

1 A bill to be entitled
2 An act relating to property insurance appraisers and
3 property insurance appraisal umpires; amending s.
4 624.04, F.S.; revising the definition of the term
5 "person"; amending s. 624.303, F.S.; exempting
6 certificates issued to property insurance appraisal
7 umpires from the requirement to bear a seal of the
8 Department of Financial Services; amending s. 624.311,
9 F.S.; providing a schedule for destruction of property
10 insurance appraisal umpire licensing files and
11 records; amending s. 624.317, F.S.; authorizing the
12 department to investigate property insurance appraisal
13 umpires for violations of the insurance code; amending
14 s. 624.501, F.S.; authorizing specified licensing fees
15 for property insurance appraisal umpires; amending s.
16 624.523, F.S.; requiring fees associated with property
17 insurance appraisal umpires' appointments to be
18 deposited into the Insurance Regulatory Trust Fund;
19 amending s. 626.015, F.S.; providing a definition;
20 amending s. 626.016, F.S.; revising the scope of the
21 Chief Financial Officer's powers and duties and the
22 department's enforcement jurisdiction to include
23 umpires; amending s. 626.022, F.S.; including property
24 insurance appraisal umpire licensing in the scope of
25 part I of chapter 626, F.S., relating to licensing
26 procedures; amending s. 626.112, F.S.; requiring

27 | umpires to be licensed and appointed; requiring
28 | licensure as an adjuster when serving as an appraiser
29 | under certain conditions; amending s. 626.171, F.S.;
30 | requiring applicants for licensure as an umpire to
31 | submit fingerprints to the department; amending s.
32 | 626.207, F.S.; excluding applicants for licensure as
33 | umpires from application of s. 112.011, F.S., relating
34 | to disqualification from license or public employment;
35 | amending s. 626.2815, F.S.; requiring specified
36 | continuing education for licensure as an umpire;
37 | amending s. 626.451, F.S.; providing requirements
38 | relating to the appointment of an umpire; amending s.
39 | 626.461, F.S.; providing that an umpire appointment
40 | continues in effect, subject to renewal or earlier
41 | written notice of termination, until the person's
42 | license is revoked or otherwise terminated; amending
43 | s. 626.521, F.S.; authorizing the department to obtain
44 | a credit and character report for certain umpire
45 | applicants; amending s. 626.541, F.S.; requiring an
46 | umpire to provide certain information to the
47 | department when doing business under a different
48 | business name or when information in the licensure
49 | application changes; amending s. 626.601, F.S.;
50 | authorizing the department to investigate improper
51 | conduct of any licensed umpire; amending s. 626.611,
52 | F.S.; requiring the department to refuse, suspend, or

53 | revoke an umpire's license under certain
54 | circumstances; amending s. 626.621, F.S.; authorizing
55 | the department to refuse, suspend, or revoke an
56 | umpire's license under certain circumstances; amending
57 | s. 626.641, F.S.; prohibiting an umpire from owning,
58 | controlling, or being employed by other licensees
59 | during the period the umpire's license is suspended or
60 | revoked; amending ss. 626.7845, 626.8305, and
61 | 626.8411, F.S.; conforming provisions to changes made
62 | by the act; amending s. 626.8443, F.S.; prohibiting a
63 | title insurance agent from owning, controlling, or
64 | being employed by an umpire during the period the
65 | agent's license is suspended or revoked; amending s.
66 | 626.854, F.S.; providing limitations on fees charged
67 | by a public adjuster during an appraisal; creating s.
68 | 626.8791, F.S.; establishing required notice in a
69 | contract for appraisal services; amending s. 626.9957,
70 | F.S.; conforming a cross-reference; creating part XIV
71 | of chapter 626, F.S., relating to property insurance
72 | appraisal umpires; creating s. 626.9961, F.S.;
73 | providing a short title; creating s. 626.9962, F.S.;
74 | providing legislative purpose; creating s. 626.9963,
75 | F.S.; providing that the part supplements part I of
76 | chapter 626, F.S., the "Licensing Procedure Law;
77 | creating s. 626.9964, F.S.; providing definitions;
78 | creating s. 626.9965, F.S.; providing qualifications

79 | for license as an umpire; creating s. 626.9966, F.S.;

80 | authorizing the department to refuse, suspend, or

81 | revoke an umpire's license under certain

82 | circumstances; creating s. 626.9967, F.S.; providing

83 | ethical standards for property insurance appraisal

84 | umpires; creating s. 626.9968, F.S.; providing for

85 | disqualification of an umpire under certain

86 | circumstances; repealing s. 627.70151, F.S., relating

87 | to appraisal conflicts of interest; providing an

88 | appropriation and authorizing positions; providing

89 | applicability; providing an effective date.

90 |

91 | Be It Enacted by the Legislature of the State of Florida:

92 |

93 | Section 1. Section 624.04, Florida Statutes, is amended to

94 | read:

95 | 624.04 "Person" defined.—"Person" includes an individual,

96 | insurer, company, association, organization, Lloyds, society,

97 | reciprocal insurer or interinsurance exchange, partnership,

98 | syndicate, business trust, corporation, agent, general agent,

99 | broker, service representative, adjuster, property insurance

100 | appraisal umpire, and every legal entity.

101 | Section 2. Subsection (2) of section 624.303, Florida

102 | Statutes, is amended to read:

103 | 624.303 Seal; certified copies as evidence.—

104 | (2) All certificates executed by the department or office,

105 other than licenses of agents, property insurance appraisal
 106 umpires, ~~or~~ adjusters, or similar licenses or permits, shall
 107 bear its respective seal.

