with the public who is under an order of~~  
624 ~~revocation or suspension issued by the department. An insurance~~  
625 ~~agency may request, on forms prescribed by the department,~~  
626 ~~verification of any person's license status. If a request is~~  
627 ~~mailed within 5 working days after an employee is hired, and the~~  
628 ~~employee's license is currently suspended or revoked, the agency~~  
629 ~~shall not be required to obtain a license, if the unlicensed~~  
630 ~~person's employment is immediately terminated.~~

631            3. ~~Operated the agency or permitted the agency to be~~  
632 ~~operated in violation of s. 626.747.~~

633            4. ~~With such frequency as to have made the operation of the~~  
634 ~~agency hazardous to the insurance buying public or other~~  
635 ~~persons:~~

636            a. ~~Solicited or handled controlled business. This~~  
637 ~~subparagraph shall not prohibit the licensing of any lending or~~  
638 ~~financing institution or creditor, with respect to insurance~~

576-04646-13

20131046c2

639 ~~only, under credit life or disability insurance policies of~~  
640 ~~borrowers from the institutions, which policies are subject to~~  
641 ~~part IX of chapter 627.~~

642 ~~b. Misappropriated, converted, or unlawfully withheld~~  
643 ~~moneys belonging to insurers, insureds, beneficiaries, or others~~  
644 ~~and received in the conduct of business under the license.~~

645 ~~e. Unlawfully rebated, attempted to unlawfully rebate, or~~  
646 ~~unlawfully divided or offered to divide commissions with~~  
647 ~~another.~~

648 ~~d. Misrepresented any insurance policy or annuity contract,~~  
649 ~~or used deception with regard to any policy or contract, done~~  
650 ~~either in person or by any form of dissemination of information~~  
651 ~~or advertising.~~

652 ~~e. Violated any provision of this code or any other law~~  
653 ~~applicable to the business of insurance in the course of dealing~~  
654 ~~under the license.~~

655 ~~f. Violated any lawful order or rule of the department.~~

656 ~~g. Failed or refused, upon demand, to pay over to any~~  
657 ~~insurer he or she represents or has represented any money coming~~  
658 ~~into his or her hands belonging to the insurer.~~

659 ~~h. Violated the provision against twisting as defined in s.~~  
660 ~~626.9541(1)(l).~~

661 ~~i. In the conduct of business, engaged in unfair methods of~~  
662 ~~competition or in unfair or deceptive acts or practices, as~~  
663 ~~prohibited under part IX of this chapter.~~

664 ~~j. Willfully overinsured any property insurance risk.~~

665 ~~k. Engaged in fraudulent or dishonest practices in the~~  
666 ~~conduct of business arising out of activities related to~~  
667 ~~insurance or the insurance agency.~~

576-04646-13

20131046c2

668 ~~1. Demonstrated lack of fitness or trustworthiness to~~  
669 ~~engage in the business of insurance arising out of activities~~  
670 ~~related to insurance or the insurance agency.~~

671 ~~m. Authorized or knowingly allowed individuals to transact~~  
672 ~~insurance who were not then licensed as required by this code.~~

673 ~~5. Knowingly employed any person who within the preceding 3~~  
674 ~~years has had his or her relationship with an agency terminated~~  
675 ~~in accordance with paragraph (d).~~

676 ~~6. Willfully circumvented the requirements or prohibitions~~  
677 ~~of this code.~~

678 Section 10. Subsections (2), (3), and (4) of section  
679 626.172, Florida Statutes, are amended to read:

680 626.172 Application for insurance agency license.—

681 (2) An application for an insurance agency license must  
682 ~~shall~~ be signed by the owner or owners of the agency. If the  
683 agency is incorporated, the application must ~~shall~~ be signed by  
684 the president and secretary of the corporation. The application  
685 for an insurance agency license must ~~shall~~ include:

686 (a) The name of each majority owner, partner, officer, and  
687 director of the insurance agency.

688 (b) The residence address of each person required to be  
689 listed in the application under paragraph (a).

690 (c) The name of the insurance agency, ~~and~~ its principal  
691 business street address and a valid e-mail address of the  
692 insurance agency.

693 (d) The physical address location of each branch agency,  
694 including its name, e-mail address, and telephone number and the  
695 date that the branch location began transacting insurance ~~office~~  
696 ~~and the name under which each agency office conducts or will~~

576-04646-13

20131046c2

697 ~~conduct business.~~

698 (e) The name of each agent to be in full-time charge of an  
699 agency office and specification of which office, including  
700 branch locations.

701 (f) The fingerprints of each of the following:

702 1. A sole proprietor;

703 2. Each partner;

704 3. Each owner of an unincorporated agency;

705 4. Each owner who directs or participates in the management  
706 or control of an incorporated agency whose shares are not traded  
707 on a securities exchange;

708 5. The president, senior vice presidents, treasurer,  
709 secretary, and directors of the agency; and

710 6. Any other person who directs or participates in the  
711 management or control of the agency, whether through the  
712 ownership of voting securities, by contract, by ownership of  
713 agency bank accounts, or otherwise.

714

715 Fingerprints must be taken by a law enforcement agency or other  
716 entity approved by the department and must be accompanied by the  
717 fingerprint processing fee specified in s. 624.501. Fingerprints  
718 must ~~shall~~ be processed in accordance with s. 624.34. However,  
719 fingerprints need not be filed for an ~~any~~ individual who is  
720 currently licensed and appointed under this chapter. This  
721 paragraph does not apply to corporations whose voting shares are  
722 traded on a securities exchange.

723 (g) Such additional information as the department requires  
724 by rule to ascertain the trustworthiness and competence of  
725 persons required to be listed on the application and to

576-04646-13

20131046c2

726 ascertain that such persons meet the requirements of this code.  
727 However, the department may not require that credit or character  
728 reports be submitted for persons required to be listed on the  
729 application.

730 (h) ~~Beginning October 1, 2005,~~ The department must ~~shall~~  
731 accept the uniform application for nonresident agency licensure.  
732 The department may adopt by rule revised versions of the uniform  
733 application.

734 ~~(3) The department shall issue a registration as an~~  
735 ~~insurance agency to any agency that files a written application~~  
736 ~~with the department and qualifies for registration. The~~  
737 ~~application for registration shall require the agency to provide~~  
738 ~~the same information required for an agency licensed under~~  
739 ~~subsection (2), the agent identification number for each owner~~  
740 ~~who is a licensed agent, proof that the agency qualifies for~~  
741 ~~registration as provided in s. 626.112(7), and any other~~  
742 ~~additional information that the department determines is~~  
743 ~~necessary in order to demonstrate that the agency qualifies for~~  
744 ~~registration. The application must be signed by the owner or~~  
745 ~~owners of the agency. If the agency is incorporated, the~~  
746 ~~application must be signed by the president and the secretary of~~  
747 ~~the corporation. An agent who owns the agency need not file~~  
748 ~~fingerprints with the department if the agent obtained a license~~  
749 ~~under this chapter and the license is currently valid.~~

750 (a) ~~If an application for registration is denied, the~~  
751 ~~agency must file an application for licensure no later than 30~~  
752 ~~days after the date of the denial of registration.~~

753 (b) ~~A registered insurance agency must file an application~~  
754 ~~for licensure no later than 30 days after the date that any~~

576-04646-13

20131046c2

755 ~~person who is not a licensed and appointed agent in this state~~  
756 ~~acquires any ownership interest in the agency. If an agency~~  
757 ~~fails to file an application for licensure in compliance with~~  
758 ~~this paragraph, the department shall impose an administrative~~  
759 ~~penalty in an amount of up to \$5,000 on the agency.~~

760 ~~(c) Sections 626.6115 and 626.6215 do not apply to agencies~~  
761 ~~registered under this subsection.~~

762 ~~(3)(4)~~ The department must ~~shall~~ issue a license ~~or~~  
763 ~~registration~~ to each agency upon approval of the application,  
764 and each agency location must ~~shall~~ display the license ~~or~~  
765 ~~registration~~ prominently in a manner that makes it clearly  
766 visible to a ~~any~~ customer or potential customer who enters the  
767 agency.

768 Section 11. Paragraph (d) of subsection (1) of section  
769 626.321, Florida Statutes, is amended to read:

770 626.321 Limited licenses.—

771 (1) The department shall issue to a qualified applicant a  
772 license as agent authorized to transact a limited class of  
773 business in any of the following categories of limited lines  
774 insurance:

775 (d) *Motor vehicle rental insurance.*—

776 1. License covering only insurance of the risks set forth  
777 in this paragraph when offered, sold, or solicited with and  
778 incidental to the rental or lease of a motor vehicle and which  
779 applies only to the motor vehicle that is the subject of the  
780 lease or rental agreement and the occupants of the motor  
781 vehicle:

782 a. Excess motor vehicle liability insurance providing  
783 coverage in excess of the standard liability limits provided by

576-04646-13

20131046c2

784 the lessor in the lessor's lease to a person renting or leasing  
785 a motor vehicle from the licensee's employer for liability  
786 arising in connection with the negligent operation of the leased  
787 or rented motor vehicle.

788 b. Insurance covering the liability of the lessee to the  
789 lessor for damage to the leased or rented motor vehicle.

790 c. Insurance covering the loss of or damage to baggage,  
791 personal effects, or travel documents of a person renting or  
792 leasing a motor vehicle.

793 d. Insurance covering accidental personal injury or death  
794 of the lessee and any passenger who is riding or driving with  
795 the covered lessee in the leased or rented motor vehicle.

796 2. Insurance under a motor vehicle rental insurance license  
797 may be issued only if the lease or rental agreement is for no  
798 more than 60 days, the lessee is not provided coverage for more  
799 than 60 consecutive days per lease period, and the lessee is  
800 given written notice that his or her personal insurance policy  
801 providing coverage on an owned motor vehicle may provide  
802 coverage of such risks and that the purchase of the insurance is  
803 not required in connection with the lease or rental of a motor  
804 vehicle. If the lease is extended beyond 60 days, the coverage  
805 may be extended one time only for a period not to exceed an  
806 additional 60 days. Insurance may be provided to the lessee as  
807 an additional insured on a policy issued to the licensee's  
808 employer.

809 3. The license may be issued only to the full-time salaried  
810 employee of a licensed general lines agent or to a business  
811 entity that offers motor vehicles for rent or lease if insurance  
812 sales activities authorized by the license are in connection

576-04646-13

20131046c2

813 with and incidental to the rental or lease of a motor vehicle.

