

1 A bill to be entitled
2 An act relating to insurance; amending s. 554.1021,
3 F.S.; defining the term "authorized inspection
4 agency"; amending s. 554.107, F.S.; requiring the
5 chief inspector of the state boiler inspection program
6 to issue a certificate of competency as a special
7 inspector to certain individuals; specifying the
8 duration of such certificate; amending s. 554.109,
9 F.S.; authorizing specified insurers to contract with
10 an authorized inspection agency for boiler
11 inspections; requiring such insurers to annually
12 report the identity of contracted authorized
13 inspection agencies to the Department of Financial
14 Services; amending s. 624.501, F.S.; revising original
15 appointment and renewal fees related to certain
16 insurance representatives; amending s. 626.015, F.S.;
17 defining the term "unaffiliated insurance agent";
18 amending s. 626.0428, F.S.; requiring a branch place
19 of business to have an agent in charge; authorizing an
20 agent to be in charge of more than one branch office
21 under certain circumstances; providing requirements
22 relating to the designation of an agent in charge;
23 providing that the agent in charge is accountable for
24 misconduct and violations committed by the licensee
25 and any person under his or her supervision;
26 prohibiting an insurance agency from conducting

27 insurance business at a location without a designated
28 agent in charge; amending s. 626.112, F.S.; providing
29 licensure exemptions that allow specified individuals
30 or entities to conduct insurance business at specified
31 locations under certain circumstances; revising
32 licensure requirements and penalties with respect to
33 registered insurance agencies; providing that the
34 registration of an approved registered insurance
35 agency automatically converts to an insurance agency
36 license on a specified date; amending s. 626.172,
37 F.S.; revising requirements relating to applications
38 for insurance agency licenses; conforming provisions
39 to changes made by the act; amending s. 626.311, F.S.;
40 limiting the types of business that may be transacted
41 by certain agents; amending s. 626.321, F.S.;
42 providing that a limited license to offer motor
43 vehicle rental insurance issued to a business that
44 rents or leases motor vehicles encompasses the
45 employees of such business; amending s. 626.382, F.S.;
46 providing that an insurance agency license continues
47 in force until canceled, suspended, revoked, or
48 terminated or expired; amending s. 626.601, F.S.;
49 revising terminology relating to investigations
50 conducted by the Department of Financial Services and
51 the Office of Insurance Regulation with respect to
52 individuals and entities involved in the insurance

53 industry; revising a confidentiality provision;
54 repealing s. 626.747, F.S., relating to branch
55 agencies, agents in charge, and the payment of
56 additional county tax under certain circumstances;
57 amending s. 626.8411, F.S.; conforming a cross-
58 reference; amending s. 626.8805, F.S.; revising
59 insurance administrator application requirements;
60 amending s. 626.8817, F.S.; authorizing an insurer's
61 designee to provide certain coverage information to an
62 insurance administrator; authorizing an insurer to
63 subcontract the review of an insurance administrator;
64 amending s. 626.882, F.S.; prohibiting a person from
65 acting as an insurance administrator without a
66 specific written agreement; amending s. 626.883, F.S.;
67 requiring an insurance administrator to furnish
68 fiduciary account records to an insurer; requiring
69 administrator withdrawals from a fiduciary account to
70 be made according to a specific written agreement;
71 providing that an insurer's designee may authorize
72 payment of claims; amending s. 626.884, F.S.; revising
73 an insurer's right of access to certain administrator
74 records; amending s. 626.89, F.S.; revising the
75 deadline for filing certain financial statements;
76 amending s. 626.931, F.S.; deleting provisions
77 requiring a surplus lines agent to file a quarterly
78 affidavit with the Florida Surplus Lines Service

79 Office; amending s. 626.932, F.S.; revising the due
80 date of surplus lines tax; amending ss. 626.935 and
81 626.936, F.S.; conforming provisions to changes made
82 by the act; amending s. 627.062, F.S.; requiring the
83 Office of Insurance Regulation to use certain models
84 or methods to estimate hurricane losses when
85 determining whether the rates in a rate filing are
86 excessive, inadequate, or unfairly discriminatory;
87 amending s. 627.0628, F.S.; increasing the length of
88 time during which an insurer must adhere to certain
89 findings made by the Commission on Hurricane Loss
90 Projection Methodology with respect to certain
91 methods, principles, standards, models, or output
92 ranges used in a rate finding; providing that the
93 requirement to adhere to such findings does not limit
94 an insurer from using an average of results of certain
95 models or output ranges under specified circumstances;
96 amending s. 627.0651, F.S.; revising provisions for
97 making and use of rates for motor vehicle insurance;
98 amending s. 627.072, F.S.; authorizing retrospective
99 rating plans relating to workers' compensation and
100 employer's liability insurance to allow negotiations
101 between certain employers and insurers with respect to
102 rating factors used to calculate premiums; amending
103 ss. 627.281 and 627.3518, F.S.; conforming cross-
104 references; amending s. 627.3519, F.S.; requiring the

105 Florida Hurricane Catastrophe Fund and Citizens
106 Property Insurance Corporation to provide an annual
107 report to the Legislature and the Financial Services
108 Commission of their respective aggregate net probable
109 maximum losses, financing options, and potential
110 assessments; amending s. 627.4133, F.S.; increasing
111 the amount of prior notice required with respect to
112 the nonrenewal, cancellation, or termination of
113 certain insurance policies; deleting certain
114 provisions that require extended periods of prior
115 notice with respect to the nonrenewal, cancellation,
116 or termination of certain insurance policies;
117 prohibiting the cancellation of certain policies that
118 have been in effect for a specified amount of time
119 except under certain circumstances; amending s.
120 627.4137, F.S.; adding licensed company adjusters to
121 the list of persons who may respond to a claimant's
122 written request for information relating to liability
123 insurance coverage; amending s. 627.421, F.S.;
124 authorizing a policyholder of personal lines insurance
125 to affirmatively elect delivery of policy documents by
126 electronic means; amending s. 627.43141, F.S.;
127 authorizing a notice of change in policy terms to be
128 sent in a separate mailing to an insured under certain
129 circumstances; requiring an insurer to provide such
130 notice to insured's insurance agent; creating s.

131 627.4553, F.S.; providing requirements for the
132 recommendation to surrender an annuity or life
133 insurance policy; amending s. 627.7015, F.S.; revising
134 the rulemaking authority of the department with
135 respect to qualifications and specified types of
136 penalties covered under the property insurance
137 mediation program; creating s. 627.70151, F.S.;
138 providing criteria for an insurer or policyholder to
139 challenge the impartiality of a loss appraisal umpire
140 for purposes of disqualifying such umpire; amending s.
141 627.706, F.S.; revising the definition of the term
142 "neutral evaluator"; amending s. 627.7074, F.S.;
143 requiring the department to adopt rules relating to
144 certification of neutral evaluators; revising
145 notification requirements for participation in the
146 neutral evaluation program; amending s. 627.711, F.S.;
147 revising verification requirements for uniform
148 mitigation verification forms; amending s. 627.736,
149 F.S.; revising the time period for applicability of
150 certain Medicare fee schedules or payment limitations;
151 amending s. 627.744, F.S.; revising preinsurance
152 inspection requirements for private passenger motor
153 vehicles; amending s. 627.745, F.S.; revising
154 qualifications for approval as a mediator by the
155 department; providing grounds for the department to
156 deny an application, or suspend or revoke approval of

157 a mediator or certification of a neutral evaluator;
158 authorizing the department to adopt rules; amending s.
159 627.782, F.S.; revising the date by which title
160 insurance agencies and certain insurers must annually
161 submit specified information to the Office of
162 Insurance Regulation; amending s. 627.841, F.S.;
163 providing that an insurance premium finance company
164 may impose a charge for payments returned, declined,
165 or unable to be processed due to insufficient funds;
166 amending s. 628.461, F.S.; revising filing
167 requirements relating to the acquisition of
168 controlling stock; revising the amount of outstanding
169 voting securities of a domestic stock insurer or a
170 controlling company that a person is prohibited from
171 acquiring unless certain requirements have been met;
172 prohibiting persons acquiring a certain percentage of
173 voting securities from acquiring certain securities;
174 providing that a presumption of control may be
175 rebutted by filing a disclaimer of control; deleting a
176 definition; amending s. 634.406, F.S.; revising
177 criteria authorizing premiums of certain service
178 warranty associations to exceed their specified net
179 assets limitations; revising requirements relating to
180 contractual liability policies that insure warranty
181 associations; providing an effective date.

182

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

184

185 Section 1. Subsection (8) is added to section 554.1021,
186 Florida Statutes, to read:

187 554.1021 Definitions.—As used in ss. 554.1011-554.115:

188 (8) "Authorized inspection agency" means:

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

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

198 Section 2. Section 554.107, Florida Statutes, is amended
199 to read:

200 554.107 Special inspectors.—

201 (1) Upon application by an authorized inspection agency
202 ~~any company licensed to insure boilers in this state,~~ the chief
203 inspector shall issue a certificate of competency as a special
204 inspector to an any inspector employed by the agency if he or
205 ~~she~~ company, ~~provided that such inspector~~ satisfies the
206 competency requirements for inspectors as provided in s.
207 554.113.

208 (2) The certificate of competency of a special inspector

209 remains ~~shall remain~~ in effect only so long as the special
 210 inspector is employed by an authorized inspection agency ~~a~~
 211 ~~company licensed to insure boilers in this state.~~ Upon
 212 termination of employment with such agency ~~company~~, a special
 213 inspector shall, in writing, notify the chief inspector of such
 214 termination. Such notice shall be given within 15 days following
 215 the date of termination.

216 Section 3. Subsection (1) of section 554.109, Florida
 217 Statutes, is amended to read:

218 554.109 Exemptions.—

219 (1) An ~~Any~~ insurance company that insures ~~insuring~~ a
 220 boiler located in a public assembly location in this state shall
 221 inspect or contract with an authorized inspection agency to
 222 inspect such boiler ~~so insured~~, and shall annually report to the
 223 department the identity of any authorized inspection agency that
 224 performs a required boiler inspection on behalf of the company.
 225 A ~~any~~ county, city, town, or other governmental subdivision that
 226 ~~which~~ has adopted into law the Boiler and Pressure Vessel Code
 227 of the American Society of Mechanical Engineers and the National
 228 Board Inspection Code for the construction, installation,
 229 inspection, maintenance, and repair of boilers, regulating such
 230 boilers in public assembly locations, shall inspect such boilers
 231 so regulated, ~~provided that~~ Such inspection shall be conducted
 232 by a special inspector licensed pursuant to ss. 554.1011-
 233 554.115. Upon filing of a report of satisfactory inspection with
 234 the department, such boiler is exempt from inspection by the

235 department.

236 Section 4. Paragraphs (a) and (c) of subsection (6) and
 237 subsection (8) of section 624.501, Florida Statutes, are amended
 238 to read:

239 624.501 Filing, license, appointment, and miscellaneous
 240 fees.—The department, commission, or office, as appropriate,
 241 shall collect in advance, and persons so served shall pay to it
 242 in advance, fees, licenses, and miscellaneous charges as
 243 follows:

244 (6) Insurance representatives, property, marine, casualty,
 245 and surety insurance.

246 (a) Agent's original appointment and biennial renewal or
 247 continuation thereof, each insurer or agent making an
 248 appointment:

249	Appointment fee.....	\$42.00
250	State tax.....	12.00
251	County tax.....	6.00
252	Total.....	\$60.00

253 (c) Nonresident agent's original appointment and biennial
 254 renewal or continuation thereof, appointment fee, each insurer
 255 or agent making an appointment.....\$60.00

256 (8) Health insurance agents.