108 Section 3. Paragraphs (b) and (c) of subsection (4) of
 109 section 624.311, Florida Statutes, are amended to read:

110 624.311 Records; reproductions; destruction.—

111 (4) To facilitate the efficient use of floor space and
 112 filing equipment in its offices, the department, commission, and
 113 office may each destroy the following records and documents
 114 pursuant to chapter 257:

115 (b) Agent, adjuster, property insurance appraisal umpire,
 116 and similar license files, including license files of the
 117 Division of State Fire Marshal, over 2 years old; except that
 118 the department or office shall preserve by reproduction or
 119 otherwise a copy of the original records upon the basis of which
 120 each such licensee qualified for her or his initial license,
 121 except a competency examination, and of any disciplinary
 122 proceeding affecting the licensee;

123 (c) All agent, adjuster, property insurance appraisal
 124 umpire, and similar license files and records, including
 125 original license qualification records and records of
 126 disciplinary proceedings 5 years after a licensee has ceased to
 127 be qualified for a license;

128 Section 4. Subsection (1) of section 624.317, Florida
 129 Statutes, is amended to read:

130 624.317 Investigation of agents, adjusters, property

131 insurance appraisal umpires administrators, service companies,
132 and others.—If it has reason to believe that any person has
133 violated or is violating any provision of this code, or upon the
134 written complaint signed by any interested person indicating
135 that any such violation may exist:

136 (1) The department shall conduct such investigation as it
137 deems necessary of the accounts, records, documents, and
138 transactions pertaining to or affecting the insurance affairs of
139 any general agent, surplus lines agent, adjuster, property
140 insurance appraisal umpire, managing general agent, insurance
141 agent, insurance agency, customer representative, service
142 representative, or other person subject to its jurisdiction,
143 subject to the requirements of s. 626.601.

144 Section 5. Paragraph (c) of subsection (19) and subsection
145 (28) of section 624.501, Florida Statutes, are amended, and
146 subsection (29) is added to that section, to read:

147 624.501 Filing, license, appointment, and miscellaneous
148 fees.—The department, commission, or office, as appropriate,
149 shall collect in advance, and persons so served shall pay to it
150 in advance, fees, licenses, and miscellaneous charges as
151 follows:

152 (19) Miscellaneous services:

153 (c) For preparing lists of agents, adjusters, property
154 insurance appraisal umpires, and other insurance
155 representatives, and for other miscellaneous services, such
156 reasonable charge as may be fixed by the office or department.

157 (28) Late filing of appointment renewals for agents,
 158 adjusters, property insurance appraisal umpires, and other
 159 insurance representatives, each appointment
 160 \$20.00

161 (29) Property insurance appraisal umpires:

162 (a) Property insurance appraisal umpire's appointment and
 163 biennial renewal or continuation thereof, each
 164 appointment.....\$60.00

165 (b) Fee to cover the actual cost of a credit report when
 166 such report must be secured by department.

167 Section 6. Paragraph (e) of subsection (1) of section
 168 624.523, Florida Statutes, is amended to read:

169 624.523 Insurance Regulatory Trust Fund.—

170 (1) There is created in the State Treasury a trust fund
 171 designated "Insurance Regulatory Trust Fund" to which shall be
 172 credited all payments received on account of the following
 173 items:

174 (e) All payments received on account of items provided for
 175 under respective provisions of s. 624.501, as follows:

- 176 1. Subsection (1) (certificate of authority of insurer).
- 177 2. Subsection (2) (charter documents of insurer).
- 178 3. Subsection (3) (annual license tax of insurer).
- 179 4. Subsection (4) (annual statement of insurer).
- 180 5. Subsection (5) (application fee for insurance
- 181 representatives).
- 182 6. The "appointment fee" portion of any appointment

183 provided for under paragraphs (6) (a) and (b) (insurance
 184 representatives, property, marine, casualty and surety
 185 insurance, and agents).

186 7. Paragraph (6) (c) (nonresident agents).

187 8. Paragraph (6) (d) (service representatives).

188 9. The "appointment fee" portion of any appointment
 189 provided for under paragraph (7) (a) (life insurance agents,
 190 original appointment, and renewal or continuation of
 191 appointment).

192 10. Paragraph (7) (b) (nonresident agent license).

193 11. The "appointment fee" portion of any appointment
 194 provided for under paragraph (8) (a) (health insurance agents,
 195 agent's appointment, and renewal or continuation fee).

196 12. Paragraph (8) (b) (nonresident agent appointment).

197 13. The "appointment fee" portion of any appointment
 198 provided for under subsections (9) and (10) (limited licenses
 199 and fraternal benefit society agents).

200 14. Subsection (11) (surplus lines agent).

201 15. Subsection (12) (adjusters' appointment).

202 16. Subsection (13) (examination fee).

203 17. Subsection (14) (temporary license and appointment as
 204 agent or adjuster).

205 18. Subsection (15) (reissuance, reinstatement, etc.).

206 19. Subsection (16) (additional license continuation
 207 fees).

208 20. Subsection (17) (filing application for permit to form

209 insurer).

210 21. Subsection (18) (license fee of rating organization).

211 22. Subsection (19) (miscellaneous services).

212 23. Subsection (20) (insurance agencies).

213 24. Subsection (29) (property insurance appraisal umpires'
 214 appointment).

215 Section 7. Subsections (16) through (19) of section
 216 626.015, Florida Statutes, are renumbered as subsections (17)
 217 through (20), respectively, and a new subsection (16) is added
 218 to that section, to read:

219 626.015 Definitions.—As used in this part:

220 (16) "Property insurance appraisal umpire" or "umpire"
 221 means a property insurance appraisal umpire as defined in s.
 222 626.9964.

223 Section 8. Subsection (1) of section 626.016, Florida
 224 Statutes, is amended to read:

225 626.016 Powers and duties of department, commission, and
 226 office.—

227 (1) The powers and duties of the Chief Financial Officer
 228 and the department specified in this part apply only with
 229 respect to insurance agents, insurance agencies, managing
 230 general agents, ~~insurance~~ adjusters, umpires, reinsurance
 231 intermediaries, viatical settlement brokers, customer
 232 representatives, service representatives, and agencies.

233 Section 9. Subsection (1) of section 626.022, Florida
 234 Statutes, is amended to read:

235 626.022 Scope of part.—

236 (1) This part applies as to insurance agents, service
 237 representatives, adjusters, umpires, and insurance agencies; as
 238 to any and all kinds of insurance; and as to stock insurers,
 239 mutual insurers, reciprocal insurers, and all other types of
 240 insurers, except that:

241 (a) It does not apply as to reinsurance, except that ss.
 242 626.011-626.022, ss. 626.112-626.181, ss. 626.191-626.211, ss.
 243 626.291-626.301, s. 626.331, ss. 626.342-626.521, ss. 626.541-
 244 626.591, and ss. 626.601-626.711 shall apply as to reinsurance
 245 intermediaries as defined in s. 626.7492.

