

1 A bill to be entitled
2 An act relating to consumer protection; amending s.
3 494.001, F.S.; revising the definition of the term
4 "branch office"; defining the term "remote location";
5 authorizing a licensee under ch. 494, F.S., to allow
6 loan originators to work from remote locations if
7 specified conditions are met; amending s. 494.0067,
8 F.S.; specifying that mortgage lenders may transact
9 business from branch offices and remote locations;
10 providing a requirement for operating remote
11 locations; creating s. 501.2042, F.S.; defining terms;
12 providing requirements for organizers of crowd-funding
13 campaigns related to disasters and for crowd-funding
14 platforms; amending s. 520.23, F.S.; revising
15 disclosure requirements for agreements governing the
16 sale or lease of a distributed energy generation
17 system; amending s. 560.111, F.S.; providing a
18 criminal penalty; amending s. 560.309, F.S.;
19 prohibiting a licensee under ch. 560, F.S., from
20 cashing corporate checks for certain payees where the
21 aggregate face amount exceeds a specified amount;
22 amending s. 626.602, F.S.; providing applicability of
23 provisions relating to the disapproval of insurance
24 agency names to adjusting firm names; revising grounds
25 on which such names may be disapproved by the

26 department; deleting an obsolete provision; amending
27 s. 626.854, F.S.; revising the definition of the term
28 "public adjuster"; prohibiting public adjusters from
29 contracting with anyone other than the named insured
30 without the insured's written consent; specifying a
31 penalty for noncompliance; specifying timeframes in
32 which an insured or a claimant may cancel a public
33 adjuster's contract without penalty or contract under
34 certain circumstances; revising requirements for
35 public adjusters' contracts; specifying limitations on
36 commissions received by public adjusters; amending s.
37 626.860, F.S.; providing that an attorney's exemption
38 from public adjuster licensure requirements does not
39 apply to certain persons; amending s. 626.875, F.S.;
40 revising recordkeeping requirements for appointed
41 independent adjusters and licensed public adjusters;
42 amending s. 626.8796, F.S.; revising requirements for
43 public adjuster contracts; specifying requirements for
44 and prohibitions on public adjusters relating to such
45 contracts; providing construction; authorizing the
46 department to adopt rules; amending s. 626.8797, F.S.;
47 revising a fraud statement requirement in proof-of-
48 loss statements; amending s. 626.9541, F.S.; adding an
49 unfair or deceptive insurance act relating to health
50 insurance policies; amending s. 627.4025, F.S.;

51 | revising the definition of the term "hurricane," and
52 | defining the term "hurricane deductible," as used in
53 | policies providing residential coverage; amending s.
54 | 627.4133, F.S.; revising conditions that apply to a
55 | specified notice requirement for, and a limitation on,
56 | the cancellation or termination of certain insurance
57 | policies; authorizing the Citizens Property Insurance
58 | Corporation to cancel certain policies of insurers
59 | placed in receivership; amending s. 627.4554, F.S.;
60 | revising legislative purpose; revising applicability;
61 | revising and defining terms; revising and specifying
62 | duties of insurers and agents relating to the
63 | recommendation and sale of annuity investments;
64 | specifying comparable standards that comply with such
65 | requirements; specifying agent training requirements;
66 | providing and revising construction; authorizing the
67 | department to adopt certain forms by rule; amending s.
68 | 634.041, F.S.; specifying authorized methods of paying
69 | claims for motor vehicle service agreements; amending
70 | s. 634.401, F.S.; revising the definition of the term
71 | "manufacturer" for purposes of part III of ch. 634,
72 | F.S.; amending s. 634.406, F.S.; deleting a debt
73 | obligation rating requirement for certain service
74 | warranty associations or parent corporations;
75 | providing an effective date.

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

Section 1. Present subsections (35) through (38) of section 494.001, Florida Statutes, are redesignated as subsections (36) through (39), respectively, a new subsection (35) is added to that section, and subsection (3) of that section is amended, to read:

494.001 Definitions.—As used in this chapter, the term:

(3) "Branch office" means a location, other than a mortgage broker's or mortgage lender's principal place of business or remote location:

(a) The address of which appears on business cards, stationery, or advertising used by the licensee in connection with business conducted under this chapter;

(b) At which the licensee's name, advertising or promotional materials, or signage suggests that mortgage loans are originated, negotiated, funded, or serviced; or

(c) At which mortgage loans are originated, negotiated, funded, or serviced by a licensee.

(35) "Remote location" means a location, other than a principal place of business or a branch office, at which a loan originator of a licensee may conduct business. A licensee may allow loan originators to work from remote locations if:

(a) The licensee has written policies and procedures for

101 supervision of loan originators working from remote locations.

102 (b) Access to company platforms and customer information
103 is in accordance with the licensee's comprehensive written
104 information security plan.

105 (c) An in-person customer interaction does not occur at a
106 loan originator's residence unless such residence is a licensed
107 location.

108 (d) Physical records are not maintained at a remote
109 location.

110 (e) Customer interactions and conversations about
111 consumers will be in compliance with federal and state
112 information security requirements, including applicable
113 provisions under the Gramm-Leach-Bliley Act and the Safeguards
114 Rule established by the Federal Trade Commission, set forth at
115 16 C.F.R. part 314, as such requirements may be amended from
116 time to time.

117 (f) A loan originator working at a remote location
118 accesses the company's secure systems or documents, including a
119 cloud-based system, directly from any out-of-office device such
120 as a laptop, phone, desktop computer, or tablet, through a
121 virtual private network or system that ensures secure
122 connectivity and that requires passwords or other forms of
123 authentication to access.

124 (g) The licensee ensures that appropriate security
125 updates, patches, or other alterations to the security of all

126 devices used at remote locations are installed and maintained.

127 (h) The licensee is able to remotely lock or erase
128 company-related contents of any device or otherwise remotely
129 limit all access to a company's secure systems.

130 (i) The registry's record of a loan originator who works
131 from a remote location designates the principal place of
132 business as the loan originator's registered location, or the
133 loan originator has elected a licensed branch office as a
134 registered location.

135 Section 2. Subsection (1) of section 494.0067, Florida
136 Statutes, is amended to read:

137 494.0067 Requirements of mortgage lenders.—

138 (1) A mortgage lender that makes mortgage loans on real
139 estate in this state shall transact business from a principal
140 place of business, branch office, or remote location. Each
141 principal place of business, ~~and each branch office, and remote~~
142 location shall be operated under the full charge, control, and
143 supervision of the licensee pursuant to this part.

144 Section 3. Section 501.2042, Florida Statutes, is created
145 to read:

146 501.2042 Unlawful acts and practices by online crowd-
147 funding campaigns.—

148 (1) As used in this section, the term:

149 (a) "Crowd-funding campaign" means an online fundraising
150 initiative that is intended to receive monetary donations from

151 donors and is created by an organizer in the interest of a
152 beneficiary.

153 (b) "Crowd-funding platform" means an entity doing
154 business in this state which provides an online medium for the
155 creation and facilitation of a crowd-funding campaign.

156 (c) "Disaster" has the same meaning as 252.34(2).

157 (d) "Organizer" means a person who:

158 1. Resides or is domiciled in this state; and

159 2. Has an account on a crowd-funding platform and has
160 created a crowd-funding campaign either as a beneficiary or on
161 behalf of a beneficiary, regardless of whether the beneficiary
162 or the crowd-funding campaign has received donations.

163 a. For crowd-funding campaigns related to and arising out
164 of a declared disaster, a crowd-funding platform must:

165 (I) Collect and retain, for one year after the date of the
166 declared disaster, the name, e-mail address, phone number, and
167 state of residence of the organizer.

168 (II) Require the organizer to indicate, on the crowd-
169 funding campaign, the state in which they are located.

170 (III) Cooperate with any investigation by or in
171 partnership with law enforcement.

172 (IV) Clearly display and direct donors to fundraisers that
173 comply with the crowd-funding platform's terms of service.

174 b. When an organizer arranges a crowd-funding campaign
175 related to and arising out of a declared disaster, the organizer

176 must attest that:

177 (I) All information provided in connection with a crowd-
 178 funding campaign is accurate, complete, and not likely to
 179 deceive users.

180 (II) All donations contributed to the crowd-funding
 181 campaign will be used solely as described in the materials the
 182 organizer posts or provides on the crowd-funding platform.

183 Section 4. Section 520.23, Florida Statutes, is amended to
 184 read:

185 520.23 Disclosures required.—Each agreement governing the
 186 sale or lease of a distributed energy generation system shall,
 187 at a minimum, include a written statement printed in at least
 188 12-point type that is separate from the agreement, is separately
 189 acknowledged by the buyer or lessee, and includes the following
 190 information and disclosures, if applicable:

191 (1) The name, address, telephone number, and e-mail
 192 address of the buyer or lessee.

193 (2) The name, address, telephone number, e-mail address,
 194 and valid state contractor license number of the person
 195 responsible for installing the distributed energy generation
 196 system.

197 (3) The name, address, telephone number, e-mail address,
 198 and valid state contractor license number of the distributed
 199 energy generation system maintenance provider, if different from
 200 the person responsible for installing the distributed energy

201 generation system.

202 (4) The customer contact center phone number for the
203 Department of Business and Professional Regulation.

204 (5)~~(4)~~ A written statement indicating whether the
205 distributed energy generation system is being purchased or
206 leased.

207 (a) If the distributed energy generation system will be
208 leased, the written statement must include a disclosure in
209 substantially the following form: "You are entering into an
210 agreement to lease a distributed energy generation system. You
211 will lease (not own) the system installed on your property."

212 (b) If the distributed energy generation system will be
213 purchased, the written statement must include a disclosure in
214 substantially the following form: "You are entering into an
215 agreement to purchase a distributed energy generation system.
216 You will own (not lease) the system installed on your property."

217 (6)~~(5)~~ The total cost to be paid by the buyer or lessee,
218 including any interest, installation fees, document preparation
219 fees, service fees, or other fees.

220 (7)~~(6)~~ A payment schedule, including any amounts owed at
221 contract signing, at the commencement of installation, at the
222 completion of installation, and any final payments. If the
223 distributed energy generation system is being leased, the
224 written statement must include the frequency and amount of each
225 payment due under the lease and the total estimated lease

226 | payments over the term of the lease.

227 | (8)~~(7)~~ Each state or federal tax incentive or rebate, if
228 | any, relied upon by the seller in determining the price of the
229 | distributed energy generation system.

230 | (9)~~(8)~~ A description of the assumptions used to calculate
231 | any savings estimates provided to the buyer or lessee, and if
232 | such estimates are provided, a statement in substantially the
233 | following form: "It is important to understand that future
234 | electric utility rates are estimates only. Your future electric
235 | utility rates may vary."

236 | (10)~~(9)~~ A description of any one-time or recurring fees,
237 | including, but not limited to, estimated system removal fees,
238 | maintenance fees, Internet connection fees, and automated
239 | clearinghouse fees. If late fees may apply, the description must
240 | describe the circumstances triggering such late fees.

241 | (11)~~(10)~~ A statement notifying the buyer whether the
242 | distributed energy generation system is being financed and, if
243 | so, a statement in substantially the following form: "If your
244 | system is financed, carefully read any agreements and/or
245 | disclosure forms provided by your lender. This statement does
246 | not contain the terms of your financing agreement. If you have
247 | any questions about your financing agreement, contact your
248 | finance provider before signing a contract."

249 | (12)~~(11)~~ A statement notifying the buyer whether the
250 | seller is assisting in arranging financing of the distributed

251 energy generation system and, if so, a statement in
252 substantially the following form: "If your system is financed,
253 carefully read any agreements and/or disclosure forms provided
254 by your lender. This statement does not contain the terms of
255 your financing agreement. If you have any questions about your
256 financing agreement, contact your finance provider before
257 signing a contract."

258 (13)~~(12)~~ A provision notifying the buyer or lessee of the
259 right to rescind the agreement for a period of at least 3
260 business days after the agreement is signed. This subsection
261 does not apply to a contract to sell or lease a distributed
262 energy generation system in a solar community in which the
263 entire community has been marketed as a solar community and all
264 of the homes in the community are intended to have a distributed
265 energy generation system, or a solar community in which the
266 developer has incorporated solar technology for purposes of
267 meeting the Florida Building Code in s. 553.73.

268 (14)~~(13)~~ A description of the distributed energy
269 generation system design assumptions, including the make and
270 model of the major components, system size, estimated first-year
271 energy production, and estimated annual energy production
272 decreases, including the overall percentage degradation over the
273 estimated life of the distributed energy generation system, and
274 the status of utility compensation for excess energy generated
275 by the system at the time of contract signing. A seller who

276 provides a warranty or guarantee of the energy production output
277 of the distributed energy generation system may provide a
278 description of such warranty or guarantee in lieu of a
279 description of the system design and components.