814 a. A license issued to a business entity that offers motor  
815 vehicles for rent or lease encompasses each office, branch  
816 office, employee, or place of business making use of the  
817 entity's business name in order to offer, solicit, and sell  
818 insurance pursuant to this paragraph.

819 b. The application for licensure must list the name,  
820 address, and phone number for each office, branch office, or  
821 place of business that is to be covered by the license. The  
822 licensee shall notify the department of the name, address, and  
823 phone number of any new location that is to be covered by the  
824 license before the new office, branch office, or place of  
825 business engages in the sale of insurance pursuant to this  
826 paragraph. The licensee must notify the department within 30  
827 days after closing or terminating an office, branch office, or  
828 place of business. Upon receipt of the notice, the department  
829 shall delete the office, branch office, or place of business  
830 from the license.

831 c. A licensed and appointed entity is directly responsible  
832 and accountable for all acts of the licensee's employees.

833 Section 12. Section 626.382, Florida Statutes, is amended  
834 to read:

835 626.382 Continuation, expiration of license; insurance  
836 agencies.—An insurance agency license continues ~~The license of~~  
837 ~~any insurance agency shall be issued for a period of 3 years and~~  
838 ~~shall continue~~ in force until it is canceled, suspended,  
839 revoked, or otherwise terminated. ~~A license may be renewed by~~  
840 ~~submitting a renewal request to the department on a form adopted~~  
841 ~~by department rule.~~

576-04646-13

20131046c2

842 Section 13. Section 626.601, Florida Statutes, is amended  
843 to read:

844 626.601 Improper conduct; inquiry; fingerprinting.—

845 (1) The department or office may, upon its own motion or  
846 upon a written complaint signed by an ~~any~~ interested person and  
847 filed with the department or office, inquire into any alleged  
848 improper conduct of a ~~any~~ licensed, approved, or certified  
849 insurance agency, agent, adjuster, service representative,  
850 managing general agent, customer representative, title insurance  
851 agent, title insurance agency, mediator, neutral evaluator,  
852 continuing education course provider, instructor, school  
853 official, or monitor group under this code. The department or  
854 office may thereafter initiate an investigation of ~~any~~ such  
855 individual or entity licensee if it has reasonable cause to  
856 believe that the individual or entity licensee has violated any  
857 provision of the insurance code. During the course of its  
858 investigation, the department or office shall contact the  
859 individual or entity licensee being investigated unless it  
860 determines that contacting such individual or entity ~~person~~  
861 could jeopardize the successful completion of the investigation  
862 or cause injury to the public.

863 (2) In the investigation by the department or office of the  
864 alleged misconduct, the individual or entity licensee shall,  
865 whenever so required by the department or office, cause the  
866 individual's or entity's ~~his or her~~ books and records to be open  
867 for inspection for the purpose of such inquiries.

868 (3) The complaints against an individual or entity ~~any~~  
869 licensee may be informally alleged and are not required to  
870 include language ~~need not be in any such language as is~~

576-04646-13

20131046c2

871 necessary to charge a crime on an indictment or information.

872 (4) The expense for ~~any~~ hearings or investigations  
873 conducted under this law, as well as the fees and mileage of  
874 witnesses, may be paid out of the appropriate fund.

875 (5) If the department or office, after investigation, has  
876 reason to believe that an individual ~~a licensee~~ may have been  
877 found guilty of or pleaded guilty or nolo contendere to a felony  
878 or a crime related to the business of insurance in this or any  
879 other state or jurisdiction, the department or office may  
880 require the individual licensee to file with the department or  
881 office a complete set of his or her fingerprints, which must  
882 ~~shall~~ be accompanied by the fingerprint processing fee set forth  
883 in s. 624.501. The fingerprints shall be taken by an authorized  
884 law enforcement agency or other department-approved entity.

885 (6) The complaint and ~~any~~ information obtained pursuant to  
886 the investigation by the department or office are confidential  
887 and are exempt from ~~the provisions of~~ s. 119.07, unless the  
888 department or office files a formal administrative complaint,  
889 emergency order, or consent order against the individual or  
890 entity licensee. ~~Nothing in~~ This subsection does not ~~shall be~~  
891 ~~construed to~~ prevent the department or office from disclosing  
892 the complaint or such information as it deems necessary to  
893 conduct the investigation, to update the complainant as to the  
894 status and outcome of the complaint, or to share such  
895 information with a ~~any~~ law enforcement agency.

896 Section 14. Section 626.747, Florida Statutes, is repealed.

897 Section 15. Paragraph (b) of subsection (1) of section  
898 626.8411, Florida Statutes, is amended to read:

899 626.8411 Application of Florida Insurance Code provisions

576-04646-13

20131046c2

900 to title insurance agents or agencies.-

901 (1) The following provisions of part II applicable to  
902 general lines agents or agencies also apply to title insurance  
903 agents or agencies:

904 (b) Section 626.0428(4)(a) and (b) ~~626.747~~, relating to  
905 branch agencies.

906 Section 16. Paragraph (c) of subsection (2) and subsection  
907 (3) of section 626.8805, Florida Statutes, is amended to read:  
908 626.8805 Certificate of authority to act as administrator.-

909 (2) The administrator shall file with the office an  
910 application for a certificate of authority upon a form to be  
911 adopted by the commission and furnished by the office, which  
912 application shall include or have attached the following  
913 information and documents:

914 (c) The names, addresses, official positions, and  
915 professional qualifications of the individuals who are employed  
916 or retained by the administrator and who are responsible for the  
917 conduct of the affairs of the administrator, including all  
918 members of the board of directors, board of trustees, executive  
919 committee, or other governing board or committee, and the  
920 principal officers in the case of a corporation or the partners  
921 or members in the case of a partnership or association of the  
922 ~~administrator, and any other person who exercises control or~~  
923 ~~influence over the affairs of the administrator.~~

924 (3) The applicant shall make available for inspection by  
925 the office copies of all contracts relating to services provided  
926 by the administrator to ~~with~~ insurers or other persons utilizing  
927 the services of the administrator.

928 Section 17. Subsections (1) and (3) of section 626.8817,

576-04646-13

20131046c2

929 Florida Statutes, are amended to read:

930       626.8817 Responsibilities of insurance company with respect  
931 to administration of coverage insured.—

932       (1) If an insurer uses the services of an administrator,  
933 the insurer is responsible for determining the benefits, premium  
934 rates, underwriting criteria, and claims payment procedures  
935 applicable to the coverage and for securing reinsurance, if any.  
936 The rules pertaining to these matters shall be provided, in  
937 writing, by the insurer, or its designee, to the administrator.  
938 The responsibilities of the administrator as to any of these  
939 matters shall be set forth in a the written agreement binding  
940 upon ~~between~~ the administrator and the insurer.

941       (3) In cases in which an administrator administers benefits  
942 for more than 100 certificateholders on behalf of an insurer,  
943 the insurer shall, at least semiannually, conduct a review of  
944 the operations of the administrator. At least one such review  
945 must be an onsite audit of the operations of the administrator.  
946 The insurer may contract with a qualified third party to conduct  
947 such examination.

948       Section 18. Subsections (1) and (4) of section 626.882,  
949 Florida Statutes, are amended to read:

950       626.882 Agreement between administrator and insurer;  
951 required provisions; maintenance of records.—

952       (1) A ~~No~~ person may not act as an administrator without a  
953 written agreement, as required under s. 626.8817, which  
954 specifies the rights, duties and obligations of the ~~between such~~  
955 ~~person as~~ administrator and ~~an~~ insurer.

956       (4) If a policy is issued to a trustee or trustees, a copy  
957 of the trust agreement and any amendments to that agreement

576-04646-13

20131046c2

958 shall be furnished to the insurer or its designee by the  
959 administrator and shall be retained as part of the official  
960 records of both the administrator and the insurer for the  
961 duration of the policy and for 5 years thereafter.

962 Section 19. Subsections (3), (4), and (5) of section  
963 626.883, Florida Statutes, are amended to read:

964 626.883 Administrator as intermediary; collections held in  
965 fiduciary capacity; establishment of account; disbursement;  
966 payments on behalf of insurer.—

967 (3) If charges or premiums deposited in a fiduciary account  
968 have been collected on behalf of or for more than one insurer,  
969 the administrator shall keep records clearly recording the  
970 deposits in and withdrawals from such account on behalf of or  
971 for each insurer. The administrator shall, upon request of an  
972 insurer or its designee, furnish such insurer with copies of  
973 records pertaining to deposits and withdrawals on behalf of or  
974 for such insurer.

975 (4) The administrator may not pay a ~~any~~ claim by  
976 withdrawals from a fiduciary account. Withdrawals from such  
977 account shall be made as provided in the written agreement  
978 required under ss. 626.8817 and 626.882 ~~between the~~  
979 ~~administrator and the insurer~~ for any of the following:

980 (a) Remittance to an insurer entitled to such remittance.

981 (b) Deposit in an account maintained in the name of such  
982 insurer.

983 (c) Transfer to and deposit in a claims-paying account,  
984 with claims to be paid as provided by such insurer.

985 (d) Payment to a group policyholder for remittance to the  
986 insurer entitled to such remittance.

576-04646-13

20131046c2

987 (e) Payment to the administrator of the commission, fees,  
988 or charges of the administrator.

989 (f) Remittance of return premium to the person or persons  
990 entitled to such return premium.

991 (5) All claims paid by the administrator from funds  
992 collected on behalf of the insurer shall be paid only on drafts  
993 of, and as authorized by, such insurer or its designee.

994 Section 20. Subsection (3) of section 626.884, Florida  
995 Statutes, is amended to read:

996 626.884 Maintenance of records by administrator; access;  
997 confidentiality.-

998 (3) The insurer shall retain the right of continuing access  
999 to books and records maintained by the administrator sufficient  
1000 to permit the insurer to fulfill all of its contractual  
1001 obligations to insured persons, subject to any restrictions in  
1002 the written agreement pertaining to ~~between the insurer and the~~  
1003 ~~administrator~~ on the proprietary rights of the parties in such  
1004 books and records.