246 (b) The applicability of this chapter as to fraternal
 247 benefit societies shall be as provided in chapter 632.

248 (c) It does not apply to a bail bond agent, as defined in
 249 s. 648.25, except as provided in chapter 648 or chapter 903.

250 (d) This part does not apply to a certified public
 251 accountant licensed under chapter 473 who is acting within the
 252 scope of the practice of public accounting, as defined in s.
 253 473.302, provided that the activities of the certified public
 254 accountant are limited to advising a client of the necessity of
 255 obtaining insurance, the amount of insurance needed, or the line
 256 of coverage needed, and provided that the certified public
 257 accountant does not directly or indirectly receive or share in
 258 any commission or referral fee.

259 Section 10. Subsections (6) through (9) of section
 260 626.112, Florida Statutes, are renumbered as subsections (8)

261 through (11), respectively, subsection (1) is amended, and new
 262 subsections (6) and (7) are added to that section, to read:

263 626.112 License and appointment required; agents, customer
 264 representatives, adjusters, umpires, insurance agencies, service
 265 representatives, managing general agents.—

266 (1) (a) No person may be, act as, or advertise or hold
 267 himself or herself out to be an insurance agent, insurance
 268 adjuster, or customer representative unless he or she is
 269 currently licensed by the department and appointed by an
 270 appropriate appointing entity or person.

271 (b) Except as provided in subsection (8) ~~(6)~~ or in
 272 applicable department rules, and in addition to other conduct
 273 described in this chapter with respect to particular types of
 274 agents, a license as an insurance agent, service representative,
 275 customer representative, or limited customer representative is
 276 required in order to engage in the solicitation of insurance.
 277 For purposes of this requirement, as applicable to any of the
 278 license types described in this section, the solicitation of
 279 insurance is the attempt to persuade any person to purchase an
 280 insurance product by:

- 281 1. Describing the benefits or terms of insurance coverage,
 282 including premiums or rates of return;
- 283 2. Distributing an invitation to contract to prospective
 284 purchasers;
- 285 3. Making general or specific recommendations as to
 286 insurance products;

287 4. Completing orders or applications for insurance
 288 products;
 289 5. Comparing insurance products, advising as to insurance
 290 matters, or interpreting policies or coverages; or
 291 6. Offering or attempting to negotiate on behalf of
 292 another person a viatical settlement contract as defined in s.
 293 626.9911.
 294
 295 However, an employee leasing company licensed pursuant to
 296 chapter 468 which is seeking to enter into a contract with an
 297 employer that identifies products and services offered to
 298 employees may deliver proposals for the purchase of employee
 299 leasing services to prospective clients of the employee leasing
 300 company setting forth the terms and conditions of doing
 301 business; classify employees as permitted by s. 468.529; collect
 302 information from prospective clients and other sources as
 303 necessary to perform due diligence on the prospective client and
 304 to prepare a proposal for services; provide and receive
 305 enrollment forms, plans, and other documents; and discuss or
 306 explain in general terms the conditions, limitations, options,
 307 or exclusions of insurance benefit plans available to the client
 308 or employees of the employee leasing company were the client to
 309 contract with the employee leasing company. Any advertising
 310 materials or other documents describing specific insurance
 311 coverages must identify and be from a licensed insurer or its
 312 licensed agent or a licensed and appointed agent employed by the

313 employee leasing company. The employee leasing company may not
314 advise or inform the prospective business client or individual
315 employees of specific coverage provisions, exclusions, or
316 limitations of particular plans. As to clients for which the
317 employee leasing company is providing services pursuant to s.
318 468.525(4), the employee leasing company may engage in
319 activities permitted by ss. 626.7315, 626.7845, and 626.8305,
320 subject to the restrictions specified in those sections. If a
321 prospective client requests more specific information concerning
322 the insurance provided by the employee leasing company, the
323 employee leasing company must refer the prospective business
324 client to the insurer or its licensed agent or to a licensed and
325 appointed agent employed by the employee leasing company.

326 (6) No person shall be, act as, or represent or hold
327 himself or herself out to be a property insurance appraisal
328 umpire unless he or she holds a currently effective license and
329 appointment as a property insurance appraisal umpire.

330 (7) No person shall be, act as, or represent or hold
331 himself or herself out to be a property insurance appraiser who
332 is eligible to represent an insured on a personal residential or
333 commercial residential property insurance claim unless he or she
334 holds a currently effective license as an adjuster or is exempt
335 from licensure under s. 626.860.

336 Section 11. Subsections (1) and (4) of section 626.171,
337 Florida Statutes, are amended to read:

338 626.171 Application for license as an agent, customer

339 representative, adjuster, umpire, service representative,
 340 managing general agent, or reinsurance intermediary.-

341 (1) The department may not issue a license as agent,
 342 customer representative, adjuster, umpire, service
 343 representative, managing general agent, or reinsurance
 344 intermediary to any person except upon written application filed
 345 with the department, meeting the qualifications for the license
 346 applied for as determined by the department, and payment in
 347 advance of all applicable fees. The application must be made
 348 under the oath of the applicant and be signed by the applicant.
 349 An applicant may permit a third party to complete, submit, and
 350 sign an application on the applicant's behalf, but is
 351 responsible for ensuring that the information on the application
 352 is true and correct and is accountable for any misstatements or
 353 misrepresentations. The department shall accept the uniform
 354 application for nonresident agent licensing. The department may
 355 adopt revised versions of the uniform application by rule.

356 (4) An applicant for a license as an agent, customer
 357 representative, adjuster, umpire, service representative,
 358 managing general agent, or reinsurance intermediary must submit
 359 a set of the individual applicant's fingerprints, or, if the
 360 applicant is not an individual, a set of the fingerprints of the
 361 sole proprietor, majority owner, partners, officers, and
 362 directors, to the department and must pay the fingerprint
 363 processing fee set forth in s. 624.501. Fingerprints shall be
 364 used to investigate the applicant's qualifications pursuant to

365 s. 626.201. The fingerprints shall be taken by a law enforcement
 366 agency, designated examination center, or other department-
 367 approved entity. The department shall require all designated
 368 examination centers to have fingerprinting equipment and to take
 369 fingerprints from any applicant or prospective applicant who
 370 pays the applicable fee. The department may not approve an
 371 application for licensure as an agent, customer service
 372 representative, adjuster, umpire, service representative,
 373 managing general agent, or reinsurance intermediary if
 374 fingerprints have not been submitted.