280 (15)~~(14)~~ A description of any performance or production
281 guarantees.

282 (16)~~(15)~~ A description of the ownership and
283 transferability of any tax credits, rebates, incentives, or
284 renewable energy certificates associated with the distributed
285 energy generation system, including a disclosure as to whether
286 the seller will assign or sell any associated renewable energy
287 certificates to a third party.

288 (17)~~(16)~~ A statement in substantially the following form:
289 "You are responsible for property taxes on property you own.
290 Consult a tax professional to understand any tax liability or
291 eligibility for any tax credits that may result from the
292 purchase of your distributed energy generation system."

293 (18)~~(17)~~ The approximate start and completion dates for
294 the installation of the distributed energy generation system.

295 (19)~~(18)~~ A disclosure as to whether maintenance and
296 repairs of the distributed energy generation system are included
297 in the purchase price.

298 (20)~~(19)~~ A disclosure as to whether any warranty or
299 maintenance obligations related to the distributed energy
300 generation system may be sold or transferred by the seller to a

301 third party and, if so, a statement in substantially the
302 following form: "Your contract may be assigned, sold, or
303 transferred without your consent to a third party who will be
304 bound to all the terms of the contract. If a transfer occurs,
305 you will be notified if this will change the address or phone
306 number to use for system maintenance or repair requests."

307 (21)~~(20)~~ If the distributed energy generation system will
308 be purchased, a disclosure notifying the buyer of the
309 requirements for interconnecting the system to the utility
310 system.

311 (22)~~(21)~~ A disclosure notifying the buyer or lessee of the
312 party responsible for obtaining interconnection approval.

313 (23)~~(22)~~ A description of any roof warranties.

314 (24) A statement in substantially the following form: "You
315 should consider the age and remaining life of your roof prior to
316 installing a distributed energy generation system. Replacement
317 of your roof may require reinstallment of the distributed energy
318 generation system."

319 (25)~~(23)~~ A disclosure notifying the lessee whether the
320 seller will insure a leased distributed energy generation system
321 against damage or loss and, if applicable, the circumstances
322 under which the seller will not insure the system against damage
323 or loss.

324 (26)~~(24)~~ A statement, ~~if applicable,~~ in substantially the
325 following form: "You are responsible for obtaining insurance

326 policies or coverage for any loss of or damage to the system.
327 Consult an insurance professional to understand how to protect
328 against the risk of loss or damage to the system."

329 (27) A statement in substantially the following form:
330 "Placing a distributed energy generation system on your roof may
331 impact your future insurance premiums. You are responsible for
332 contacting your insurance carrier, prior to entering into a
333 purchase or lease agreement, to confirm whether your current
334 policy or coverage will need to be modified upon installing the
335 distributed energy generation system onto your dwelling."

336 ~~(28)-(25)~~ A disclosure notifying the buyer or lessee
337 whether the seller or lessor will place a lien on the buyer's or
338 lessee's home or other property as a result of entering into a
339 purchase or lease agreement for the distributed energy
340 generation system.

341 ~~(29)-(26)~~ A disclosure notifying the buyer or lessee
342 whether the seller or lessor will file a fixture filing or a
343 State of Florida Uniform Commercial Code Financing Statement
344 Form (UCC-1) on the distributed energy generation system.

345 ~~(30)-(27)~~ A disclosure identifying whether the agreement
346 contains any restrictions on the buyer's or lessee's ability to
347 modify or transfer ownership of a distributed energy generation
348 system, including whether any modification or transfer is
349 subject to review or approval by a third party.

350 ~~(31)-(28)~~ A disclosure as to whether the lease agreement

351 may be transferred to a purchaser upon sale of the home or real
352 property to which the system is affixed, and any conditions for
353 such transfer.

354 ~~(32)~~~~(29)~~ A blank section that allows the seller to provide
355 additional relevant disclosures or explain disclosures made
356 elsewhere in the disclosure form.

357
358 The requirement to provide a written statement under this
359 section may be satisfied by the electronic delivery of a
360 document within 24 hours after execution of the written
361 statement containing the required statement if the intended
362 recipient of the electronic document affirmatively acknowledges
363 its receipt. An electronic document satisfies the font and other
364 formatting standards required for the written statement if the
365 format and the relative size of characters of the electronic
366 document are reasonably similar to those required in the written
367 document or if the information is otherwise displayed in a
368 reasonably conspicuous manner.

369 Section 5. Subsection (6) of section 560.111, Florida
370 Statutes, is amended to read:

371 560.111 Prohibited acts.—

372 (6) A person who knowingly and willfully violates s.
373 560.309(11) or s. 560.310(2)(d) commits a felony of the third
374 degree, punishable as provided in s. 775.082, s. 775.083, or s.
375 775.084.

376 Section 6. Subsection (11) is added to section 560.309,
 377 Florida Statutes, to read:

378 560.309 Conduct of business.—

379 (11) A licensee may not cash corporate checks where the
 380 aggregate face amount of all corporate checks cashed for each
 381 payee exceeds 200 percent of the payee's workers' compensation
 382 policy payroll amount during the same dates as the workers'
 383 compensation policy coverage period.

384 Section 7. Section 626.602, Florida Statutes, is amended
 385 to read:

386 626.602 Insurance agency and adjusting firm names;
 387 disapproval.—The department may disapprove the use of any true
 388 or fictitious name, other than the bona fide natural name of an
 389 individual, by any insurance agency or adjusting firm on any of
 390 the following grounds:

391 (1) The name interferes with or is too similar to a name
 392 already filed and in use by another agency, adjusting firm, or
 393 insurer.

394 (2)The use of the name may mislead the public in any
 395 respect.

396 (3) The name states or implies that the agency or
 397 adjusting firm is an insurer, motor club, hospital service plan,
 398 state or federal agency, charitable organization, or entity that
 399 primarily provides advice and counsel rather than sells or
 400 solicits insurance, settles claims, or is entitled to engage in

401 insurance activities not permitted under licenses held or
402 applied for. This provision does not prohibit the use of the
403 word "state" or "states" in the name of the agency. The use of
404 the word "state" or "states" in the name of an agency or
405 adjusting firm does not in and of itself imply that the agency
406 or adjusting firm is a state agency.

407 (4) The name contains the word "Medicare" or "Medicaid."
408 ~~An insurance agency whose name contains the word "Medicare" or~~
409 ~~"Medicaid" but which is licensed as of July 1, 2021, may~~
410 ~~continue to use that name until June 30, 2023, provided that the~~
411 ~~agency's license remains valid. If the agency's license expires~~
412 ~~or is suspended or revoked, the agency may not be relicensed~~
413 ~~using that name.~~ Licenses for agencies with names containing
414 either of these words automatically expire on July 1, 2023,
415 unless these words are removed from the name.

416 Section 8. Section 626.854, Florida Statutes, is amended
417 to read:

418 626.854 "Public adjuster" defined; prohibitions.—The
419 Legislature finds that it is necessary for the protection of the
420 public to regulate public insurance adjusters and to prevent the
421 unauthorized practice of law.

422 (1) A "public adjuster" is any person, except a duly
423 licensed attorney at law as exempted under s. 626.860, who, for
424 money, commission, or any other thing of value, directly or
425 indirectly prepares, completes, or files an insurance claim for

426 | an insured or third-party claimant, regardless of how that
 427 | person describes or presents his or her services, or who, for
 428 | money, commission, or any other thing of value, acts on behalf
 429 | of, or aids an insured or third-party claimant in negotiating
 430 | for or effecting the settlement of a claim or claims for loss or
 431 | damage covered by an insurance contract, regardless of how that
 432 | person describes or presents his or her services, or who
 433 | advertises for employment as an adjuster of such claims. The
 434 | term also includes any person who, for money, commission, or any
 435 | other thing of value, directly or indirectly solicits,
 436 | investigates, or adjusts such claims on behalf of a public
 437 | adjuster, an insured, or a third-party claimant. The term does
 438 | not include a person who photographs or inventories damaged
 439 | personal property or business personal property or a person
 440 | performing duties under another professional license, if such
 441 | person does not otherwise solicit, adjust, investigate, or
 442 | negotiate for or attempt to effect the settlement of a claim.

443 | (2) This definition does not apply to:

444 | (a) A licensed health care provider or employee thereof
 445 | who prepares or files a health insurance claim form on behalf of
 446 | a patient.

447 | (b) A licensed health insurance agent who assists an
 448 | insured with coverage questions, medical procedure coding
 449 | issues, balance billing issues, understanding the claims filing
 450 | process, or filing a claim, as such assistance relates to

451 coverage under a health insurance policy.

452 (c) A person who files a health claim on behalf of another
453 and does so without compensation.

454 (3) A public adjuster may not give legal advice or act on
455 behalf of or aid any person in negotiating or settling a claim
456 relating to bodily injury, death, or noneconomic damages.

457 (4) For purposes of this section, the term "insured"
458 includes only the policyholder and any beneficiaries named or
459 similarly identified in the policy.

460 (5) A public adjuster may not directly or indirectly
461 through any other person or entity solicit an insured or
462 claimant by any means except on Monday through Saturday of each
463 week and only between the hours of 8 a.m. and 8 p.m. on those
464 days.

465 (6) When entering a contract for adjuster services after
466 July 1, 2023, a public adjuster:

467 (a) May not collect a fee for services on payments made to
468 a named insured unless they have a written contract with the
469 named insured, or the named insured's legal representative.

470 (b) May not contract for services to be provided by a
471 third party on behalf of the named insured or in pursuit of
472 settlement of the named insureds claim, if the cost of those
473 services is to be borne by the named insured, unless the named
474 insured agrees in writing to procure these services and such
475 agreement is entered into subsequent to the date of the contract

476 for public adjusting services.

477 (c) If a public adjuster contracts with a third-party
478 service provider to assist with the settlement of the named
479 insured's claim, without first obtaining the insured's written
480 consent, payment of the third party's fees must be made by the
481 public adjuster and may not be charged back to the named
482 insured.

483 (d) If a public adjuster represents anyone other than the
484 named insured in a claim, the public adjuster fees shall be paid
485 by the third party and may not be charged back to the named
486 insured.

487 (7)+(6) An insured or claimant may cancel a public
488 adjuster's contract to adjust a claim without penalty or
489 obligation within 10 days after the date on which the contract
490 is executed. If the contract was entered into based on events
491 that are the subject of a declaration of a state of emergency by
492 the Governor, an insured or claimant may cancel the public
493 adjuster's contract to adjust a claim without penalty or
494 obligation within 30 days after the date of loss or 10 days
495 after the date on which the contract is executed, whichever is
496 longer. The public adjuster's contract must contain the
497 following language in minimum 18-point bold type immediately
498 before the space reserved in the contract for the signature of
499 the insured or claimant:

500 "You, the insured, may cancel this contract for any reason

501 without penalty or obligation to you within 10 days after
502 the date of this contract. If this contract was entered
503 into based on events that are the subject of a declaration
504 of a state of emergency by the Governor, you may cancel
505 this contract for any reason without penalty or obligation
506 to you within 30 days after the date of loss or 10 days
507 after the date on which the contract is executed, whichever
508 is longer. You may also cancel the contract without penalty
509 or obligation to you if I, as your public adjuster, fail to
510 provide you and your insurer a copy of a written estimate
511 within 60 days of the execution of the contract, unless the
512 failure to provide the estimate within 60 days is caused by
513 factors beyond my control, in accordance with s.
514 627.70131(5)(a)2., Florida Statutes. The 60-day
515 cancellation period for failure to provide a written
516 estimate shall cease on the date I have provided you with
517 the written estimate." The ~~by providing~~ notice of
518 cancellation shall be provided to ... (name of public
519 adjuster) ..., submitted in writing and sent by certified
520 mail, return receipt requested, or other form of mailing
521 that provides proof thereof, at the address specified in
522 the contract.

523 (8)~~(7)~~ It is an unfair and deceptive insurance trade
524 practice pursuant to s. 626.9541 for a public adjuster or any
525 other person to circulate or disseminate any advertisement,

526 announcement, or statement containing any assertion,
 527 representation, or statement with respect to the business of
 528 insurance which is untrue, deceptive, or misleading.

529 (a) The following statements, made in any public
 530 adjuster's advertisement or solicitation, are considered
 531 deceptive or misleading:

532 1. A statement or representation that invites an insured
 533 policyholder to submit a claim when the policyholder does not
 534 have covered damage to insured property.

535 2. A statement or representation that invites an insured
 536 policyholder to submit a claim by offering monetary or other
 537 valuable inducement.

538 3. A statement or representation that invites an insured
 539 policyholder to submit a claim by stating that there is "no
 540 risk" to the policyholder by submitting such claim.

541 4. A statement or representation, or use of a logo or
 542 shield, that implies or could mistakenly be construed to imply
 543 that the solicitation was issued or distributed by a
 544 governmental agency or is sanctioned or endorsed by a
 545 governmental agency.