1005 Section 21. Subsections (1) and (2) of section 626.89,  
1006 Florida Statutes, are amended to read:

1007 626.89 Annual financial statement and filing fee; notice of  
1008 change of ownership.-

1009 (1) Each authorized administrator shall file with the  
1010 office a full and true statement of its financial condition,  
1011 transactions, and affairs. The statement shall be filed annually  
1012 on or before April ~~March~~ 1 or within such extension of time  
1013 therefor as the office for good cause may have granted and shall  
1014 be for the preceding calendar year or fiscal year, if the  
1015 administrator's accounting is on a fiscal year basis. The

576-04646-13

20131046c2

1016 statement shall be in such form and contain such matters as the  
1017 commission prescribes and shall be verified by at least two  
1018 officers of such administrator. ~~An administrator whose sole~~  
1019 ~~stockholder is an association representing health care providers~~  
1020 ~~which is not an affiliate of an insurer, an administrator of a~~  
1021 ~~pooled governmental self-insurance program, or an administrator~~  
1022 ~~that is a university may submit the preceding fiscal year's~~  
1023 ~~statement within 2 months after its fiscal year end.~~

1024 (2) Each authorized administrator shall also file an  
1025 audited financial statement performed by an independent  
1026 certified public accountant. The audited financial statement  
1027 shall be filed with the office on or before July ~~June~~ 1 for the  
1028 preceding calendar or fiscal year ending ~~December 31.~~ ~~An~~  
1029 ~~administrator whose sole stockholder is an association~~  
1030 ~~representing health care providers which is not an affiliate of~~  
1031 ~~an insurer, an administrator of a pooled governmental self-~~  
1032 ~~insurance program, or an administrator that is a university may~~  
1033 ~~submit the preceding fiscal year's audited financial statement~~  
1034 ~~within 5 months after the end of its fiscal year.~~ An audited  
1035 financial statement prepared on a consolidated basis must  
1036 include a columnar consolidating or combining worksheet that  
1037 must be filed with the statement and must comply with the  
1038 following:

1039 (a) Amounts shown on the consolidated audited financial  
1040 statement must be shown on the worksheet;

1041 (b) Amounts for each entity must be stated separately; and

1042 (c) Explanations of consolidating and eliminating entries  
1043 must be included.

1044 Section 22. Section 626.931, Florida Statutes, is amended

576-04646-13

20131046c2

1045 to read:

1046           626.931 ~~Agent affidavit~~ and Insurer reporting  
1047 requirements.-

1048           ~~(1) Each surplus lines agent shall on or before the 45th~~  
1049 ~~day following each calendar quarter file with the Florida~~  
1050 ~~Surplus Lines Service Office an affidavit, on forms as~~  
1051 ~~prescribed and furnished by the Florida Surplus Lines Service~~  
1052 ~~Office, stating that all surplus lines insurance transacted by~~  
1053 ~~him or her during such calendar quarter has been submitted to~~  
1054 ~~the Florida Surplus Lines Service Office as required.~~

1055           ~~(2) The affidavit of the surplus lines agent shall include~~  
1056 ~~efforts made to place coverages with authorized insurers and the~~  
1057 ~~results thereof.~~

1058           (1)~~(3)~~ Each foreign insurer accepting premiums shall, on or  
1059 before the end of the month following each calendar quarter,  
1060 file with the Florida Surplus Lines Service Office a verified  
1061 report of all surplus lines insurance transacted by such insurer  
1062 for insurance risks located in this state during such calendar  
1063 quarter.

1064           (2)~~(4)~~ Each alien insurer accepting premiums shall, on or  
1065 before June 30 of each year, file with the Florida Surplus Lines  
1066 Service Office a verified report of all surplus lines insurance  
1067 transacted by such insurer for insurance risks located in this  
1068 state during the preceding calendar year.

1069           (3)~~(5)~~ The department may waive the filing requirements  
1070 described in subsections (1) ~~(3)~~ and (2) ~~(4)~~.

1071           (4)~~(6)~~ Each insurer's report and supporting information  
1072 shall be in a computer-readable format as determined by the  
1073 Florida Surplus Lines Service Office or shall be submitted on

576-04646-13

20131046c2

1074 forms prescribed by the Florida Surplus Lines Service Office and  
1075 shall show for each applicable agent:

1076 (a) A listing of all policies, certificates, cover notes,  
1077 or other forms of confirmation of insurance coverage or any  
1078 substitutions thereof or endorsements thereto and the  
1079 identifying number; and

1080 (b) Any additional information required by the department  
1081 or Florida Surplus Lines Service Office.

1082 Section 23. Paragraph (a) of subsection (2) of section  
1083 626.932, Florida Statutes, is amended to read:

1084 626.932 Surplus lines tax.—

1085 (2) (a) The surplus lines agent shall make payable to the  
1086 department the tax related to each calendar quarter's business  
1087 as reported to the Florida Surplus Lines Service Office, and  
1088 remit the tax to the Florida Surplus Lines Service Office on or  
1089 before the 45th day following each calendar quarter ~~at the same~~  
1090 ~~time as provided for the filing of the quarterly affidavit,~~  
1091 ~~under s. 626.931.~~ The Florida Surplus Lines Service Office shall  
1092 forward to the department the taxes and any interest collected  
1093 pursuant to paragraph (b), within 10 days after ~~of~~ receipt.

1094 Section 24. Subsection (1) of section 626.935, Florida  
1095 Statutes, is amended to read:

1096 626.935 Suspension, revocation, or refusal of surplus lines  
1097 agent's license.—

1098 (1) The department shall deny an application for, suspend,  
1099 revoke, or refuse to renew the appointment of a surplus lines  
1100 agent and all other licenses and appointments held by the  
1101 licensee under this code, on any of the following grounds:

1102 (a) Removal of the licensee's office from the licensee's

576-04646-13

20131046c2

1103 state of residence.

1104 (b) Removal of the accounts and records of his or her  
1105 surplus lines business from this state or the licensee's state  
1106 of residence during the period when such accounts and records  
1107 are required to be maintained under s. 626.930.

1108 (c) Closure of the licensee's office for more than 30  
1109 consecutive days.

1110 ~~(d) Failure to make and file his or her affidavit or~~  
1111 ~~reports when due as required by s. 626.931.~~

1112 (d) ~~(e)~~ Failure to pay the tax or service fee on surplus  
1113 lines premiums, as provided in the Surplus Lines Law.

1114 (e) ~~(f)~~ Suspension, revocation, or refusal to renew or  
1115 continue the license or appointment as a general lines agent,  
1116 service representative, or managing general agent.

1117 (f) ~~(g)~~ Lack of qualifications as for an original surplus  
1118 lines agent's license.

1119 (g) ~~(h)~~ Violation of this Surplus Lines Law.

1120 (h) ~~(i)~~ For any other applicable cause for which the license  
1121 of a general lines agent could be suspended, revoked, or refused  
1122 under s. 626.611 or s. 626.621.

1123 Section 25. Subsection (1) of section 626.936, Florida  
1124 Statutes, is amended to read:

1125 626.936 Failure to file reports or pay tax or service fee;  
1126 administrative penalty.—

1127 (1) A ~~Any~~ licensed surplus lines agent who neglects to file  
1128 a report ~~or an affidavit~~ in the form and within the time  
1129 required or provided for in the Surplus Lines Law may be fined  
1130 up to \$50 per day for each day the neglect continues, beginning  
1131 the day after the report ~~or affidavit~~ was due until the date the

576-04646-13

20131046c2

1132 report ~~or affidavit~~ is received. All sums collected under this  
1133 section shall be deposited into the Insurance Regulatory Trust  
1134 Fund.

1135 Section 26. Paragraph (b) of subsection (2) of section  
1136 627.062, Florida Statutes, is amended to read:

1137 627.062 Rate standards.—

1138 (2) As to all such classes of insurance:

1139 (b) Upon receiving a rate filing, the office shall review  
1140 the filing to determine if a rate is excessive, inadequate, or  
1141 unfairly discriminatory. In making that determination, the  
1142 office shall, in accordance with generally accepted and  
1143 reasonable actuarial techniques, consider the following factors:

1144 1. Past and prospective loss experience within and without  
1145 this state.

1146 2. Past and prospective expenses.

1147 3. The degree of competition among insurers for the risk  
1148 insured.

1149 4. Investment income reasonably expected by the insurer,  
1150 consistent with the insurer's investment practices, from  
1151 investable premiums anticipated in the filing, plus any other  
1152 expected income from currently invested assets representing the  
1153 amount expected on unearned premium reserves and loss reserves.  
1154 The commission may adopt rules using reasonable techniques of  
1155 actuarial science and economics to specify the manner in which  
1156 insurers calculate investment income attributable to classes of  
1157 insurance written in this state and the manner in which  
1158 investment income is used to calculate insurance rates. Such  
1159 manner must contemplate allowances for an underwriting profit  
1160 factor and full consideration of investment income which produce

576-04646-13

20131046c2

1161 a reasonable rate of return; however, investment income from  
1162 invested surplus may not be considered.

1163 5. The reasonableness of the judgment reflected in the  
1164 filing.

1165 6. Dividends, savings, or unabsorbed premium deposits  
1166 allowed or returned to Florida policyholders, members, or  
1167 subscribers.

1168 7. The adequacy of loss reserves.

1169 8. The cost of reinsurance. The office may not disapprove a  
1170 rate as excessive solely due to the insurer having obtained  
1171 catastrophic reinsurance to cover the insurer's estimated 250-  
1172 year probable maximum loss or any lower level of loss.

1173 9. Trend factors, including trends in actual losses per  
1174 insured unit for the insurer making the filing.

1175 10. Conflagration and catastrophe hazards, if applicable.

1176 11. Projected hurricane losses, if applicable, which must  
1177 be estimated using a model or method, or a straight average of  
1178 model results or output ranges, independently found to be  
1179 acceptable or reliable by the Florida Commission on Hurricane  
1180 Loss Projection Methodology, and as further provided in s.  
1181 627.0628.

1182 12. A reasonable margin for underwriting profit and  
1183 contingencies.

1184 13. The cost of medical services, if applicable.

1185 14. Other relevant factors that affect the frequency or  
1186 severity of claims or expenses.

1187 Section 27. Paragraph (d) of subsection (3) of section  
1188 627.0628, Florida Statutes, is amended to read:

1189 627.0628 Florida Commission on Hurricane Loss Projection

576-04646-13

20131046c2

1190 Methodology; public records exemption; public meetings  
1191 exemption.—

1192 (3) ADOPTION AND EFFECT OF STANDARDS AND GUIDELINES.—

1193 (d) With respect to a rate filing under s. 627.062, an  
1194 insurer shall employ and may not modify or adjust actuarial  
1195 methods, principles, standards, models, or output ranges found  
1196 by the commission to be accurate or reliable in determining  
1197 hurricane loss factors for use in a rate filing under s.