257 (a) Agent's original appointment and biennial renewal or
 258 continuation thereof, each insurer or agent making an
 259 appointment:

260	Appointment fee.....	\$42.00
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261 State tax.....12.00
 262 County tax.....6.00
 263 Total.....\$60.00

264 (b) Nonresident agent's original appointment and biennial
 265 renewal or continuation thereof, appointment fee, each insurer
 266 or agent making an appointment..... \$60.00

267 Section 5. Subsection (18) of section 626.015, Florida
 268 Statutes, is renumbered as subsection (19), and a new subsection
 269 (18) is added to that section to read:

270 626.015 Definitions.—As used in this part:

271 (18) "Unaffiliated insurance agent" means a licensed
 272 insurance agent, except a limited lines agent, who is self-
 273 appointed and who practices as an independent consultant in the
 274 business of analyzing or abstracting insurance policies,
 275 providing insurance advice or counseling, or making specific
 276 recommendations or comparisons of insurance products for a fee
 277 established in advance by written contract signed by the
 278 parties. An unaffiliated insurance agent may not be affiliated
 279 with an insurer, insurer-appointed insurance agent, or insurance
 280 agency contracted with or employing insurer-appointed insurance
 281 agents.

282 Section 6. Subsection (4) is added to section 626.0428,
 283 Florida Statutes, to read:

284 626.0428 Agency personnel powers, duties, and
 285 limitations.—

286 (4) (a) Each place of business established by an agent or

287 agency, firm, corporation, or association must be in the active
288 full-time charge of a licensed and appointed agent holding the
289 required agent licenses to transact the lines of insurance being
290 handled at the location.

291 (b) Notwithstanding paragraph (a), the licensed agent in
292 charge of an insurance agency may also be the agent in charge of
293 additional branch office locations of the agency if insurance
294 activities requiring licensure as an insurance agent do not
295 occur at any location when the agent is not physically present
296 and unlicensed employees at the location do not engage in
297 insurance activities requiring licensure as an insurance agent
298 or customer representative.

299 (c) An insurance agency and each branch place of business
300 of an insurance agency shall designate an agent in charge and
301 file the name and license number of the agent in charge and the
302 physical address of the insurance agency location with the
303 department at the department's designated website. The
304 designation of the agent in charge may be changed at the option
305 of the agency. A change of the designated agent in charge is
306 effective upon notice to the department. Notice to the
307 department must be provided within 30 days after such change.

308 (d) An insurance agency location may not conduct the
309 business of insurance unless an agent in charge is designated
310 and employed by the agency at all times. If the agent in charge
311 designated with the department leaves the agency's employment
312 for any reason and the agency fails to designate another agent

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313 in charge within 30 days as provided in paragraph (c) and such
314 failure continues for 90 days, the agency license shall
315 automatically expire on the 91st day after the last date of
316 employment of the last designated agent in charge.

317 (e) For purposes of this subsection, an "agent in charge"
318 is the licensed and appointed agent responsible for the
319 supervision of all individuals within an insurance agency
320 location, regardless of whether the agent in charge handles a
321 specific transaction or deals with the general public in the
322 solicitation or negotiation of insurance contracts or the
323 collection or accounting of money.

324 (f) An agent in charge of an insurance agency is
325 accountable for the wrongful acts, misconduct, or violations of
326 this code committed by the licensee or by any person under his
327 or her supervision while acting on behalf of the agency.
328 However, an agent in charge is not criminally liable for any act
329 unless the agent in charge personally committed the act or knew
330 or should have known of the act and of the facts constituting a
331 violation of this code.

332 Section 7. Subsection (7) of section 626.112, Florida
333 Statutes, is amended to read:

334 626.112 License and appointment required; agents, customer
335 representatives, adjusters, insurance agencies, service
336 representatives, managing general agents.-

337 (7) (a) An ~~Effective October 1, 2006, no~~ individual, firm,
338 partnership, corporation, association, or ~~any~~ other entity shall

339 not act in its own name or under a trade name, directly or
340 indirectly, as an insurance agency, unless it complies with s.
341 626.172 with respect to possessing an insurance agency license
342 for each place of business at which it engages in an any
343 activity that ~~which~~ may be performed only by a licensed
344 insurance agent. However, an insurance agency that is owned and
345 operated by a single licensed agent conducting business in his
346 or her individual name and not employing or otherwise using the
347 services of or appointing other licensees is exempt from the
348 agency licensing requirements of this subsection.

349 (b) A branch place of business that is established by a
350 licensed agency is considered a branch agency and is not
351 required to be licensed so long as it transacts business under
352 the same name and federal tax identification number as the
353 licensed agency, has designated a licensed agent in charge of
354 the location as required by s. 626.0428, and has submitted the
355 address and telephone number of the location to the department
356 for inclusion in the licensing record of the licensed agency
357 within 30 days after insurance transactions begin at the
358 location ~~Each agency engaged in business in this state before~~
359 ~~January 1, 2003, which is wholly owned by insurance agents~~
360 ~~currently licensed and appointed under this chapter, each~~
361 ~~incorporated agency whose voting shares are traded on a~~
362 ~~securities exchange, each agency designated and subject to~~
363 ~~supervision and inspection as a branch office under the rules of~~
364 ~~the National Association of Securities Dealers, and each agency~~

365 ~~whose primary function is offering insurance as a service or~~
 366 ~~member benefit to members of a nonprofit corporation may file an~~
 367 ~~application for registration in lieu of licensure in accordance~~
 368 ~~with s. 626.172(3). Each agency engaged in business before~~
 369 ~~October 1, 2006, shall file an application for licensure or~~
 370 ~~registration on or before October 1, 2006.~~

371 (c)1. If an agency is required to be licensed but fails to
 372 file an application for licensure in accordance with this
 373 section, the department shall impose on the agency an
 374 administrative penalty ~~in an amount~~ of up to \$10,000.

375 ~~2. If an agency is eligible for registration but fails to~~
 376 ~~file an application for registration or an application for~~
 377 ~~licensure in accordance with this section, the department shall~~
 378 ~~impose on the agency an administrative penalty in an amount of~~
 379 ~~up to \$5,000.~~

380 (d)(b) Effective October 1, 2014, the department must
 381 automatically convert the registration of an approved a
 382 registered insurance agency to shall, as a condition precedent
 383 to continuing business, obtain an insurance agency license if
 384 the department finds that, with respect to any majority owner,
 385 partner, manager, director, officer, or other person who manages
 386 or controls the agency, any person has:

387 ~~1. Been found guilty of, or has pleaded guilty or nolo~~
 388 ~~contendere to, a felony in this state or any other state~~
 389 ~~relating to the business of insurance or to an insurance agency,~~
 390 ~~without regard to whether a judgment of conviction has been~~

391 ~~entered by the court having jurisdiction of the cases.~~

392 ~~2. Employed any individual in a managerial capacity or in~~
393 ~~a capacity dealing with the public who is under an order of~~
394 ~~revocation or suspension issued by the department. An insurance~~
395 ~~agency may request, on forms prescribed by the department,~~
396 ~~verification of any person's license status. If a request is~~
397 ~~mailed within 5 working days after an employee is hired, and the~~
398 ~~employee's license is currently suspended or revoked, the agency~~
399 ~~shall not be required to obtain a license, if the unlicensed~~
400 ~~person's employment is immediately terminated.~~

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

403 ~~4. With such frequency as to have made the operation of~~
404 ~~the agency hazardous to the insurance-buying public or other~~
405 ~~persons:~~

406 ~~a. Solicited or handled controlled business. This~~
407 ~~subparagraph shall not prohibit the licensing of any lending or~~
408 ~~financing institution or creditor, with respect to insurance~~
409 ~~only, under credit life or disability insurance policies of~~
410 ~~borrowers from the institutions, which policies are subject to~~
411 ~~part IX of chapter 627.~~

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

415 ~~c. Unlawfully rebated, attempted to unlawfully rebate, or~~
416 ~~unlawfully divided or offered to divide commissions with~~

417 ~~another.~~

418 ~~d. Misrepresented any insurance policy or annuity~~
419 ~~contract, or used deception with regard to any policy or~~
420 ~~contract, done either in person or by any form of dissemination~~
421 ~~of information or advertising.~~

422 ~~e. Violated any provision of this code or any other law~~
423 ~~applicable to the business of insurance in the course of dealing~~
424 ~~under the license.~~

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

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

429 ~~h. Violated the provision against twisting as defined in~~
430 ~~s. 626.9541(1)(1).~~

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

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

435 ~~k. Engaged in fraudulent or dishonest practices in the~~
436 ~~conduct of business arising out of activities related to~~
437 ~~insurance or the insurance agency.~~

438 ~~l. Demonstrated lack of fitness or trustworthiness to~~
439 ~~engage in the business of insurance arising out of activities~~
440 ~~related to insurance or the insurance agency.~~

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

443 ~~5. Knowingly employed any person who within the preceding~~
 444 ~~3 years has had his or her relationship with an agency~~
 445 ~~terminated in accordance with paragraph (d).~~

446 ~~6. Willfully circumvented the requirements or prohibitions~~
 447 ~~of this code.~~

448 Section 8. Subsections (2), (3), and (4) of section
 449 626.172, Florida Statutes, are amended to read:

450 626.172 Application for insurance agency license.—

451 (2) An application for an insurance agency license must
 452 ~~shall~~ be signed by the owner or owners of the agency. If the
 453 agency is incorporated, the application must ~~shall~~ be signed by
 454 the president and secretary of the corporation. An insurance
 455 agency may permit a third party to complete, submit, and sign an
 456 application on the insurance agency's behalf, but the insurance
 457 agency is responsible for ensuring that the information on the
 458 application is true and correct and is accountable for any
 459 misstatements or misrepresentations. The application for an
 460 insurance agency license must ~~shall~~ include:

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

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

465 (c) The name, principal business street address, and valid
 466 e-mail address of the insurance agency and the name, address,
 467 and e-mail address of the agency's registered agent or person or
 468 company authorized to accept service on behalf of the agency ~~its~~

469 ~~principal business address.~~

470 (d) The physical address ~~location~~ of each branch agency,
471 including its name, e-mail address, and telephone number, and
472 the date that the branch location began transacting insurance
473 ~~office and the name under which each agency office conducts or~~
474 ~~will conduct business.~~

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

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

479 1. A sole proprietor;

480 2. Each partner;

481 3. Each owner of an unincorporated agency;

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

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

487 6. Any other person who directs or participates in the
488 management or control of the agency, whether through the
489 ownership of voting securities, by contract, by ownership of any
490 agency bank accounts, or otherwise.

491
492 Fingerprints must be taken by a law enforcement agency or other
493 entity approved by the department and must be accompanied by the
494 fingerprint processing fee specified in s. 624.501. Fingerprints

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495 must ~~shall~~ be processed in accordance with s. 624.34. However,
496 fingerprints need not be filed for an ~~any~~ individual who is
497 currently licensed and appointed under this chapter. This
498 paragraph does not apply to corporations whose voting shares are
499 traded on a securities exchange.

500 (g) Such additional information as the department requires
501 by rule to ascertain the trustworthiness and competence of
502 persons required to be listed on the application and to
503 ascertain that such persons meet the requirements of this code.
504 However, the department may not require that credit or character
505 reports be submitted for persons required to be listed on the
506 application.

