

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 | 627.70132, F.S., requiring a notice of claim to be
69 | provided to an insurer within a specified period for a
70 | loss assessment claims made under a specified
71 | provisions; amending s. 634.041, F.S.; specifying
72 | authorized methods of paying claims for motor vehicle
73 | service agreements; amending s. 634.401, F.S.;
74 | revising the definition of the term "manufacturer" for
75 | purposes of part III of ch. 634, F.S.; amending s.

76 634.406, F.S.; deleting a debt obligation rating
 77 requirement for certain service warranty associations
 78 or parent corporations; providing an effective date.
 79

80 Be It Enacted by the Legislature of the State of Florida:
 81

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

87 494.001 Definitions.—As used in this chapter, the term:

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

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

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

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

99 (35) "Remote location" means a location, other than a
 100 principal place of business or a branch office, at which a loan

101 originator of a licensee may conduct business. A licensee may
102 allow loan originators to work from remote locations if:

103 (a) The licensee has written policies and procedures for
104 supervision of loan originators working from remote locations.

105 (b) Access to company platforms and customer information
106 is in accordance with the licensee's comprehensive written
107 information security plan.

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

111 (d) Physical records are not maintained at a remote
112 location.

113 (e) Customer interactions and conversations about
114 consumers will be in compliance with federal and state
115 information security requirements, including applicable
116 provisions under the Gramm-Leach-Bliley Act and the Safeguards
117 Rule established by the Federal Trade Commission, set forth at
118 16 C.F.R. part 314, as such requirements may be amended from
119 time to time.

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

126 authentication to access.

127 (g) The licensee ensures that appropriate security
 128 updates, patches, or other alterations to the security of all
 129 devices used at remote locations are installed and maintained.

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

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

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

140 494.0067 Requirements of mortgage lenders.—

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

147 Section 3. Section 501.2042, Florida Statutes, is created
 148 to read:

149 501.2042 Unlawful acts and practices by online crowd-
 150 funding campaigns.—

- 151 (1) As used in this section, the term:
- 152 (a) "Crowd-funding campaign" means an online fundraising
 153 initiative that is intended to receive monetary donations from
 154 donors and is created by an organizer in the interest of a
 155 beneficiary.
- 156 (b) "Crowd-funding platform" means an entity doing
 157 business in this state which provides an online medium for the
 158 creation and facilitation of a crowd-funding campaign.
- 159 (c) "Disaster" has the same meaning as 252.34(2).
- 160 (d) "Organizer" means a person who:
- 161 1. Resides or is domiciled in this state; and
- 162 2. Has an account on a crowd-funding platform and has
 163 created a crowd-funding campaign either as a beneficiary or on
 164 behalf of a beneficiary, regardless of whether the beneficiary
 165 or the crowd-funding campaign has received donations.
- 166 a. For crowd-funding campaigns related to and arising out
 167 of a declared disaster, a crowd-funding platform must:
- 168 (I) Collect and retain, for one year after the date of the
 169 declared disaster, the name, e-mail address, phone number, and
 170 state of residence of the organizer.
- 171 (II) Require the organizer to indicate, on the crowd-
 172 funding campaign, the state in which they are located.
- 173 (III) Cooperate with any investigation by or in
 174 partnership with law enforcement.
- 175 (IV) Clearly display and direct donors to fundraisers that

176 comply with the crowd-funding platform's terms of service.

177 b. When an organizer arranges a crowd-funding campaign
178 related to and arising out of a declared disaster, the organizer
179 must attest that:

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

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

186 Section 4. Section 520.23, Florida Statutes, is amended to
187 read:

188 520.23 Disclosures required.—Each agreement governing the
189 sale or lease of a distributed energy generation system shall,
190 at a minimum, include a written statement printed in at least
191 12-point type that is separate from the agreement, is separately
192 acknowledged by the buyer or lessee, and includes the following
193 information and disclosures, if applicable:

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

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

200 (3) The name, address, telephone number, e-mail address,

201 and valid state contractor license number of the distributed
202 energy generation system maintenance provider, if different from
203 the person responsible for installing the distributed energy
204 generation system.