375 Section 12. Subsection (9) of section 626.207, Florida
 376 Statutes, is amended to read:

377 626.207 Disqualification of applicants and licensees;
 378 penalties against licensees; rulemaking authority.—

379 (9) Section 112.011 does not apply to any applicants for
 380 licensure under the Florida Insurance Code, including, but not
 381 limited to, agents, agencies, adjusters, adjusting firms,
 382 umpires, customer representatives, or managing general agents.

383 Section 13. Subsections (1) and (2) of section 626.2815,
 384 Florida Statutes, are amended to read:

385 626.2815 Continuing education requirements.—

386 (1) The purpose of this section is to establish
 387 requirements and standards for continuing education courses for
 388 individuals licensed to solicit, sell, or adjust insurance or to
 389 serve as an umpire in the state.

390 (2) Except as otherwise provided in this section, this

391 section applies to individuals licensed to transact ~~engage in~~
392 ~~the sale of~~ insurance or adjust ~~adjustment of~~ insurance claims
393 in this state for all lines of insurance for which an
394 examination is required for licensing and to individuals
395 licensed to serve as an umpire ~~each insurer, employer, or~~
396 ~~appointing entity, including, but not limited to, those created~~
397 ~~or existing pursuant to s. 627.351.~~ This section does not apply
398 to an individual who holds a license for the sale of any line of
399 insurance for which an examination is not required by the laws
400 of this state or who holds a limited license as a crop or hail
401 and multiple-peril crop insurance agent. Licensees who are
402 unable to comply with the continuing education requirements due
403 to active duty in the military may submit a written request for
404 a waiver to the department.

405 Section 14. Subsections (1), (3), (5), and (6) of section
406 626.451, Florida Statutes, are amended to read:

407 626.451 Appointment of agent or other representative.—

408 (1) Each appointing entity or person designated by the
409 department to administer the appointment process appointing an
410 agent, adjuster, umpire, service representative, customer
411 representative, or managing general agent in this state shall
412 file the appointment with the department or office and, at the
413 same time, pay the applicable appointment fee and taxes. Every
414 appointment shall be subject to the prior issuance of the
415 appropriate agent's, adjuster's, umpire's, service
416 representative's, customer representative's, or managing general

417 agent's license.

418 (3) By authorizing the effectuation of the appointment of
419 an agent, adjuster, umpire, service representative, customer
420 representative, or managing general agent the appointing entity
421 is thereby certifying to the department that it is willing to be
422 bound by the acts of the agent, adjuster, umpire, service
423 representative, customer representative, or managing general
424 agent, within the scope of the licensee's employment or
425 appointment.

426 (5) Any law enforcement agency or state attorney's office
427 that is aware that an agent, adjuster, umpire, service
428 representative, customer representative, or managing general
429 agent has pleaded guilty or nolo contendere to or has been found
430 guilty of a felony shall notify the department or office of such
431 fact.

432 (6) Upon the filing of an information or indictment
433 against an agent, adjuster, umpire, service representative,
434 customer representative, or managing general agent, the state
435 attorney shall immediately furnish the department or office a
436 certified copy of the information or indictment.

437 Section 15. Section 626.461, Florida Statutes, is amended
438 to read:

439 626.461 Continuation of appointment of agent or other
440 representative.—Subject to renewal or continuation by the
441 appointing entity, the appointment of the agent, adjuster,
442 umpire, service representative, customer representative, or

443 managing general agent shall continue in effect until the
444 person's license is revoked or otherwise terminated, unless
445 written notice of earlier termination of the appointment is
446 filed with the department or person designated by the department
447 to administer the appointment process by either the appointing
448 entity or the appointee.

449 Section 16. Subsection (3) of section 626.521, Florida
450 Statutes, is amended to read:

451 626.521 Character, credit reports.—

452 (3) As to an applicant for an adjuster's, umpire's, or
453 reinsurance intermediary's license who is to be self-employed,
454 the department may secure, at the cost of the applicant, a full
455 detailed credit and character report made by an established and
456 reputable independent reporting service relative to the
457 applicant.

458 Section 17. Subsection (1) of section 626.541, Florida
459 Statutes, is amended to read:

460 626.541 Firm, corporate, and business names; officers;
461 associates; notice of changes.—

462 (1) Any licensed agent, ~~or~~ adjuster, or umpire doing
463 business under a firm or corporate name or under any business
464 name other than his or her own individual name shall, within 30
465 days after initially transacting ~~the initial transaction of~~
466 insurance or engaging in insurance activities under such
467 business name, file with the department, on forms adopted and
468 furnished by the department, a written statement of the firm,

469 corporate, or business name being so used, the address of any
470 office or offices or places of business making use of such name,
471 and the name and social security number of each officer and
472 director of the corporation and of each individual associated in
473 such firm or corporation as to the insurance transactions
474 thereof or in the use of such business name.

475 Section 18. Subsection (1) of section 626.601, Florida
476 Statutes, is amended to read:

477 626.601 Improper conduct; inquiry; fingerprinting.—

478 (1) The department or office may, upon its own motion or
479 upon a written complaint signed by any interested person and
480 filed with the department or office, inquire into any alleged
481 improper conduct of any licensed, approved, or certified
482 licensee, insurance agency, agent, adjuster, umpire, service
483 representative, managing general agent, customer representative,
484 title insurance agent, title insurance agency, mediator, neutral
485 evaluator, navigator, continuing education course provider,
486 instructor, school official, or monitor group under this code.
487 The department or office may thereafter initiate an
488 investigation of any such individual or entity if it has
489 reasonable cause to believe that the individual or entity has
490 violated any provision of the insurance code. During the course
491 of its investigation, the department or office shall contact the
492 individual or entity being investigated unless it determines
493 that contacting such individual or entity could jeopardize the
494 successful completion of the investigation or cause injury to

495 the public.