1198 627.062. An insurer shall employ and may not modify or adjust  
1199 models found by the commission to be accurate or reliable in  
1200 determining probable maximum loss levels pursuant to paragraph  
1201 (b) with respect to a rate filing under s. 627.062 made more  
1202 than 180 ~~60~~ days after the commission has made such findings.

1203 This paragraph does not prohibit an insurer from using a  
1204 straight average of model results or output ranges or using  
1205 straight averages for the purposes of a rate filing under s.  
1206 627.062.

1207 Section 28. Present subsections (2) through (4) of section  
1208 627.072, Florida Statutes, are renumbered as subsections (3)  
1209 through (5), respectively, and a new subsection (2) is added to  
1210 that section, to read:

1211 627.072 Making and use of rates.—

1212 (2) A retrospective rating plan may contain a provision  
1213 that allows negotiation between the employer and the insurer to  
1214 determine the retrospective rating factors used to calculate the  
1215 premium for employers that have exposure in more than one state,  
1216 an estimated annual standard premium in this state of \$175,000,  
1217 and an estimated annual countrywide standard premium of \$1  
1218 million or more for workers' compensation.

576-04646-13

20131046c2

1219 Section 29. Subsection (2) of section 627.281, Florida  
1220 Statutes, is amended to read:

1221 627.281 Appeal from rating organization; workers'  
1222 compensation and employer's liability insurance filings.—

1223 (2) If such appeal is based upon the failure of the rating  
1224 organization to make a filing on behalf of such member or  
1225 subscriber which is based on a system of expense provisions  
1226 which differs, in accordance with the right granted in s.  
1227 627.072(3) ~~627.072(2)~~, from the system of expense provisions  
1228 included in a filing made by the rating organization, the office  
1229 shall, if it grants the appeal, order the rating organization to  
1230 make the requested filing for use by the appellant. In deciding  
1231 such appeal, the office shall apply the applicable standards set  
1232 forth in ss. 627.062 and 627.072.

1233 Section 30. Paragraphs (gg), (hh), and (ii) are added to  
1234 subsection (6) of section 627.351, Florida Statutes, to read:

1235 627.351 Insurance risk apportionment plans.—

1236 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

1237 (gg) At least once every 6 months, the corporation shall  
1238 submit a report to the office and the Insurance Consumer  
1239 Advocate disclosing:

1240 1. The total number of requests received for residential  
1241 sinkhole loss coverage;

1242 2. The total number of policies issued for residential  
1243 sinkhole loss coverage;

1244 3. The total number of requests declined for residential  
1245 sinkhole loss coverage; and

1246 4. The reasons for declining the requests for residential  
1247 sinkhole loss coverage.

576-04646-13

20131046c2

1248       (hh) The Legislature finds that it is in the public  
1249 interest that sinkhole loss claims are resolved by stabilizing  
1250 the land and structure and making repairs to the foundation of  
1251 the damaged structure. Therefore, a Citizens Sinkhole  
1252 Stabilization Repair Program is established by the corporation.  
1253 By March 31, 2014, any claim against a corporation policy that  
1254 covers residential sinkhole loss for which it is determined that  
1255 such loss has occurred must be included in and governed by the  
1256 repair program for the purpose of stabilizing the land and  
1257 structure and making repairs to the foundation.

1258       1. As used in this paragraph, the terms:

1259       a. "Engineering report" means the report issued pursuant to  
1260 s. 627.7073(1).

1261       b. "Recommendation of the engineer" means the  
1262 recommendation of the engineer engaged by the corporation  
1263 pursuant to s. 627.7073(1)(a)5.

1264       c. "Stabilization repairs" means stabilizing the land and  
1265 structure and making repairs to the foundation.

1266       d. "Stabilization repair contractor" means a contractor who  
1267 stabilizes the land and structure and makes repairs to the  
1268 foundation of the damaged structure.

1269       2. The repair program may be managed by the corporation or  
1270 a third-party administrator and, at a minimum, must include the  
1271 following components:

1272       a. The corporation may not require the policyholder to  
1273 advance payment for repairs.

1274       b. Stabilization repairs shall be conducted by  
1275 stabilization repair contractors selected from an approved  
1276 stabilization repair contractor pool procured by the corporation

576-04646-13

20131046c2

1277 pursuant to an open and transparent process. Each stabilization  
1278 repair contractor within the pool must be qualified and approved  
1279 by the corporation based upon criteria including the following  
1280 minimum requirements:

1281 (I) The stabilization repair contractor must be certified  
1282 as a contractor pursuant s. 489.113(1).

1283 (II) The stabilization repair contractor corporate entity  
1284 must demonstrate experience in stabilization of sinkhole  
1285 activity pursuant to requirements to be established by the  
1286 corporation.

1287 (III) The stabilization repair contractor must demonstrate  
1288 capacity to be bonded and provide performance, surety, or other  
1289 bonds as described in this section which may be supplemented by  
1290 additional requirements as determined by the corporation.

1291 (IV) The stabilization repair contractor must demonstrate  
1292 insurance coverage requirements, including, but not limited to,  
1293 commercial general liability coverage and workers' compensation,  
1294 to be established by the corporation.

1295 (V) The stabilization repair contractor must maintain a  
1296 valid drug-free workplace program.

1297 (VI) Such other requirements as established by the  
1298 corporation.

1299 c. Pursuant to the stabilization repair program, qualified  
1300 stabilization repair contractors shall be selected from the  
1301 approved stabilization repair contractor pool to stabilize the  
1302 land and structure and repair the foundation of the damaged  
1303 structure pursuant to a fixed-price contract between the  
1304 contractor and the corporation. Such contracts are not subject  
1305 to paragraph (6) (e) or s. 287.057. Pursuant to the terms of the

576-04646-13

20131046c2

1306 contract, the selected stabilization repair contractor is solely  
1307 responsible for the performance of all necessary stabilization  
1308 repairs specified in the engineering report and recommendations  
1309 of the engineer.

1310 d. The corporation shall develop a standard stabilization  
1311 repair contract for the purpose of stabilizing the land and  
1312 structure and repairing the foundation of all properties within  
1313 the program. The contract must include the following minimum  
1314 requirements:

1315 (I) The assigned stabilization repair contractor must agree  
1316 to make all stabilization repairs identified in the engineering  
1317 report based upon a fixed price.

1318 (II) Each stabilization repair contractor must post a  
1319 payment bond in favor of the corporation as obligee for each  
1320 project assigned and must post a performance bond, secured by a  
1321 third-party surety, in favor of the corporation as obligee, in a  
1322 principal amount equal to the total cost of all fixed-price  
1323 contracts annually awarded to that contractor.

1324 (III) In addition to the required performance bond, each  
1325 stabilization repair contractor must also provide a warranty,  
1326 secured by a third-party surety, to the policyholder which  
1327 covers all repairs provided by the stabilization repair  
1328 contractor for at least 5 years after completion of the  
1329 stabilization repairs.

1330 (IV) Throughout the course of the stabilization repairs  
1331 performed by the contractor, the engineer shall monitor the  
1332 property and confirm that stabilization has been satisfactorily  
1333 completed and that no further stabilization is necessary to  
1334 remedy the damage identified in the engineering report and

576-04646-13

20131046c2

1335 recommendation of the engineer.

1336 (V) If the engineer concludes that additional stabilization  
1337 repair is necessary to complete the repairs specified in the  
1338 engineering report and recommendations of the engineer, the  
1339 stabilization repair contractor must perform the additional  
1340 stabilization repairs at no cost to the corporation or the  
1341 policyholder. The contract between the corporation and the  
1342 contractor must contain provisions specifying the remedy and  
1343 sanctions for failing to perform such additional repairs.

1344 e. The corporation shall enter into contracts to perform  
1345 repairs pursuant to a process that includes, but is not limited  
1346 to, the following requirements:

1347 (I) Within 30 days after the completion of the engineering  
1348 report, the report shall be identified on a list which shall be  
1349 made available to all stabilization contractors.

1350 (II) The corporation shall establish a selection process  
1351 for assigning stabilization repair contractors to perform  
1352 repairs for each property within the program. The selection  
1353 process must include:

1354 (A) All stabilization repair contractors within the  
1355 stabilization repair contractor pool shall be provided with an  
1356 opportunity to submit an offer, that includes an itemized  
1357 statement of work, to perform the stabilization repairs  
1358 recommended in the engineering report.

1359 (B) The corporation shall review the offers and provide the  
1360 policyholder with a list of stabilization repair contractors  
1361 from which the policyholder shall be provided a reasonable time,  
1362 not to exceed 30 days, to participate in the selection by  
1363 choosing the stabilization repair contractor from among those

576-04646-13

20131046c2

1364 qualified contractors on the list provided by the corporation.

1365 (C) If the policyholder has not made such a selection  
1366 within the 30-day period described herein, the corporation may  
1367 make the selection.

1368 (D) The corporation may reserve the right to include any or  
1369 all contractors on the list provided to the policyholder based  
1370 upon quality, cost-effectiveness, and such other criteria as the  
1371 corporation shall determine.

1372 (III) If no stabilization repair contractor submits an  
1373 offer to perform the stabilization repairs for a property within  
1374 the program or all offers are above the policyholder's policy  
1375 limit, the corporation may enter the property into the selection  
1376 process again or the corporation may pay the policyholder an  
1377 amount up to the policy limits on the structure.

1378 f. The corporation is not responsible for serving as a  
1379 stabilization repair contractor. The corporation's obligations  
1380 pursuant to the repair program are not an election to repair by  
1381 the corporation and therefore do not imply or result in a new  
1382 contractual relationship with the policyholder.

1383 g. The corporation's liability related to repair activity,  
1384 including stabilization repairs pursuant to the sinkhole  
1385 stabilization program and all other repairs to the structure in  
1386 accordance with the terms of the policy, is no greater than the  
1387 policy limits on the structure.

1388 h. This section does not prohibit the corporation from  
1389 establishing a managed repair program for other repairs to the  
1390 structure in accordance with the terms of the policy.

1391 i. If a dispute arises between the corporation and the  
1392 policyholder as to the nature or extent of stabilization repairs

576-04646-13

20131046c2

1393 to be conducted under the program, the sole remedy for resolving  
1394 such disputes shall be specific performance.

1395 j. This section supersedes s. 627.707(5), except for  
1396 paragraph (5) (e).

1397 3. The corporation shall pay for other repairs to the  
1398 structure and contents in accordance with the terms of the  
1399 policy.