546 (b) For purposes of this paragraph, the term "written
 547 advertisement" includes only newspapers, magazines, flyers, and
 548 bulk mailers. The following disclaimer, which is not required to
 549 be printed on standard size business cards, must be added in
 550 bold print and capital letters in typeface no smaller than the

551 typeface of the body of the text to all written advertisements
552 by a public adjuster:

553

554 "THIS IS A SOLICITATION FOR BUSINESS. IF YOU HAVE HAD
555 A CLAIM FOR AN INSURED PROPERTY LOSS OR DAMAGE AND YOU
556 ARE SATISFIED WITH THE PAYMENT BY YOUR INSURER, YOU
557 MAY DISREGARD THIS ADVERTISEMENT."

558

559 (9)~~(8)~~ A public adjuster, a public adjuster apprentice, or
560 any person or entity acting on behalf of a public adjuster or
561 public adjuster apprentice may not give or offer to give a
562 monetary loan or advance to a client or prospective client.

563 (10)~~(9)~~ A public adjuster, public adjuster apprentice, or
564 any individual or entity acting on behalf of a public adjuster
565 or public adjuster apprentice may not give or offer to give,
566 directly or indirectly, any article of merchandise having a
567 value in excess of \$25 to any individual for the purpose of
568 advertising or as an inducement to entering into a contract with
569 a public adjuster.

570 (11) (a)~~(10) (a)~~ If a public adjuster enters into a contract
571 with an insured or claimant to reopen a claim or file a
572 supplemental claim that seeks additional payments for a claim
573 that has been previously paid in part or in full or settled by
574 the insurer, the public adjuster may not charge, agree to, or
575 accept from any source compensation, payment, commission, fee,

576 or any other thing of value based on a previous settlement or
577 previous claim payments by the insurer for the same cause of
578 loss. The charge, compensation, payment, commission, fee, or any
579 other thing of value must be based only on the claim payments or
580 settlements paid to the insured, exclusive of attorney fees and
581 costs, obtained through the work of the public adjuster after
582 entering into the contract with the insured or claimant.
583 Compensation for the reopened or supplemental claim may not
584 exceed 20 percent of the reopened or supplemental claim payment.
585 In no event shall the contracts described in this paragraph
586 exceed the limitations in paragraph (b).

587 (b) A public adjuster may not charge, agree to, or accept
588 from any source compensation, payment, commission, fee, or any
589 other thing of value in excess of:

590 1. Ten percent of the amount of insurance claim payments
591 or settlements, exclusive of attorney fees and costs, paid to
592 the insured by the insurer for claims based on events that are
593 the subject of a declaration of a state of emergency by the
594 Governor. This provision applies to claims made during the year
595 after the declaration of emergency. After that year, the
596 limitations in subparagraph 2. apply.

597 2. Twenty percent of the amount of insurance claim
598 payments or settlements, exclusive of attorney fees and costs,
599 paid to the insured by the insurer for claims that are not based
600 on events that are the subject of a declaration of a state of

601 emergency by the Governor.

602 3. One percent of the amount of insurance claim payments
603 or settlements, paid to the insured by the insurer for any
604 coverage part of the policy where the claim payment or written
605 agreement by the insurer to pay is equal to or greater than the
606 policy limit for that part of the policy, if the payment or
607 written commitment to pay is provided within 14 days after the
608 date of loss or within 10 days after the date on which the
609 public adjusting contract is executed, whichever is later.

610 4. Zero percent of the amount of insurance claim payments
611 or settlements, paid to the insured by the insurer for any
612 coverage part of the policy where the claim payment or written
613 agreement by the insurer to pay occurs before the date on which
614 the public adjusting contract is executed.

615 (c) Insurance claim payments made by the insurer do not
616 include policy deductibles, and public adjuster compensation may
617 not be based on the deductible portion of a claim.

618 (d) Public adjuster compensation may not be based on
619 amounts attributable to additional living expenses, unless such
620 compensation is affirmatively agreed to in a separate agreement
621 that includes a disclosure in substantially the following form:
622 "I agree to retain and compensate the public adjuster for
623 adjusting my additional living expenses and securing payment
624 from my insurer for amounts attributable to additional living
625 expenses payable under the policy issued on my (home/mobile

626 | home/condominium unit)."

627 | (e) Public adjuster rate of compensation may not be
628 | increased based solely on the fact that the claim is litigated.

629 | (f) Any maneuver, shift, or device through which the
630 | limits on compensation set forth in this subsection are exceeded
631 | is a violation of this chapter punishable as provided under s.
632 | 626.8698.

633 | (12) (a) ~~(11)~~ Each public adjuster must provide to the
634 | claimant or insured a written estimate of the loss to assist in
635 | the submission of a proof of loss or any other claim for payment
636 | of insurance proceeds within 60 days after the date of the
637 | contract. The written estimate must include an itemized, per-
638 | unit estimate of the repairs, including itemized information on
639 | equipment, materials, labor, and supplies, in accordance with
640 | accepted industry standards. The public adjuster shall retain
641 | such written estimate for at least 5 years and shall make the
642 | estimate available to the claimant or insured, the insurer, and
643 | the department upon request.

644 | (b) An insured may cancel the contract with no additional
645 | penalties or fees charged by the public adjuster if such an
646 | estimate is not provided within 60 days after executing the
647 | contract, subject to the cancellation notice requirement in this
648 | section, unless the failure to provide the estimate within 60
649 | days is caused by factors beyond the control of the public
650 | adjuster. The cancellation period shall cease on the date the

651 public adjuster provides the written estimate to the insured.

652 (13)~~(12)~~ A public adjuster, public adjuster apprentice, or
653 any person acting on behalf of a public adjuster or apprentice
654 may not accept referrals of business from any person with whom
655 the public adjuster conducts business if there is any form or
656 manner of agreement to compensate the person, directly or
657 indirectly, for referring business to the public adjuster. A
658 public adjuster may not compensate any person, except for
659 another public adjuster, directly or indirectly, for the
660 principal purpose of referring business to the public adjuster.

661 (14)~~(13)~~ A company employee adjuster, independent
662 adjuster, attorney, investigator, or other persons acting on
663 behalf of an insurer that needs access to an insured or claimant
664 or to the insured property that is the subject of a claim must
665 provide at least 48 hours' notice to the insured or claimant,
666 public adjuster, or legal representative before scheduling a
667 meeting with the claimant or an onsite inspection of the insured
668 property. The insured or claimant may deny access to the
669 property if the notice has not been provided. The insured or
670 claimant may waive the 48-hour notice.

671 (15)~~(14)~~ The public adjuster must ensure that prompt
672 notice is given of the claim to the insurer, the public
673 adjuster's contract is provided to the insurer, the property is
674 available for inspection of the loss or damage by the insurer,
675 and the insurer is given an opportunity to interview the insured

676 directly about the loss and claim. The insurer must be allowed
677 to obtain necessary information to investigate and respond to
678 the claim.

679 (a) The insurer may not exclude the public adjuster from
680 its in-person meetings with the insured. The insurer shall meet
681 or communicate with the public adjuster in an effort to reach
682 agreement as to the scope of the covered loss under the
683 insurance policy. The public adjuster shall meet or communicate
684 with the insurer in an effort to reach agreement as to the scope
685 of the covered loss under the insurance policy. This section
686 does not impair the terms and conditions of the insurance policy
687 in effect at the time the claim is filed.

688 (b) A public adjuster may not restrict or prevent an
689 insurer, company employee adjuster, independent adjuster,
690 attorney, investigator, or other person acting on behalf of the
691 insurer from having reasonable access at reasonable times to any
692 insured or claimant or to the insured property that is the
693 subject of a claim.

694 (c) A public adjuster may not act or fail to reasonably
695 act in any manner that obstructs or prevents an insurer or
696 insurer's adjuster from timely conducting an inspection of any
697 part of the insured property for which there is a claim for loss
698 or damage. The public adjuster representing the insureds may be
699 present for the insurer's inspection, but if the unavailability
700 of the public adjuster otherwise delays the insurer's timely

701 inspection of the property, the public adjuster or the insureds
702 must allow the insurer to have access to the property without
703 the participation or presence of the public adjuster or insureds
704 in order to facilitate the insurer's prompt inspection of the
705 loss or damage.

706 (16)~~(15)~~ A licensed contractor under part I of chapter
707 489, or a subcontractor of such licensee, may not advertise,
708 solicit, offer to handle, handle, or perform public adjuster
709 services as provided in subsection (1) unless licensed and
710 compliant as a public adjuster under this chapter. The
711 prohibition against solicitation does not preclude a contractor
712 from suggesting or otherwise recommending to a consumer that the
713 consumer consider contacting his or her insurer to determine if
714 the proposed repair is covered under the consumer's insurance
715 policy, except as it relates to solicitation prohibited in s.
716 489.147. In addition, the contractor may discuss or explain a
717 bid for construction or repair of covered property with the
718 residential property owner who has suffered loss or damage
719 covered by a property insurance policy, or the insurer of such
720 property, if the contractor is doing so for the usual and
721 customary fees applicable to the work to be performed as stated
722 in the contract between the contractor and the insured.

723 (17)~~(16)~~ A public adjuster shall not acquire any interest
724 in salvaged property, except with the written consent and
725 permission of the insured through a signed affidavit.

726 (18)~~(17)~~ A public adjuster, a public adjuster apprentice,
 727 or a person acting on behalf of an adjuster or apprentice may
 728 not enter into a contract or accept a power of attorney that
 729 vests in the public adjuster, the public adjuster apprentice, or
 730 the person acting on behalf of the adjuster or apprentice the
 731 effective authority to choose the persons or entities that will
 732 perform repair work in a property insurance claim or provide
 733 goods or services that will require the insured or third-party
 734 claimant to expend funds in excess of those payable to the
 735 public adjuster under the terms of the contract for adjusting
 736 services.

737 (19)~~(18)~~ Subsections (5)-(18) ~~(5)-(17)~~ apply only to
 738 residential property insurance policies and condominium unit
 739 owner policies as described in s. 718.111(11).

740 (20)~~(19)~~ Except as otherwise provided in this chapter, no
 741 person, except an attorney at law or a licensed public adjuster,
 742 may for money, commission, or any other thing of value, directly
 743 or indirectly:

744 (a) Prepare, complete, or file an insurance claim for an
 745 insured or a third-party claimant;

746 (b) Act on behalf of or aid an insured or a third-party
 747 claimant in negotiating for or effecting the settlement of a
 748 claim for loss or damage covered by an insurance contract;

749 (c) Offer to initiate or negotiate a claim on behalf of an
 750 insured;

751 (d) Advertise services that require a license as a public
752 adjuster; or

753 (e) Solicit, investigate, or adjust a claim on behalf of a
754 public adjuster, an insured, or a third-party claimant.

755 (21)~~(20)~~ The department may take administrative actions
756 and impose fines against any persons performing claims
757 adjusting, soliciting, or any other services described in this
758 section without the licensure required under this section or s.
759 626.112.

760 (22)~~(21)~~ A public adjuster, public adjuster apprentice, or
761 public adjusting firm that solicits a claim and does not enter
762 into a contract with an insured or a third-party claimant
763 pursuant to paragraph (11)(a) ~~(10)(a)~~ may not charge an insured
764 or a third-party claimant or receive payment by any other source
765 for any type of service related to the insured or third-party
766 claimant's claim.

767 (23)(a)~~(22)(a)~~ Any following act by a public adjuster, a
768 public adjuster apprentice, or a person acting on behalf of a
769 public adjuster or public adjuster apprentice is prohibited and
770 shall result in discipline as applicable under this part:

771 1. Offering to a residential property owner a rebate,
772 gift, gift card, cash, coupon, waiver of any insurance
773 deductible, or any other thing of value in exchange for:

774 a. Allowing a contractor, a public adjuster, a public
775 adjuster apprentice, or a person acting on behalf of a public

776 adjuster or public adjuster apprentice to conduct an inspection
777 of the residential property owner's roof; or

778 b. Making an insurance claim for damage to the residential
779 property owner's roof.

780 2. Offering, delivering, receiving, or accepting any
781 compensation, inducement, or reward for the referral of any
782 services for which property insurance proceeds would be used for
783 roofing repairs or replacement.

784 (b) Notwithstanding the fine set forth in s. 626.8698, a
785 public adjuster or public adjuster apprentice may be subject to
786 a fine not to exceed \$10,000 per act for a violation of this
787 subsection and a fine not to exceed \$20,000 per act for a
788 violation of this subsection that occurs during a state of
789 emergency declared by executive order or proclamation of the
790 Governor pursuant to s. 252.36.

791 (c) A person who engages in an act prohibited by this
792 subsection and who is not a public adjuster or a public adjuster
793 apprentice, or is not otherwise exempt from licensure, is guilty
794 of the unlicensed practice of public adjusting and may be:

795 1. Subject to all applicable penalties set forth in this
796 part.