496

497 Section 19. Subsection (1) of section 626.611, Florida
 498 Statutes, is amended to read:

499 626.611 Grounds for compulsory refusal, suspension, or
 500 revocation of agent's, title agency's, adjuster's, umpire's,
 501 customer representative's, service representative's, or managing
 502 general agent's license or appointment.—

503 (1) The department shall deny an application for, suspend,
 504 revoke, or refuse to renew or continue the license or
 505 appointment of any applicant, agent, title agency, adjuster,
 506 umpire, customer representative, service representative, or
 507 managing general agent, and it shall suspend or revoke the
 508 eligibility to hold a license or appointment of any such person,
 509 if it finds that as to the applicant, licensee, or appointee any
 510 one or more of the following applicable grounds exist:

511 (a) Lack of one or more of the qualifications for the
 512 license or appointment as specified in this code.

513 (b) Material misstatement, misrepresentation, or fraud in
 514 obtaining the license or appointment or in attempting to obtain
 515 the license or appointment.

516 (c) Failure to pass to the satisfaction of the department
 517 any examination required under this code.

518 (d) If the license or appointment is willfully used, or to
 519 be used, to circumvent any of the requirements or prohibitions
 520 of this code.

521 (e) Willful misrepresentation of any insurance policy or
522 annuity contract or willful deception with regard to any such
523 policy or contract, done either in person or by any form of
524 dissemination of information or advertising.

525 (f) If, as an adjuster, or agent licensed and appointed to
526 adjust claims under this code, he or she has materially
527 misrepresented to an insured or other interested party the terms
528 and coverage of an insurance contract with intent and for the
529 purpose of effecting settlement of claim for loss or damage or
530 benefit under such contract on less favorable terms than those
531 provided in and contemplated by the contract.

532 (g) Demonstrated lack of fitness or trustworthiness to
533 engage in the business of insurance.

534 (h) Demonstrated lack of reasonably adequate knowledge and
535 technical competence to engage in the transactions authorized by
536 the license or appointment.

537 (i) Fraudulent or dishonest practices in the conduct of
538 business under the license or appointment.

539 (j) Misappropriation, conversion, or unlawful withholding
540 of moneys belonging to insurers or insureds or beneficiaries or
541 to others and received in conduct of business under the license
542 or appointment.

543 (k) Unlawfully rebating, attempting to unlawfully rebate,
544 or unlawfully dividing or offering to divide his or her
545 commission with another.

546 (l) Having obtained or attempted to obtain, or having used

547 or using, a license or appointment as agent or customer
548 representative for the purpose of soliciting or handling
549 "controlled business" as defined in s. 626.730 with respect to
550 general lines agents, s. 626.784 with respect to life agents,
551 and s. 626.830 with respect to health agents.

552 (m) Willful failure to comply with, or willful violation
553 of, any proper order or rule of the department or willful
554 violation of any provision of this code.

555 (n) Having been found guilty of or having pleaded guilty
556 or nolo contendere to a felony or a crime punishable by
557 imprisonment of 1 year or more under the law of the United
558 States of America or of any state thereof or under the law of
559 any other country which involves moral turpitude, without regard
560 to whether a judgment of conviction has been entered by the
561 court having jurisdiction of such cases.

562 (o) Fraudulent or dishonest practice in submitting or
563 aiding or abetting any person in the submission of an
564 application for workers' compensation coverage under chapter 440
565 containing false or misleading information as to employee
566 payroll or classification for the purpose of avoiding or
567 reducing the amount of premium due for such coverage.

568 (p) Sale of an unregistered security that was required to
569 be registered, pursuant to chapter 517.

570 (q) In transactions related to viatical settlement
571 contracts as defined in s. 626.9911:

572 1. Commission of a fraudulent or dishonest act.

573 2. No longer meeting the requirements for initial
574 licensure.

575 3. Having received a fee, commission, or other valuable
576 consideration for his or her services with respect to viatical
577 settlements that involved unlicensed viatical settlement
578 providers or persons who offered or attempted to negotiate on
579 behalf of another person a viatical settlement contract as
580 defined in s. 626.9911 and who were not licensed life agents.

581 4. Dealing in bad faith with viators.

582 Section 20. Section 626.621, Florida Statutes, is amended
583 to read:

584 626.621 Grounds for discretionary refusal, suspension, or
585 revocation of agent's, adjuster's, umpire's, customer
586 representative's, service representative's, or managing general
587 agent's license or appointment.—The department may, in its
588 discretion, deny an application for, suspend, revoke, or refuse
589 to renew or continue the license or appointment of any
590 applicant, agent, adjuster, umpire, customer representative,
591 service representative, or managing general agent, and it may
592 suspend or revoke the eligibility to hold a license or
593 appointment of any such person, if it finds that as to the
594 applicant, licensee, or appointee any one or more of the
595 following applicable grounds exist under circumstances for which
596 such denial, suspension, revocation, or refusal is not mandatory
597 under s. 626.611:

598 (1) Any cause for which issuance of the license or

599 | appointment could have been refused had it then existed and been
600 | known to the department.

601 | (2) Violation of any provision of this code or of any
602 | other law applicable to the business of insurance in the course
603 | of dealing under the license or appointment.

604 | (3) Violation of any lawful order or rule of the
605 | department, commission, or office.

606 | (4) Failure or refusal, upon demand, to pay over to any
607 | insurer he or she represents or has represented any money coming
608 | into his or her hands belonging to the insurer.

609 | (5) Violation of the provision against twisting, as
610 | defined in s. 626.9541(1)(1).

611 | (6) In the conduct of business under the license or
612 | appointment, engaging in unfair methods of competition or in
613 | unfair or deceptive acts or practices, as prohibited under part
614 | IX of this chapter, or having otherwise shown himself or herself
615 | to be a source of injury or loss to the public.

616 | (7) Willful overinsurance of any property or health
617 | insurance risk.

618 | (8) Having been found guilty of or having pleaded guilty
619 | or nolo contendere to a felony or a crime punishable by
620 | imprisonment of 1 year or more under the law of the United
621 | States of America or of any state thereof or under the law of
622 | any other country, without regard to whether a judgment of
623 | conviction has been entered by the court having jurisdiction of
624 | such cases.