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

207 (5)~~(4)~~ A written statement indicating whether the
208 distributed energy generation system is being purchased or
209 leased.

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

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

220 (6)~~(5)~~ The total cost to be paid by the buyer or lessee,
221 including any interest, installation fees, document preparation
222 fees, service fees, or other fees.

223 (7)~~(6)~~ A payment schedule, including any amounts owed at
224 contract signing, at the commencement of installation, at the
225 completion of installation, and any final payments. If the

226 distributed energy generation system is being leased, the
227 written statement must include the frequency and amount of each
228 payment due under the lease and the total estimated lease
229 payments over the term of the lease.

230 (8)~~(7)~~ Each state or federal tax incentive or rebate, if
231 any, relied upon by the seller in determining the price of the
232 distributed energy generation system.

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

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

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

251 finance provider before signing a contract."

252 (12)~~(11)~~ A statement notifying the buyer whether the
253 seller is assisting in arranging financing of the distributed
254 energy generation system and, if so, a statement in
255 substantially the following form: "If your system is financed,
256 carefully read any agreements and/or disclosure forms provided
257 by your lender. This statement does not contain the terms of
258 your financing agreement. If you have any questions about your
259 financing agreement, contact your finance provider before
260 signing a contract."

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

271 (14)~~(13)~~ A description of the distributed energy
272 generation system design assumptions, including the make and
273 model of the major components, system size, estimated first-year
274 energy production, and estimated annual energy production
275 decreases, including the overall percentage degradation over the

276 estimated life of the distributed energy generation system, and
277 the status of utility compensation for excess energy generated
278 by the system at the time of contract signing. A seller who
279 provides a warranty or guarantee of the energy production output
280 of the distributed energy generation system may provide a
281 description of such warranty or guarantee in lieu of a
282 description of the system design and components.

283 (15)~~(14)~~ A description of any performance or production
284 guarantees.

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

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

296 (18)~~(17)~~ The approximate start and completion dates for
297 the installation of the distributed energy generation system.

298 (19)~~(18)~~ A disclosure as to whether maintenance and
299 repairs of the distributed energy generation system are included
300 in the purchase price.

301 ~~(20)~~~~(19)~~ A disclosure as to whether any warranty or
 302 maintenance obligations related to the distributed energy
 303 generation system may be sold or transferred by the seller to a
 304 third party and, if so, a statement in substantially the
 305 following form: "Your contract may be assigned, sold, or
 306 transferred without your consent to a third party who will be
 307 bound to all the terms of the contract. If a transfer occurs,
 308 you will be notified if this will change the address or phone
 309 number to use for system maintenance or repair requests."

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

314 ~~(22)~~~~(21)~~ A disclosure notifying the buyer or lessee of the
 315 party responsible for obtaining interconnection approval.

316 ~~(23)~~~~(22)~~ A description of any roof warranties.

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

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

326 | or loss.

327 | ~~(26)-(24)~~ A statement, ~~if applicable,~~ in substantially the
 328 | following form: "You are responsible for obtaining insurance
 329 | policies or coverage for any loss of or damage to the system.
 330 | Consult an insurance professional to understand how to protect
 331 | against the risk of loss or damage to the system."

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

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

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

348 | (30)-(27) A disclosure identifying whether the agreement
 349 | contains any restrictions on the buyer's or lessee's ability to
 350 | modify or transfer ownership of a distributed energy generation

351 system, including whether any modification or transfer is
 352 subject to review or approval by a third party.

353 ~~(31)-(28)~~ A disclosure as to whether the lease agreement
 354 may be transferred to a purchaser upon sale of the home or real
 355 property to which the system is affixed, and any conditions for
 356 such transfer.

357 ~~(32)-(29)~~ A blank section that allows the seller to provide
 358 additional relevant disclosures or explain disclosures made
 359 elsewhere in the disclosure form.