507 ~~(3)(h) Beginning October 1, 2005, The department must~~
508 ~~shall~~ accept the uniform application for nonresident agency
509 licensure. ~~The department may adopt by rule revised versions of~~
510 ~~the uniform application.~~

511 ~~(3) The department shall issue a registration as an~~
512 ~~insurance agency to any agency that files a written application~~
513 ~~with the department and qualifies for registration. The~~
514 ~~application for registration shall require the agency to provide~~
515 ~~the same information required for an agency licensed under~~
516 ~~subsection (2), the agent identification number for each owner~~
517 ~~who is a licensed agent, proof that the agency qualifies for~~
518 ~~registration as provided in s. 626.112(7), and any other~~
519 ~~additional information that the department determines is~~
520 ~~necessary in order to demonstrate that the agency qualifies for~~

521 ~~registration. The application must be signed by the owner or~~
522 ~~owners of the agency. If the agency is incorporated, the~~
523 ~~application must be signed by the president and the secretary of~~
524 ~~the corporation. An agent who owns the agency need not file~~
525 ~~fingerprints with the department if the agent obtained a license~~
526 ~~under this chapter and the license is currently valid.~~

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

530 ~~(b) A registered insurance agency must file an application~~
531 ~~for licensure no later than 30 days after the date that any~~
532 ~~person who is not a licensed and appointed agent in this state~~
533 ~~acquires any ownership interest in the agency. If an agency~~
534 ~~fails to file an application for licensure in compliance with~~
535 ~~this paragraph, the department shall impose an administrative~~
536 ~~penalty in an amount of up to \$5,000 on the agency.~~

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

539 (4) The department must ~~shall~~ issue a license ~~or~~
540 ~~registration~~ to each agency upon approval of the application,
541 and each agency location must ~~shall~~ display the license ~~or~~
542 ~~registration~~ prominently in a manner that makes it clearly
543 visible to any customer or potential customer who enters the
544 agency location.

545 Section 9. Subsection (6) of section 626.311, Florida
546 Statutes, is renumbered as subsection (7), and a new subsection

547 (6) is added to that section to read:

548 626.311 Scope of license.—

549 (6) An agent who appoints his or her license as an
 550 unaffiliated insurance agent may not hold an appointment from an
 551 insurer for any license he or she holds; transact, solicit, or
 552 service an insurance contract on behalf of an insurer; interfere
 553 with commissions received or to be received by an insurer-
 554 appointed insurance agent or an insurance agency contracted with
 555 or employing insurer-appointed insurance agents; or receive
 556 compensation or any other thing of value from an insurer, an
 557 insurer-appointed insurance agent, or an insurance agency
 558 contracted with or employing insurer-appointed insurance agents
 559 for any transaction or referral occurring after the date of
 560 appointment as an unaffiliated insurance agent. An unaffiliated
 561 insurance agent may continue to receive commissions on sales
 562 that occurred before the date of appointment as an unaffiliated
 563 insurance agent if the receipt of such commissions is disclosed
 564 when making recommendations or evaluating products for a client
 565 that involve products of the entity from which the commissions
 566 are received.

567 Section 10. Paragraph (d) of subsection (1) of section
 568 626.321, Florida Statutes, is amended to read:

569 626.321 Limited licenses.—

570 (1) The department shall issue to a qualified applicant a
 571 license as agent authorized to transact a limited class of
 572 business in any of the following categories of limited lines

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573 insurance:

574 (d) Motor vehicle rental insurance.—

575 1. License covering only insurance of the risks set forth
576 in this paragraph when offered, sold, or solicited with and
577 incidental to the rental or lease of a motor vehicle and which
578 applies only to the motor vehicle that is the subject of the
579 lease or rental agreement and the occupants of the motor
580 vehicle:

581 a. Excess motor vehicle liability insurance providing
582 coverage in excess of the standard liability limits provided by
583 the lessor in the lessor's lease to a person renting or leasing
584 a motor vehicle from the licensee's employer for liability
585 arising in connection with the negligent operation of the leased
586 or rented motor vehicle.

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

589 c. Insurance covering the loss of or damage to baggage,
590 personal effects, or travel documents of a person renting or
591 leasing a motor vehicle.

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

595 2. Insurance under a motor vehicle rental insurance
596 license may be issued only if the lease or rental agreement is
597 for no more than 60 days, the lessee is not provided coverage
598 for more than 60 consecutive days per lease period, and the

599 lessee is given written notice that his or her personal
600 insurance policy providing coverage on an owned motor vehicle
601 may provide coverage of such risks and that the purchase of the
602 insurance is not required in connection with the lease or rental
603 of a motor vehicle. If the lease is extended beyond 60 days, the
604 coverage may be extended one time only for a period not to
605 exceed an additional 60 days. Insurance may be provided to the
606 lessee as an additional insured on a policy issued to the
607 licensee's employer.

608 3. The license may be issued only to the full-time
609 salaried employee of a licensed general lines agent or to a
610 business entity that offers motor vehicles for rent or lease if
611 insurance sales activities authorized by the license are in
612 connection with and incidental to the rental or lease of a motor
613 vehicle.

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

619 b. The application for licensure must list the name,
620 address, and phone number for each office, branch office, or
621 place of business that is to be covered by the license. The
622 licensee shall notify the department of the name, address, and
623 phone number of any new location that is to be covered by the
624 license before the new office, branch office, or place of

625 business engages in the sale of insurance pursuant to this
 626 paragraph. The licensee must notify the department within 30
 627 days after closing or terminating an office, branch office, or
 628 place of business. Upon receipt of the notice, the department
 629 shall delete the office, branch office, or place of business
 630 from the license.

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

633 Section 11. Section 626.382, Florida Statutes, is amended
 634 to read:

635 626.382 Continuation, expiration of license; insurance
 636 agencies.—The license of an any insurance agency ~~shall be issued~~
 637 ~~for a period of 3 years and~~ shall continue in force until
 638 canceled, suspended, or ~~revoked,~~ or until it is otherwise
 639 terminated or becomes expired by operation of law. ~~A license may~~
 640 ~~be renewed by submitting a renewal request to the department on~~
 641 ~~a form adopted by department rule.~~

642 Section 12. Section 626.601, Florida Statutes, is amended
 643 to read:

644 626.601 Improper conduct; inquiry; fingerprinting.—

645 (1) The department or office may, upon its own motion or
 646 upon a written complaint signed by any interested person and
 647 filed with the department or office, inquire into any alleged
 648 improper conduct of any licensed, approved, or certified
 649 licensee, insurance agency, agent, adjuster, service
 650 representative, managing general agent, customer representative,

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651 title insurance agent, title insurance agency, mediator, neutral
652 evaluator, navigator, continuing education course provider,
653 instructor, school official, or monitor group under this code.
654 The department or office may thereafter initiate an
655 investigation of any such individual or entity ~~licensee~~ if it
656 has reasonable cause to believe that the individual or entity
657 ~~licensee~~ has violated any provision of the insurance code.
658 During the course of its investigation, the department or office
659 shall contact the individual or entity ~~licensee~~ being
660 investigated unless it determines that contacting such
661 individual or entity ~~person~~ could jeopardize the successful
662 completion of the investigation or cause injury to the public.

663 (2) In the investigation by the department or office of
664 the alleged misconduct, the individual or entity ~~licensee~~ shall,
665 whenever so required by the department or office, cause the
666 individual's or entity's ~~his or her~~ books and records to be open
667 for inspection for the purpose of such investigation ~~inquiries~~.
668

669 (3) ~~The~~ Complaints against any individual or entity
670 ~~licensee~~ may be informally alleged and are not required to
671 include ~~need not be in any such~~ language ~~as is~~ necessary to
672 charge a crime on an indictment or information.

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

676 (5) If the department or office, after investigation, has
677 reason to believe that an individual ~~a licensee~~ may have been

677 found guilty of or pleaded guilty or nolo contendere to a felony
 678 or a crime related to the business of insurance in this or any
 679 other state or jurisdiction, the department or office may
 680 require the individual ~~licensee~~ to file with the department or
 681 office a complete set of his or her fingerprints, which shall be
 682 accompanied by the fingerprint processing fee set forth in s.
 683 624.501. The fingerprints shall be taken by an authorized law
 684 enforcement agency or other department-approved entity.

685 (6) The complaint and any information obtained pursuant to
 686 the investigation by the department or office are confidential
 687 and are exempt from ~~the provisions of~~ s. 119.07, unless the
 688 department or office files a formal administrative complaint,
 689 emergency order, or consent order against the individual or
 690 entity ~~licensee~~. ~~Nothing in~~ This subsection does not ~~shall be~~
 691 ~~construed to~~ prevent the department or office from disclosing
 692 the complaint or such information as it deems necessary to
 693 conduct the investigation, to update the complainant as to the
 694 status and outcome of the complaint, or to share such
 695 information with any law enforcement agency or other regulatory
 696 body.

697 Section 13. Section 626.747, Florida Statutes, is
 698 repealed.

699 Section 14. Subsection (1) of section 626.8411, Florida
 700 Statutes, is amended to read:

701 626.8411 Application of Florida Insurance Code provisions
 702 to title insurance agents or agencies.—

703 (1) The following provisions ~~of part II~~ applicable to
 704 general lines agents or agencies also apply to title insurance
 705 agents or agencies:

706 (a) Section 626.734, relating to liability of certain
 707 agents.

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

710 (c) Section 626.749, relating to place of business in
 711 residence.

712 (d) Section 626.753, relating to sharing of commissions.

713 (e) Section 626.754, relating to rights of agent following
 714 termination of appointment.

715 Section 15. Paragraph (c) of subsection (2) and subsection
 716 (3) of section 626.8805, Florida Statutes, are amended to read:
 717 626.8805 Certificate of authority to act as
 718 administrator.—

719 (2) The administrator shall file with the office an
 720 application for a certificate of authority upon a form to be
 721 adopted by the commission and furnished by the office, which
 722 application shall include or have attached the following
 723 information and documents:

724 (c) The names, addresses, official positions, and
 725 professional qualifications of the individuals employed or
 726 retained by the administrator and who are responsible for the
 727 conduct of the affairs of the administrator, including all
 728 members of the board of directors, board of trustees, executive

729 committee, or other governing board or committee, and the
 730 principal officers in the case of a corporation or, the partners
 731 or members in the case of a partnership or association, ~~and any~~
 732 ~~other person who exercises control or influence over the affairs~~
 733 of the administrator.

734 (3) The applicant shall make available for inspection by
 735 the office copies of all contracts relating to services provided
 736 by the administrator to ~~with~~ insurers or other persons using
 737 ~~utilizing~~ the services of the administrator.

738 Section 16. Subsections (1) and (3) of section 626.8817,
 739 Florida Statutes, are amended to read:

740 626.8817 Responsibilities of insurance company with
 741 respect to administration of coverage insured.—

742 (1) If an insurer uses the services of an administrator,
 743 the insurer is responsible for determining the benefits, premium
 744 rates, underwriting criteria, and claims payment procedures
 745 applicable to the coverage and for securing reinsurance, if any.
 746 The rules pertaining to these matters shall be provided, in
 747 writing, by the insurer or its designee to the administrator.
 748 The responsibilities of the administrator as to any of these
 749 matters shall be set forth in a ~~the~~ written agreement binding
 750 upon ~~between~~ the administrator and the insurer.

751 (3) In cases in which an administrator administers
 752 benefits for more than 100 certificateholders on behalf of an
 753 insurer, the insurer shall, at least semiannually, conduct a
 754 review of the operations of the administrator. At least one such

755 review must be an onsite audit of the operations of the
 756 administrator. The insurer may contract with a qualified third
 757 party to conduct such review.

758 Section 17. Subsections (1) and (4) of section 626.882,
 759 Florida Statutes, is amended to read:

760 626.882 Agreement between administrator and insurer;
 761 required provisions; maintenance of records.—

762 (1) A ~~No~~ person may not act as an administrator without a
 763 written agreement, as required under s. 626.8817, that specifies
 764 the rights, duties, and obligations of the ~~between such person~~
 765 ~~as~~ administrator and ~~an~~ insurer.

766 (4) If a policy is issued to a trustee or trustees, a copy
 767 of the trust agreement and any amendments to that agreement
 768 shall be furnished to the insurer or its designee by the
 769 administrator and shall be retained as part of the official
 770 records of both the administrator and the insurer for the
 771 duration of the policy and for 5 years thereafter.