797 2. Notwithstanding subparagraph 1., subject to a fine not
798 to exceed \$10,000 per act for a violation of this subsection and
799 a fine not to exceed \$20,000 per act for a violation of this
800 subsection that occurs during a state of emergency declared by

801 executive order or proclamation of the Governor pursuant to s.
 802 252.36.

803 Section 9. Section 626.860, Florida Statutes, is amended
 804 to read:

805 626.860 Attorneys at law; exemption.—Attorneys at law duly
 806 licensed to practice law in the courts of this state, and in
 807 good standing with The Florida Bar, shall not be required to be
 808 licensed under ~~the provisions of~~ this code to authorize them to
 809 adjust or participate in the adjustment of any claim, loss, or
 810 damage arising under policies or contracts of insurance. This
 811 exemption does not extend to the employees, interns, volunteers,
 812 or contractors of an attorney or of a law firm.

813 Section 10. Section 626.875, Florida Statutes, is amended
 814 to read:

815 626.875 Office and records.—

816 (1) (a) Each appointed independent adjuster and licensed
 817 public adjuster must maintain a place of business in this state
 818 which is accessible to the public and keep therein the usual and
 819 customary records pertaining to transactions under the license.
 820 This provision does not prohibit maintenance of such an office
 821 in the home of the licensee.

822 (b) A license issued under this chapter must at all times
 823 be posted in a conspicuous place in the principal place of
 824 business of the license holder. If the licensee is conducting
 825 business away from the place of business such that the license

826 cannot be posted, the licensee shall have such license in his or
827 her actual possession at the time of carrying on such business.

828 (2) The records of the adjuster relating to a particular
829 claim or loss shall be so retained in the adjuster's place of
830 business for a period of not less than 5 years after completion
831 of the adjustment and shall be available for inspection by the
832 department between the hours of 8 a.m. and 5 p.m., Monday
833 through Friday, excluding state holidays. This provision shall
834 not be deemed to prohibit return or delivery to the insurer or
835 insured of documents furnished to or prepared by the adjuster
836 and required by the insurer or insured to be returned or
837 delivered thereto. At a minimum, the following records must be
838 maintained for a period of not less than 5 years:

839 (a) Name, address, telephone number, and e-mail address of
840 the insured, and the name of the attorney representing the
841 insured, if applicable.

842 (b) The date, location, and amount of the loss.

843 (c) An unaltered copy of the executed disclosure document
844 required by s. 626.8796.

845 (d) An unaltered copy of the executed public adjuster
846 contract required by s. 626.8796.

847 (e) A copy of the estimate of damages provided to the
848 insurer.

849 (f) The name of the insurer; the name of the claims
850 representative of the insurer; and the amount, expiration date,

851 and number of each policy under which the loss is covered.

852 (g) An itemized statement of the recoveries by the insured
 853 from the sources known to the adjuster.

854 (h) An itemized statement of all compensation received by
 855 the public adjuster from any source in connection with the loss.

856 (i) A register of all money received, deposited,
 857 disbursed, and withdrawn in connection with a transaction with
 858 the insured, including fees, transfers, and disbursements in
 859 connection with the loss.

860 Section 11. Section 626.8796, Florida Statutes, is amended
 861 to read:

862 626.8796 Public adjuster contracts; disclosure statement;
 863 fraud statement.-

864 (1) All contracts for public adjuster services must be in
 865 writing in at least 12-point type, be titled "Public Adjuster
 866 Contract," and prominently display the following statement on
 867 the contract in minimum 18-point bold type before the space
 868 reserved in the contract for the signature of the insured:

869 "Pursuant to s. 817.234, Florida Statutes, any person who, with
 870 the intent to injure, defraud, or deceive an insurer or insured,
 871 prepares, presents, or causes to be presented a proof of loss or
 872 estimate of cost or repair of damaged property in support of a
 873 claim under an insurance policy knowing that the proof of loss
 874 or estimate of claim or repairs contains false, incomplete, or
 875 misleading information concerning any fact or thing material to

876 the claim commits a felony of the third degree, punishable as
877 provided in s. 775.082, s. 775.083, or s. 775.084, Florida
878 Statutes."

879 (2) A public adjuster contract relating to a property and
880 casualty claim must contain the full name, permanent business
881 address, phone number, e-mail address, and license number of the
882 public adjuster; the full name of the public adjusting firm; and
883 the insured's full name, ~~and~~ street address, phone number, and
884 e-mail address, together with a brief description of the loss.
885 The contract must state the percentage of compensation for the
886 public adjuster's services in minimum 18-point bold type before
887 the space reserved in the contract for the signature of the
888 insured; the type of claim, including an emergency claim,
889 nonemergency claim, or supplemental claim; the initials of the
890 named insured on each page that does not contain the insured's
891 signature; the signatures of the public adjuster and all named
892 insureds; and the signature date. If all of the named insureds'
893 signatures are not available, the public adjuster must submit an
894 affidavit signed by the available named insureds attesting that
895 they have authority to enter into the contract and settle all
896 claim issues on behalf of the named insureds. An unaltered copy
897 of the executed contract must be remitted to the insured at the
898 time of execution and to the insurer, or the insurer's
899 representative within 7 ~~30~~ days after execution. A public
900 adjusting firm that adjusts claims primarily for commercial

901 entities with operations in more than one state and that does
902 not directly or indirectly perform adjusting services for
903 insurers or individual homeowners is deemed to comply with the
904 requirements of this subsection if, at the time a proof of loss
905 is submitted, the public adjusting firm remits to the insurer an
906 affidavit signed by the public adjuster or public adjuster
907 apprentice that identifies:

908 (a) The full name, permanent business address, phone
909 number, e-mail address, and license number of the public
910 adjuster or public adjuster apprentice.

911 (b) The full name of the public adjusting firm.

912 (c) The insured's full name, and street address, phone
913 number, and e-mail address, together with a brief description of
914 the loss.

915 (d) An attestation that the compensation for public
916 adjusting services will not exceed the limitations provided by
917 law.

918 (e) The type of claim, including an emergency claim,
919 nonemergency claim, or supplemental claim.

920 (3) The public adjuster shall not receive compensation for
921 services provided before the date the insured receives an
922 unaltered copy of the executed contract or the date executed
923 contract is submitted to the insurer. Proof of receipt by the
924 insured and proof of submission to the insurer must be
925 maintained by the public adjuster for not less than 5 years.

926 (4) The insured may rescind the contract for public
927 adjuster services if the public adjuster has not submitted a
928 written estimate to the insurer within 60 days after executing
929 the contract, unless the failure to provide the written estimate
930 within 60 days is caused by factors beyond the public adjuster's
931 control.

932 (5) The cancellation period for failure to provide a
933 written estimate terminates on the date the estimate is
934 provided.

935 (6) Before the signing of the contract, the public
936 adjuster shall provide the insured with a separate disclosure
937 document to be signed by the insured, on a form adopted by the
938 department, regarding the claim process which accomplishes the
939 following:

940 (a) Defines the following types of adjusters who may be
941 involved in the claim process: company adjuster, independent
942 adjuster, and public adjuster.

943 (b) Explains that the public adjuster is not a
944 representative or employee of the insurer.

945 (c) Explains that the insured is not required to hire a
946 public adjuster, but has a right to do so.

947 (d) Explains that an insured has a right to initiate
948 direct communications with the insured's attorney, the insurer,
949 the company adjuster, the insurer's attorney, or any person
950 regarding the settlement of the insured's claim.

951 (e) Explains that the public adjuster's salary, fee,
952 commission, or other consideration to be paid to a public
953 adjuster is the insured's responsibility.

954 (f) Explains that the public adjuster is required to
955 provide the insured an unaltered copy of the executed contract
956 at the time of execution.

957 (g) Explains that if the contract was entered into based
958 on events that are the subject of a declaration of a state of
959 emergency by the Governor, an insured or a claimant may cancel
960 the public adjuster's contract to adjust a claim without penalty
961 or obligation within 30 days after the date of loss or 10 days
962 after the date on which the contract is executed, whichever is
963 longer.

964 (h) The public adjuster shall provide an unaltered copy of
965 the executed disclosure document to the insured at the time of
966 execution.

967 (7) A contract that does not comply with this section is
968 invalid and unenforceable.

969 (8) The department may adopt rules pursuant to ss.
970 120.536(1) and 120.54 to implement this section, including rules
971 to adopt forms required by this section.

972 Section 12. Section 626.8797, Florida Statutes, is amended
973 to read:

974 626.8797 Proof of loss; fraud statement.—All proof-of-loss
975 statements must prominently display the following statement in

976 minimum 18-point bold type before the space reserved in the
 977 contract for the signature of the insured: "Pursuant to s.
 978 817.234, Florida Statutes, any person who, with the intent to
 979 injure, defraud, or deceive any insurer or insured, prepares,
 980 presents, or causes to be presented a proof of loss or estimate
 981 of cost or repair of damaged property in support of a claim
 982 under an insurance policy knowing that the proof of loss or
 983 estimate of claim or repairs contains any false, incomplete, or
 984 misleading information concerning any fact or thing material to
 985 the claim commits a felony of the third degree, punishable as
 986 provided in s. 775.082, s. 775.083, or s. 775.084, Florida
 987 Statutes."

988 Section 13. Paragraph (a) of subsection (1) of section
 989 626.9541, Florida Statutes, is amended to read:

990 626.9541 Unfair methods of competition and unfair or
 991 deceptive acts or practices defined.—

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

995 (a) *Misrepresentations and false advertising of insurance*
 996 *policies.*—Knowingly making, issuing, circulating, or causing to
 997 be made, issued, or circulated, any estimate, illustration,
 998 circular, statement, sales presentation, omission, comparison,
 999 or property and casualty certificate of insurance altered after
 1000 being issued, which:

- 1001 1. Misrepresents the benefits, advantages, conditions, or
 1002 terms of any insurance policy.
- 1003 2. Misrepresents the dividends or share of the surplus to
 1004 be received on any insurance policy.
- 1005 3. Makes any false or misleading statements as to the
 1006 dividends or share of surplus previously paid on any insurance
 1007 policy.
- 1008 4. Is misleading, or is a misrepresentation, as to the
 1009 financial condition of any person or as to the legal reserve
 1010 system upon which any life insurer operates.
- 1011 5. Uses any name or title of any insurance policy or class
 1012 of insurance policies misrepresenting the true nature thereof.
- 1013 6. Is a misrepresentation for the purpose of inducing, or
 1014 tending to induce, the lapse, forfeiture, exchange, conversion,
 1015 or surrender of any insurance policy.
- 1016 7. Is a misrepresentation for the purpose of effecting a
 1017 pledge or assignment of, or effecting a loan against, any
 1018 insurance policy.
- 1019 8. Misrepresents any insurance policy as being shares of
 1020 stock or misrepresents ownership interest in the company.
- 1021 9. Uses any advertisement that would mislead or otherwise
 1022 cause a reasonable person to believe mistakenly that the state
 1023 or the Federal Government is responsible for the insurance sales
 1024 activities of any person or stands behind any person's credit or
 1025 that any person, the state, or the Federal Government guarantees

1026 any returns on insurance products or is a source of payment of
 1027 any insurance obligation of or sold by any person.

1028 10. Fails to disclose a third party that receives
 1029 royalties, referral fees, or other remuneration for sponsorship,
 1030 marketing, or use of third-party branding for a policy of health
 1031 insurance as defined in s. 624.603.

1032 Section 14. Paragraph (c) of subsection (2) of section
 1033 627.4025, Florida Statutes, is amended, and paragraph (d) is
 1034 added to that subsection, to read:

1035 627.4025 Residential coverage and hurricane coverage
 1036 defined.—

1037 (2) As used in policies providing residential coverage:

1038 (c) "Hurricane" for purposes of paragraphs (a) and (b)
 1039 means a storm system that has been declared to be a hurricane by
 1040 the National Hurricane Center of the National Weather Service.
 1041 The duration of the hurricane includes the time period, in
 1042 Florida:

1043 1. Beginning at the time a ~~hurricane watch or~~ hurricane
 1044 warning is issued for any part of Florida by the National
 1045 Hurricane Center of the National Weather Service; and

1046 2. ~~Continuing for the time period during which the~~
 1047 ~~hurricane conditions exist anywhere in Florida; and~~

1048 ~~3.~~ Ending 72 hours following the termination of the last
 1049 hurricane watch or hurricane warning issued for any part of
 1050 Florida by the National Hurricane Center of the National Weather

1051 Service.

1052 (d) "Hurricane deductible" means the deductible applicable
 1053 to loss caused by a hurricane.