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

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

374 560.111 Prohibited acts.—

375 (6) A person who knowingly and willfully violates s.

376 560.309(11) or s. 560.310(2)(d) commits a felony of the third
 377 degree, punishable as provided in s. 775.082, s. 775.083, or s.
 378 775.084.

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

381 560.309 Conduct of business.—

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

387 Section 7. Section 626.602, Florida Statutes, is amended
 388 to read:

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

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

397 (2) The use of the name may mislead the public in any
 398 respect.

399 (3) The name states or implies that the agency or
 400 adjusting firm is an insurer, motor club, hospital service plan,

401 state or federal agency, charitable organization, or entity that
402 primarily provides advice and counsel rather than sells or
403 solicits insurance, settles claims, or is entitled to engage in
404 insurance activities not permitted under licenses held or
405 applied for. This provision does not prohibit the use of the
406 word "state" or "states" in the name of the agency. The use of
407 the word "state" or "states" in the name of an agency or
408 adjusting firm does not in and of itself imply that the agency
409 or adjusting firm is a state agency.

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

419 Section 8. Section 626.854, Florida Statutes, is amended
420 to read:

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

425 (1) A "public adjuster" is any person, except a duly

426 licensed attorney at law as exempted under s. 626.860, who, for
427 money, commission, or any other thing of value, directly or
428 indirectly prepares, completes, or files an insurance claim for
429 an insured or third-party claimant, regardless of how that
430 person describes or presents his or her services, or who, for
431 money, commission, or any other thing of value, acts on behalf
432 of, or aids an insured or third-party claimant in negotiating
433 for or effecting the settlement of a claim or claims for loss or
434 damage covered by an insurance contract, regardless of how that
435 person describes or presents his or her services, or who
436 advertises for employment as an adjuster of such claims. The
437 term also includes any person who, for money, commission, or any
438 other thing of value, directly or indirectly solicits,
439 investigates, or adjusts such claims on behalf of a public
440 adjuster, an insured, or a third-party claimant. The term does
441 not include a person who photographs or inventories damaged
442 personal property or business personal property or a person
443 performing duties under another professional license, if such
444 person does not otherwise solicit, adjust, investigate, or
445 negotiate for or attempt to effect the settlement of a claim.

446 (2) This definition does not apply to:

447 (a) A licensed health care provider or employee thereof
448 who prepares or files a health insurance claim form on behalf of
449 a patient.

450 (b) A licensed health insurance agent who assists an

451 insured with coverage questions, medical procedure coding
 452 issues, balance billing issues, understanding the claims filing
 453 process, or filing a claim, as such assistance relates to
 454 coverage under a health insurance policy.

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

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

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

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

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

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

473 (b) May not contract for services to be provided by a
 474 third party on behalf of the named insured or in pursuit of
 475 settlement of the named insureds claim, if the cost of those

476 services is to be borne by the named insured, unless the named
477 insured agrees in writing to procure these services and such
478 agreement is entered into subsequent to the date of the contract
479 for public adjusting services.

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

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

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

501 before the space reserved in the contract for the signature of
 502 the insured or claimant:

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

526 (8)~~(7)~~ It is an unfair and deceptive insurance trade
527 practice pursuant to s. 626.9541 for a public adjuster or any
528 other person to circulate or disseminate any advertisement,
529 announcement, or statement containing any assertion,
530 representation, or statement with respect to the business of
531 insurance which is untrue, deceptive, or misleading.

532 (a) The following statements, made in any public
533 adjuster's advertisement or solicitation, are considered
534 deceptive or misleading:

535 1. A statement or representation that invites an insured
536 policyholder to submit a claim when the policyholder does not
537 have covered damage to insured property.

538 2. A statement or representation that invites an insured
539 policyholder to submit a claim by offering monetary or other
540 valuable inducement.