772 Section 18. Subsections (3), (4), and (5) of section
 773 626.883, Florida Statutes, are amended to read:

774 626.883 Administrator as intermediary; collections held in
 775 fiduciary capacity; establishment of account; disbursement;
 776 payments on behalf of insurer.—

777 (3) If charges or premiums deposited in a fiduciary
 778 account have been collected on behalf of or for more than one
 779 insurer, the administrator shall keep records clearly recording
 780 the deposits in and withdrawals from such account on behalf of

781 or for each insurer. The administrator shall, upon request of an
 782 insurer or its designee, furnish such insurer or designee with
 783 copies of records pertaining to deposits and withdrawals on
 784 behalf of or for such insurer.

785 (4) The administrator may not pay any claim by withdrawals
 786 from a fiduciary account. Withdrawals from such account shall be
 787 made as provided in the written agreement required under ss.
 788 626.8817 and 626.882 ~~between the administrator and the insurer~~
 789 for any of the following:

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

791 (b) Deposit in an account maintained in the name of such
 792 insurer.

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

795 (d) Payment to a group policyholder for remittance to the
 796 insurer entitled to such remittance.

797 (e) Payment to the administrator of the commission, fees,
 798 or charges of the administrator.

799 (f) Remittance of return premium to the person or persons
 800 entitled to such return premium.

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

804 Section 19. Subsection (3) of section 626.884, Florida
 805 Statutes, is amended to read:

806 626.884 Maintenance of records by administrator; access;

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807 confidentiality.—

808 (3) The insurer shall retain the right of continuing
809 access to books and records maintained by the administrator
810 sufficient to permit the insurer to fulfill all of its
811 contractual obligations to insured persons, subject to any
812 restrictions in the written agreement pertaining to ~~between the~~
813 ~~insurer and the administrator on~~ the proprietary rights of the
814 parties in such books and records.

815 Section 20. Subsections (1) and (2) of section 626.89,
816 Florida Statutes, are amended to read:

817 626.89 Annual financial statement and filing fee; notice
818 of change of ownership.—

819 (1) Each authorized administrator shall file with the
820 office a full and true statement of its financial condition,
821 transactions, and affairs. The statement shall be filed annually
822 on or before April ~~March~~ 1 or within such extension of time
823 therefor as the office for good cause may have granted and shall
824 be for the preceding calendar year or for the preceding fiscal
825 year if the administrator's accounting is on a fiscal-year
826 basis. The statement shall be in such form and contain such
827 matters as the commission prescribes and shall be verified by at
828 least two officers of such administrator. ~~An administrator whose~~
829 ~~sole stockholder is an association representing health care~~
830 ~~providers which is not an affiliate of an insurer, an~~
831 ~~administrator of a pooled governmental self-insurance program,~~
832 ~~or an administrator that is a university may submit the~~

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833 ~~preceding fiscal year's statement within 2 months after its~~
834 ~~fiscal year end.~~

835 (2) Each authorized administrator shall also file an
836 audited financial statement performed by an independent
837 certified public accountant. The audited financial statement
838 shall be filed with the office on or before July ~~June~~ 1 for the
839 preceding calendar or fiscal year ~~ending December 31~~. An
840 administrator ~~whose sole stockholder is an association~~
841 ~~representing health care providers which is not an affiliate of~~
842 ~~an insurer, an administrator of a pooled governmental self-~~
843 ~~insurance program, or an administrator that is a university may~~
844 ~~submit the preceding fiscal year's audited financial statement~~
845 ~~within 5 months after the end of its fiscal year.~~ An audited
846 financial statement prepared on a consolidated basis must
847 include a columnar consolidating or combining worksheet that
848 must be filed with the statement and must comply with the
849 following:

850 (a) Amounts shown on the consolidated audited financial
851 statement must be shown on the worksheet;

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

853 (c) Explanations of consolidating and eliminating entries
854 must be included.

855 Section 21. Section 626.931, Florida Statutes, is amended
856 to read:

857 626.931 ~~Agent affidavit and~~ Insurer reporting
858 requirements.-

859 ~~(1) Each surplus lines agent shall on or before the 45th~~
860 ~~day following each calendar quarter file with the Florida~~
861 ~~Surplus Lines Service Office an affidavit, on forms as~~
862 ~~prescribed and furnished by the Florida Surplus Lines Service~~
863 ~~Office, stating that all surplus lines insurance transacted by~~
864 ~~him or her during such calendar quarter has been submitted to~~
865 ~~the Florida Surplus Lines Service Office as required.~~

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

869 (1)~~(3)~~ Each foreign insurer accepting premiums shall, on
870 or before the end of the month following each calendar quarter,
871 file with the Florida Surplus Lines Service Office a verified
872 report of all surplus lines insurance transacted by such insurer
873 for insurance risks located in this state during such calendar
874 quarter.

875 (2)~~(4)~~ Each alien insurer accepting premiums shall, on or
876 before June 30 of each year, file with the Florida Surplus Lines
877 Service Office a verified report of all surplus lines insurance
878 transacted by such insurer for insurance risks located in this
879 state during the preceding calendar year.

880 (3)~~(5)~~ The department may waive the filing requirements
881 described in subsections (1) ~~(3)~~ and (2) ~~(4)~~.

882 (4)~~(6)~~ Each insurer's report and supporting information
883 shall be in a computer-readable format as determined by the
884 Florida Surplus Lines Service Office or shall be submitted on

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

887 (a) A listing of all policies, certificates, cover notes,
 888 or other forms of confirmation of insurance coverage or any
 889 substitutions thereof or endorsements thereto and the
 890 identifying number; and

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

893 Section 22. Paragraph (a) of subsection (2) of section
 894 626.932, Florida Statutes, is amended to read:

895 626.932 Surplus lines tax.—

896 (2) (a) The surplus lines agent shall make payable to the
 897 department the tax related to each calendar quarter's business
 898 as reported to the Florida Surplus Lines Service Office, and
 899 remit the tax to the Florida Surplus Lines Service Office on or
 900 before the 45th day following each calendar quarter ~~at the same~~
 901 ~~time as provided for the filing of the quarterly affidavit,~~
 902 ~~under s. 626.931.~~ The Florida Surplus Lines Service Office shall
 903 forward to the department the taxes and any interest collected
 904 pursuant to paragraph (b), within 10 days after ~~of~~ receipt.

905 Section 23. Subsection (1) of section 626.935, Florida
 906 Statutes, is amended to read:

907 626.935 Suspension, revocation, or refusal of surplus
 908 lines agent's license.—

909 (1) The department shall deny an application for, suspend,
 910 revoke, or refuse to renew the appointment of a surplus lines

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911 agent and all other licenses and appointments held by the
912 licensee under this code, on any of the following grounds:

913 (a) Removal of the licensee's office from the licensee's
914 state of residence.

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

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

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

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

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

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

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

931 (h) ~~(i)~~ ~~For~~ Any other applicable cause for which the
932 license of a general lines agent could be suspended, revoked, or
933 refused under s. 626.611 or s. 626.621.

934 Section 24. Subsection (1) of section 626.936, Florida
935 Statutes, is amended to read:

936 626.936 Failure to file reports or pay tax or service fee;

937 administrative penalty.—

938 (1) A ~~Any~~ licensed surplus lines agent who neglects to
 939 file a report ~~or an affidavit~~ in the form and within the time
 940 required or provided for in the Surplus Lines Law may be fined
 941 up to \$50 per day for each day the neglect continues, beginning
 942 the day after the report ~~or affidavit~~ was due until the date the
 943 report ~~or affidavit~~ is received. All sums collected under this
 944 section shall be deposited into the Insurance Regulatory Trust
 945 Fund.

946 Section 25. Paragraph (b) of subsection (2) of section
 947 627.062, Florida Statutes, is amended to read:

948 627.062 Rate standards.—

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

950 (b) Upon receiving a rate filing, the office shall review
 951 the filing to determine whether ~~if~~ a rate is excessive,
 952 inadequate, or unfairly discriminatory. In making that
 953 determination, the office shall, in accordance with generally
 954 accepted and reasonable actuarial techniques, consider the
 955 following factors:

956 1. Past and prospective loss experience within and without
 957 this state.

958 2. Past and prospective expenses.

959 3. The degree of competition among insurers for the risk
 960 insured.

961 4. Investment income reasonably expected by the insurer,
 962 consistent with the insurer's investment practices, from

963 investable premiums anticipated in the filing, plus any other
964 expected income from currently invested assets representing the
965 amount expected on unearned premium reserves and loss reserves.
966 The commission may adopt rules using reasonable techniques of
967 actuarial science and economics to specify the manner in which
968 insurers calculate investment income attributable to classes of
969 insurance written in this state and the manner in which
970 investment income is used to calculate insurance rates. Such
971 manner must contemplate allowances for an underwriting profit
972 factor and full consideration of investment income that ~~which~~
973 produce a reasonable rate of return; however, investment income
974 from invested surplus may not be considered.

975 5. The reasonableness of the judgment reflected in the
976 filing.

977 6. Dividends, savings, or unabsorbed premium deposits
978 allowed or returned to Florida policyholders, members, or
979 subscribers.

980 7. The adequacy of loss reserves.

981 8. The cost of reinsurance. The office may not disapprove
982 a rate as excessive solely due to the insurer's ~~insurer~~ having
983 obtained catastrophic reinsurance to cover the insurer's
984 estimated 250-year probable maximum loss or any lower level of
985 loss.

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

988 10. Conflagration and catastrophe hazards, if applicable.

989 11. Projected hurricane losses, if applicable, which must
 990 be estimated using models or methods ~~a model or method~~ found to
 991 be acceptable or reliable by the Florida Commission on Hurricane
 992 Loss Projection Methodology⁷, and as further provided in s.
 993 627.0628.

994 12. A reasonable margin for underwriting profit and
 995 contingencies.

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

997 14. Other relevant factors that affect the frequency or
 998 severity of claims or expenses.

999 Section 26. Paragraph (d) of subsection (3) of section
 1000 627.0628, Florida Statutes, is amended to read:

1001 627.0628 Florida Commission on Hurricane Loss Projection
 1002 Methodology; public records exemption; public meetings
 1003 exemption.—

1004 (3) ADOPTION AND EFFECT OF STANDARDS AND GUIDELINES.—

1005 (d) With respect to a rate filing under s. 627.062, an
 1006 insurer shall employ and may not modify or adjust actuarial
 1007 methods, principles, standards, models, or output ranges found
 1008 by the commission to be accurate or reliable in determining
 1009 hurricane loss factors for use in a rate filing under s.

1010 627.062. An insurer shall employ and may not modify or adjust
 1011 models found by the commission to be accurate or reliable in
 1012 determining probable maximum loss levels pursuant to paragraph

1013 (b) with respect to a rate filing under s. 627.062 made more
 1014 than 180 ~~60~~ days after the commission has made such findings.

1015 This paragraph does not prohibit an insurer from averaging the
 1016 model results or output ranges or using acceptable models or
 1017 methods for the purposes of a rate filing under s. 627.062.

1018 Section 27. Subsection (8) of section 627.0651, Florida
 1019 Statutes, is amended to read:

1020 627.0651 Making and use of rates for motor vehicle
 1021 insurance.—

1022 (8) Rates are not unfairly discriminatory if averaged
 1023 broadly among members of a group; nor are rates unfairly
 1024 discriminatory even though they are lower than rates for
 1025 nonmembers of the group. However, such rates are unfairly
 1026 discriminatory if they are not actuarially measurable and
 1027 credible and sufficiently related to actual or expected loss and
 1028 expense experience of the group so as to ensure ~~assure~~ that
 1029 nonmembers of the group are not unfairly discriminated against.

1030 New programs or changes to existing programs that result in at
 1031 least ~~Use of~~ a single United States Postal Service zip code as a
 1032 rating territory shall be deemed submitted pursuant to paragraph
 1033 (1) (a) unfairly discriminatory.