1054 Section 15. Paragraph (b) of subsection (1) and paragraph
 1055 (b) of subsection (2) of section 627.4133, Florida Statutes, are
 1056 amended, and paragraph (d) is added to subsection (1) and
 1057 paragraph (c) is added to subsection (2) of that section, to
 1058 read:

1059 627.4133 Notice of cancellation, nonrenewal, or renewal
 1060 premium.—

1061 (1) Except as provided in subsection (2):

1062 (b) An insurer issuing a policy providing coverage for
 1063 property, casualty, except mortgage guaranty, surety, or marine
 1064 insurance, other than motor vehicle insurance subject to s.
 1065 627.728 or s. 627.7281, shall give the first-named insured
 1066 written notice of cancellation or termination other than
 1067 nonrenewal at least 45 days prior to the effective date of the
 1068 cancellation or termination, including in the written notice the
 1069 reason or reasons for the cancellation or termination, except
 1070 that:

1071 1. When cancellation is for nonpayment of premium, at
 1072 least 10 days' written notice of cancellation accompanied by the
 1073 reason therefor shall be given. As used in this subparagraph and
 1074 s. 440.42(3), the term "nonpayment of premium" means failure of
 1075 the named insured to discharge when due any of her or his

1076 obligations in connection with the payment of premiums on a
 1077 policy or any installment of such premium, whether the premium
 1078 is payable directly to the insurer or its agent or indirectly
 1079 under any premium finance plan or extension of credit, or
 1080 failure to maintain membership in an organization if such
 1081 membership is a condition precedent to insurance coverage.
 1082 "Nonpayment of premium" also means the failure of a financial
 1083 institution to honor an insurance applicant's check after
 1084 delivery to a licensed agent for payment of a premium, even if
 1085 the agent has previously delivered or transferred the premium to
 1086 the insurer. If a dishonored check represents the initial
 1087 premium payment, the contract and all contractual obligations
 1088 shall be void ab initio unless the nonpayment is cured within
 1089 the earlier of 5 days after actual notice by certified mail is
 1090 received by the applicant or 15 days after notice is sent to the
 1091 applicant by certified mail or registered mail, and if the
 1092 contract is void, any premium received by the insurer from a
 1093 third party shall be refunded to that party in full; and
 1094 2. When such cancellation or termination occurs during the
 1095 first 60 ~~90~~ days during which the insurance is in force and the
 1096 insurance is canceled or terminated for reasons other than
 1097 nonpayment of premium, at least 20 days' written notice of
 1098 cancellation or termination accompanied by the reason therefor
 1099 shall be given except where there has been a material
 1100 misstatement or misrepresentation or failure to comply with the

1101 underwriting requirements established by the insurer.

1102

1103 After the policy has been in effect for ~~60~~ 90 days, no such
1104 policy shall be canceled by the insurer except when there has
1105 been a material misstatement, a nonpayment of premium, a failure
1106 to comply with underwriting requirements established by the
1107 insurer within ~~60~~ 90 days of the date of effectuation of
1108 coverage, or a substantial change in the risk covered by the
1109 policy or when the cancellation is for all insureds under such
1110 policies for a given class of insureds. This subsection does not
1111 apply to individually rated risks having a policy term of less
1112 than 90 days.

1113 (d) Notwithstanding subparagraph (b), Citizens Property
1114 Insurance Corporation in underwriting risks that, prior to the
1115 date of the application, were most recently insured by an
1116 insurer that has been placed in receivership under chapter 631,
1117 may immediately cancel a policy insuring such risk that has been
1118 in effect for 90 days or less for material misrepresentation or
1119 failure to comply with underwriting requirements established
1120 before the effectuation of coverage.

1121 (2) With respect to any personal lines or commercial
1122 residential property insurance policy, including, but not
1123 limited to, any homeowner, mobile home owner, farmowner,
1124 condominium association, condominium unit owner, apartment
1125 building, or other policy covering a residential structure or

1126 its contents:

1127 (b) The insurer shall give the first-named insured written
1128 notice of nonrenewal, cancellation, or termination at least 120
1129 days before the effective date of the nonrenewal, cancellation,
1130 or termination. The notice must include the reason for the
1131 nonrenewal, cancellation, or termination, except that:

1132 1. If cancellation is for nonpayment of premium, at least
1133 10 days' written notice of cancellation accompanied by the
1134 reason therefor must be given. As used in this subparagraph, the
1135 term "nonpayment of premium" means failure of the named insured
1136 to discharge when due her or his obligations for paying the
1137 premium on a policy or an installment of such premium, whether
1138 the premium is payable directly to the insurer or its agent or
1139 indirectly under a premium finance plan or extension of credit,
1140 or failure to maintain membership in an organization if such
1141 membership is a condition precedent to insurance coverage. The
1142 term also means the failure of a financial institution to honor
1143 an insurance applicant's check after delivery to a licensed
1144 agent for payment of a premium even if the agent has previously
1145 delivered or transferred the premium to the insurer. If a
1146 dishonored check represents the initial premium payment, the
1147 contract and all contractual obligations are void ab initio
1148 unless the nonpayment is cured within the earlier of 5 days
1149 after actual notice by certified mail is received by the
1150 applicant or 15 days after notice is sent to the applicant by

1151 certified mail or registered mail. If the contract is void, any
1152 premium received by the insurer from a third party must be
1153 refunded to that party in full.

1154 2. If cancellation or termination occurs during the first
1155 60 ~~90~~ days the insurance is in force and the insurance is
1156 canceled or terminated for reasons other than nonpayment of
1157 premium, at least 20 days' written notice of cancellation or
1158 termination accompanied by the reason therefor must be given
1159 unless there has been a material misstatement or
1160 misrepresentation or a failure to comply with the underwriting
1161 requirements established by the insurer.

1162 3. After the policy has been in effect for 60 ~~90~~ days, the
1163 policy may not be canceled by the insurer unless there has been
1164 a material misstatement; a nonpayment of premium; a failure to
1165 comply, within 60 ~~90~~ days after the date of effectuation of
1166 coverage, with underwriting requirements established by the
1167 insurer before the date of effectuation of coverage; or a
1168 substantial change in the risk covered by the policy or unless
1169 the cancellation is for all insureds under such policies for a
1170 given class of insureds. This subparagraph does not apply to
1171 individually rated risks that have a policy term of less than 90
1172 days.

1173 4. After a policy or contract has been in effect for more
1174 than 60 ~~90~~ days, the insurer may not cancel or terminate the
1175 policy or contract based on credit information available in

1176 public records.

1177 5. A policy that is nonrenewed by Citizens Property
 1178 Insurance Corporation, pursuant to s. 627.351(6), for a policy
 1179 that has been assumed by an authorized insurer offering
 1180 replacement coverage to the policyholder is exempt from the
 1181 notice requirements of paragraph (a) and this paragraph. In such
 1182 cases, the corporation must give the named insured written
 1183 notice of nonrenewal at least 45 days before the effective date
 1184 of the nonrenewal.

1185 6. Notwithstanding any other provision of law, an insurer
 1186 may cancel or nonrenew a property insurance policy after at
 1187 least 45 days' notice if the office finds that the early
 1188 cancellation of some or all of the insurer's policies is
 1189 necessary to protect the best interests of the public or
 1190 policyholders and the office approves the insurer's plan for
 1191 early cancellation or nonrenewal of some or all of its policies.
 1192 The office may base such finding upon the financial condition of
 1193 the insurer, lack of adequate reinsurance coverage for hurricane
 1194 risk, or other relevant factors. The office may condition its
 1195 finding on the consent of the insurer to be placed under
 1196 administrative supervision pursuant to s. 624.81 or to the
 1197 appointment of a receiver under chapter 631.

1198 7. A policy covering both a home and a motor vehicle may
 1199 be nonrenewed for any reason applicable to the property or motor
 1200 vehicle insurance after providing 90 days' notice.

1201 (c) Notwithstanding subparagraph (b), Citizens Property
 1202 Insurance Corporation in underwriting risks that, prior to the
 1203 date of the application, were most recently insured by an
 1204 insurer that has been placed in receivership under chapter 631,
 1205 may immediately cancel a policy insuring such risk that has been
 1206 in effect for 90 days or less for material misrepresentation or
 1207 failure to comply with underwriting requirements established
 1208 before the effectuation of coverage.

1209 Section 16. Effective January 1, 2024, section 627.4554,
 1210 Florida Statutes, is amended to read:

1211 627.4554 Suitability in annuity transactions ~~investments.~~-

1212 (1) PURPOSE.—The purpose of this section is to require
 1213 agents to act in the best interest of the consumer when making a
 1214 recommendation of an annuity and to require insurers to
 1215 establish and maintain a system to supervise so set forth
 1216 ~~standards and procedures for making recommendations to consumers~~
 1217 ~~which result in transactions involving annuity products, and to~~
 1218 ~~establish a system for supervising such recommendations in order~~
 1219 ~~to ensure~~ that the insurance needs and financial objectives of
 1220 consumers are effectively ~~appropriately~~ addressed at the time of
 1221 the transaction.

1222 (2) SCOPE.—This section applies to any sale or
 1223 recommendation of ~~made to a consumer to purchase, exchange, or~~
 1224 ~~replace an annuity by an insurer or its agent, and which results~~
 1225 ~~in the purchase, exchange, or replacement recommended.~~

- 1226 (3) DEFINITIONS.—As used in this section, the term:
- 1227 (a) "Agent" means a person or entity required to be
- 1228 licensed under the laws of this state to sell, solicit, or
- 1229 negotiate insurance, including annuities. For purposes of this
- 1230 section, the term includes an insurer when no agent is involved
- 1231 ~~has the same meaning as provided in s. 626.015.~~
- 1232 (b) "Annuity" means an insurance product under state law
- 1233 which is individually solicited, whether classified as an
- 1234 individual or group annuity.
- 1235 (c) "Cash compensation" means any discount, concession,
- 1236 fee, service fee, commission, sales charge, loan, override, or
- 1237 cash benefit received by an agent from an insurer or
- 1238 intermediary or directly from the consumer in connection with
- 1239 the recommendation or sale of an annuity.
- 1240 (d) "Consumer profile information" means information that
- 1241 is reasonably appropriate to determine whether a recommendation
- 1242 addresses the consumer's financial situation, insurance needs,
- 1243 and financial objectives, including, at a minimum, the
- 1244 following:
- 1245 1. Age.
- 1246 2. Annual income.
- 1247 3. Financial situation and needs, including debts and
- 1248 other obligations.
- 1249 4. Financial experience.
- 1250 5. Insurance needs.

- 1251 6. Financial objectives.
- 1252 7. Intended use of the annuity.
- 1253 8. Financial time horizon.
- 1254 9. Existing assets or financial products, including
 1255 investment, annuity, and insurance holdings.
- 1256 10. Liquidity needs.
- 1257 11. Liquid net worth.
- 1258 12. Risk tolerance, including, but not limited to,
 1259 willingness to accept nonguaranteed elements in the annuity.
- 1260 13. Financial resources used to fund the annuity.
- 1261 14. Tax status.
- 1262 ~~(e)~~ ~~(e)~~ "FINRA" means the Financial Industry Regulatory
 1263 Authority or a succeeding agency.
- 1264 ~~(f)~~ ~~(d)~~ "Insurer" has the same meaning as provided in s.
 1265 624.03.
- 1266 (g) "Intermediary" means an entity contracted directly
 1267 with an insurer or with another entity contracted with an
 1268 insurer to facilitate the sale of the insurer's annuities by
 1269 agents.
- 1270 (h) "Material conflict of interest" means a financial
 1271 interest of the agent in the sale of an annuity which a
 1272 reasonable person would expect to influence the impartiality of
 1273 a recommendation. The term does not include cash compensation or
 1274 noncash compensation.
- 1275 (i) "Noncash compensation" means any form of compensation

1276 that is not cash compensation, including, but not limited to,
 1277 health insurance, office rent, office support, and retirement
 1278 benefits.

1279 (j) "Nonguaranteed elements" means the premiums; credited
 1280 interest rates, including any bonus; benefits; values;
 1281 dividends; noninterest-based credits; charges; or elements of
 1282 formulas used to determine any of these, which are subject to
 1283 company discretion and are not guaranteed at issue. An element
 1284 is considered nonguaranteed if any of the underlying
 1285 nonguaranteed elements are used in its calculation.

1286 (k)-(e) "Recommendation" means advice provided by an
 1287 insurer or its agent to an individual a consumer which was
 1288 intended to result or does result which would result in a the
 1289 purchase, an exchange, or a replacement of an annuity in
 1290 accordance with that advice. The term does not include general
 1291 communication to the public, generalized customer services,
 1292 assistance or administrative support, general educational
 1293 information and tools, prospectuses, or other product and sales
 1294 material.