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

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

549 (b) For purposes of this paragraph, the term "written
550 advertisement" includes only newspapers, magazines, flyers, and

551 bulk mailers. The following disclaimer, which is not required to
 552 be printed on standard size business cards, must be added in
 553 bold print and capital letters in typeface no smaller than the
 554 typeface of the body of the text to all written advertisements
 555 by a public adjuster:

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

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

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

573 (11) (a)~~(10) (a)~~ If a public adjuster enters into a contract
 574 with an insured or claimant to reopen a claim or file a
 575 supplemental claim that seeks additional payments for a claim

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

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

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

600 2. Twenty percent of the amount of insurance claim

601 payments or settlements, exclusive of attorney fees and costs,
602 paid to the insured by the insurer for claims that are not based
603 on events that are the subject of a declaration of a state of
604 emergency by the Governor.

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

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

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

621 (d) Public adjuster compensation may not be based on
622 amounts attributable to additional living expenses, unless such
623 compensation is affirmatively agreed to in a separate agreement
624 that includes a disclosure in substantially the following form:
625 "I agree to retain and compensate the public adjuster for

626 adjusting my additional living expenses and securing payment
627 from my insurer for amounts attributable to additional living
628 expenses payable under the policy issued on my (home/mobile
629 home/condominium unit)."

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

632 (f) Any maneuver, shift, or device through which the
633 limits on compensation set forth in this subsection are exceeded
634 is a violation of this chapter punishable as provided under s.
635 626.8698.

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

647 (b) An insured may cancel the contract with no additional
648 penalties or fees charged by the public adjuster if such an
649 estimate is not provided within 60 days after executing the
650 contract, subject to the cancellation notice requirement in this

651 section, unless the failure to provide the estimate within 60
652 days is caused by factors beyond the control of the public
653 adjuster. The cancellation period shall cease on the date the
654 public adjuster provides the written estimate to the insured.

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

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

674 (15)~~(14)~~ The public adjuster must ensure that prompt
675 notice is given of the claim to the insurer, the public

676 adjuster's contract is provided to the insurer, the property is
677 available for inspection of the loss or damage by the insurer,
678 and the insurer is given an opportunity to interview the insured
679 directly about the loss and claim. The insurer must be allowed
680 to obtain necessary information to investigate and respond to
681 the claim.

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

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

697 (c) A public adjuster may not act or fail to reasonably
698 act in any manner that obstructs or prevents an insurer or
699 insurer's adjuster from timely conducting an inspection of any
700 part of the insured property for which there is a claim for loss

701 or damage. The public adjuster representing the insureds may be
 702 present for the insurer's inspection, but if the unavailability
 703 of the public adjuster otherwise delays the insurer's timely
 704 inspection of the property, the public adjuster or the insureds
 705 must allow the insurer to have access to the property without
 706 the participation or presence of the public adjuster or insureds
 707 in order to facilitate the insurer's prompt inspection of the
 708 loss or damage.

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

726 (17)~~(16)~~ A public adjuster shall not acquire any interest
 727 in salvaged property, except with the written consent and
 728 permission of the insured through a signed affidavit.

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

740 (19)~~(18)~~ Subsections (5)-(18) ~~(5)-(17)~~ apply only to
 741 residential property insurance policies and condominium unit
 742 owner policies as described in s. 718.111(11).

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

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

749 (b) Act on behalf of or aid an insured or a third-party
 750 claimant in negotiating for or effecting the settlement of a

751 claim for loss or damage covered by an insurance contract;
 752 (c) Offer to initiate or negotiate a claim on behalf of an
 753 insured;
 754 (d) Advertise services that require a license as a public
 755 adjuster; or
 756 (e) Solicit, investigate, or adjust a claim on behalf of a
 757 public adjuster, an insured, or a third-party claimant.
 758 (21)~~(20)~~ The department may take administrative actions
 759 and impose fines against any persons performing claims
 760 adjusting, soliciting, or any other services described in this
 761 section without the licensure required under this section or s.
 762 626.112.
 763 (22)~~(21)~~ A public adjuster, public adjuster apprentice, or
 764 public adjusting firm that solicits a claim and does not enter
 765 into a contract with an insured or a third-party claimant
 766 pursuant to paragraph (11)(a) ~~(10)(a)~~ may not charge an insured
 767 or a third-party claimant or receive payment by any other source
 768 for any type of service related to the insured or third-party
 769 claimant's claim.
 770 (23)(a)~~(22)(a)~~ Any following act by a public adjuster, a
 771 public adjuster apprentice, or a person acting on behalf of a
 772 public adjuster or public adjuster apprentice is prohibited and
 773 shall result in discipline as applicable under this part:
 774 1. Offering to a residential property owner a rebate,
 775 gift, gift card, cash, coupon, waiver of any insurance