1400 (ii) A policy for residential property insurance issued by  
1401 the corporation must include a deductible amount applicable to  
1402 sinkhole losses, offered in amounts equal to 2 percent, 5  
1403 percent, and 10 percent of the policy dwelling limits, with  
1404 appropriate premium discounts offered with each deductible  
1405 amount.

1406 Section 31. Section 627.3519, Florida Statutes, is amended  
1407 to read:

1408 627.3519 Annual report of aggregate net probable maximum  
1409 losses, financing options, and potential assessments.—No later  
1410 than February 1 of each year, the Florida Hurricane Catastrophe  
1411 Fund and Citizens Property Insurance Corporation Financial  
1412 Services Commission shall provide to the Legislature and the  
1413 Financial Services Commission a report of their respective ~~the~~  
1414 aggregate net probable maximum losses, financing options, and  
1415 potential assessments ~~of the Florida Hurricane Catastrophe Fund~~  
1416 ~~and Citizens Property Insurance Corporation~~. The report of the  
1417 fund and the corporation must include their ~~the~~ respective 50-  
1418 year, 100-year, and 250-year probable maximum losses ~~of the fund~~  
1419 ~~and the corporation~~; analysis of all reasonable financing  
1420 strategies for each such probable maximum loss, including the  
1421 amount and term of debt instruments; specification of the

576-04646-13

20131046c2

1422 percentage assessments that would be needed to support each of  
1423 the financing strategies; and calculations of the aggregate  
1424 assessment burden on Florida property and casualty policyholders  
1425 for each of the probable maximum losses. ~~The commission shall~~  
1426 ~~require the fund and the corporation to provide the commission~~  
1427 ~~with such data and analysis as the commission considers~~  
1428 ~~necessary to prepare the report.~~

1429 Section 32. Paragraph (b) of subsection (2) of section  
1430 627.4133, Florida Statutes, is amended to read:

1431 627.4133 Notice of cancellation, nonrenewal, or renewal  
1432 premium.—

1433 (2) With respect to any personal lines or commercial  
1434 residential property insurance policy, including, but not  
1435 limited to, any homeowner's, mobile home owner's, farmowner's,  
1436 condominium association, condominium unit owner's, apartment  
1437 building, or other policy covering a residential structure or  
1438 its contents:

1439 (b) The insurer shall give the first-named insured written  
1440 notice of nonrenewal, cancellation, or termination at least 120  
1441 ~~100~~ days before the effective date of the nonrenewal,  
1442 cancellation, or termination. ~~However, the insurer shall give at~~  
1443 ~~least 100 days' written notice, or written notice by June 1,~~  
1444 ~~whichever is earlier, for any nonrenewal, cancellation, or~~  
1445 ~~termination that would be effective between June 1 and November~~  
1446 ~~30.~~ The notice must include the reason or reasons for the  
1447 nonrenewal, cancellation, or termination, except that:

1448 ~~1. The insurer shall give the first-named insured written~~  
1449 ~~notice of nonrenewal, cancellation, or termination at least 120~~  
1450 ~~days prior to the effective date of the nonrenewal,~~

576-04646-13

20131046c2

1451 ~~cancellation, or termination for a first named insured whose~~  
1452 ~~residential structure has been insured by that insurer or an~~  
1453 ~~affiliated insurer for at least a 5-year period immediately~~  
1454 ~~prior to the date of the written notice.~~

1455 1.2. If cancellation is for nonpayment of premium, at least  
1456 10 days' written notice of cancellation accompanied by the  
1457 reason therefor must be given. As used in this subparagraph, the  
1458 term "nonpayment of premium" means failure of the named insured  
1459 to discharge when due her or his obligations for ~~in connection~~  
1460 ~~with~~ the payment of premiums on a policy or an ~~any~~ installment  
1461 of such premium, whether the premium is payable directly to the  
1462 insurer or its agent or indirectly under a ~~any~~ premium finance  
1463 plan or extension of credit, or failure to maintain membership  
1464 in an organization if such membership is a condition precedent  
1465 to insurance coverage. The term also means the failure of a  
1466 financial institution to honor an insurance applicant's check  
1467 after delivery to a licensed agent for payment of a premium,  
1468 even if the agent has previously delivered or transferred the  
1469 premium to the insurer. If a dishonored check represents the  
1470 initial premium payment, the contract and all contractual  
1471 obligations are void ab initio unless the nonpayment is cured  
1472 within the earlier of 5 days after actual notice by certified  
1473 mail is received by the applicant or 15 days after notice is  
1474 sent to the applicant by certified mail or registered mail, ~~and~~  
1475 If the contract is void, any premium received by the insurer  
1476 from a third party must be refunded to that party in full.

1477 2.3. If ~~such~~ cancellation or termination occurs during the  
1478 first 90 days the insurance is in force and the insurance is  
1479 canceled or terminated for reasons other than nonpayment of

576-04646-13

20131046c2

1480 premium, at least 20 days' written notice of cancellation or  
1481 termination accompanied by the reason therefor must be given  
1482 unless there has been a material misstatement or  
1483 misrepresentation or failure to comply with the underwriting  
1484 requirements established by the insurer.

1485 3. After the policy has been in effect for 90 days, the  
1486 policy may not be canceled by the insurer unless there has been  
1487 a material misstatement, a nonpayment of premium, a failure to  
1488 comply with underwriting requirements established by the insurer  
1489 within 90 days after the date of effectuation of coverage, a  
1490 substantial change in the risk covered by the policy, or the  
1491 cancellation is for all insureds under such policies for a given  
1492 class of insureds. This subparagraph does not apply to  
1493 individually rated risks having a policy term of less than 90  
1494 days.

1495 ~~4. The requirement for providing written notice by June 1~~  
1496 ~~of any nonrenewal that would be effective between June 1 and~~  
1497 ~~November 30 does not apply to the following situations, but the~~  
1498 ~~insurer remains subject to the requirement to provide such~~  
1499 ~~notice at least 100 days before the effective date of~~  
1500 ~~nonrenewal:~~

1501 ~~a. A policy that is nonrenewed due to a revision in the~~  
1502 ~~coverage for sinkhole losses and catastrophic ground cover~~  
1503 ~~collapse pursuant to s. 627.706.~~

1504 ~~4.b.~~ A policy that is nonrenewed by Citizens Property  
1505 Insurance Corporation, pursuant to s. 627.351(6), for a policy  
1506 that has been assumed by an authorized insurer offering  
1507 replacement coverage to the policyholder is exempt from the  
1508 notice requirements of paragraph (a) and this paragraph. In such

576-04646-13

20131046c2

1509 cases, the corporation must give the named insured written  
1510 notice of nonrenewal at least 45 days before the effective date  
1511 of the nonrenewal.

1512  
1513 ~~After the policy has been in effect for 90 days, the policy may~~  
1514 ~~not be canceled by the insurer unless there has been a material~~  
1515 ~~misstatement, a nonpayment of premium, a failure to comply with~~  
1516 ~~underwriting requirements established by the insurer within 90~~  
1517 ~~days after the date of effectuation of coverage, or a~~  
1518 ~~substantial change in the risk covered by the policy or if the~~  
1519 ~~cancellation is for all insureds under such policies for a given~~  
1520 ~~class of insureds. This paragraph does not apply to individually~~  
1521 ~~rated risks having a policy term of less than 90 days.~~

1522         5. Notwithstanding any other provision of law, an insurer  
1523 may cancel or nonrenew a property insurance policy after at  
1524 least 45 days' notice if the office finds that the early  
1525 cancellation of some or all of the insurer's policies is  
1526 necessary to protect the best interests of the public or  
1527 policyholders and the office approves the insurer's plan for  
1528 early cancellation or nonrenewal of some or all of its policies.  
1529 The office may base such finding upon the financial condition of  
1530 the insurer, lack of adequate reinsurance coverage for hurricane  
1531 risk, or other relevant factors. The office may condition its  
1532 finding on the consent of the insurer to be placed under  
1533 administrative supervision pursuant to s. 624.81 or to the  
1534 appointment of a receiver under chapter 631.

1535         6. A policy covering both a home and motor vehicle may be  
1536 nonrenewed for any reason applicable to ~~either~~ the property or  
1537 motor vehicle insurance after providing 90 days' notice.

576-04646-13

20131046c2

1538 Section 33. Subsection (1) of section 627.4137, Florida  
1539 Statutes, is amended to read:

1540 627.4137 Disclosure of certain information required.-

1541 (1) Each insurer that provides ~~which does~~ or may provide  
1542 liability insurance coverage to pay all or a portion of a ~~any~~  
1543 claim that ~~which~~ might be made shall provide, within 30 days  
1544 after ~~of~~ the written request of the claimant, a statement, under  
1545 oath, of a corporate officer or the insurer's claims manager, or  
1546 superintendent, or licensed company adjuster setting forth the  
1547 following information with regard to each known policy of  
1548 insurance, including excess or umbrella insurance:

1549 (a) The name of the insurer.

1550 (b) The name of each insured.

1551 (c) The limits of the liability coverage.

1552 (d) A statement of any policy or coverage defense that the  
1553 ~~which such~~ insurer reasonably believes is available to the ~~such~~  
1554 insurer at the time of filing such statement.

1555 (e) A copy of the policy.

1556

1557 In addition, the insured, or her or his insurance agent, upon  
1558 written request of the claimant or the claimant's attorney,  
1559 shall disclose the name and coverage of each known insurer to  
1560 the claimant and shall forward such request for information as  
1561 required by this subsection to all affected insurers. The  
1562 insurer shall then supply the information required in this  
1563 subsection to the claimant within 30 days after ~~of~~ receipt of  
1564 such request.

1565 Section 34. Subsection (1) of section 627.421, Florida  
1566 Statutes, is amended to read:

576-04646-13

20131046c2

1567 627.421 Delivery of policy.—

1568 (1) Subject to the insurer's requirement as to payment of  
1569 premium, every policy shall be mailed or delivered to the  
1570 insured or to the person entitled thereto not later than 60 days  
1571 after the effectuation of coverage. Notwithstanding any other  
1572 provision of law, an insurer may allow a policyholder of  
1573 personal lines insurance to affirmatively elect delivery of the  
1574 policy documents, including, but not limited to, policies,  
1575 endorsements, notices, or documents, by electronic means in lieu  
1576 of delivery by mail.