1295 (l)-(f) "Replacement" means a transaction in which a new
 1296 annuity policy or contract is to be purchased and it is known or
 1297 should be known to the proposing insurer or its agent, or to the
 1298 proposing insurer whether or not an agent is involved, that by
 1299 reason of such transaction an existing annuity or other
 1300 insurance policy has been or is to be any of the following ~~or~~

1301 ~~contract will be:~~

1302 1. Lapsed, forfeited, surrendered or partially
 1303 surrendered, assigned to the replacing insurer, or otherwise
 1304 terminated;

1305 2. Converted to reduced paid-up insurance, continued as
 1306 extended term insurance, or otherwise reduced in value due to
 1307 the use of nonforfeiture benefits or other policy values;

1308 3. Amended so as to effect a reduction in benefits or the
 1309 term for which coverage would otherwise remain in force or for
 1310 which benefits would be paid;

1311 4. Reissued with a reduction in cash value; or

1312 5. Used in a financed purchase.

1313 (m) "SEC" means the United States Securities and Exchange
 1314 Commission.

1315 ~~(g) "Suitability information" means information related to~~
 1316 ~~the consumer which is reasonably appropriate to determine the~~
 1317 ~~suitability of a recommendation made to the consumer, including~~
 1318 ~~the following:~~

1319 ~~1. Age;~~

1320 ~~2. Annual income;~~

1321 ~~3. Financial situation and needs, including the financial~~
 1322 ~~resources used for funding the annuity;~~

1323 ~~4. Financial experience;~~

1324 ~~5. Financial objectives;~~

1325 ~~6. Intended use of the annuity;~~

- 1326 ~~7. Financial time horizon;~~
- 1327 ~~8. Existing assets, including investment and life~~
- 1328 ~~insurance holdings;~~
- 1329 ~~9. Liquidity needs;~~
- 1330 ~~10. Liquid net worth;~~
- 1331 ~~11. Risk tolerance; and~~
- 1332 ~~12. Tax status.~~
- 1333 (4) EXEMPTIONS.—Unless otherwise specifically included,
- 1334 this section does not apply to transactions involving:
- 1335 (a) Direct-response solicitations where there is no
- 1336 recommendation based on information collected from the consumer
- 1337 pursuant to this section;
- 1338 (b) Contracts used to fund:
- 1339 1. An employee pension or welfare benefit plan that is
- 1340 covered by the federal Employee Retirement and Income Security
- 1341 Act;
- 1342 2. A plan described by s. 401(a), s. 401(k), s. 403(b), s.
- 1343 408(k), or s. 408(p) of the Internal Revenue Code, if
- 1344 established or maintained by an employer;
- 1345 3. A government or church plan defined in s. 414 of the
- 1346 Internal Revenue Code, a government or church welfare benefit
- 1347 plan, or a deferred compensation plan of a state or local
- 1348 government or tax-exempt organization under s. 457 of the
- 1349 Internal Revenue Code; or
- 1350 4. A nonqualified deferred compensation arrangement

1351 established or maintained by an employer or plan sponsor;

1352 ~~(c)5.~~ Settlements or assumptions of liabilities associated
1353 with personal injury litigation or a dispute or claim-resolution
1354 process; or

1355 ~~(d)6.~~ Formal prepaid funeral contracts.

1356 (5) DUTIES OF INSURERS AND AGENTS.—

1357 (a) An agent, when making a recommendation of an annuity,
1358 shall act in the best interest of the consumer under the
1359 circumstances known at the time the recommendation is made,
1360 without placing the financial interest of the agent or insurer
1361 ahead of the consumer's interest. An agent has acted in the best
1362 interest of the consumer if the agent has satisfied the
1363 following obligations regarding care, disclosure, conflict of
1364 interest, and documentation:

1365 1.a. The agent, in making a recommendation, shall exercise
1366 reasonable diligence, care, and skill to:

1367 (I) Know the financial situation, insurance needs, and
1368 financial objectives of the customer.

1369 (II) Understand the available options after making a
1370 reasonable inquiry into options available to the agent.

1371 (III) Have a reasonable basis to believe the recommended
1372 option effectively addresses the consumer's financial situation,
1373 insurance needs, and financial objectives over the life of the
1374 product, as evaluated in light of the consumer profile
1375 information.

1376 (IV) Communicate the reason or reasons for the
 1377 recommendation.

1378 b. The requirements of sub-subparagraph a. include:

1379 (I) Making reasonable efforts to obtain consumer profile
 1380 information from the consumer before the recommendation of an
 1381 annuity.

1382 (II) Requiring an agent to consider the types of products
 1383 the agent is authorized and licensed to recommend or sell which
 1384 address the consumer's financial situation, insurance needs, and
 1385 financial objectives. This does not require analysis or
 1386 consideration of any products outside the authority and license
 1387 of the agent or other possible alternative products or
 1388 strategies available in the market at the time of the
 1389 recommendation. Agents shall be held to standards applicable to
 1390 agents with similar authority and licensure.

1391 (III) Having a reasonable basis to believe the consumer
 1392 would benefit from certain features of the annuity, such as
 1393 annuitization, death or living benefit, or other insurance-
 1394 related features.

1395 c. The requirements of this subsection do not create a
 1396 fiduciary obligation or relationship and only create a
 1397 regulatory obligation as provided in this section.

1398 d. The consumer profile information, characteristics of
 1399 the insurer, and product costs, rates, benefits, and features
 1400 are those factors generally relevant in making a determination

1401 whether an annuity effectively addresses the consumer's
1402 financial situation, insurance needs, and financial objectives,
1403 but the level of importance of each factor under the care
1404 obligation of this paragraph may vary depending on the facts and
1405 circumstances of a particular case. However, each factor may not
1406 be considered in isolation.

1407 e. The requirements under sub-subparagraph a. apply to the
1408 particular annuity as a whole and the underlying subaccounts to
1409 which funds are allocated at the time of purchase or exchange of
1410 an annuity, and riders and similar product enhancements, if any.

1411 f. Sub-subparagraph a. does not require that the annuity
1412 with the lowest one-time occurrence compensation structure or
1413 multiple occurrence compensation structure shall necessarily be
1414 recommended.

1415 g. Sub-subparagraph a. does not require the agent to have
1416 ongoing monitoring obligations under the care obligation,
1417 although such an obligation may be separately owed under the
1418 terms of a fiduciary, consulting, investment, advising, or
1419 financial planning agreement between the consumer and the agent.

1420 h. In the case of an exchange or replacement of an
1421 annuity, the agent shall consider the whole transaction, which
1422 includes taking into consideration whether:

1423 (I) The consumer will incur a surrender charge; be subject
1424 to the commencement of a new surrender period; lose existing
1425 benefits, such as death, living, or other contractual benefits;

1426 or be subject to increased fees, investment advisory fees, or
1427 charges for riders and similar product enhancements.

1428 (II) The replacing product would substantially benefit the
1429 consumer in comparison to the replaced product over the life of
1430 the product.

1431 (III) The consumer has had another annuity exchange or
1432 replacement and, in particular, an exchange or replacement
1433 within the preceding 60 months.

1434 i. This section does not require an agent to obtain any
1435 license other than an agent license with the appropriate line of
1436 authority to sell, solicit, or negotiate insurance in this
1437 state, including, but not limited to, any securities license, in
1438 order to fulfill the duties and obligations contained in this
1439 section; provided, the agent does not give advice or provide
1440 services that are otherwise subject to securities laws or engage
1441 in any other activity requiring other professional licenses.

1442 2.a. Before the recommendation or sale of an annuity, the
1443 agent shall prominently disclose to the consumer, on a form
1444 substantially similar to that posted on the office website as
1445 Appendix A, related to an insurance agent disclosure for
1446 annuities:

1447 (I) A description of the scope and terms of the
1448 relationship with the consumer and the role of the agent in the
1449 transaction.

1450 (II) An affirmative statement on whether the agent is

1451 licensed and authorized to sell the following products:

1452 (A) Fixed annuities.

1453 (B) Fixed indexed annuities.

1454 (C) Variable annuities.

1455 (D) Life insurance.

1456 (E) Mutual funds.

1457 (F) Stocks and bonds.

1458 (G) Certificates of deposit.

1459 (III) An affirmative statement describing the insurers for

1460 which the agent is authorized, contracted, or appointed, or

1461 otherwise able to sell insurance products, using the following

1462 descriptions:

1463 (A) From one insurer;

1464 (B) From two or more insurers; or

1465 (C) From two or more insurers, although primarily

1466 contracted with one insurer.

1467 (IV) A description of the sources and types of cash

1468 compensation and noncash compensation to be received by the

1469 agent, including whether the agent is to be compensated for the

1470 sale of a recommended annuity by commission as part of premium

1471 or other remuneration received from the insurer, intermediary,

1472 or other agent, or by fee as a result of a contract for advice

1473 or consulting services.

1474 (V) A notice of the consumer's right to request additional

1475 information regarding cash compensation described in sub-

1476 subparagraph b.

1477 b. Upon request of the consumer or the consumer's

1478 designated representative, the agent shall disclose:

1479 (I) A reasonable estimate of the amount of cash

1480 compensation to be received by the agent, which may be stated as

1481 a range of amounts or percentages.

1482 (II) Whether the cash compensation is a one-time or

1483 multiple occurrence amount; and if a multiple occurrence amount,

1484 the frequency and amount of the occurrence, which may be stated

1485 as a range of amounts or percentages. ~~When recommending the~~

1486 ~~purchase or exchange of an annuity to a consumer which results~~

1487 ~~in an insurance transaction or series of insurance transactions,~~

1488 ~~the agent, or the insurer where no agent is involved, must have~~

1489 ~~reasonable grounds for believing that the recommendation is~~

1490 ~~suitable for the consumer, based on the consumer's suitability~~

1491 ~~information, and that there is a reasonable basis to believe all~~

1492 ~~of the following:~~

1493 c.1. Before or at the time of the recommendation or sale

1494 of an annuity, the agent shall have a reasonable basis to

1495 believe the consumer has been ~~reasonably~~ informed of various

1496 features of the annuity, such as the potential surrender period

1497 and surrender charge; potential tax penalty if the consumer

1498 sells, exchanges, surrenders, or annuitizes the annuity;

1499 mortality and expense fees; any annual fees; investment advisory

1500 fees; potential charges for and features of riders or other

1501 options of the annuity; limitations on interest returns;
1502 potential changes in nonguaranteed elements of the annuity;
1503 insurance and investment components; and market risk.

1504 ~~2. The consumer would benefit from certain features of the~~
1505 ~~annuity, such as tax-deferred growth, annuitization, or the~~
1506 ~~death or living benefit.~~

1507 3. An agent shall identify and avoid or reasonably manage
1508 and disclose material conflicts of interest, including material
1509 conflicts of interest related to an ownership interest.

1510 4. An agent shall at the time of the recommendation or
1511 sale:

1512 a. Make a written record of any recommendation and the
1513 basis for the recommendation, subject to this section.

1514 b. Obtain a consumer-signed statement on a form
1515 substantially similar to that posted on the office website as
1516 Appendix B, related to a consumer's refusal to provide
1517 information, documenting:

1518 (I) A customer's refusal to provide the consumer profile
1519 information, if any.

1520 (II) A customer's understanding of the ramifications of
1521 not providing his or her consumer profile information or
1522 providing insufficient consumer profile information.

1523 c. Obtain a consumer-signed statement on a form
1524 substantially similar to that posted on the office website as
1525 Appendix C, related to a consumer's decision to purchase an

1526 annuity not based on a recommendation, acknowledging the annuity
1527 transaction is not recommended if a customer decides to enter
1528 into an annuity transaction that is not based on the agent's
1529 recommendation.

1530 5. Any requirement applicable to an agent under this
1531 subsection applies to every agent who has exercised material
1532 control or influence in the making of a recommendation and has
1533 received direct compensation as a result of the recommendation
1534 or sale, regardless of whether the agent has had any direct
1535 contact with the consumer. Activities such as providing or
1536 delivering marketing or education materials, product wholesaling
1537 or other back office product support, and general supervision of
1538 an agent do not, in and of themselves, constitute material
1539 control or influence.