1034 Section 28. Subsections (2), (3), and (4) of section
 1035 627.072, Florida Statutes, are renumbered as subsections (3),
 1036 (4), and (5), respectively, and a new subsection (2) is added to
 1037 that section to read:

1038 627.072 Making and use of rates.—

1039 (2) A retrospective rating plan may contain a provision
 1040 that allows negotiation between the employer and the insurer to

1041 determine the retrospective rating factors used to calculate the
 1042 premium for employers that have exposure in more than one state,
 1043 an estimated annual standard premium in this state of \$175,000,
 1044 and an estimated annual countrywide standard premium of \$1
 1045 million or more for workers' compensation.

1046 Section 29. Subsection (2) of section 627.281, Florida
 1047 Statutes, is amended to read:

1048 627.281 Appeal from rating organization; workers'
 1049 compensation and employer's liability insurance filings.—

1050 (2) If such appeal is based upon the failure of the rating
 1051 organization to make a filing on behalf of such member or
 1052 subscriber which is based on a system of expense provisions
 1053 which differs, in accordance with the right granted in s.
 1054 627.072(3) ~~627.072(2)~~, from the system of expense provisions
 1055 included in a filing made by the rating organization, the office
 1056 shall, if it grants the appeal, order the rating organization to
 1057 make the requested filing for use by the appellant. In deciding
 1058 such appeal, the office shall apply the applicable standards set
 1059 forth in ss. 627.062 and 627.072.

1060 Section 30. Subsection (9) of section 627.3518, Florida
 1061 Statutes, is amended to read:

1062 627.3518 Citizens Property Insurance Corporation
 1063 policyholder eligibility clearinghouse program.—The purpose of
 1064 this section is to provide a framework for the corporation to
 1065 implement a clearinghouse program by January 1, 2014.

1066 (9) The 45-day notice of nonrenewal requirement set forth

1067 in s. 627.4133(2)(b)4. ~~627.4133(2)(b)4.b.~~ applies when a policy
 1068 is nonrenewed by the corporation because the risk has received
 1069 an offer of coverage pursuant to this section which renders the
 1070 risk ineligible for coverage by the corporation.

1071 Section 31. Section 627.3519, Florida Statutes, is amended
 1072 to read:

1073 627.3519 Annual report of aggregate net probable maximum
 1074 losses, financing options, and potential assessments.—No later
 1075 than February 1 of each year, the Florida Hurricane Catastrophe
 1076 Fund and Citizens Property Insurance Corporation ~~Financial~~
 1077 ~~Services Commission~~ shall provide to the Legislature and the
 1078 Financial Services Commission a report of their respective ~~the~~
 1079 aggregate net probable maximum losses, financing options, and
 1080 potential assessments ~~of the Florida Hurricane Catastrophe Fund~~
 1081 ~~and Citizens Property Insurance Corporation~~. The report of the
 1082 fund and the corporation must include their ~~the~~ respective 50-
 1083 year, 100-year, and 250-year probable maximum losses ~~of the fund~~
 1084 ~~and the corporation~~; analysis of all reasonable financing
 1085 strategies for each such probable maximum loss, including the
 1086 amount and term of debt instruments; specification of the
 1087 percentage assessments that would be needed to support each of
 1088 the financing strategies; and calculations of the aggregate
 1089 assessment burden on Florida property and casualty policyholders
 1090 for each of the probable maximum losses. ~~The commission shall~~
 1091 ~~require the fund and the corporation to provide the commission~~
 1092 ~~with such data and analysis as the commission considers~~

1093 ~~necessary to prepare the report.~~

1094 Section 32. Paragraph (b) of subsection (2) of section
1095 627.4133, Florida Statutes, is amended to read:

1096 627.4133 Notice of cancellation, nonrenewal, or renewal
1097 premium.—

1098 (2) With respect to any personal lines or commercial
1099 residential property insurance policy, including, but not
1100 limited to, any homeowner's, mobile home owner's, farmowner's,
1101 condominium association, condominium unit owner's, apartment
1102 building, or other policy covering a residential structure or
1103 its contents:

1104 (b) The insurer shall give the first-named insured written
1105 notice of nonrenewal, cancellation, or termination at least 120
1106 ~~100~~ days before the effective date of the nonrenewal,
1107 cancellation, or termination. ~~However, the insurer shall give at~~
1108 ~~least 100 days' written notice, or written notice by June 1,~~
1109 ~~whichever is earlier, for any nonrenewal, cancellation, or~~
1110 ~~termination that would be effective between June 1 and November~~
1111 ~~30.~~ The notice must include the reason or reasons for the
1112 nonrenewal, cancellation, or termination, except that:

1113 ~~1. The insurer shall give the first-named insured written~~
1114 ~~notice of nonrenewal, cancellation, or termination at least 120~~
1115 ~~days prior to the effective date of the nonrenewal,~~
1116 ~~cancellation, or termination for a first-named insured whose~~
1117 ~~residential structure has been insured by that insurer or an~~
1118 ~~affiliated insurer for at least a 5-year period immediately~~

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1119 ~~prior to the date of the written notice.~~

1120 1.2. If cancellation is for nonpayment of premium, at
1121 least 10 days' written notice of cancellation accompanied by the
1122 reason therefor must be given. As used in this subparagraph, the
1123 term "nonpayment of premium" means failure of the named insured
1124 to discharge when due her or his obligations for ~~in connection~~
1125 ~~with~~ the payment of premiums on a policy or any installment of
1126 such premium, whether the premium is payable directly to the
1127 insurer or its agent or indirectly under any premium finance
1128 plan or extension of credit, or failure to maintain membership
1129 in an organization if such membership is a condition precedent
1130 to insurance coverage. The term also means the failure of a
1131 financial institution to honor an insurance applicant's check
1132 after delivery to a licensed agent for payment of a premium,
1133 even if the agent has previously delivered or transferred the
1134 premium to the insurer. If a dishonored check represents the
1135 initial premium payment, the contract and all contractual
1136 obligations are void ab initio unless the nonpayment is cured
1137 within the earlier of 5 days after actual notice by certified
1138 mail is received by the applicant or 15 days after notice is
1139 sent to the applicant by certified mail or registered mail, ~~and~~
1140 If the contract is void, any premium received by the insurer
1141 from a third party must be refunded to that party in full.

1142 2.3. If ~~such~~ cancellation or termination occurs during the
1143 first 90 days the insurance is in force and the insurance is
1144 canceled or terminated for reasons other than nonpayment of

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1145 premium, at least 20 days' written notice of cancellation or
1146 termination accompanied by the reason therefor must be given
1147 unless there has been a material misstatement or
1148 misrepresentation or failure to comply with the underwriting
1149 requirements established by the insurer.

1150 3. After the policy has been in effect for 90 days, the
1151 policy may not be canceled by the insurer unless there has been
1152 a material misstatement, a nonpayment of premium, a failure to
1153 comply with underwriting requirements established by the insurer
1154 within 90 days after the date of effectuation of coverage, or a
1155 substantial change in the risk covered by the policy or unless
1156 the cancellation is for all insureds under such policies for a
1157 class of insureds. An insurer that uses a credit report or
1158 information available as a public record to determine whether
1159 there is a misrepresentation or omission in the application for
1160 insurance related to the applicant's credit history must make
1161 such determination within 90 days after the policy has been in
1162 effect. After such 90-day period, an insurer may not cancel or
1163 rescind the policy or deny coverage for a claim based on a
1164 misstatement or omission in the application regarding credit
1165 history that the insurer could reasonably have discovered by a
1166 review of credit history or public record. This subparagraph
1167 does not apply to individually rated risks having a policy term
1168 of less than 90 days.

1169 ~~4. The requirement for providing written notice by June 1~~
1170 ~~of any nonrenewal that would be effective between June 1 and~~

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1171 ~~November 30 does not apply to the following situations, but the~~
1172 ~~insurer remains subject to the requirement to provide such~~
1173 ~~notice at least 100 days before the effective date of~~
1174 ~~nonrenewal:~~

1175 ~~a. A policy that is nonrenewed due to a revision in the~~
1176 ~~coverage for sinkhole losses and catastrophic ground cover~~
1177 ~~collapse pursuant to s. 627.706.~~

1178 4.b. A policy that is nonrenewed by Citizens Property
1179 Insurance Corporation, pursuant to s. 627.351(6), for a policy
1180 that has been assumed by an authorized insurer offering
1181 replacement coverage to the policyholder is exempt from the
1182 notice requirements of paragraph (a) and this paragraph. In such
1183 cases, the corporation must give the named insured written
1184 notice of nonrenewal at least 45 days before the effective date
1185 of the nonrenewal.

1186
1187 ~~After the policy has been in effect for 90 days, the policy may~~
1188 ~~not be canceled by the insurer unless there has been a material~~
1189 ~~misstatement, a nonpayment of premium, a failure to comply with~~
1190 ~~underwriting requirements established by the insurer within 90~~
1191 ~~days after the date of effectuation of coverage, or a~~
1192 ~~substantial change in the risk covered by the policy or if the~~
1193 ~~cancellation is for all insureds under such policies for a given~~
1194 ~~class of insureds. This paragraph does not apply to individually~~
1195 ~~rated risks having a policy term of less than 90 days.~~

1196 5. Notwithstanding any other provision of law, an insurer

1197 may cancel or nonrenew a property insurance policy after at
 1198 least 45 days' notice if the office finds that the early
 1199 cancellation of some or all of the insurer's policies is
 1200 necessary to protect the best interests of the public or
 1201 policyholders and the office approves the insurer's plan for
 1202 early cancellation or nonrenewal of some or all of its policies.
 1203 The office may base such finding upon the financial condition of
 1204 the insurer, lack of adequate reinsurance coverage for hurricane
 1205 risk, or other relevant factors. The office may condition its
 1206 finding on the consent of the insurer to be placed under
 1207 administrative supervision pursuant to s. 624.81 or to the
 1208 appointment of a receiver under chapter 631.

1209 6. A policy covering both a home and a motor vehicle may
 1210 be nonrenewed for any reason applicable to ~~either~~ the property
 1211 or motor vehicle insurance after providing 90 days' notice.

1212 Section 33. Subsection (1) of section 627.4137, Florida
 1213 Statutes, is amended to read:

1214 627.4137 Disclosure of certain information required.—

1215 (1) Each insurer that provides ~~which does~~ or may provide
 1216 liability insurance coverage to pay all or a portion of a ~~any~~
 1217 claim that ~~which~~ might be made shall provide, within 30 days
 1218 after ~~of~~ the written request of the claimant, a statement, under
 1219 oath, of a corporate officer or the insurer's claims manager, ~~or~~
 1220 superintendent, or licensed company adjuster setting forth the
 1221 following information with regard to each known policy of
 1222 insurance, including excess or umbrella insurance:

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- 1223 (a) The name of the insurer.
- 1224 (b) The name of each insured.
- 1225 (c) The limits of the liability coverage.
- 1226 (d) A statement of any policy or coverage defense that the
- 1227 ~~which such~~ insurer reasonably believes is available to the ~~such~~
- 1228 insurer at the time of filing such statement.
- 1229 (e) A copy of the policy.

1230

1231 In addition, the insured, or her or his insurance agent, upon

1232 written request of the claimant or the claimant's attorney,

1233 shall disclose the name and coverage of each known insurer to

1234 the claimant and shall forward such request for information as

1235 required by this subsection to all affected insurers. The

1236 insurer shall then supply the information required in this

1237 subsection to the claimant within 30 days after ~~of~~ receipt of

1238 such request.