776 deductible, or any other thing of value in exchange for:
 777 a. Allowing a contractor, a public adjuster, a public
 778 adjuster apprentice, or a person acting on behalf of a public
 779 adjuster or public adjuster apprentice to conduct an inspection
 780 of the residential property owner's roof; or
 781 b. Making an insurance claim for damage to the residential
 782 property owner's roof.
 783 2. Offering, delivering, receiving, or accepting any
 784 compensation, inducement, or reward for the referral of any
 785 services for which property insurance proceeds would be used for
 786 roofing repairs or replacement.
 787 (b) Notwithstanding the fine set forth in s. 626.8698, a
 788 public adjuster or public adjuster apprentice may be subject to
 789 a fine not to exceed \$10,000 per act for a violation of this
 790 subsection and a fine not to exceed \$20,000 per act for a
 791 violation of this subsection that occurs during a state of
 792 emergency declared by executive order or proclamation of the
 793 Governor pursuant to s. 252.36.
 794 (c) A person who engages in an act prohibited by this
 795 subsection and who is not a public adjuster or a public adjuster
 796 apprentice, or is not otherwise exempt from licensure, is guilty
 797 of the unlicensed practice of public adjusting and may be:
 798 1. Subject to all applicable penalties set forth in this
 799 part.
 800 2. Notwithstanding subparagraph 1., subject to a fine not

801 to exceed \$10,000 per act for a violation of this subsection and
 802 a fine not to exceed \$20,000 per act for a violation of this
 803 subsection that occurs during a state of emergency declared by
 804 executive order or proclamation of the Governor pursuant to s.
 805 252.36.

806 Section 9. Section 626.860, Florida Statutes, is amended
 807 to read:

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

816 Section 10. Section 626.875, Florida Statutes, is amended
 817 to read:

818 626.875 Office and records.—

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

825 (b) A license issued under this chapter must at all times

826 be posted in a conspicuous place in the principal place of
 827 business of the license holder. If the licensee is conducting
 828 business away from the place of business such that the license
 829 cannot be posted, the licensee shall have such license in his or
 830 her actual possession at the time of carrying on such business.

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

842 (a) Name, address, telephone number, and e-mail address of
 843 the insured, and the name of the attorney representing the
 844 insured, if applicable.

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

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

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

850 (e) A copy of the estimate of damages provided to the

851 insurer.

852 (f) The name of the insurer; the name of the claims
 853 representative of the insurer; and the amount, expiration date,
 854 and number of each policy under which the loss is covered.

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

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

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

863 Section 11. Section 626.8796, Florida Statutes, is amended
 864 to read:

865 626.8796 Public adjuster contracts; disclosure statement;
 866 fraud statement.-

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

872 "Pursuant to s. 817.234, Florida Statutes, any person who, with
 873 the intent to injure, defraud, or deceive an insurer or insured,
 874 prepares, presents, or causes to be presented a proof of loss or
 875 estimate of cost or repair of damaged property in support of a

876 claim under an insurance policy knowing that the proof of loss
877 or estimate of claim or repairs contains false, incomplete, or
878 misleading information concerning any fact or thing material to
879 the claim commits a felony of the third degree, punishable as
880 provided in s. 775.082, s. 775.083, or s. 775.084, Florida
881 Statutes."