1540 ~~3. The particular annuity as a whole, the underlying~~
1541 ~~subaccounts to which funds are allocated at the time of purchase~~
1542 ~~or exchange of the annuity, and riders and similar product~~
1543 ~~enhancements, if any, are suitable; and, in the case of an~~
1544 ~~exchange or replacement, the transaction as a whole is suitable~~
1545 ~~for the particular consumer based on his or her suitability~~
1546 ~~information.~~

1547 ~~4. In the case of an exchange or replacement of an~~
1548 ~~annuity, the exchange or replacement is suitable after~~
1549 ~~considering whether the consumer:~~

1550 ~~a. Will incur a surrender charge; be subject to the~~

1551 ~~commencement of a new surrender period; lose existing benefits,~~
1552 ~~such as death, living, or other contractual benefits; or be~~
1553 ~~subject to increased fees, investment advisory fees, or charges~~
1554 ~~for riders and similar product enhancements;~~

1555 ~~b. Would benefit from product enhancements and~~
1556 ~~improvements; and~~

1557 ~~e. Has had another annuity exchange or replacement,~~
1558 ~~including an exchange or replacement within the preceding 36~~
1559 ~~months.~~

1560 ~~(b) Before executing a purchase, exchange, or replacement~~
1561 ~~of an annuity resulting from a recommendation, an insurer or its~~
1562 ~~agent must make reasonable efforts to obtain the consumer's~~
1563 ~~suitability information. The information shall be collected on~~
1564 ~~form DFS-H1-1980, which is hereby incorporated by reference, and~~
1565 ~~completed and signed by the applicant and agent. Questions~~
1566 ~~requesting this information must be presented in at least 12-~~
1567 ~~point type and be sufficiently clear so as to be readily~~
1568 ~~understandable by both the agent and the consumer. A true and~~
1569 ~~correct executed copy of the form must be provided by the agent~~
1570 ~~to the insurer, or to the person or entity that has contracted~~
1571 ~~with the insurer to perform this function as authorized by this~~
1572 ~~section, within 10 days after execution of the form, and shall~~
1573 ~~be provided to the consumer no later than the date of delivery~~
1574 ~~of the contract or contracts.~~

1575 ~~(c) Except as provided under paragraph (d), an insurer may~~

1576 ~~not issue an annuity recommended to a consumer unless there is a~~
1577 ~~reasonable basis to believe the annuity is suitable based on the~~
1578 ~~consumer's suitability information.~~

1579 (b)1.(d) Except as provided under subparagraph 2., An
1580 ~~insurer's issuance of an annuity must be reasonable based on all~~
1581 ~~the circumstances actually known to the insurer at the time the~~
1582 ~~annuity is issued. However, an insurer or its agent does not~~
1583 ~~have ~~does not have~~ an obligation to a consumer related to an~~
1584 ~~annuity transaction under subparagraph (a)1. paragraph (a) or~~
1585 ~~paragraph (c) if:~~

1586 a.1. A recommendation has not been made;

1587 b.2. A recommendation was made and is later found to have
1588 been based on materially inaccurate information provided by the
1589 consumer;

1590 c.3. A consumer refuses to provide relevant consumer
1591 profile suitability information and the annuity transaction is
1592 not recommended; or

1593 d.4. A consumer decides to enter into an annuity
1594 transaction that is not based on a recommendation of the an
1595 ~~insurer or its agent.~~

1596 2. An insurer's issuance of an annuity subject to
1597 subparagraph 1. must be reasonable under all the circumstances
1598 actually known to the insurer at the time the annuity is issued.

1599 (c)1. Except as permitted under paragraph (b), an insurer
1600 may not issue an annuity recommended to a consumer unless there

1601 is a reasonable basis to believe the annuity would effectively
1602 address the particular consumer's financial situation, insurance
1603 needs, and financial objectives based on the consumer's consumer
1604 profile information.

1605 ~~(c) At the time of sale, the agent or the agent's~~
1606 ~~representative must:~~

1607 ~~1. Make a record of any recommendation made to the~~
1608 ~~consumer pursuant to paragraph (a);~~

1609 ~~2. Obtain the consumer's signed statement documenting his~~
1610 ~~or her refusal to provide suitability information, if~~
1611 ~~applicable; and~~

1612 ~~3. Obtain the consumer's signed statement acknowledging~~
1613 ~~that an annuity transaction is not recommended if he or she~~
1614 ~~decides to enter into an annuity transaction that is not based~~
1615 ~~on the insurer's or its agent's recommendation, if applicable.~~

1616 ~~(f) Before executing a replacement or exchange of an~~
1617 ~~annuity contract resulting from a recommendation, the agent must~~
1618 ~~provide on form DFS-H1-1981, which is hereby incorporated by~~
1619 ~~reference, information that compares the differences between the~~
1620 ~~existing annuity contract and the annuity contract being~~
1621 ~~recommended in order to determine the suitability of the~~
1622 ~~recommendation and its benefit to the consumer. A true and~~
1623 ~~correct executed copy of this form must be provided by the agent~~
1624 ~~to the insurer, or to the person or entity that has contracted~~
1625 ~~with the insurer to perform this function as authorized by this~~

1626 ~~section, within 10 days after execution of the form, and must be~~
1627 ~~provided to the consumer no later than the date of delivery of~~
1628 ~~the contract or contracts.~~

1629 2.(g) An insurer shall establish and maintain a
1630 supervision system that is reasonably designed to achieve the
1631 insurer's and its agent's compliance with this section,
1632 including, but not limited to, the following:-

1633 ~~1. Such system must include, but is not limited to:-~~

1634 a. The insurer shall establish and maintain ~~Maintaining~~
1635 reasonable procedures to inform its agents of the requirements
1636 of this section and incorporating those requirements into
1637 relevant agent training manuals.~~†~~

1638 b. The insurer shall establish and maintain ~~Establishing~~
1639 standards for agent product training and shall establish and
1640 maintain reasonable procedures to require its agents to comply
1641 with the requirements of subsection (6).†

1642 c. The insurer shall provide ~~Providing~~ product-specific
1643 training and training materials that explain all material
1644 features of its annuity products to its agents.~~†~~

1645 d. The insurer shall establish and maintain ~~Maintaining~~
1646 procedures for the review of each recommendation before issuance
1647 of an annuity which are designed to ensure that there is a
1648 reasonable basis to determine the recommended annuity would
1649 effectively address the particular consumer's financial
1650 situation, insurance needs, and financial objectives ~~for~~

1651 ~~determining that a recommendation is suitable.~~ Such review
1652 procedures may use a screening system for identifying selected
1653 transactions for additional review and may be accomplished
1654 electronically or through other means, including, but not
1655 limited to, physical review. Such electronic or other system may
1656 be designed to require additional review only of those
1657 transactions identified for additional review using established
1658 selection criteria.†

1659 e. The insurer shall establish and maintain ~~Maintaining~~
1660 reasonable procedures to detect recommendations that are not in
1661 compliance with paragraphs (a), (b), (d), and (e). This may
1662 include, but is not limited to, ~~suitable, such as~~ confirmation
1663 of consumer profile suitability information, systematic customer
1664 surveys, agent and consumer interviews, confirmation letters,
1665 agent statements or attestations, and internal monitoring
1666 programs. This sub-subparagraph does not prevent an insurer from
1667 using sampling procedures or from confirming the consumer
1668 profile suitability information after the issuance or delivery
1669 of the annuity.† ~~and~~

1670 f. The insurer shall establish and maintain reasonable
1671 procedures to assess, prior to or upon issuance or delivery of
1672 an annuity, whether an agent has provided to the consumer the
1673 information required to be provided under this subsection.

1674 g. The insurer shall establish and maintain reasonable
1675 procedures to identify and address suspicious consumer refusals

1676 to provide consumer profile information.

1677 h. The insurer shall establish and maintain reasonable
1678 procedures to identify and eliminate any sales contests, sales
1679 quotas, bonuses, and noncash compensation that are based on the
1680 sales of specific annuities within a limited period of time. The
1681 requirements of this sub-subparagraph are not intended to
1682 prohibit the receipt of health insurance, office rents, office
1683 support, retirement benefits, or other employee benefits by
1684 employees, as long as those benefits are not based upon the
1685 volume of sales of a specific annuity within a limited period of
1686 time.

1687 i.f. The insurer shall annually provide ~~providing~~ a
1688 written report to senior managers, including the senior manager
1689 who is responsible for audit functions, which details a review,
1690 along with appropriate testing, which is reasonably designed to
1691 determine the effectiveness of the supervision system, the
1692 exceptions found, and corrective action taken or recommended, if
1693 any.

1694 ~~3.2.~~ An insurer is not required to include in its
1695 supervision system:

1696 a. Agent recommendations to consumers of products other
1697 than the annuities offered by the insurer; or

1698 b. Consideration of or comparison to options available to
1699 the agent or compensation relating to those options other than
1700 annuities or other products offered by the insurer.

1701 ~~4.3.~~ An insurer may contract for performance of a
1702 function, including maintenance of procedures, required under
1703 subparagraph 1.

1704 a. An insurer's supervision system under this subsection
1705 shall include supervision of contractual performance under this
1706 subsection, which includes, but is ~~If an insurer contracts for~~
1707 ~~the performance of a function, the insurer must include the~~
1708 ~~supervision of contractual performance as part of those~~
1709 ~~procedures listed in subparagraph 1. These include, but are not~~
1710 limited to:

1711 (I) Monitoring and, as appropriate, conducting audits to
1712 ensure that the contracted function is properly performed; and

1713 (II) Annually obtaining a certification from a senior
1714 manager who has responsibility for the contracted function that
1715 the manager has a reasonable basis to represent, and does
1716 represent, ~~for representing~~ that the function is being properly
1717 performed.

1718 b. An insurer is responsible for taking appropriate
1719 corrective action and may be subject to sanctions and penalties
1720 pursuant to subsection (8) ~~(7)~~ regardless of whether the insurer
1721 contracts for performance of a function and regardless of the
1722 insurer's compliance with sub-subparagraph a.

1723 ~~(d)-(h)~~ Neither an agent nor an insurer shall ~~may not~~
1724 dissuade, or attempt to dissuade, a consumer from:

1725 1. Truthfully responding to an insurer's request for

1726 confirmation of consumer profile ~~suitability~~ information;
1727 2. Filing a complaint; or
1728 3. Cooperating with the investigation of a complaint.

1729 ~~(e)1.(i)~~ Recommendations and sales made in compliance with
1730 comparable standards shall ~~FINRA requirements pertaining to the~~
1731 ~~suitability and supervision of annuity transactions~~ satisfy the
1732 requirements of this section. This applies to all
1733 recommendations and FINRA broker-dealer sales of variable
1734 annuities made by financial professionals in compliance with
1735 business rules, controls, and procedures that satisfy a
1736 comparable standard even if such standard would not otherwise
1737 apply to the product or recommendation at issue ~~and fixed~~
1738 ~~annuities if the suitability and supervision is similar to those~~
1739 ~~applied to variable annuity sales.~~ However, this paragraph does
1740 not limit the ability of the office or the department to
1741 investigate and enforce, ~~including investigate, the provisions~~
1742 ~~of~~ this section.

1743 2. Subparagraph 1. does not limit the insurer's obligation
1744 to comply with subparagraph (c)1., although the insurer may base
1745 its analysis on information received from either the financial
1746 professional or the entity supervising the financial
1747 professional.

1748 3. For subparagraph 1. ~~this paragraph~~ to apply, an insurer
1749 must:

1750 a.1. Monitor relevant conduct of the financial

1751 professional seeking to rely on subparagraph 1. or the entity
1752 responsible for supervising the financial professional, such as
1753 the financial professional's broker-dealer or an investment
1754 adviser registered under federal or state securities law, ~~the~~
1755 ~~FINRA member broker-dealer~~ using information collected in the
1756 normal course of an insurer's business; and

1757 b.2. Provide to the entity responsible for supervising the
1758 financial professional seeking to rely on subparagraph 1., such
1759 as the financial professional's broker-dealer or investment
1760 adviser registered under federal or state securities laws, ~~FINRA~~
1761 ~~member broker-dealer~~ information and reports that are reasonably
1762 appropriate to assist such entity ~~the FINRA member broker-dealer~~
1763 in maintaining its supervision system.

1764 4. For purposes of this paragraph, the term:

1765 a. "Comparable standards" means:

1766 (I) With respect to broker-dealers and registered
1767 representatives of broker-dealers, applicable SEC and FINRA
1768 rules pertaining to best interest obligations and supervision of
1769 annuity recommendations and sales, including, but not limited
1770 to, Regulation Best Interest, 17 C.F.R. s. 240.151-1, and any
1771 amendments or successor regulations thereto;

1772 (II) With respect to investment advisers registered under
1773 federal or state securities laws or investment adviser
1774 representatives, the fiduciary duties and all other requirements
1775 imposed on such investment advisers or investment adviser

1776 representatives by contract or under the Investment Advisers Act
 1777 of 1940 or applicable state securities laws, including, but not
 1778 limited to, Form ADV and interpretations; and

1779 (III) With respect to plan fiduciaries or fiduciaries, the
 1780 duties, obligations, prohibitions, and all other requirements
 1781 attendant to such status under the Employee Retirement Income
 1782 Security Act of 1974 or the Internal Revenue Code and any
 1783 amendments or successor statutes thereto.

1784 b. "Financial professional" means an agent that is
 1785 regulated and acting as:

1786 (I) A broker-dealer registered under federal or state
 1787 securities laws or a registered representative of a broker-
 1788 dealer;

1789 (II) An investment adviser registered under federal or
 1790 state securities laws or an investment adviser representative
 1791 associated with the federal or state registered investment
 1792 adviser; or

1793 (III) A plan fiduciary under s. 3(21) of the Employee
 1794 Retirement Income Security Act of 1974 or fiduciary under s.
 1795 4975(e) (3) of the Internal Revenue Code or any amendments or
 1796 successor statutes thereto.