1577 Section 35. Subsection (2) of section 627.43141, Florida  
1578 Statutes, is amended to read:

1579 627.43141 Notice of change in policy terms.—

1580 (2) A renewal policy may contain a change in policy terms.  
1581 If a renewal policy contains ~~does contain~~ such change, the  
1582 insurer must give the named insured written notice of the  
1583 change, which may either ~~must~~ be enclosed along with the written  
1584 notice of renewal premium required by ss. 627.4133 and 627.728  
1585 or sent in a separate notice that complies with the nonrenewal  
1586 mailing time requirement for that particular line of business.  
1587 The insurer must also provide a sample copy of the notice to the  
1588 insured's insurance agent before or at the same time that notice  
1589 is given to the insured. Such notice shall be entitled "Notice  
1590 of Change in Policy Terms."

1591 Section 36. Section 627.6484, Florida Statutes, is amended  
1592 to read:

1593 627.6484 Dissolution of association; termination of  
1594 enrollment; availability of other coverage.—

1595 (1) The association shall accept applications for insurance

576-04646-13

20131046c2

1596 only until June 30, 1991, after which date no further  
1597 applications may be accepted. ~~Upon receipt of an application for~~  
1598 ~~insurance, the association shall issue coverage for an eligible~~  
1599 ~~applicant. When appropriate, the administrator shall forward a~~  
1600 ~~copy of the application to a market assistance plan created by~~  
1601 ~~the office, which shall conduct a diligent search of the private~~  
1602 ~~marketplace for a carrier willing to accept the application.~~

1603 (2) Coverage for each policyholder of the association  
1604 terminates at midnight, June 30, 2014, or on the date that  
1605 health insurance coverage is effective with another insurer,  
1606 whichever occurs first, and such coverage may not be renewed.

1607 (3) The association shall provide assistance to each  
1608 policyholder concerning how to obtain health insurance coverage.  
1609 Such assistance must include:

1610 (a) The identification of insurers and health maintenance  
1611 organizations offering coverage in the individual market,  
1612 including coverage inside and outside of the Health Insurance  
1613 Exchange;

1614 (b) A basic explanation of the levels of coverage  
1615 available; and

1616 (c) Specific information relating to local and online  
1617 sources from which a policyholder may obtain detailed policy and  
1618 premium comparisons and directly obtain coverage.

1619 (4) The association shall provide written notice to all  
1620 policyholders by September 1, 2013, which informs each  
1621 policyholder with respect to:

1622 (a) The date that coverage with the association is  
1623 terminated and that such coverage may not be renewed.

1624 (b) The opportunity for the policyholder to obtain

576-04646-13

20131046c2

1625 individual health insurance coverage on a guaranteed-issue  
1626 basis, regardless of policyholder's health status, from a health  
1627 insurer or health maintenance organization that offers coverage  
1628 in the individual market, including the dates of open enrollment  
1629 periods for obtaining such coverage.

1630 (c) How to access coverage through the Health Insurance  
1631 Exchange established for this state pursuant to the Patient  
1632 Protection and Affordable Care Act and the potential for  
1633 obtaining reduced premiums and cost-sharing provisions depending  
1634 on the policyholder's family income level.

1635 (d) Contact information for a representative of the  
1636 association who is able to provide additional information about  
1637 obtaining individual health insurance coverage both inside and  
1638 outside of the Health Insurance Exchange.

1639 (5) After termination of coverage, the association must  
1640 continue to receive and process timely submitted claims in  
1641 accordance with the laws of this state.

1642 (6) By March 15, 2015, the association shall determine the  
1643 final assessment to be collected from insurers for funding  
1644 claims and administrative expenses of the association or, if  
1645 surplus funds remain, shall determine the refund amount to be  
1646 provided to each insurer based on the same pro rata formula used  
1647 for determining each insurer's assessment.

1648 (7) By September 1, 2015, the board must:

1649 (a) Complete performance of all program responsibilities.

1650 (b) Sell or otherwise dispose of all physical assets of the  
1651 association.

1652 (c) Make a final accounting of the finances of the  
1653 association.

576-04646-13

20131046c2

1654       (d) Transfer all records to the Department of Financial  
1655 Services, which shall serve as custodian of such records.

1656       (e) Execute a legal dissolution of the association and  
1657 report such action to the Chief Financial Officer, the Insurance  
1658 Commissioner, the President of the Senate, and the Speaker of  
1659 the House of Representatives.

1660       ~~(2) The office shall, after consultation with the health~~  
1661 ~~insurers licensed in this state, adopt a market assistance plan~~  
1662 ~~to assist in the placement of risks of Florida Comprehensive~~  
1663 ~~Health Association applicants. All health insurers and health~~  
1664 ~~maintenance organizations licensed in this state shall~~  
1665 ~~participate in the plan.~~

1666       ~~(3) Guidelines for the use of such program shall be a part~~  
1667 ~~of the association's plan of operation. The guidelines shall~~  
1668 ~~describe which types of applications are to be exempt from~~  
1669 ~~submission to the market assistance plan. An exemption shall be~~  
1670 ~~based upon a determination that due to a specific health~~  
1671 ~~condition an applicant is ineligible for coverage in the~~  
1672 ~~standard market. The guidelines shall also describe how the~~  
1673 ~~market assistance plan is to be conducted, and how the periodic~~  
1674 ~~reviews to depopulate the association are to be conducted.~~

1675       ~~(4) If a carrier is found through the market assistance~~  
1676 ~~plan, the individual shall apply to that company. If the~~  
1677 ~~individual's application is accepted, association coverage shall~~  
1678 ~~terminate upon the effective date of the coverage with the~~  
1679 ~~private carrier. For the purpose of applying a preexisting~~  
1680 ~~condition limitation or exclusion, any carrier accepting a risk~~  
1681 ~~pursuant to this section shall provide coverage as if it began~~  
1682 ~~on the date coverage was effectuated on behalf of the~~

576-04646-13

20131046c2

1683 ~~association, and shall be indemnified by the association for~~  
1684 ~~claims costs incurred as a result of utilizing such effective~~  
1685 ~~date.~~

1686 ~~(5) The association shall establish a policyholder~~  
1687 ~~assistance program by July 1, 1991, to assist in placing~~  
1688 ~~eligible policyholders in other coverage programs, including~~  
1689 ~~Medicare and Medicaid.~~

1690 Section 37. Section 627.64872, Florida Statutes, is  
1691 repealed.

1692 Section 38. Effective October 1, 2015, sections 627.648,  
1693 627.6482, 627.6484, 627.6486, 627.6488, 627.6489, 627.649,  
1694 627.6492, 627.6494, 627.6496, 627.6498, and 627.6499, Florida  
1695 Statutes, are repealed.

1696 Section 39. Paragraph (b) of subsection (4) of section  
1697 627.7015, Florida Statutes, is amended to read:

1698 627.7015 Alternative procedure for resolution of disputed  
1699 property insurance claims.—

1700 (4) The department shall adopt by rule a property insurance  
1701 mediation program to be administered by the department or its  
1702 designee. The department may also adopt special rules which are  
1703 applicable in cases of an emergency within the state. The rules  
1704 shall be modeled after practices and procedures set forth in  
1705 mediation rules of procedure adopted by the Supreme Court. The  
1706 rules shall provide for:

1707 (b) Qualifications, denial of application, suspension,  
1708 revocation, and other penalties for ~~of~~ mediators as provided in  
1709 s. 627.745 and in the Florida Rules of Certified and Court  
1710 Appointed Mediators, ~~and for such other individuals as are~~  
1711 ~~qualified by education, training, or experience as the~~

576-04646-13

20131046c2

1712 ~~department determines to be appropriate.~~

1713 Section 40. Section 627.70151, Florida Statutes, is created  
1714 to read:

1715 627.70151 Appraisal; conflicts of interest.—An insurer that  
1716 offers residential coverage, as defined in s. 627.4025, or a  
1717 policyholder that uses an appraisal clause in the property  
1718 insurance contract to establish a process of estimating or  
1719 evaluating the amount of the loss through the use of an  
1720 impartial umpire may challenge the umpire's impartiality and  
1721 disqualify the proposed umpire only if:

1722 (1) A familial relationship within the third degree exists  
1723 between the umpire and any party or a representative of any  
1724 party;

1725 (2) The umpire has previously represented any party or a  
1726 representative of any party in a professional capacity in the  
1727 same or a substantially related matter;

1728 (3) The umpire has represented another person in a  
1729 professional capacity on the same or a substantially related  
1730 matter, which includes the claim, same property, or an adjacent  
1731 property and that other person's interests are materially  
1732 adverse to the interests of any party; or

1733 (4) The umpire has worked as an employer or employee of any  
1734 party within the preceding 5 years.

1735 Section 41. Paragraph (c) of subsection (2) of section  
1736 627.706, Florida Statutes, is amended to read:

1737 627.706 Sinkhole insurance; catastrophic ground cover  
1738 collapse; definitions.—

1739 (2) As used in ss. 627.706-627.7074, and as used in  
1740 connection with any policy providing coverage for a catastrophic

576-04646-13

20131046c2

1741 ground cover collapse or for sinkhole losses, the term:

1742 (c) "Neutral evaluator" means a professional engineer or a  
1743 professional geologist who has completed a course of study in  
1744 alternative dispute resolution designed or approved by the  
1745 department for use in the neutral evaluation process, and who is  
1746 determined by the department to be fair and impartial, and who  
1747 is not otherwise ineligible for certification as provided in s.  
1748 627.7074.

1749 Section 42. Subsection (1) of section 627.7074, Florida  
1750 Statutes, is amended to read:

1751 627.7074 Alternative procedure for resolution of disputed  
1752 sinkhole insurance claims.—

1753 (1) The department shall:

1754 (a) Certify and maintain a list of persons who are neutral  
1755 evaluators.

1756 (b) Adopt rules for certifying, denying certification,  
1757 suspending certification, and revoking certification as a  
1758 neutral evaluator, in keeping with qualifications specified in  
1759 this section and ss. 627.706 and 627.745(4).

1760 (c) ~~(b)~~ Prepare a consumer information pamphlet for  
1761 distribution by insurers to policyholders which clearly  
1762 describes the neutral evaluation process and includes  
1763 information necessary for the policyholder to request a neutral  
1764 evaluation.