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

901 time of execution and to the insurer, or the insurer's
 902 representative within 7 ~~30~~ days after execution. A public
 903 adjusting firm that adjusts claims primarily for commercial
 904 entities with operations in more than one state and that does
 905 not directly or indirectly perform adjusting services for
 906 insurers or individual homeowners is deemed to comply with the
 907 requirements of this subsection if, at the time a proof of loss
 908 is submitted, the public adjusting firm remits to the insurer an
 909 affidavit signed by the public adjuster or public adjuster
 910 apprentice that identifies:

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

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

915 (c) The insured's full name, ~~and~~ street address, phone
 916 number, and e-mail address, together with a brief description of
 917 the loss.

918 (d) An attestation that the compensation for public
 919 adjusting services will not exceed the limitations provided by
 920 law.

921 (e) The type of claim, including an emergency claim,
 922 nonemergency claim, or supplemental claim.

923 (3) The public adjuster shall not receive compensation for
 924 services provided before the date the insured receives an
 925 unaltered copy of the executed contract or the date executed

926 contract is submitted to the insurer. Proof of receipt by the
927 insured and proof of submission to the insurer must be
928 maintained by the public adjuster for not less than 5 years.

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

935 (5) The cancellation period for failure to provide a
936 written estimate terminates on the date the estimate is
937 provided.

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

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

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

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

950 (d) Explains that an insured has a right to initiate

951 direct communications with the insured's attorney, the insurer,
952 the company adjuster, the insurer's attorney, or any person
953 regarding the settlement of the insured's claim.

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

957 (f) Explains that the public adjuster is required to
958 provide the insured an unaltered copy of the executed contract
959 at the time of execution.

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

967 (h) The public adjuster shall provide an unaltered copy of
968 the executed disclosure document to the insured at the time of
969 execution.

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

972 (8) The department may adopt rules pursuant to ss.
973 120.536(1) and 120.54 to implement this section, including rules
974 to adopt forms required by this section.

975 Section 12. Section 626.8797, Florida Statutes, is amended

976 to read:

977 626.8797 Proof of loss; fraud statement.—All proof-of-loss
 978 statements must prominently display the following statement in
 979 minimum 18-point bold type before the space reserved in the
 980 contract for the signature of the insured: "Pursuant to s.
 981 817.234, Florida Statutes, any person who, with the intent to
 982 injure, defraud, or deceive any insurer or insured, prepares,
 983 presents, or causes to be presented a proof of loss or estimate
 984 of cost or repair of damaged property in support of a claim
 985 under an insurance policy knowing that the proof of loss or
 986 estimate of claim or repairs contains any false, incomplete, or
 987 misleading information concerning any fact or thing material to
 988 the claim commits a felony of the third degree, punishable as
 989 provided in s. 775.082, s. 775.083, or s. 775.084, Florida
 990 Statutes."

991 Section 13. Paragraph (a) of subsection (1) of section
 992 626.9541, Florida Statutes, is amended to read:

993 626.9541 Unfair methods of competition and unfair or
 994 deceptive acts or practices defined.—

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

998 (a) *Misrepresentations and false advertising of insurance*
 999 *policies*.—Knowingly making, issuing, circulating, or causing to
 1000 be made, issued, or circulated, any estimate, illustration,

1001 circular, statement, sales presentation, omission, comparison,
 1002 or property and casualty certificate of insurance altered after
 1003 being issued, which:

1004 1. Misrepresents the benefits, advantages, conditions, or
 1005 terms of any insurance policy.

1006 2. Misrepresents the dividends or share of the surplus to
 1007 be received on any insurance policy.

1008 3. Makes any false or misleading statements as to the
 1009 dividends or share of surplus previously paid on any insurance
 1010 policy.

1011 4. Is misleading, or is a misrepresentation, as to the
 1012 financial condition of any person or as to the legal reserve
 1013 system upon which any life insurer operates.

1014 5. Uses any name or title of any insurance policy or class
 1015 of insurance policies misrepresenting the true nature thereof.

