

1 A bill to be entitled

2 An act relating to noncoverage-related regulation of  
3 insurance; amending s. 626.7851, F.S.; revising a  
4 minimum coursework qualification for licensure as a  
5 life agent; amending s. 626.9541, F.S.; providing that  
6 certain restrictions against unfair discrimination or  
7 unlawful rebates do not include value-added products  
8 or services offered or provided by life or health  
9 insurers or their agents if certain conditions are  
10 met; providing requirements for and restrictions on  
11 life or health insurers or their agents offering or  
12 providing such products or services; authorizing life  
13 or health insurers or their agents to provide such  
14 products or services as part of a pilot or testing  
15 program under certain circumstances; prohibiting life  
16 or health insurers or their agents, or representatives  
17 of such insurers or agents, from offering or providing  
18 insurance as an inducement to the purchase of another  
19 policy and from using certain words in an  
20 advertisement; authorizing the Financial Services  
21 Commission to adopt rules; providing an effective  
22 date.

23  
24 Be It Enacted by the Legislature of the State of Florida:  
25

26 Section 1. Section 626.7851, Florida Statutes, is amended  
 27 to read:

28 626.7851 Requirement as to knowledge, experience, or  
 29 instruction.—An applicant for a license as a life agent, except  
 30 for a chartered life underwriter (CLU), shall not be qualified  
 31 or licensed unless within the 4 years immediately preceding the  
 32 date the application for a license is filed with the department  
 33 he or she has:

34 (1) Successfully completed 30 ~~40~~ hours of coursework in  
 35 life insurance, annuities, and variable contracts approved by  
 36 the department, 3 hours of which shall be on the subject matter  
 37 of ethics. Courses must include instruction on the subject  
 38 matter of unauthorized entities engaging in the business of  
 39 insurance;

40 (2) Successfully completed a minimum of 60 hours of  
 41 coursework in multiple areas of insurance, which included life  
 42 insurance, annuities, and variable contracts, approved by the  
 43 department, 3 hours of which shall be on the subject matter of  
 44 ethics. Courses must include instruction on the subject matter  
 45 of unauthorized entities engaging in the business of insurance;

46 (3) Earned or maintained an active designation as  
 47 Chartered Financial Consultant (ChFC) from the American College  
 48 of Financial Services; or Fellow, Life Management Institute  
 49 (FLMI) from the Life Management Institute;

50 (4) Held an active license in life insurance in another

51 state. This provision may not be used unless the other state  
 52 grants reciprocal treatment to licensees formerly licensed in  
 53 the state; or

54 (5) Been employed by the department or office for at least  
 55 1 year, full time in life insurance regulatory matters and who  
 56 was not terminated for cause, and application for examination is  
 57 made within 4 years after the date of termination of his or her  
 58 employment with the department or office.

59  
 60 Prelicensure coursework is not required for an applicant who is  
 61 a member or veteran of the United States Armed Forces or the  
 62 spouse of such a member or veteran. A qualified individual must  
 63 provide a copy of a military identification card, military  
 64 dependent identification card, military service record, military  
 65 personnel file, veteran record, discharge paper, or separation  
 66 document that indicates such member is currently in good  
 67 standing or such veteran is honorably discharged.

68 Section 2. Paragraph (h) of subsection (1) of section  
 69 626.9541, Florida Statutes, is amended to read:

70 626.9541 Unfair methods of competition and unfair or  
 71 deceptive acts or practices defined.—

72 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE  
 73 ACTS.—The following are defined as unfair methods of competition  
 74 and unfair or deceptive acts or practices:

75 (h) Unlawful rebates.—

76 1. Except as otherwise expressly provided by law, or in an  
 77 applicable filing with the office, knowingly:

78 a. Permitting, or offering to make, or making, any  
 79 contract or agreement as to such contract other than as plainly  
 80 expressed in the insurance contract issued thereon;

81 b. Paying, allowing, or giving, or offering to pay, allow,  
 82 or give, directly or indirectly, as inducement to such insurance  
 83 contract, any unlawful rebate of premiums payable on the  
 84 contract, any special favor or advantage in the dividends or  
 85 other benefits thereon, or any valuable consideration or  
 86 inducement whatever not specified in the contract;

87 c. Giving, selling, or purchasing, or offering to give,  
 88 sell, or purchase, as inducement to such insurance contract or  
 89 in connection therewith, any stocks, bonds, or other securities  
 90 of any insurance company or other corporation, association, or  
 91 partnership, or any dividends or profits accrued thereon, or  
 92 anything of value whatsoever not specified in the insurance  
 93 contract.

94 2. Nothing in paragraph (g) or subparagraph 1. ~~of this~~  
 95 ~~paragraph~~ shall be construed as including within the definition  
 96 of discrimination or unlawful rebates:

97 a. In the case of any contract of life insurance or life  
 98 annuity, paying bonuses to all policyholders or otherwise  
 99 abating their premiums in whole or in part out of surplus  
 100 accumulated from nonparticipating insurance; provided that any

101 such bonuses or abatement of premiums is fair and equitable to  
 102 all policyholders and for the best interests of the company and  
 103 its policyholders.

104 b. In the case of life insurance policies issued on the  
 105 industrial debit plan, making allowance to policyholders who  
 106 have continuously for a specified period made premium payments  
 107 directly to an office of the insurer in an amount which fairly  
 108 represents the saving in collection expenses.

109 c. Readjustment of the rate of premium for a group  
 110 insurance policy based on the loss or expense thereunder, at the  
 111 end of the first or any subsequent policy year of insurance  
 112 thereunder, which may be made retroactive only for such policy  
 113 year.