1765 Section 43. Paragraph (a) of subsection (5) of section  
1766 627.736, Florida Statutes, is amended to read:

1767 627.736 Required personal injury protection benefits;  
1768 exclusions; priority; claims.—

1769 (5) CHARGES FOR TREATMENT OF INJURED PERSONS.—

576-04646-13

20131046c2

1770 (a) A physician, hospital, clinic, or other person or  
1771 institution lawfully rendering treatment to an injured person  
1772 for a bodily injury covered by personal injury protection  
1773 insurance may charge the insurer and injured party only a  
1774 reasonable amount pursuant to this section for the services and  
1775 supplies rendered, and the insurer providing such coverage may  
1776 pay for such charges directly to such person or institution  
1777 lawfully rendering such treatment if the insured receiving such  
1778 treatment or his or her guardian has countersigned the properly  
1779 completed invoice, bill, or claim form approved by the office  
1780 upon which such charges are to be paid for as having actually  
1781 been rendered, to the best knowledge of the insured or his or  
1782 her guardian. However, such a charge may not exceed the amount  
1783 the person or institution customarily charges for like services  
1784 or supplies. In determining whether a charge for a particular  
1785 service, treatment, or otherwise is reasonable, consideration  
1786 may be given to evidence of usual and customary charges and  
1787 payments accepted by the provider involved in the dispute,  
1788 reimbursement levels in the community and various federal and  
1789 state medical fee schedules applicable to motor vehicle and  
1790 other insurance coverages, and other information relevant to the  
1791 reasonableness of the reimbursement for the service, treatment,  
1792 or supply.

1793 1. The insurer may limit reimbursement to 80 percent of the  
1794 following schedule of maximum charges:

1795 a. For emergency transport and treatment by providers  
1796 licensed under chapter 401, 200 percent of Medicare.

1797 b. For emergency services and care provided by a hospital  
1798 licensed under chapter 395, 75 percent of the hospital's usual

576-04646-13

20131046c2

1799 and customary charges.

1800 c. For emergency services and care as defined by s. 395.002  
1801 provided in a facility licensed under chapter 395 rendered by a  
1802 physician or dentist, and related hospital inpatient services  
1803 rendered by a physician or dentist, the usual and customary  
1804 charges in the community.

1805 d. For hospital inpatient services, other than emergency  
1806 services and care, 200 percent of the Medicare Part A  
1807 prospective payment applicable to the specific hospital  
1808 providing the inpatient services.

1809 e. For hospital outpatient services, other than emergency  
1810 services and care, 200 percent of the Medicare Part A Ambulatory  
1811 Payment Classification for the specific hospital providing the  
1812 outpatient services.

1813 f. For all other medical services, supplies, and care, 200  
1814 percent of the allowable amount under:

1815 (I) The participating physicians fee schedule of Medicare  
1816 Part B, except as provided in sub-sub-subparagraphs (II) and  
1817 (III).

1818 (II) Medicare Part B, in the case of services, supplies,  
1819 and care provided by ambulatory surgical centers and clinical  
1820 laboratories.

1821 (III) The Durable Medical Equipment Prosthetics/Orthotics  
1822 and Supplies fee schedule of Medicare Part B, in the case of  
1823 durable medical equipment.

1824

1825 However, if such services, supplies, or care is not reimbursable  
1826 under Medicare Part B, as provided in this sub-subparagraph, the  
1827 insurer may limit reimbursement to 80 percent of the maximum

576-04646-13

20131046c2

1828 reimbursable allowance under workers' compensation, as  
1829 determined under s. 440.13 and rules adopted thereunder which  
1830 are in effect at the time such services, supplies, or care is  
1831 provided. Services, supplies, or care that is not reimbursable  
1832 under Medicare or workers' compensation is not required to be  
1833 reimbursed by the insurer.

1834       2. For purposes of subparagraph 1., the applicable fee  
1835 schedule or payment limitation under Medicare is the fee  
1836 schedule or payment limitation in effect on March 1 of the year  
1837 in which the services, supplies, or care is rendered and for the  
1838 area in which such services, supplies, or care is rendered, and  
1839 the applicable fee schedule or payment limitation applies from  
1840 March 1 until the last day of the following February ~~throughout~~  
1841 ~~the remainder of that year~~, notwithstanding any subsequent  
1842 change made to the fee schedule or payment limitation, except  
1843 that it may not be less than the allowable amount under the  
1844 applicable schedule of Medicare Part B for 2007 for medical  
1845 services, supplies, and care subject to Medicare Part B.

1846       3. Subparagraph 1. does not allow the insurer to apply any  
1847 limitation on the number of treatments or other utilization  
1848 limits that apply under Medicare or workers' compensation. An  
1849 insurer that applies the allowable payment limitations of  
1850 subparagraph 1. must reimburse a provider who lawfully provided  
1851 care or treatment under the scope of his or her license,  
1852 regardless of whether such provider is entitled to reimbursement  
1853 under Medicare due to restrictions or limitations on the types  
1854 or discipline of health care providers who may be reimbursed for  
1855 particular procedures or procedure codes. However, subparagraph  
1856 1. does not prohibit an insurer from using the Medicare coding

576-04646-13

20131046c2

1857 policies and payment methodologies of the federal Centers for  
1858 Medicare and Medicaid Services, including applicable modifiers,  
1859 to determine the appropriate amount of reimbursement for medical  
1860 services, supplies, or care if the coding policy or payment  
1861 methodology does not constitute a utilization limit.

1862 4. If an insurer limits payment as authorized by  
1863 subparagraph 1., the person providing such services, supplies,  
1864 or care may not bill or attempt to collect from the insured any  
1865 amount in excess of such limits, except for amounts that are not  
1866 covered by the insured's personal injury protection coverage due  
1867 to the coinsurance amount or maximum policy limits.

1868 5. Effective July 1, 2012, an insurer may limit payment as  
1869 authorized by this paragraph only if the insurance policy  
1870 includes a notice at the time of issuance or renewal that the  
1871 insurer may limit payment pursuant to the schedule of charges  
1872 specified in this paragraph. A policy form approved by the  
1873 office satisfies this requirement. If a provider submits a  
1874 charge for an amount less than the amount allowed under  
1875 subparagraph 1., the insurer may pay the amount of the charge  
1876 submitted.

1877 Section 44. Subsection (3) of section 627.745, Florida  
1878 Statutes, is amended, present subsections (4) and (5) of that  
1879 section are renumbered as subsections (5) and (6), respectively,  
1880 and a new subsection (4) is added to that section, to read:

1881 627.745 Mediation of claims.—

1882 (3) (a) The department shall approve mediators to conduct  
1883 mediations pursuant to this section. All mediators must file an  
1884 application under oath for approval as a mediator.

1885 (b) To qualify for approval as a mediator, an individual a

576-04646-13

20131046c2

1886 ~~person~~ must meet one of the following qualifications:

1887 1. Possess an active certification as a Florida Circuit  
1888 Court Mediator. A Florida Circuit Court Mediator in a lapsed,  
1889 suspended, or decertified status is not eligible to participate  
1890 in the mediation program ~~a masters or doctorate degree in~~  
1891 ~~psychology, counseling, business, accounting, or economics, be a~~  
1892 ~~member of The Florida Bar, be licensed as a certified public~~  
1893 ~~accountant, or demonstrate that the applicant for approval has~~  
1894 ~~been actively engaged as a qualified mediator for at least 4~~  
1895 ~~years prior to July 1, 1990.~~

1896 2. Be an approved department mediator as of July 1, 2013,  
1897 and have conducted at least one mediation on behalf of the  
1898 department within 4 years immediately preceding that the date  
1899 ~~the application for approval is filed with the department, have~~  
1900 ~~completed a minimum of a 40-hour training program approved by~~  
1901 ~~the department and successfully passed a final examination~~  
1902 ~~included in the training program and approved by the department.~~  
1903 ~~The training program shall include and address all of the~~  
1904 ~~following:~~

- 1905 a. ~~Mediation theory.~~  
1906 b. ~~Mediation process and techniques.~~  
1907 c. ~~Standards of conduct for mediators.~~  
1908 d. ~~Conflict management and intervention skills.~~  
1909 e. ~~Insurance nomenclature.~~

1910 (4) The department shall deny an application, or suspend or  
1911 revoke its approval of a mediator or its certification of a  
1912 neutral evaluator to serve in such capacity, if it finds that  
1913 any of the following grounds exist:

1914 (a) Lack of one or more of the qualifications specified in

576-04646-13

20131046c2

1915 this section for approval or certification.

1916 (b) Material misstatement, misrepresentation, or fraud in  
 1917 obtaining or attempting to obtain the approval or certification.

1918 (c) Demonstrated lack of fitness or trustworthiness to act  
 1919 as a mediator or neutral evaluator.

1920 (d) Fraudulent or dishonest practices in the conduct of  
 1921 mediation or neutral evaluation or in the conduct of business in  
 1922 the financial services industry.

1923 (e) Violation of any provision of this code, a lawful order  
 1924 or rule of the department, the Florida Rules for Certified and  
 1925 Court-Appointed Mediators, or aiding, instructing, or  
 1926 encouraging another party in committing such a violation.

1927  
 1928 The department may adopt rules to administer this subsection.

1929 Section 45. Subsection (4) of section 627.841, Florida  
 1930 Statutes, is amended to read:

1931 627.841 Delinquency, collection, cancellation, and payment  
 1932 ~~check~~ return charge ~~charges~~; attorney ~~attorney's~~ fees.—

1933 (4) In the event that a payment is made to a premium  
 1934 finance company by debit, credit, electronic funds transfer,  
 1935 check, or draft and such payment ~~the instrument~~ is returned,  
 1936 declined, or cannot be processed due to ~~because of~~ insufficient  
 1937 funds ~~to pay it~~, the premium finance company may, if the premium  
 1938 finance agreement so provides, impose a return payment charge of  
 1939 \$15.

1940 Section 46. Paragraph (b) of subsection (1) of section  
 1941 627.952, Florida Statutes, is amended to read:

1942 627.952 Risk retention and purchasing group agents.—

1943 (1) Any person offering, soliciting, selling, purchasing,

576-04646-13

20131046c2

1944 administering, or otherwise servicing insurance contracts,  
1945 certificates, or agreements for any purchasing group or risk  
1946 retention group to a ~~any~~ resident of this state, either directly  
1947 or indirectly, by the use of mail, advertising, or other means  
1948 of communication, shall obtain a license and appointment to act  
1949 as a resident general lines agent, if a resident of this state,  
1950 or a nonresident general lines agent if not a resident. Any such  
1951 person shall be subject to all requirements of the Florida  
1952 Insurance Code.