1016 6. Is a misrepresentation for the purpose of inducing, or
 1017 tending to induce, the lapse, forfeiture, exchange, conversion,
 1018 or surrender of any insurance policy.

1019 7. Is a misrepresentation for the purpose of effecting a
 1020 pledge or assignment of, or effecting a loan against, any
 1021 insurance policy.

1022 8. Misrepresents any insurance policy as being shares of
 1023 stock or misrepresents ownership interest in the company.

1024 9. Uses any advertisement that would mislead or otherwise
 1025 cause a reasonable person to believe mistakenly that the state

1026 or the Federal Government is responsible for the insurance sales
 1027 activities of any person or stands behind any person's credit or
 1028 that any person, the state, or the Federal Government guarantees
 1029 any returns on insurance products or is a source of payment of
 1030 any insurance obligation of or sold by any person.

1031 10. Fails to disclose a third party that receives
 1032 royalties, referral fees, or other remuneration for sponsorship,
 1033 marketing, or use of third-party branding for a policy of health
 1034 insurance as defined in s. 624.603.

1035 Section 14. Paragraph (c) of subsection (2) of section
 1036 627.4025, Florida Statutes, is amended, and paragraph (d) is
 1037 added to that subsection, to read:

1038 627.4025 Residential coverage and hurricane coverage
 1039 defined.—

1040 (2) As used in policies providing residential coverage:

1041 (c) "Hurricane" for purposes of paragraphs (a) and (b)
 1042 means a storm system that has been declared to be a hurricane by
 1043 the National Hurricane Center of the National Weather Service.
 1044 The duration of the hurricane includes the time period, in
 1045 Florida:

1046 1. Beginning at the time a ~~hurricane watch~~ or hurricane
 1047 warning is issued for any part of Florida by the National
 1048 Hurricane Center of the National Weather Service; and

1049 2. ~~Continuing for the time period during which the~~
 1050 ~~hurricane conditions exist anywhere in Florida; and~~

1051 ~~3.~~ Ending 72 hours following the termination of the last
 1052 hurricane watch or hurricane warning issued for any part of
 1053 Florida by the National Hurricane Center of the National Weather
 1054 Service.

1055 (d) "Hurricane deductible" means the deductible applicable
 1056 to loss caused by a hurricane.

1057 Section 15. Paragraph (b) of subsection (1) and paragraph
 1058 (b) of subsection (2) of section 627.4133, Florida Statutes, are
 1059 amended, and paragraph (d) is added to subsection (1) of that
 1060 section, to read:

1061 627.4133 Notice of cancellation, nonrenewal, or renewal
 1062 premium.—

1063 (1) Except as provided in subsection (2):

1064 (b) An insurer issuing a policy providing coverage for
 1065 property, casualty, except mortgage guaranty, surety, or marine
 1066 insurance, other than motor vehicle insurance subject to s.
 1067 627.728 or s. 627.7281, shall give the first-named insured
 1068 written notice of cancellation or termination other than
 1069 nonrenewal at least 45 days prior to the effective date of the
 1070 cancellation or termination, including in the written notice the
 1071 reason or reasons for the cancellation or termination, except
 1072 that:

1073 1. When cancellation is for nonpayment of premium, at
 1074 least 10 days' written notice of cancellation accompanied by the
 1075 reason therefor shall be given. As used in this subparagraph and