1797 (6) AGENT TRAINING.—

1798 (a) An agent shall not solicit the sale of an annuity
 1799 product unless the agent has adequate knowledge of the product
 1800 to recommend the annuity and the agent is in compliance with the

1801 insurer's standards for product training. An agent may rely on
1802 insurer-provided, product-specific training standards and
1803 materials to comply with this subsection.

1804 (b)1.a. An agent who engages in the sale of annuity
1805 products shall complete a one-time 4-hour training course. This
1806 requirement is not part of an agent's continuing education
1807 requirement in s. 626.2815; however, if a course provider
1808 submits and receives approval from the department, the course is
1809 eligible for continuing education credit pursuant to s.
1810 626.2815.

1811 b. Agents who hold a life insurance line of authority on
1812 January 1, 2024, and who desire to sell annuities shall complete
1813 the requirements of this subsection by July 1, 2024. Individuals
1814 who obtain a life insurance line of authority after January 1,
1815 2024, may not engage in the sale of annuities until the annuity
1816 training course required under this subsection has been
1817 completed.

1818 2. The minimum length of the training required under this
1819 subsection is 4 hours.

1820 3. The training required under this subsection shall
1821 include information on the following topics:

1822 a. The types of annuities and various classifications of
1823 annuities.

1824 b. Identification of the parties to an annuity.

1825 c. How product-specific annuity contract features affect

1826 consumers.

1827 d. The application of income taxation of qualified and
1828 nonqualified annuities.

1829 e. The primary uses of annuities.

1830 f. The appropriate standard of conduct, sales practices,
1831 replacement, and disclosure requirements.

1832 4. Providers of courses intended to comply with this
1833 subsection shall cover all topics listed in the prescribed
1834 outline and shall not present any marketing information or
1835 provide training on sales techniques or provide specific
1836 information about a particular insurer's products. Additional
1837 topics may be offered in conjunction with and in addition to the
1838 required outline.

1839 5. An agent who has completed an annuity training course
1840 before January 1, 2024, shall, by July 1, 2024, complete either:

1841 a. A new 4-hour training course; or

1842 b. An additional 1-hour training course on appropriate
1843 sales practices, replacement, and disclosure requirements under
1844 this section.

1845 6. Annuity training courses may be conducted and completed
1846 by classroom or self-study methods.

1847 7. Providers of annuity training shall issue certificates
1848 of completion.

1849 8. The satisfaction of the training requirements of
1850 another state that are substantially similar to the provisions

1851 of this subsection shall be deemed to satisfy the training
 1852 requirements of this subsection in this state.

1853 9. The satisfaction of the training requirements of any
 1854 course or courses with components substantially similar to the
 1855 provisions of this subsection shall be deemed to satisfy the
 1856 training requirements of this subsection in this state.

1857 10. An insurer shall verify that an agent has completed
 1858 the annuity training course required under this subsection
 1859 before allowing the agent to sell an annuity product for that
 1860 insurer.

1861 (7)-(6) RECORDKEEPING.—

1862 (a) Insurers and agents must maintain or be able to make
 1863 available to the office or department records of the information
 1864 collected from the consumer and other information used in making
 1865 the recommendations that were the basis for insurance
 1866 transactions for 5 years after the insurance transaction is
 1867 completed by the insurer. An insurer may maintain the
 1868 documentation on behalf of its agent.

1869 (b) Records required to be maintained under this
 1870 subsection may be maintained in paper, photographic,
 1871 microprocess, magnetic, mechanical, or electronic media, or by
 1872 any process that accurately reproduces the actual document.

1873 (8)-(7) COMPLIANCE MITIGATION; PENALTIES.—

1874 (a) An insurer is responsible for compliance with this
 1875 section. If a violation occurs because of the action or inaction

1876 of the insurer or its agent which results in harm to a consumer,
 1877 the office may order the insurer to take reasonably appropriate
 1878 corrective action for the consumer and may impose appropriate
 1879 penalties and sanctions.

1880 (b) The department may order:

1881 1. An ~~insurance~~ agent to take reasonably appropriate
 1882 corrective action for a consumer harmed by a violation of this
 1883 section by the ~~insurance~~ agent, including monetary restitution
 1884 of penalties or fees incurred by the consumer, and impose
 1885 appropriate penalties and sanctions.

1886 2. A managing general agency or insurance agency that
 1887 employs or contracts with an ~~insurance~~ agent to sell or solicit
 1888 the sale of annuities to consumers to take reasonably
 1889 appropriate corrective action for a consumer harmed by a
 1890 violation of this section by the ~~insurance~~ agent.

1891 (c) In addition to any other penalty authorized under
 1892 chapter 626, the department shall order an insurance agent to
 1893 pay restitution to a consumer who has been deprived of money by
 1894 the agent's misappropriation, conversion, or unlawful
 1895 withholding of moneys belonging to the consumer in the course of
 1896 a transaction involving annuities. The amount of restitution
 1897 required to be paid may not exceed the amount misappropriated,
 1898 converted, or unlawfully withheld. This paragraph does not limit
 1899 or restrict a person's right to seek other remedies as provided
 1900 by law.

1901 (d) Any applicable penalty under the Florida Insurance
 1902 Code for a violation of this section shall be reduced or
 1903 eliminated according to a schedule adopted by the office or the
 1904 department, as appropriate, if corrective action for the
 1905 consumer was taken promptly after a violation was discovered.

1906 (e) A violation of this section does not create or imply a
 1907 private cause of action.

1908 ~~(9)~~ PROHIBITED CHARGES.—An annuity contract issued to a
 1909 senior consumer age 65 or older may not contain a surrender or
 1910 deferred sales charge for a withdrawal of money from an annuity
 1911 exceeding 10 percent of the amount withdrawn. The charge shall
 1912 be reduced so that no surrender or deferred sales charge exists
 1913 after the end of the 10th policy year or 10 years after the date
 1914 of each premium payment if multiple premiums are paid, whichever
 1915 is later. This subsection does not apply to annuities purchased
 1916 by an accredited investor, as defined in Regulation D as adopted
 1917 by the United States Securities and Exchange Commission, or to
 1918 those annuities specified in paragraph (4) (b).

1919 ~~(10)~~ RULES.—The department and the commission may adopt
 1920 rules to administer this section. The department may adopt by
 1921 rule the forms prescribed in the National Association of
 1922 Insurance Commissioners Suitability in Annuity Transactions
 1923 Model Regulation Appendix A - Insurance Agent (Producer)
 1924 Disclosure for Annuities, Appendix B - Consumer Refusal to
 1925 Provide Information, and Appendix C - Consumer Decision to

1926 | Purchase an Annuity Not Based on a Recommendation.

1927

1928 | Section 17. Paragraph (b) of subsection (8) of section
 1929 | 634.041, Florida Statutes, is amended to read:

1930 | 634.041 Qualifications for license.—To qualify for and
 1931 | hold a license to issue service agreements in this state, a
 1932 | service agreement company must be in compliance with this part,
 1933 | with applicable rules of the commission, with related sections
 1934 | of the Florida Insurance Code, and with its charter powers and
 1935 | must comply with the following:

1936 | (8)

1937 | (b) A service agreement company does not have to establish
 1938 | and maintain an unearned premium reserve if it secures and
 1939 | maintains contractual liability insurance in accordance with the
 1940 | following:

1941 | 1. Coverage of 100 percent of the claim exposure is
 1942 | obtained from an insurer approved by the office, which holds a
 1943 | certificate of authority under s. 624.401 to do business within
 1944 | this state, or secured through a risk retention group, which is
 1945 | authorized to do business within this state under s. 627.943 or
 1946 | s. 627.944. Such insurer or risk retention group must maintain a
 1947 | surplus as regards policyholders of at least \$15 million.

1948 | 2. If the service agreement company does not meet its
 1949 | contractual obligations, the contractual liability insurance
 1950 | policy binds its issuer to pay or cause to be paid to the

1951 service agreement holder all legitimate claims and cancellation
1952 refunds for all service agreements issued by the service
1953 agreement company while the policy was in effect. This
1954 requirement also applies to those service agreements for which
1955 no premium has been remitted to the insurer.

1956 3. If the issuer of the contractual liability policy is
1957 fulfilling the service agreements covered by the contractual
1958 liability policy and the service agreement holder cancels the
1959 service agreement, the issuer must make a full refund of
1960 unearned premium to the consumer, subject to the cancellation
1961 fee provisions of s. 634.121(3). The sales representative and
1962 agent must refund to the contractual liability policy issuer
1963 their unearned pro rata commission.

1964 4. The policy may not be canceled, terminated, or
1965 nonrenewed by the insurer or the service agreement company
1966 unless a 90-day written notice thereof has been given to the
1967 office by the insurer before the date of the cancellation,
1968 termination, or nonrenewal.

1969 5. The service agreement company must provide the office
1970 with the claims statistics.

1971 6. A policy issued in compliance with this paragraph may
1972 either pay 100 percent of claims as they are incurred, or 100
1973 percent of claims due in the event of the failure of the service
1974 agreement company to pay such claims when due.

1975

1976 All funds or premiums remitted to an insurer by a motor vehicle
 1977 service agreement company under this part shall remain in the
 1978 care, custody, and control of the insurer and shall be counted
 1979 as an asset of the insurer; provided, however, this requirement
 1980 does not apply when the insurer and the motor vehicle service
 1981 agreement company are affiliated companies and members of an
 1982 insurance holding company system. If the motor vehicle service
 1983 agreement company chooses to comply with this paragraph but also
 1984 maintains a reserve to pay claims, such reserve shall only be
 1985 considered an asset of the covered motor vehicle service
 1986 agreement company and may not be simultaneously counted as an
 1987 asset of any other entity.

1988 Section 18. Paragraphs (d), (e), and (f) of subsection
 1989 (17) of section 634.401, Florida Statutes, are amended to read:

1990 634.401 Definitions.—As used in this part, the term:

1991 (17) "Manufacturer" means any entity or its affiliate
 1992 which:

1993 ~~(d) Maintains outstanding debt obligations, if any, rated~~
 1994 ~~in the top four rating categories by a recognized rating~~
 1995 ~~service;~~

1996 (d) ~~(e)~~ Has and maintains at all times, a minimum net worth
 1997 of at least \$100 ~~\$10~~ million as evidenced by certified financial
 1998 statements prepared by an independent certified public
 1999 accountant in accordance with generally accepted accounting
 2000 principles; and

2001 (e)~~(f)~~ Is authorized to do business in this state.
 2002 Section 19. Paragraph (a) of subsection (7) of section
 2003 634.406, Florida Statutes, is amended to read:
 2004 634.406 Financial requirements.—
 2005 (7) An association licensed under this part and holding no
 2006 other license under part I or part II of this chapter is not
 2007 required to establish an unearned premium reserve or maintain
 2008 contractual liability insurance and may allow its premiums to
 2009 exceed the ratio to net assets limitation of this section if the
 2010 association complies with the following:
 2011 (a) The association or, if the association is a direct or
 2012 indirect wholly owned subsidiary of a parent corporation, its
 2013 parent corporation has, and maintains at all times, a minimum
 2014 net worth of at least \$100 million and provides the office with
 2015 the following:
 2016 1. A copy of the association's annual audited financial
 2017 statements or the audited consolidated financial statements of
 2018 the association's parent corporation, prepared by an independent
 2019 certified public accountant in accordance with generally
 2020 accepted accounting principles, which clearly demonstrate the
 2021 net worth of the association or its parent corporation to be
 2022 \$100 million and a quarterly written certification to the office
 2023 that such entity continues to maintain the net worth required
 2024 under this paragraph.
 2025 2. The association's, or its parent corporation's, Form

2026 10-K, Form 10-Q, or Form 20-F as filed with the United States
 2027 Securities and Exchange Commission or such other documents
 2028 required to be filed with a recognized stock exchange, which
 2029 shall be provided on a quarterly and annual basis within 10 days
 2030 after the last date each such report must be filed with the
 2031 Securities and Exchange Commission, the National Association of
 2032 Security Dealers Automated Quotation system, or other recognized
 2033 stock exchange.

2034
 2035 Failure to timely file the documents required under this
 2036 paragraph may, at the discretion of the office, subject the
 2037 association to suspension or revocation of its license under
 2038 this part. ~~An association or parent corporation demonstrating~~
 2039 ~~compliance with subparagraphs 1. and 2. must maintain~~
 2040 ~~outstanding debt obligations, if any, rated in the top four~~
 2041 ~~rating categories by a recognized rating service.~~

2042 Section 20. Except as otherwise expressly provided in this
 2043 act, this act shall take effect July 1, 2023.