1239 Section 34. Subsection (1) of section 627.421, Florida

1240 Statutes, is amended to read:

1241 627.421 Delivery of policy.—

1242 (1) Subject to the insurer's requirement as to payment of

1243 premium, every policy shall be mailed, delivered, or

1244 electronically transmitted to the insured or to the person

1245 entitled thereto not later than 60 days after the effectuation

1246 of coverage. Notwithstanding any other provision of law, an

1247 insurer may allow a policyholder of personal lines insurance to

1248 affirmatively elect delivery of the policy documents, including,

1249 but not limited to, policies, endorsements, notices, or
 1250 documents, by electronic means in lieu of delivery by mail.
 1251 Electronic transmission of a policy for commercial risks,
 1252 including, but not limited to, workers' compensation and
 1253 employers' liability, commercial automobile liability,
 1254 commercial automobile physical damage, commercial lines
 1255 residential property, commercial nonresidential property, farm
 1256 owners' insurance, and the types of commercial lines risks set
 1257 forth in s. 627.062(3)(d), constitutes ~~shall constitute~~ delivery
 1258 to the insured or to the person entitled to delivery, unless the
 1259 insured or the person entitled to delivery communicates to the
 1260 insurer in writing or electronically that he or she does not
 1261 agree to delivery by electronic means. Electronic transmission
 1262 shall include a notice to the insured or to the person entitled
 1263 to delivery of a policy of his or her right to receive the
 1264 policy via United States mail rather than via electronic
 1265 transmission. A paper copy of the policy shall be provided to
 1266 the insured or to the person entitled to delivery at his or her
 1267 request.

1268 Section 35. Subsection (2) of section 627.43141, Florida
 1269 Statutes, is amended to read:

1270 627.43141 Notice of change in policy terms.—

1271 (2) A renewal policy may contain a change in policy terms.
 1272 If a renewal policy contains ~~does contain~~ such change, the
 1273 insurer must give the named insured written notice of the
 1274 change, which may ~~must~~ be enclosed along with the written notice

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1275 of renewal premium required by ss. 627.4133 and 627.728 or be
 1276 sent in a separate notice that complies with the nonrenewal
 1277 mailing time requirement for that particular line of business.
 1278 The insurer must also provide a sample copy of the notice to the
 1279 insured's insurance agent before or at the same time that notice
 1280 is given to the insured. Such notice shall be entitled "Notice
 1281 of Change in Policy Terms."

1282 Section 36. Section 627.4553, Florida Statutes, is created
 1283 to read:

1284 627.4553 Recommendations to surrender.—If an insurance
 1285 agent recommends the surrender of an annuity or life insurance
 1286 policy containing a cash value and is not recommending that the
 1287 proceeds from the surrender be used to fund or purchase another
 1288 annuity or life insurance policy, before execution of the
 1289 surrender, the insurance agent, or the insurance company if no
 1290 agent is involved, shall provide, on a form adopted by rule by
 1291 the department, information concerning the annuity or policy to
 1292 be surrendered, including the amount of any surrender charge,
 1293 the loss of any minimum interest rate guarantees, the amount of
 1294 any tax consequences resulting from the surrender, the amount of
 1295 any forfeited death benefit, and the value of any other
 1296 investment performance guarantees being forfeited as a result of
 1297 the surrender. This section also applies to a person performing
 1298 insurance agent activities pursuant to an exemption from
 1299 licensure under this part.

1300 Section 37. Paragraph (b) of subsection (4) of section

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1301 627.7015, Florida Statutes, is amended to read:

1302 627.7015 Alternative procedure for resolution of disputed
1303 property insurance claims.—

1304 (4) The department shall adopt by rule a property
1305 insurance mediation program to be administered by the department
1306 or its designee. The department may also adopt special rules
1307 which are applicable in cases of an emergency within the state.
1308 The rules shall be modeled after practices and procedures set
1309 forth in mediation rules of procedure adopted by the Supreme
1310 Court. The rules shall provide for:

1311 (b) Qualifications, denial of application, suspension,
1312 revocation of approval, and other penalties for ~~of~~ mediators as
1313 provided in s. 627.745 and in the Florida Rules of Certified and
1314 Court Appointed Mediators, ~~and for such other individuals as are~~
1315 ~~qualified by education, training, or experience as the~~
1316 ~~department determines to be appropriate.~~

1317 Section 38. Section 627.70151, Florida Statutes, is
1318 created to read:

1319 627.70151 Appraisal; conflicts of interest.—An insurer
1320 that offers residential coverage, as defined in s. 627.4025, or
1321 a policyholder that uses an appraisal clause in the property
1322 insurance contract to establish a process of estimating or
1323 evaluating the amount of the loss through the use of an
1324 impartial umpire may challenge the umpire's impartiality and
1325 disqualify the proposed umpire only if:

1326 (1) A familial relationship within the third degree exists

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1327 between the umpire and any party or a representative of any
1328 party;

1329 (2) The umpire has previously represented any party or a
1330 representative of any party in a professional capacity in the
1331 same or a substantially related matter;

1332 (3) The umpire has represented another person in a
1333 professional capacity on the same or a substantially related
1334 matter, which includes the claim, same property, or an adjacent
1335 property and that other person's interests are materially
1336 adverse to the interests of any party; or

1337 (4) The umpire has worked as an employer or employee of
1338 any party within the preceding 5 years.

1339 Section 39. Paragraph (c) of subsection (2) of section
1340 627.706, Florida Statutes, is amended to read:

1341 627.706 Sinkhole insurance; catastrophic ground cover
1342 collapse; definitions.—

1343 (2) As used in ss. 627.706-627.7074, and as used in
1344 connection with any policy providing coverage for a catastrophic
1345 ground cover collapse or for sinkhole losses, the term:

1346 (c) "Neutral evaluator" means a professional engineer or a
1347 professional geologist who has completed a course of study in
1348 alternative dispute resolution designed or approved by the
1349 department for use in the neutral evaluation process, ~~and~~ who is
1350 determined by the department to be fair and impartial, and who
1351 is not otherwise ineligible for certification as provided in s.
1352 627.7074.

1353 Section 40. Subsections (1) and (3) of section 627.7074,
 1354 Florida Statutes, are amended to read:

1355 627.7074 Alternative procedure for resolution of disputed
 1356 sinkhole insurance claims.—

1357 (1) The department shall:

1358 (a) Certify and maintain a list of persons who are neutral
 1359 evaluators.

1360 (b) Adopt rules for certifying, denying certification of,
 1361 suspending certification of, and revoking certification as a
 1362 neutral evaluator in keeping with qualifications specified in
 1363 this section and ss. 627.706 and 627.745(4).

1364 (c) ~~(b)~~ Prepare a consumer information pamphlet for
 1365 distribution by insurers to policyholders which clearly
 1366 describes the neutral evaluation process and includes
 1367 information necessary for the policyholder to request a neutral
 1368 evaluation.

1369 (3) Following the receipt of the report provided under s.
 1370 627.7073 or the denial of a claim for a sinkhole loss, the
 1371 insurer shall notify the policyholder of his or her right to
 1372 participate in the neutral evaluation program under this
 1373 section, if there is coverage available under the policy and the
 1374 claim was submitted within the timeframe provided in s.
 1375 627.706(5). Neutral evaluation supersedes the alternative
 1376 dispute resolution process under s. 627.7015 but does not
 1377 invalidate the appraisal clause of the insurance policy. The
 1378 insurer shall provide to the policyholder the consumer

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1379 information pamphlet prepared by the department pursuant to
 1380 subsection (1) electronically or by United States mail.

1381 Section 41. Subsection (8) of section 627.711, Florida
 1382 Statutes, is amended to read:

1383 627.711 Notice of premium discounts for hurricane loss
 1384 mitigation; uniform mitigation verification inspection form.—

1385 (8) At its expense, the insurer may require that a uniform
 1386 mitigation verification form provided by a policyholder, a
 1387 policyholder's agent, or an authorized mitigation inspector or
 1388 inspection company be independently verified by an inspector, an
 1389 inspection company, or an independent third-party quality
 1390 assurance provider which possesses a quality assurance program
 1391 before accepting the uniform mitigation verification form as
 1392 valid. A uniform mitigation verification form provided by a
 1393 policyholder, a policyholder's agent, or an authorized
 1394 mitigation inspector or inspection company to Citizens Property
 1395 Insurance Corporation is not subject to such additional
 1396 verification and the property is not subject to reinspection by
 1397 the corporation, absent material changes to the structure for
 1398 the term stated on the form, if the form signed by a qualified
 1399 inspector was submitted to, reviewed, and verified by a quality
 1400 assurance program approved by the corporation before submission
 1401 of the form to the corporation.

1402 Section 42. Paragraph (a) of subsection (5) of section
 1403 627.736, Florida Statutes, is amended to read:

1404 627.736 Required personal injury protection benefits;

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1405 exclusions; priority; claims.—

1406 (5) CHARGES FOR TREATMENT OF INJURED PERSONS.—

1407 (a) A physician, hospital, clinic, or other person or
1408 institution lawfully rendering treatment to an injured person
1409 for a bodily injury covered by personal injury protection
1410 insurance may charge the insurer and injured party only a
1411 reasonable amount pursuant to this section for the services and
1412 supplies rendered, and the insurer providing such coverage may
1413 pay for such charges directly to such person or institution
1414 lawfully rendering such treatment if the insured receiving such
1415 treatment or his or her guardian has countersigned the properly
1416 completed invoice, bill, or claim form approved by the office
1417 upon which such charges are to be paid for as having actually
1418 been rendered, to the best knowledge of the insured or his or
1419 her guardian. However, such a charge may not exceed the amount
1420 the person or institution customarily charges for like services
1421 or supplies. In determining whether a charge for a particular
1422 service, treatment, or otherwise is reasonable, consideration
1423 may be given to evidence of usual and customary charges and
1424 payments accepted by the provider involved in the dispute,
1425 reimbursement levels in the community and various federal and
1426 state medical fee schedules applicable to motor vehicle and
1427 other insurance coverages, and other information relevant to the
1428 reasonableness of the reimbursement for the service, treatment,
1429 or supply.

1430 1. The insurer may limit reimbursement to 80 percent of

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1431 the following schedule of maximum charges:

1432 a. For emergency transport and treatment by providers
1433 licensed under chapter 401, 200 percent of Medicare.

1434 b. For emergency services and care provided by a hospital
1435 licensed under chapter 395, 75 percent of the hospital's usual
1436 and customary charges.

1437 c. For emergency services and care as defined by s.
1438 395.002 provided in a facility licensed under chapter 395
1439 rendered by a physician or dentist, and related hospital
1440 inpatient services rendered by a physician or dentist, the usual
1441 and customary charges in the community.

1442 d. For hospital inpatient services, other than emergency
1443 services and care, 200 percent of the Medicare Part A
1444 prospective payment applicable to the specific hospital
1445 providing the inpatient services.

1446 e. For hospital outpatient services, other than emergency
1447 services and care, 200 percent of the Medicare Part A Ambulatory
1448 Payment Classification for the specific hospital providing the
1449 outpatient services.

1450 f. For all other medical services, supplies, and care, 200
1451 percent of the allowable amount under:

1452 (I) The participating physicians fee schedule of Medicare
1453 Part B, except as provided in sub-sub-subparagraphs (II) and
1454 (III).

1455 (II) Medicare Part B, in the case of services, supplies,
1456 and care provided by ambulatory surgical centers and clinical

1457 laboratories.

1458 (III) The Durable Medical Equipment Prosthetics/Orthotics
 1459 and Supplies fee schedule of Medicare Part B, in the case of
 1460 durable medical equipment.

1461
 1462 However, if such services, supplies, or care is not reimbursable
 1463 under Medicare Part B, as provided in this sub-subparagraph, the
 1464 insurer may limit reimbursement to 80 percent of the maximum
 1465 reimbursable allowance under workers' compensation, as
 1466 determined under s. 440.13 and rules adopted thereunder which
 1467 are in effect at the time such services, supplies, or care is
 1468 provided. Services, supplies, or care that is not reimbursable
 1469 under Medicare or workers' compensation is not required to be
 1470 reimbursed by the insurer.