625 (9) If a life agent, violation of the code of ethics.

626 (10) Cheating on an examination required for licensure or
 627 violating test center or examination procedures published
 628 orally, in writing, or electronically at the test site by
 629 authorized representatives of the examination program
 630 administrator. Communication of test center and examination
 631 procedures must be clearly established and documented.

632 (11) Failure to inform the department in writing within 30
 633 days after pleading guilty or nolo contendere to, or being
 634 convicted or found guilty of, any felony or a crime punishable
 635 by imprisonment of 1 year or more under the law of the United
 636 States or of any state thereof, or under the law of any other
 637 country without regard to whether a judgment of conviction has
 638 been entered by the court having jurisdiction of the case.

639 (12) Knowingly aiding, assisting, procuring, advising, or
 640 abetting any person in the violation of or to violate a
 641 provision of the insurance code or any order or rule of the
 642 department, commission, or office.

643 (13) Has been the subject of or has had a license, permit,
 644 appointment, registration, or other authority to conduct
 645 business subject to any decision, finding, injunction,
 646 suspension, prohibition, revocation, denial, judgment, final
 647 agency action, or administrative order by any court of competent
 648 jurisdiction, administrative law proceeding, state agency,
 649 federal agency, national securities, commodities, or option
 650 exchange, or national securities, commodities, or option

651 association involving a violation of any federal or state
652 securities or commodities law or any rule or regulation adopted
653 thereunder, or a violation of any rule or regulation of any
654 national securities, commodities, or options exchange or
655 national securities, commodities, or options association.

656 (14) Failure to comply with any civil, criminal, or
657 administrative action taken by the child support enforcement
658 program under Title IV-D of the Social Security Act, 42 U.S.C.
659 ss. 651 et seq., to determine paternity or to establish, modify,
660 enforce, or collect support.

661 (15) Directly or indirectly accepting any compensation,
662 inducement, or reward from an inspector for the referral of the
663 owner of the inspected property to the inspector or inspection
664 company. This prohibition applies to an inspection intended for
665 submission to an insurer in order to obtain property insurance
666 coverage or establish the applicable property insurance premium.

667 Section 21. Subsection (4) of section 626.641, Florida
668 Statutes, is amended to read:

669 626.641 Duration of suspension or revocation.—

670 (4) During the period of suspension or revocation of a
671 license or appointment, and until the license is reinstated or,
672 if revoked, a new license issued, the former licensee or
673 appointee may not engage in or attempt or profess to engage in
674 any transaction or business for which a license or appointment
675 is required under this code or directly or indirectly own,
676 control, or be employed in any manner by an agent, agency,

677 adjuster, ~~or~~ adjusting firm, or umpire.

678 Section 22. Subsection (2) of section 626.7845, Florida
679 Statutes, is amended to read:

680 626.7845 Prohibition against unlicensed transaction of
681 life insurance.—

682 (2) Except as provided in s. 626.112(8) ~~626.112(6)~~, with
683 respect to any line of authority specified in s. 626.015(10), no
684 individual shall, unless licensed as a life agent:

685 (a) Solicit insurance or annuities or procure
686 applications;

687 (b) In this state, engage or hold himself or herself out
688 as engaging in the business of analyzing or abstracting
689 insurance policies or of counseling or advising or giving
690 opinions to persons relative to insurance or insurance contracts
691 other than:

692 1. As a consulting actuary advising an insurer; or

693 2. As to the counseling and advising of labor unions,
694 associations, trustees, employers, or other business entities,
695 the subsidiaries and affiliates of each, relative to their
696 interests and those of their members or employees under
697 insurance benefit plans; or

698 (c) In this state, from this state, or with a resident of
699 this state, offer or attempt to negotiate on behalf of another
700 person a viatical settlement contract as defined in s. 626.9911.

701 Section 23. Section 626.8305, Florida Statutes, is amended
702 to read:

703 626.8305 Prohibition against the unlicensed transaction of
 704 health insurance.—Except as provided in s. 626.112(8)
 705 ~~626.112(6)~~, with respect to any line of authority specified in
 706 s. 626.015(6), no individual shall, unless licensed as a health
 707 agent:

- 708 (1) Solicit insurance or procure applications; or
- 709 (2) In this state, engage or hold himself or herself out
 710 as engaging in the business of analyzing or abstracting
 711 insurance policies or of counseling or advising or giving
 712 opinions to persons relative to insurance contracts other than:
 - 713 (a) As a consulting actuary advising insurers; or
 - 714 (b) As to the counseling and advising of labor unions,
 715 associations, trustees, employers, or other business entities,
 716 the subsidiaries and affiliates of each, relative to their
 717 interests and those of their members or employees under
 718 insurance benefit plans.

719 Section 24. Paragraph (a) of subsection (2) of section
 720 626.8411, Florida Statutes, is amended to read:

721 626.8411 Application of Florida Insurance Code provisions
 722 to title insurance agents or agencies.—

723 (2) The following provisions of part I do not apply to
 724 title insurance agents or title insurance agencies:

- 725 (a) Section 626.112(9) ~~626.112(7)~~, relating to licensing
 726 of insurance agencies.

727 Section 25. Subsection (4) of section 626.8443, Florida
 728 Statutes, is amended to read:

729 | 626.8443 Duration of suspension or revocation.—

730 | (4) During the period of suspension or after revocation of
 731 | the license and appointment, the former licensee shall not
 732 | engage in or attempt to profess to engage in any transaction or
 733 | business for which a license or appointment is required under
 734 | this code or directly or indirectly own, control, or be employed
 735 | in any manner by any insurance agent or agency, ~~or~~ adjuster, ~~or~~
 736 | adjusting firm, or umpire.

737 | Section 26. Paragraph (d) is added to subsection (11) of
 738 | section 626.854, Florida Statutes, to read:

739 | 626.854 "Public adjuster" defined; prohibitions.—The
 740 | Legislature finds that it is necessary for the protection of the
 741 | public to regulate public insurance adjusters and to prevent the
 742 | unauthorized practice of law.