114 d. Issuance of life insurance policies or annuity  
 115 contracts at rates less than the usual rates of premiums for  
 116 such policies or contracts, as group insurance or employee  
 117 insurance as defined in this code.

118 e. Issuing life or disability insurance policies on a  
 119 salary savings, bank draft, preauthorized check, payroll  
 120 deduction, or other similar plan at a reduced rate reasonably  
 121 related to the savings made by the use of such plan.

122 3.a. No title insurer, or any member, employee, attorney,  
 123 agent, or agency thereof, shall pay, allow, or give, or offer to  
 124 pay, allow, or give, directly or indirectly, as inducement to  
 125 title insurance, or after such insurance has been effected, any

126 rebate or abatement of the premium or any other charge or fee,  
 127 or provide any special favor or advantage, or any monetary  
 128 consideration or inducement whatever.

129       b. Nothing in this subparagraph shall be construed as  
 130 prohibiting the payment of fees to attorneys at law duly  
 131 licensed to practice law in the courts of this state, for  
 132 professional services, or as prohibiting the payment of earned  
 133 portions of the premium to duly appointed agents or agencies who  
 134 actually perform services for the title insurer. Nothing in this  
 135 subparagraph shall be construed as prohibiting a rebate or  
 136 abatement of an attorney fee charged for professional services,  
 137 or that portion of the premium that is not required to be  
 138 retained by the insurer pursuant to s. 627.782(1), or any other  
 139 agent charge or fee to the person responsible for paying the  
 140 premium, charge, or fee.

141       c. No insured named in a policy, or any other person  
 142 directly or indirectly connected with the transaction involving  
 143 the issuance of such policy, including, but not limited to, any  
 144 mortgage broker, real estate broker, builder, or attorney, any  
 145 employee, agent, agency, or representative thereof, or any other  
 146 person whatsoever, shall knowingly receive or accept, directly  
 147 or indirectly, any rebate or abatement of any portion of the  
 148 title insurance premium or of any other charge or fee or any  
 149 monetary consideration or inducement whatsoever, except as set  
 150 forth in sub-subparagraph b.; provided, in no event shall any

151 portion of the attorney fee, any portion of the premium that is  
152 not required to be retained by the insurer pursuant to s.  
153 627.782(1), any agent charge or fee, or any other monetary  
154 consideration or inducement be paid directly or indirectly for  
155 the referral of title insurance business.

156 4.a. Paragraph (g) or subparagraph 1. may not be construed  
157 as including within the definition of discrimination or unlawful  
158 rebates the offer or provision by a life or health insurer or a  
159 life or health agent, including by or through an employee, an  
160 affiliate, or a third-party representative, of a value-added  
161 product or service at no cost or at a reduced cost when such  
162 product or service is not specified in the insurance policy, if  
163 the product or service relates to the insurance coverage and is  
164 primarily designed to do one or more of the following:

165 (I) Provide loss mitigation or loss control;

166 (II) Reduce claim costs or claim settlement costs;

167 (III) Provide education about liability risks or risk of  
168 loss to persons or property;

169 (IV) Monitor or assess risk, identify sources of risk, or  
170 develop strategies for eliminating or reducing risk;

171 (V) Enhance health;

172 (VI) Enhance financial wellness through items such as  
173 education or financial planning services;

174 (VII) Provide post-loss services;

175 (VIII) Incentivize behavioral changes to improve the

176 health or reduce the risk of death or disability of a  
177 policyholder, potential policyholder, certificateholder,  
178 potential certificateholder, insured, potential insured, or  
179 applicant; or

180 (IX) Assist in the administration of employee or retiree  
181 benefit insurance coverage.

182 b. The cost to the life or health insurer or life or  
183 health agent offering the product or service to a customer must  
184 be reasonable in comparison to the customer's premiums or  
185 insurance coverage for the policy class.

186 c. If the life or health insurer or life or health agent  
187 is providing the product or service, the life or health insurer  
188 or life or health agent must ensure that the customer is  
189 provided with contact information to assist the customer with  
190 questions regarding the product or service.

191 d. The availability of the product or service must be  
192 based on documented objective evidence, and the product or  
193 service must be offered in a manner that is not unfairly  
194 discriminatory. The documented evidence must be maintained by  
195 the life or health insurer or life or health agent and produced  
196 upon request by the office or the department.

197 e. If a life or health insurer or life or health agent has  
198 a good faith belief, but does not have sufficient evidence to  
199 demonstrate, that the product or service meets any of the  
200 criteria in sub-sub-paragraphs a.(I)-(IX), the life or health



CS/CS/HB 1111

2023

201 insurer or life or health agent may provide the product or  
202 service in a manner that is not unfairly discriminatory as part  
203 of a pilot or testing program for up to 1 year. A life or health  
204 insurer or life or health agent must notify the office or  
205 department, as applicable, of such pilot or testing program  
206 offered to consumers in this state before commencing the  
207 program. The life or health insurer or life or health agent may  
208 commence the program unless the office or department, as  
209 applicable, objects to the program within 21 days after  
210 receiving the notice.

211 f. A life or health insurer or life or health agent, or a  
212 representative thereof, may not offer or provide insurance as an  
213 inducement to the purchase of another policy and may not use the  
214 words "free," "no cost," or similar words in an advertisement.

215 g. The commission may adopt rules to administer this  
216 subparagraph to ensure consumer protection. Such rules, which  
217 must be consistent with applicable law, may address, among other  
218 issues, consumer data protections and privacy, consumer  
219 disclosure, and unfair discrimination.

220 Section 3. This act shall take effect July 1, 2023.