1953 (b) A ~~Any~~ person required to be licensed and appointed  
1954 under this subsection, in order to place business through  
1955 Florida eligible surplus lines carriers, must, if a resident of  
1956 this state, be licensed and appointed as a surplus lines agent.  
1957 If not a resident of this state, such person must be licensed  
1958 and appointed as a nonresident surplus lines agent in this ~~her~~  
1959 ~~or his state of residence and file and maintain a fidelity bond~~  
1960 ~~in favor of the people of the State of Florida executed by a~~  
1961 ~~surety company admitted in this state and payable to the State~~  
1962 ~~of Florida; however, such nonresident is limited to the~~  
1963 ~~provision of insurance for purchasing groups. The bond must be~~  
1964 ~~continuous in form and in the amount of not less than \$50,000,~~  
1965 ~~aggregate liability. The bond must remain in force and effect~~  
1966 ~~until the surety is released from liability by the department or~~  
1967 ~~until the bond is canceled by the surety. The surety may cancel~~  
1968 ~~the bond and be released from further liability upon 30 days'~~  
1969 ~~prior written notice to the department. The cancellation does~~  
1970 ~~not affect any liability incurred or accrued before the~~  
1971 ~~termination of the 30-day period. Upon receipt of a notice of~~  
1972 ~~cancellation, the department shall immediately notify the agent.~~

576-04646-13

20131046c2

1973 Section 47. Subsection (6) of section 627.971, Florida  
1974 Statutes, is amended to read:

1975 627.971 Definitions.—As used in this part:

1976 (6) "Financial guaranty insurance corporation" means a  
1977 stock or mutual insurer licensed to transact financial guaranty  
1978 insurance business in this state.

1979 Section 48. Subsection (1) of section 627.972, Florida  
1980 Statutes, is amended to read:

1981 627.972 Organization; financial requirements.—

1982 (1) A financial guaranty insurance corporation must be  
1983 organized and licensed in the manner prescribed in this code for  
1984 stock or mutual property and casualty insurers except that:

1985 (a) A corporation organized to transact financial guaranty  
1986 insurance may, subject to the provisions of this code, be  
1987 licensed to transact:

- 1988 1. Residual value insurance, as defined by s. 624.6081;
- 1989 2. Surety insurance, as defined by s. 624.606;
- 1990 3. Credit insurance, as defined by s. 624.605(1)(i); and
- 1991 4. Mortgage guaranty insurance as defined in s. 635.011,
- 1992 provided that the provisions of chapter 635 are met.

1993 (b)1. Before ~~Prior to~~ the issuance of a license, a  
1994 corporation must submit to the office for approval, a plan of  
1995 operation detailing:

- 1996 a. The types and projected diversification of guaranties to  
1997 be issued;
- 1998 b. The underwriting procedures to be followed;
- 1999 c. The managerial oversight methods;
- 2000 d. The investment policies; and
- 2001 e. ~~Any~~ Other matters prescribed by the office;

576-04646-13

20131046c2

2002           2. An insurer which is writing only the types of insurance  
2003 allowed under this part on July 1, 1988, and otherwise meets the  
2004 requirements of this part, is exempt from the requirements of  
2005 this paragraph.

2006           (c) An insurer transacting financial guaranty insurance is  
2007 subject to all provisions of this code that are applicable to  
2008 property and casualty insurers to the extent that those  
2009 provisions are not inconsistent with this part.

2010           (d) The investments of an insurer transacting financial  
2011 guaranty insurance in an ~~any~~ entity insured by the corporation  
2012 may not exceed 2 percent of its admitted assets as of the end of  
2013 the prior calendar year.

2014           (e) An insurer transacting financial guaranty insurance may  
2015 only assume those lines of insurance for which it is licensed to  
2016 write direct business.

2017           Section 49. Subsection (13) of section 628.901, Florida  
2018 Statutes, is amended to read:

2019           628.901 Definitions.—As used in this part, the term:

2020           (13) "Qualifying reinsurer parent company" means a  
2021 reinsurer that ~~which~~ currently holds a certificate of authority  
2022 or qualifies for credit reinsurance under s. 624.610(3) and  
2023 possesses, ~~letter of eligibility or is an accredited or a~~  
2024 ~~satisfactory non-approved reinsurer in this state possessing a~~  
2025 consolidated GAAP net worth of at least \$500 million and a  
2026 consolidated debt to total capital ratio of not greater than  
2027 0.50.

2028           Section 50. Paragraph (a) of subsection (2) and paragraph  
2029 (a) of subsection (3) of section 628.909, Florida Statutes, are  
2030 amended to read:

576-04646-13

20131046c2

2031 628.909 Applicability of other laws.—

2032 (2) The following provisions of the Florida Insurance Code  
2033 apply to captive insurers who are not industrial insured captive  
2034 insurers to the extent that such provisions are not inconsistent  
2035 with this part:

2036 (a) Chapter 624, except for ss. 624.407, 624.408, 624.4085,  
2037 624.40851, 624.4095, 624.411, 624.425, and 624.426.

2038 (3) The following provisions of the Florida Insurance Code  
2039 apply to industrial insured captive insurers to the extent that  
2040 such provisions are not inconsistent with this part:

2041 (a) Chapter 624, except for ss. 624.407, 624.408, 624.4085,  
2042 624.40851, 624.4095, 624.411, 624.425, 624.426, and 624.609(1).

2043 Section 51. Subsection (8) of section 634.406, Florida  
2044 Statutes, is renumbered as subsection (7), and present  
2045 subsections (6) and (7) of that section are amended, to read:

2046 634.406 Financial requirements.—

2047 (6) An association that ~~which~~ holds a license under this  
2048 part ~~and which does not hold any other license under this~~  
2049 ~~chapter~~ may allow its premiums for service warranties written  
2050 under this part to exceed the ratio to net assets limitations of  
2051 this section if the association meets all of the following:

2052 (a) Maintains net assets of at least \$750,000.

2053 (b) Utilizes a contractual liability insurance policy  
2054 approved by the office which:

2055 1. Reimburses the service warranty association for 100  
2056 percent of its claims liability and is issued by an insurer that  
2057 maintains a policyholder surplus of at least \$100 million; or

2058 2. Complies with the requirements of subsection (3) and is  
2059 issued by an insurer that maintains a policyholder surplus of at

576-04646-13

20131046c2

2060 least \$200 million.

2061 (c) The insurer issuing the contractual liability insurance  
2062 policy:

2063 ~~1. Maintains a policyholder surplus of at least \$100~~  
2064 ~~million.~~

2065 1.2. Is rated "A" or higher by A.M. Best Company or an  
2066 equivalent rating by another national rating service acceptable  
2067 to the office.

2068 ~~3. Is in no way affiliated with the warranty association.~~

2069 2.4. In conjunction with the warranty association's filing  
2070 of the quarterly and annual reports, provides, on a form  
2071 prescribed by the commission, a statement certifying the gross  
2072 written premiums in force reported by the warranty association  
2073 and a statement that all of the warranty association's gross  
2074 written premium in force is covered under the contractual  
2075 liability policy, whether or not it has been reported.

2076 ~~(7) A contractual liability policy must insure 100 percent~~  
2077 ~~of an association's claims exposure under all of the~~  
2078 ~~association's service warranty contracts, wherever written,~~  
2079 ~~unless all of the following are satisfied:~~

2080 ~~(a) The contractual liability policy contains a clause that~~  
2081 ~~specifically names the service warranty contract holders as sole~~  
2082 ~~beneficiaries of the contractual liability policy and claims are~~  
2083 ~~paid directly to the person making a claim under the contract;~~

2084 ~~(b) The contractual liability policy meets all other~~  
2085 ~~requirements of this part, including subsection (3) of this~~  
2086 ~~section, which are not inconsistent with this subsection;~~

2087 ~~(c) The association has been in existence for at least 5~~  
2088 ~~years or the association is a wholly owned subsidiary of a~~

576-04646-13

20131046c2

2089 ~~corporation that has been in existence and has been licensed as~~  
2090 ~~a service warranty association in the state for at least 5~~  
2091 ~~years, and:~~

2092 ~~1. Is listed and traded on a recognized stock exchange; is~~  
2093 ~~listed in NASDAQ (National Association of Security Dealers~~  
2094 ~~Automated Quotation system) and publicly traded in the over-the-~~  
2095 ~~counter securities market; is required to file either of Form~~  
2096 ~~10-K, Form 100, or Form 20-G with the United States Securities~~  
2097 ~~and Exchange Commission; or has American Depository Receipts~~  
2098 ~~listed on a recognized stock exchange and publicly traded or is~~  
2099 ~~the wholly owned subsidiary of a corporation that is listed and~~  
2100 ~~traded on a recognized stock exchange; is listed in NASDAQ~~  
2101 ~~(National Association of Security Dealers Automated Quotation~~  
2102 ~~system) and publicly traded in the over-the-counter securities~~  
2103 ~~market; is required to file Form 10-K, Form 100, or Form 20-G~~  
2104 ~~with the United States Securities and Exchange Commission; or~~  
2105 ~~has American Depository Receipts listed on a recognized stock~~  
2106 ~~exchange and is publicly traded;~~

2107 ~~2. Maintains outstanding debt obligations, if any, rated in~~  
2108 ~~the top four rating categories by a recognized rating service;~~

2109 ~~3. Has and maintains at all times a minimum net worth of~~  
2110 ~~not less than \$10 million as evidenced by audited financial~~  
2111 ~~statements prepared by an independent certified public~~  
2112 ~~accountant in accordance with generally accepted accounting~~  
2113 ~~principles and submitted to the office annually; and~~

2114 ~~4. Is authorized to do business in this state; and~~

2115 ~~(d) The insurer issuing the contractual liability policy:~~

2116 ~~1. Maintains and has maintained for the preceding 5 years,~~  
2117 ~~policyholder surplus of at least \$100 million and is rated "A"~~

576-04646-13

20131046c2

2118 ~~or higher by A.M. Best Company or has an equivalent rating by~~  
2119 ~~another rating company acceptable to the office;~~

2120 ~~2. Holds a certificate of authority to do business in this~~  
2121 ~~state and is approved to write this type of coverage; and~~

2122 ~~3. Acknowledges to the office quarterly that it insures all~~  
2123 ~~of the association's claims exposure under contracts delivered~~  
2124 ~~in this state.~~

2125

2126 ~~If all the preceding conditions are satisfied, then the scope of~~  
2127 ~~coverage under a contractual liability policy shall not be~~  
2128 ~~required to exceed an association's claims exposure under~~  
2129 ~~service warranty contracts delivered in this state.~~

2130 Section 52. Except as otherwise expressly provided in this  
2131 act, this act shall take effect upon becoming a law.