1471 2. For purposes of subparagraph 1., the applicable fee
 1472 schedule or payment limitation under Medicare is the fee
 1473 schedule or payment limitation in effect on March 1 of the year
 1474 in which the services, supplies, or care is rendered and for the
 1475 area in which such services, supplies, or care is rendered, and
 1476 the applicable fee schedule or payment limitation applies from
 1477 March 1 until the last day of February ~~throughout the remainder~~
 1478 ~~of the following~~ that year, notwithstanding any subsequent
 1479 change made to the fee schedule or payment limitation, except
 1480 that it may not be less than the allowable amount under the
 1481 applicable schedule of Medicare Part B for 2007 for medical
 1482 services, supplies, and care subject to Medicare Part B.

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1483 3. Subparagraph 1. does not allow the insurer to apply any
1484 limitation on the number of treatments or other utilization
1485 limits that apply under Medicare or workers' compensation. An
1486 insurer that applies the allowable payment limitations of
1487 subparagraph 1. must reimburse a provider who lawfully provided
1488 care or treatment under the scope of his or her license,
1489 regardless of whether such provider is entitled to reimbursement
1490 under Medicare due to restrictions or limitations on the types
1491 or discipline of health care providers who may be reimbursed for
1492 particular procedures or procedure codes. However, subparagraph
1493 1. does not prohibit an insurer from using the Medicare coding
1494 policies and payment methodologies of the federal Centers for
1495 Medicare and Medicaid Services, including applicable modifiers,
1496 to determine the appropriate amount of reimbursement for medical
1497 services, supplies, or care if the coding policy or payment
1498 methodology does not constitute a utilization limit.

1499 4. If an insurer limits payment as authorized by
1500 subparagraph 1., the person providing such services, supplies,
1501 or care may not bill or attempt to collect from the insured any
1502 amount in excess of such limits, except for amounts that are not
1503 covered by the insured's personal injury protection coverage due
1504 to the coinsurance amount or maximum policy limits.

1505 5. ~~Effective July 1, 2012,~~ An insurer may limit payment as
1506 authorized by this paragraph only if the insurance policy
1507 includes a notice at the time of issuance or renewal that the
1508 insurer may limit payment pursuant to the schedule of charges

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1509 specified in this paragraph. A policy form approved by the
1510 office satisfies this requirement. If a provider submits a
1511 charge for an amount less than the amount allowed under
1512 subparagraph 1., the insurer may pay the amount of the charge
1513 submitted.

1514 Section 43. Subsection (1) and paragraphs (a) and (b) of
1515 subsection (2) of section 627.744, Florida Statutes, are amended
1516 to read:

1517 627.744 Required preinsurance inspection of private
1518 passenger motor vehicles.—

1519 (1) A private passenger motor vehicle insurance policy
1520 providing physical damage coverage, including collision or
1521 comprehensive coverage, may not be issued in this state unless
1522 the insurer has inspected the motor vehicle in accordance with
1523 this section. Physical damage coverage on a motor vehicle may
1524 not be suspended during the term of the policy due to the
1525 applicant's failure to provide required documents. However,
1526 payment of a claim may be conditioned upon the insurer's receipt
1527 of the required documents, and physical damage loss occurring
1528 after the effective date of coverage is not payable until the
1529 documents are provided to the insurer.

1530 (2) This section does not apply:

1531 (a) To a policy for a policyholder who has been insured
1532 for 2 years or longer, without interruption, under a private
1533 passenger motor vehicle policy that ~~which~~ provides physical
1534 damage coverage for any vehicle, if the agent of the insurer

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1535 verifies the previous coverage.

1536 (b) To a new, unused motor vehicle purchased or leased
1537 from a licensed motor vehicle dealer or leasing company, if the
1538 insurer is provided with:

1539 1. A bill of sale, ~~or~~ buyer's order, or lease agreement
1540 that ~~which~~ contains a full description of the motor vehicle,
1541 ~~including all options and accessories; or~~

1542 2. A copy of the title or registration that ~~which~~
1543 establishes transfer of ownership from the dealer or leasing
1544 company to the customer and a copy of the window sticker ~~or the~~
1545 ~~dealer invoice showing the itemized options and equipment and~~
1546 ~~the total retail price of the vehicle.~~

1547
1548 ~~For the purposes of this paragraph, the physical damage coverage~~
1549 ~~on the motor vehicle may not be suspended during the term of the~~
1550 ~~policy due to the applicant's failure to provide the required~~
1551 ~~documents. However, payment of a claim is conditioned upon the~~
1552 ~~receipt by the insurer of the required documents, and no~~
1553 ~~physical damage loss occurring after the effective date of the~~
1554 ~~coverage is payable until the documents are provided to the~~
1555 ~~insurer.~~

1556 Section 44. Paragraph (b) of subsection (3) of section
1557 627.745, Florida Statutes, is amended, present subsections (4)
1558 and (5) of that section are renumbered as subsections (5) and
1559 (6), respectively, and a new subsection (4) is added to that
1560 section, to read:

1561 627.745 Mediation of claims.—

1562 (3)

1563 (b) To qualify for approval as a mediator, an individual ~~a~~
 1564 ~~person~~ must meet one of the following qualifications:

1565 1. Possess an active certification as a Florida Supreme
 1566 Court certified circuit court mediator. A circuit court mediator
 1567 whose certification is in a lapsed, suspended, or decertified
 1568 status is not eligible to participate in the program ~~a masters~~
 1569 ~~or doctorate degree in psychology, counseling, business,~~
 1570 ~~accounting, or economics, be a member of The Florida Bar, be~~
 1571 ~~licensed as a certified public accountant, or demonstrate that~~
 1572 ~~the applicant for approval has been actively engaged as a~~
 1573 ~~qualified mediator for at least 4 years prior to July 1, 1990.~~

1574 2. Be an approved department mediator as of July 1, 2014,
 1575 and have conducted at least one mediation on behalf of the
 1576 department within 4 years immediately preceding that ~~the~~ date
 1577 ~~the application for approval is filed with the department, have~~
 1578 ~~completed a minimum of a 40-hour training program approved by~~
 1579 ~~the department and successfully passed a final examination~~
 1580 ~~included in the training program and approved by the department.~~
 1581 ~~The training program shall include and address all of the~~
 1582 ~~following:~~

- 1583 a. ~~Mediation theory.~~
- 1584 b. ~~Mediation process and techniques.~~
- 1585 c. ~~Standards of conduct for mediators.~~
- 1586 d. ~~Conflict management and intervention skills.~~

1587 ~~e. Insurance nomenclature.~~
 1588 (4) The department shall deny an application, or suspend
 1589 or revoke its approval of a mediator or certification of a
 1590 neutral evaluator to serve in such capacity, if the department
 1591 finds that any of the following grounds exist:
 1592 (a) Lack of one or more of the qualifications for approval
 1593 or certification specified in this section.
 1594 (b) Material misstatement, misrepresentation, or fraud in
 1595 obtaining, or attempting to obtain, the approval or
 1596 certification.
 1597 (c) Demonstrated lack of fitness or trustworthiness to act
 1598 as a mediator or neutral evaluator.
 1599 (d) Fraudulent or dishonest practices in the conduct of
 1600 mediation or neutral evaluation or in the conduct of business in
 1601 the financial services industry.
 1602 (e) Violation of any provision of this code or of a lawful
 1603 order or rule of the department, violation of the Florida Rules
 1604 of Certified and Court Appointed Mediators, or aiding,
 1605 instructing, or encouraging another party in committing such a
 1606 violation.
 1607
 1608 The department may adopt rules to administer this subsection.
 1609 Section 45. Subsection (8) of section 627.782, Florida
 1610 Statutes, is amended to read:
 1611 627.782 Adoption of rates.—
 1612 (8) Each title insurance agency and insurer licensed to do

1613 business in this state and each insurer's direct or retail
 1614 business in this state shall maintain and submit information,
 1615 including revenue, loss, and expense data, as the office
 1616 determines necessary to assist in the analysis of title
 1617 insurance premium rates, title search costs, and the condition
 1618 of the title insurance industry in this state. This information
 1619 must be transmitted to the office annually by May ~~March~~ 31 of
 1620 the year after the reporting year. The commission shall adopt
 1621 rules regarding the collection and analysis of the data from the
 1622 title insurance industry.

1623 Section 46. Subsection (4) of section 627.841, Florida
 1624 Statutes, is amended to read:

1625 627.841 Delinquency, collection, cancellation, and payment
 1626 ~~check~~ return charge ~~charges~~; attorney ~~attorney's~~ fees.-

1627 (4) In the event that a payment is made to a premium
 1628 finance company by debit, credit, electronic funds transfer,
 1629 check, or draft and such payment ~~the instrument~~ is returned,
 1630 declined, or cannot be processed due to ~~because of~~ insufficient
 1631 funds ~~to pay it~~, the premium finance company may, if the premium
 1632 finance agreement so provides, impose a return payment charge of
 1633 \$15.

1634 Section 47. Subsections (1), (3), (10), and (12) of
 1635 section 628.461, Florida Statutes, are amended to read:

1636 628.461 Acquisition of controlling stock.-

1637 (1) A person may not, individually or in conjunction with
 1638 any affiliated person of such person, acquire directly or

1639 indirectly, conclude a tender offer or exchange offer for, enter
 1640 into any agreement to exchange securities for, or otherwise
 1641 finally acquire 10 ~~5~~ percent or more of the outstanding voting
 1642 securities of a domestic stock insurer or of a controlling
 1643 company~~;~~ unless:

1644 (a) The person or affiliated person has filed with the
 1645 office and sent to the insurer and controlling company a letter
 1646 of notification regarding the transaction or proposed
 1647 transaction within ~~no later than~~ 5 days after any form of tender
 1648 offer or exchange offer is proposed~~;~~ or within ~~no later than~~ 5
 1649 days after the acquisition of the securities if no tender offer
 1650 or exchange offer is involved. The notification must be provided
 1651 on forms prescribed by the commission containing information
 1652 determined necessary to understand the transaction and identify
 1653 all purchasers and owners involved;

1654 (b) The person or affiliated person has filed with the
 1655 office a statement as specified in subsection (3). The statement
 1656 must be completed and filed within 30 days after:

- 1657 1. Any definitive acquisition agreement is entered;
- 1658 2. Any form of tender offer or exchange offer is proposed;

1659 or

1660 3. The acquisition of the securities~~;~~ if no definitive
 1661 acquisition agreement, tender offer, or exchange offer is
 1662 involved; and

1663 (c) The office has approved the tender or exchange offer,
 1664 or acquisition if no tender offer or exchange offer is involved,

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1665 and approval is in effect.