743 | (11)

744 | (d) If a public adjuster enters into a contract with an
 745 | insured or a claimant to perform an appraisal, as defined in s.
 746 | 626.9964, the public adjuster may not charge, agree to, or
 747 | accept from any source compensation, payment, commission, fee,
 748 | or any other thing of value in excess of the limitations set
 749 | forth in paragraph (b) for the appraisal services or, if also
 750 | serving as adjuster on the claim, a combination of adjuster and
 751 | appraisal services.

752 | Section 27. Section 626.8791, Florida Statutes, is created
 753 | to read:

754 | 626.8791 Contracts for appraisal services; required

755 notice.—A contract between an adjuster and an insured or
 756 claimant to perform an appraisal must contain the following
 757 language in at least 14-point boldfaced, uppercase type: "THERE
 758 IS NO LEGAL REQUIREMENT THAT AN APPRAISER CHARGE A CLIENT A SET
 759 FEE OR A PERCENTAGE OF MONEY RECOVERED IN A CASE. YOU, THE
 760 CLIENT, HAVE THE RIGHT TO TALK WITH YOUR APPRAISER ABOUT THE
 761 PROPOSED FEE AND TO BARGAIN ABOUT THE RATE OR PERCENTAGE AS IN
 762 ANY OTHER CONTRACT. IF YOU DO NOT REACH AN AGREEMENT WITH ONE
 763 APPRAISER YOU MAY TALK WITH OTHER APPRAISERS."

764 Section 28. Subsection (1) of section 626.9957, Florida
 765 Statutes, is amended to read:

766 626.9957 Conduct prohibited; denial, revocation, or
 767 suspension of registration.—

768 (1) As provided in s. 626.112, only a person licensed as
 769 an insurance agent or customer representative may engage in the
 770 solicitation of insurance. A person who engages in the
 771 solicitation of insurance as described in s. 626.112(1) without
 772 such license is subject to the penalties provided under s.
 773 626.112(11) ~~626.112(9)~~.

774 Section 29. Part XIV of chapter 626, Florida Statutes,
 775 consisting of sections 626.9961 through 626.9968, is created to
 776 read:

777 PART XIV

778 PROPERTY INSURANCE APPRAISAL UMPIRES

779 626.9961 Short title.—This part may be referred to as the
 780 "Property Insurance Appraisal Umpire Law."

781 626.9962 Legislative purpose.—The Legislature finds it
782 necessary to regulate persons that hold themselves out to the
783 public as qualified to provide services as property insurance
784 appraisal umpires in order to protect the public safety and
785 welfare and to avoid economic injury to the residents of this
786 state. This part applies only to property insurance appraisal
787 umpires as defined in this part.

788 626.9963 Part supplements licensing law.—This part is
789 supplementary to part I, the "Licensing Procedures Law."

790 626.9964 Definitions.—As used in this part, the term:

791 (1) "Appraisal" means, for purposes of licensure under
792 this part only, a process of alternative dispute resolution used
793 in a personal residential or commercial residential property
794 insurance claim.

795 (2) "Competent" means sufficiently qualified and capable
796 of performing an appraisal.

797 (3) "Department" means the Department of Financial
798 Services.

799 (4) "Property insurance appraisal umpire" or "umpire"
800 means a person selected by the appraisers representing the
801 insurer and the insured, or, if the appraisers cannot agree, by
802 the court, who is charged with resolving issues that the
803 appraisers are unable to agree upon during the course of an
804 appraisal.

805 (5) "Property insurance appraiser" or "appraiser" means
806 the person selected by an insurer or insured to perform an

807 appraisal.

808 626.9965 Qualification for license as a property insurance
809 appraisal umpire.—

810 (1) The department shall issue a license as an umpire to a
811 person who meets the requirements of subsection (2) and is one
812 of the following:

813 (a) A retired county, circuit, or appellate judge.

814 (b) Licensed as an engineer pursuant to chapter 471 or is
815 a retired professional engineer as defined in s. 471.005.

816 (c) Licensed as a general contractor, building contractor,
817 or residential contractor pursuant to part I of chapter 489.

818 (d) Licensed or registered as an architect to engage in
819 the practice of architecture pursuant to part I of chapter 481.

820 (e) A member of The Florida Bar.

821 (f) Licensed as an adjuster pursuant to part VI of chapter
822 626, which license includes the property and casualty lines of
823 insurance. An adjuster must have been licensed for at least 5
824 years as an adjuster before he or she may be licensed as an
825 umpire.

826 (2) An applicant may be licensed to practice in this state
827 as an umpire if the applicant:

828 (a) Is a natural person at least 18 years of age;

829 (b) Is a United States citizen or legal alien who
830 possesses work authorization from the United States Bureau of
831 Citizenship and Immigration;

832 (c) Is of good moral character;

833 (d) Has paid the applicable fees specified in s. 624.501;
834 and
835 (e) Has, before the date of the application for licensure,
836 satisfactorily completed education courses approved by the
837 department covering:
838 1. Insurance claims estimating; and
839 2. Insurance law, ethics for insurance professionals,
840 disciplinary trends, and case studies.
841 (3) The department may not reject an application solely
842 because the applicant is or is not a member of a given appraisal
843 organization.
844 626.9966 Grounds for refusal, suspension, or revocation of
845 an umpire license or appointment.—The department may deny an
846 application for license or appointment under this part; suspend,
847 revoke, or refuse to renew or continue a license or appointment
848 of an umpire; or suspend or revoke eligibility for licensure or
849 appointment as an umpire if the department finds that one or
850 more of the following applicable grounds exist:
851 (1) Violating a duty imposed upon him or her by law or by
852 the terms of the umpire agreement; aiding, assisting, or
853 conspiring with any other person engaged in any such misconduct
854 and in furtherance thereof; or forming the intent, design, or
855 scheme to engage in such misconduct and committing an overt act
856 in furtherance of such intent, design, or scheme. An umpire
857 commits a violation of this part regardless of whether the
858 victim or intended victim of the misconduct has sustained any

859 damage or loss; the damage or loss has been settled and paid
860 after the discovery of misconduct; or the victim or intended
861 victim is an insurer or customer or a person in a confidential
862 relationship with the umpire or is an identified member of the
863 general public.

864 (2) Having a registration, license, or certification to
865 practice or conduct any regulated profession, business, or
866 vocation revoked, suspended, or encumbered; or having an
867 application for such registration, licensure, or certification
868 to practice or conduct any regulated profession, business, or
869 vocation denied, by this or any other state, any nation, or any
870 possession or district of the United States.

871 (3) Making or filing a report or record, written or oral,
872 which the umpire knows to be false; willfully failing to file a
873 report or record required by state or federal law; willfully
874 impeding or obstructing such filing; or inducing another person
875 to impede or obstruct such filing.

876 (4) Agreeing to serve as an umpire if service is
877 contingent upon the umpire reporting a predetermined amount,
878 analysis, or opinion.

879 (5) Agreeing to serve as an umpire, if the fee to be paid
880 for his or her services is contingent upon the opinion,
881 conclusion, or valuation he or she reaches.

882 (6) Failure of an umpire, without good cause, to
883 communicate within 10 business days of a request for
884 communication from an appraiser.

885 (7) Violation of any ethical standard for umpires
886 specified in s. 626.9967.

887 626.9967 Ethical standards for property insurance
888 appraisal umpires.-

889 (1) CONFIDENTIALITY.-

890 (a) Unless disclosure is otherwise required by law, an
891 umpire shall maintain confidentiality of all information
892 revealed during an appraisal.

893 (b) An umpire shall maintain confidentiality in the
894 storage and disposal of records and may not disclose any
895 identifying information if materials are used in research,
896 training, or statistical compilations.

897 (2) FEES AND EXPENSES.-

898 (a) The fees charged by an umpire must be reasonable and
899 consistent with the nature of the case.

900 (b) In determining fees, an umpire:

901 1. Must charge on an hourly basis and may bill only for
902 actual time spent on or allocated for the appraisal.

903 2. May not charge, agree to, or accept as compensation or
904 reimbursement any payment, commission, or fee that is based on a
905 percentage of the value of the claim or that is contingent upon
906 a specified outcome.

907 3. May charge for costs actually incurred, and no other
908 costs.

909 (c) An appraiser may assign the duty of paying the
910 umpire's fee to, and the umpire is entitled to receive payment

911 directly from, the insurer and the insured if the insurer and
912 the insured acknowledge and accept the duty and agree in writing
913 to be responsible for payment.

914 (3) MAINTENANCE OF RECORDS.—An umpire shall maintain
915 records necessary to support charges for services and expenses,
916 and, upon request, shall provide an accounting of all applicable
917 charges to the insurer and insured. An umpire shall retain
918 original or true copies of any contracts engaging his or her
919 services, appraisal reports, and supporting data assembled and
920 formulated by the umpire in preparing appraisal reports for at
921 least 5 years. The umpire shall make the records available to
922 the department for inspection and copying within 7 business days
923 of a request. If an appraisal has been the subject of, or has
924 been admitted as evidence in, a lawsuit, reports and records
925 related to the appraisal must be retained for at least 2 years
926 after the date that the trial ends.

927 (4) ADVERTISING.—An umpire may not engage in marketing
928 practices that contain false or misleading information. An
929 umpire shall ensure that any advertisement of his or her
930 qualifications, services to be rendered, or the appraisal
931 process are accurate and honest. An umpire may not make claims
932 of achieving specific outcomes or promises implying favoritism
933 for the purpose of obtaining business.

934 (5) INTEGRITY AND IMPARTIALITY.—

935 (a)1. An umpire may not accept an appraisal unless he or
936 she can serve competently, promptly commence the appraisal and,

937 thereafter, devote the time and attention to its completion in
938 the manner expected by all persons involved in the appraisal.

939 2. An umpire shall conduct the appraisal process in a
940 manner that advances the fair and efficient resolution of issues
941 that arise.

942 3. An umpire shall deliberate and decide all issues within
943 the scope of the appraisal, but may not render a decision on any
944 other issues. An umpire shall decide all matters justly,
945 exercising independent judgment. An umpire may not delegate his
946 or her duties to any other person. An umpire who considers the
947 opinion of an independent expert does not violate this
948 paragraph.

949 (b) An umpire may not engage in any business, provide any
950 service, or perform any act that would compromise his or her
951 integrity or impartiality.

952 (6) SKILL AND EXPERIENCE.—An umpire shall decline or
953 withdraw from an appraisal or request appropriate assistance
954 when the facts and circumstances of the appraisal prove to be
955 beyond his or her skill or experience.

956 (7) GIFTS AND SOLICITATION.—An umpire or any individual or
957 entity acting on behalf of an umpire may not solicit, accept,
958 give, or offer to give, directly or indirectly, any gift, favor,
959 loan, or other item of value in excess of \$25 to any individual
960 who participates in the appraisal, for the purpose of
961 solicitation or otherwise attempting to procure future work from
962 any person who participates in the appraisal, or as an

963 inducement to entering into an appraisal with an umpire. This
964 subsection does not prevent an umpire from accepting other
965 appraisals where the appraisers agree upon the umpire or the
966 court appoints the umpire.

967 626.9968 Conflicts of interest.—An insurer may challenge
968 an umpire's impartiality and disqualify the proposed umpire only
969 if:

970 (1) A familial relationship within the third degree exists
971 between the umpire and a party or a representative of a party;

972 (2) The umpire has previously represented a party in a
973 professional capacity in the same claim or matter involving the
974 same property;

975 (3) The umpire has represented another person in a
976 professional capacity in the same or a substantially related
977 matter that includes the claim, the same property or an adjacent
978 property, and the other person's interests are materially
979 adverse to the interests of a party; or

980 (4) The umpire has worked as an employer or employee of a
981 party within the preceding 5 years.

982 Section 30. Section 627.70151, Florida Statutes, is
983 repealed.

984 Section 31. For the 2016-2017 fiscal year, the sums of
985 \$24,000 in recurring funds from the Insurance Regulatory Trust
986 Fund and \$73,107 in recurring funds and \$39,230 in nonrecurring
987 funds from the Administrative Trust Fund are appropriated to the
988 Department of Financial Services, and one full-time equivalent

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989 position with associated salary rate of 47,291 is authorized,
990 for the purpose of implementing this act.

991 Section 32. This act applies to all appraisals requested
992 on or after October 1, 2016.

993 Section 33. This act shall take effect October 1, 2016.