1666

1667 ~~In lieu of a filing as required under this subsection, a party~~
1668 ~~acquiring less than 10 percent of the outstanding voting~~
1669 ~~securities of an insurer may file a disclaimer of affiliation~~
1670 ~~and control. The disclaimer shall fully disclose all material~~
1671 ~~relationships and basis for affiliation between the person and~~
1672 ~~the insurer as well as the basis for disclaiming the affiliation~~
1673 ~~and control. After a disclaimer has been filed, the insurer~~
1674 ~~shall be relieved of any duty to register or report under this~~
1675 ~~section which may arise out of the insurer's relationship with~~
1676 ~~the person unless and until the office disallows the disclaimer.~~
1677 ~~The office shall disallow a disclaimer only after furnishing all~~
1678 ~~parties in interest with notice and opportunity to be heard and~~
1679 ~~after making specific findings of fact to support the~~
1680 ~~disallowance. A filing as required under this subsection must be~~
1681 ~~made as to any acquisition that equals or exceeds 10 percent of~~
1682 ~~the outstanding voting securities.~~

1683 (3) The statement to be filed with the office under
1684 subsection (1) and furnished to the insurer and controlling
1685 company shall contain the following information and any
1686 additional information as the office deems necessary to
1687 determine the character, experience, ability, and other
1688 qualifications of the person or affiliated person of such person
1689 for the protection of the policyholders and shareholders of the
1690 insurer and the public:

1691 (a) The identity of, and the background information
1692 specified in subsection (4) on, each natural person by whom, or
1693 on whose behalf, the acquisition is to be made; and, if the
1694 acquisition is to be made by, or on behalf of, a corporation,
1695 association, or trust, as to the corporation, association, or
1696 trust and as to any person who controls either directly or
1697 indirectly the corporation, association, or trust, the identity
1698 of, and the background information specified in subsection (4)
1699 on, each director, officer, trustee, or other natural person
1700 performing duties similar to those of a director, officer, or
1701 trustee for the corporation, association, or trust;

1702 (b) The source and amount of the funds or other
1703 consideration used, or to be used, in making the acquisition;

1704 (c) Any plans or proposals which such persons may have
1705 made to liquidate such insurer, to sell any of its assets or
1706 merge or consolidate it with any person, or to make any other
1707 major change in its business or corporate structure or
1708 management; and any plans or proposals which such persons may
1709 have made to liquidate any controlling company of such insurer,
1710 to sell any of its assets or merge or consolidate it with any
1711 person, or to make any other major change in its business or
1712 corporate structure or management;

1713 (d) The number of shares or other securities which the
1714 person or affiliated person of such person proposes to acquire,
1715 the terms of the proposed acquisition, and the manner in which
1716 the securities are to be acquired; ~~and~~

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1717 (e) Information as to any contract, arrangement, or
1718 understanding with any party with respect to any of the
1719 securities of the insurer or controlling company, including, but
1720 not limited to, information relating to the transfer of any of
1721 the securities, option arrangements, puts or calls, or the
1722 giving or withholding of proxies, which information names the
1723 party with whom the contract, arrangement, or understanding has
1724 been entered into and gives the details thereof;

1725 (f) Effective January 1, 2015, an agreement by the person
1726 required to file the statement that the person will provide the
1727 annual report specified in s. 628.801(2) if control exists; and

1728 (g) Effective January 1, 2015, an acknowledgement by the
1729 person required to file the statement that the person and all
1730 subsidiaries within the person's control in the insurance
1731 holding company system will provide, as necessary, information
1732 to the office upon request to evaluate enterprise risk to the
1733 insurer.

1734 (10) Upon notification to the office by the domestic stock
1735 insurer or a controlling company that any person or any
1736 affiliated person of such person has acquired 10 ~~5~~ percent or
1737 more of the outstanding voting securities of the domestic stock
1738 insurer or controlling company without complying with ~~the~~
1739 ~~provisions of~~ this section, the office shall order that the
1740 person and any affiliated person of such person cease
1741 acquisition of any further securities of the domestic stock
1742 insurer or controlling company; however, the person or any

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1743 affiliated person of such person may request a proceeding, which
1744 proceeding shall be convened within 7 days after the rendering
1745 of the order for the sole purpose of determining whether the
1746 person, individually or in connection with any affiliated person
1747 of such person, has acquired ~~10~~ 5 percent or more of the
1748 outstanding voting securities of a domestic stock insurer or
1749 controlling company. Upon the failure of the person or
1750 affiliated person to request a hearing within 7 days, or upon a
1751 determination at a hearing convened pursuant to this subsection
1752 that the person or affiliated person has acquired voting
1753 securities of a domestic stock insurer or controlling company in
1754 violation of this section, the office may order the person and
1755 affiliated person to divest themselves of any voting securities
1756 so acquired.

1757 (12) (a) A presumption of control may be rebutted by filing
1758 a disclaimer of control. Any person may file a disclaimer of
1759 control with the office. The disclaimer must fully disclose all
1760 material relationships and bases for affiliation between the
1761 person and the insurer as well as the basis for disclaiming the
1762 affiliation. After a disclaimer is filed, the insurer is
1763 relieved of any duty to register or report under this section,
1764 which may arise out of the insurer's relationship with the
1765 person, unless the office disallows the disclaimer. An
1766 affiliated person of a party acquiring less than 20 percent of
1767 the outstanding voting securities of an insurer that has filed a
1768 Schedule 13G with the Securities and Exchange Commission

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1769 pursuant to Rules 13d-1(b) or 13d-1(c) under the Securities
1770 Exchange Act of 1934, as amended, with respect to the securities
1771 of the party acquiring voting securities of an insurer shall
1772 automatically, without further action of the department, be
1773 deemed to have filed a disclaimer of affiliation and control
1774 pursuant to this paragraph. For the purpose of this section, the
1775 term "affiliated person" of another person means:

- 1776 1. ~~The spouse of such other person;~~
- 1777 2. ~~The parents of such other person and their lineal~~
1778 ~~descendants and the parents of such other person's spouse and~~
1779 ~~their lineal descendants;~~
- 1780 3. ~~Any person who directly or indirectly owns or controls,~~
1781 ~~or holds with power to vote, 5 percent or more of the~~
1782 ~~outstanding voting securities of such other person;~~
- 1783 4. ~~Any person 5 percent or more of the outstanding voting~~
1784 ~~securities of which are directly or indirectly owned or~~
1785 ~~controlled, or held with power to vote, by such other person;~~
- 1786 5. ~~Any person or group of persons who directly or~~
1787 ~~indirectly control, are controlled by, or are under common~~
1788 ~~control with such other person;~~
- 1789 6. ~~Any officer, director, partner, copartner, or employee~~
1790 ~~of such other person;~~
- 1791 7. ~~If such other person is an investment company, any~~
1792 ~~investment adviser of such company or any member of an advisory~~
1793 ~~board of such company;~~
- 1794 8. ~~If such other person is an unincorporated investment~~

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1795 ~~company not having a board of directors, the depositor of such~~
1796 ~~company; or~~

1797 ~~9. Any person who has entered into an agreement, written~~
1798 ~~or unwritten, to act in concert with such other person in~~
1799 ~~acquiring or limiting the disposition of securities of a~~
1800 ~~domestic stock insurer or controlling company.~~

1801 (b) Any controlling person of a domestic insurer who seeks
1802 to divest the person's controlling interest in the domestic
1803 insurer in any manner shall file with the office, with a copy to
1804 the insurer, confidential notice, not subject to public
1805 inspection as provided under s. 624.4212, of the person's
1806 proposed divestiture at least 30 days before the cessation of
1807 control. The office shall determine those instances in which the
1808 party seeking to divest or to acquire a controlling interest in
1809 an insurer must file for and obtain approval of the transaction.
1810 The information remains confidential until the conclusion of the
1811 transaction unless the office, in its discretion, determines
1812 that confidential treatment interferes with enforcement of this
1813 section. If the statement required under subsection (1) is
1814 otherwise filed, this paragraph does not apply. For the purposes
1815 of this section, the term "controlling company" means any
1816 corporation, trust, or association owning, directly or
1817 indirectly, 25 percent or more of the voting securities of one
1818 or more domestic stock insurance companies.

1819 Section 48. Subsections (6) and (7) of section 634.406,
1820 Florida Statutes, are amended to read:

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1821 634.406 Financial requirements.—

1822 (6) An association that ~~which~~ holds a license under this

1823 part and ~~which does not hold any other license under this~~

1824 ~~chapter~~ may allow its premiums for service warranties written

1825 under this part to exceed the ratio to net assets limitations of

1826 this section if the association meets all of the following:

1827 (a) Maintains net assets of at least \$750,000.

1828 (b) Uses ~~Utilizes~~ a contractual liability insurance policy

1829 approved by the office that: ~~which~~

1830 1. Reimburses the service warranty association for 100

1831 percent of its claims liability and is issued by an insurer that

1832 maintains a policyholder surplus of at least \$100 million; or

1833 2. Complies with the requirements of subsection (3) and is

1834 issued by an insurer that maintains a policyholder surplus of at

1835 least \$200 million.

1836 (c) The insurer issuing the contractual liability

1837 insurance policy:

1838 1. ~~Maintains a policyholder surplus of at least \$100~~

1839 ~~million.~~

1840 1.2. Is rated "A" or higher by A.M. Best Company or an

1841 equivalent rating by another national rating service acceptable

1842 to the office.

1843 3. ~~Is in no way affiliated with the warranty association.~~

1844 2.4. In conjunction with the warranty association's filing

1845 of the quarterly and annual reports, provides, on a form

1846 prescribed by the commission, a statement certifying the gross

1847 written premiums in force reported by the warranty association
 1848 and a statement that all of the warranty association's gross
 1849 written premium in force is covered under the contractual
 1850 liability policy, regardless of whether ~~or not~~ it has been
 1851 reported.

1852 ~~(7) A contractual liability policy must insure 100 percent~~
 1853 ~~of an association's claims exposure under all of the~~
 1854 ~~association's service warranty contracts, wherever written,~~
 1855 ~~unless all of the following are satisfied:~~

1856 ~~(a) The contractual liability policy contains a clause~~
 1857 ~~that specifically names the service warranty contract holders as~~
 1858 ~~sole beneficiaries of the contractual liability policy and~~
 1859 ~~claims are paid directly to the person making a claim under the~~
 1860 ~~contract;~~

1861 ~~(b) The contractual liability policy meets all other~~
 1862 ~~requirements of this part, including subsection (3) of this~~
 1863 ~~section, which are not inconsistent with this subsection;~~

1864 ~~(c) The association has been in existence for at least 5~~
 1865 ~~years or the association is a wholly owned subsidiary of a~~
 1866 ~~corporation that has been in existence and has been licensed as~~
 1867 ~~a service warranty association in the state for at least 5~~
 1868 ~~years, and:~~

1869 ~~1. Is listed and traded on a recognized stock exchange; is~~
 1870 ~~listed in NASDAQ (National Association of Security Dealers~~
 1871 ~~Automated Quotation system) and publicly traded in the over-the-~~
 1872 ~~counter securities market; is required to file either of Form~~

1873 ~~10-K, Form 100, or Form 20-C with the United States Securities~~
 1874 ~~and Exchange Commission; or has American Depository Receipts~~
 1875 ~~listed on a recognized stock exchange and publicly traded or is~~
 1876 ~~the wholly owned subsidiary of a corporation that is listed and~~
 1877 ~~traded on a recognized stock exchange; is listed in NASDAQ~~
 1878 ~~(National Association of Security Dealers Automated Quotation~~
 1879 ~~system) and publicly traded in the over-the-counter securities~~
 1880 ~~market; is required to file Form 10-K, Form 100, or Form 20-C~~
 1881 ~~with the United States Securities and Exchange Commission; or~~
 1882 ~~has American Depository Receipts listed on a recognized stock~~
 1883 ~~exchange and is publicly traded;~~

1884 ~~2. Maintains outstanding debt obligations, if any, rated~~
 1885 ~~in the top four rating categories by a recognized rating~~
 1886 ~~service;~~

1887 ~~3. Has and maintains at all times a minimum net worth of~~
 1888 ~~not less than \$10 million as evidenced by audited financial~~
 1889 ~~statements prepared by an independent certified public~~
 1890 ~~accountant in accordance with generally accepted accounting~~
 1891 ~~principles and submitted to the office annually; and~~

1892 ~~4. Is authorized to do business in this state; and~~

1893 ~~(d) The insurer issuing the contractual liability policy:~~

1894 ~~1. Maintains and has maintained for the preceding 5 years,~~
 1895 ~~policyholder surplus of at least \$100 million and is rated "A"~~
 1896 ~~or higher by A.M. Best Company or has an equivalent rating by~~
 1897 ~~another rating company acceptable to the office;~~

1898 ~~2. Holds a certificate of authority to do business in this~~

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1899 ~~state and is approved to write this type of coverage; and~~
 1900 ~~3. Acknowledges to the office quarterly that it insures~~
 1901 ~~all of the association's claims exposure under contracts~~
 1902 ~~delivered in this state.~~

1903
 1904 ~~If all the preceding conditions are satisfied, then the scope of~~
 1905 ~~coverage under a contractual liability policy shall not be~~
 1906 ~~required to exceed an association's claims exposure under~~
 1907 ~~service warranty contracts delivered in this state.~~

1908 Section 49. This act shall take effect July 1, 2014.