1076 s. 440.42(3), the term "nonpayment of premium" means failure of
1077 the named insured to discharge when due any of her or his
1078 obligations in connection with the payment of premiums on a
1079 policy or any installment of such premium, whether the premium
1080 is payable directly to the insurer or its agent or indirectly
1081 under any premium finance plan or extension of credit, or
1082 failure to maintain membership in an organization if such
1083 membership is a condition precedent to insurance coverage.
1084 "Nonpayment of premium" also means the failure of a financial
1085 institution to honor an insurance applicant's check after
1086 delivery to a licensed agent for payment of a premium, even if
1087 the agent has previously delivered or transferred the premium to
1088 the insurer. If a dishonored check represents the initial
1089 premium payment, the contract and all contractual obligations
1090 shall be void ab initio unless the nonpayment is cured within
1091 the earlier of 5 days after actual notice by certified mail is
1092 received by the applicant or 15 days after notice is sent to the
1093 applicant by certified mail or registered mail, and if the
1094 contract is void, any premium received by the insurer from a
1095 third party shall be refunded to that party in full; and
1096 2. When such cancellation or termination occurs during the
1097 first 60 ~~90~~ days during which the insurance is in force and the
1098 insurance is canceled or terminated for reasons other than
1099 nonpayment of premium, at least 20 days' written notice of
1100 cancellation or termination accompanied by the reason therefor

1101 shall be given except where there has been a material
 1102 misstatement or misrepresentation or failure to comply with the
 1103 underwriting requirements established by the insurer.

1104
 1105 After the policy has been in effect for 60 ~~90~~ days, no such
 1106 policy shall be canceled by the insurer except when there has
 1107 been a material misstatement, a nonpayment of premium, a failure
 1108 to comply with underwriting requirements established by the
 1109 insurer within 60 ~~90~~ days of the date of effectuation of
 1110 coverage, or a substantial change in the risk covered by the
 1111 policy or when the cancellation is for all insureds under such
 1112 policies for a given class of insureds. This subsection does not
 1113 apply to individually rated risks having a policy term of less
 1114 than 90 days.

1115 (d) Notwithstanding subparagraph (b), Citizens Property
 1116 Insurance Corporation in underwriting risks that, prior to the
 1117 date of the application, were most recently insured by an
 1118 insurer that has been placed in receivership under chapter 631,
 1119 may immediately cancel a policy insuring such risk that has been
 1120 in effect for 90 days or less for material misrepresentation or
 1121 failure to comply with underwriting requirements established
 1122 before the effectuation of coverage.

1123 (2) With respect to any personal lines or commercial
 1124 residential property insurance policy, including, but not
 1125 limited to, any homeowner, mobile home owner, farmowner,

1126 condominium association, condominium unit owner, apartment
1127 building, or other policy covering a residential structure or
1128 its contents:

1129 (b) The insurer shall give the first-named insured written
1130 notice of nonrenewal, cancellation, or termination at least 120
1131 days before the effective date of the nonrenewal, cancellation,
1132 or termination. The notice must include the reason for the
1133 nonrenewal, cancellation, or termination, except that:

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

1151 after actual notice by certified mail is received by the
1152 applicant or 15 days after notice is sent to the applicant by
1153 certified mail or registered mail. If the contract is void, any
1154 premium received by the insurer from a third party must be
1155 refunded to that party in full.

1156 2. If cancellation or termination occurs during the first
1157 60 ~~90~~ days the insurance is in force and the insurance is
1158 canceled or terminated for reasons other than nonpayment of
1159 premium, at least 20 days' written notice of cancellation or
1160 termination accompanied by the reason therefor must be given
1161 unless there has been a material misstatement or
1162 misrepresentation or a failure to comply with the underwriting
1163 requirements established by the insurer.

1164 3. After the policy has been in effect for 60 ~~90~~ days, the
1165 policy may not be canceled by the insurer unless there has been
1166 a material misstatement; a nonpayment of premium; a failure to
1167 comply, within 60 ~~90~~ days after the date of effectuation of
1168 coverage, with underwriting requirements established by the
1169 insurer before the date of effectuation of coverage; or a
1170 substantial change in the risk covered by the policy or unless
1171 the cancellation is for all insureds under such policies for a
1172 given class of insureds. This subparagraph does not apply to
1173 individually rated risks that have a policy term of less than 90
1174 days.

1175 4. After a policy or contract has been in effect for more

1176 | than 60 ~~90~~ days, the insurer may not cancel or terminate the
1177 | policy or contract based on credit information available in
1178 | public records.

1179 | 5. A policy that is nonrenewed by Citizens Property
1180 | Insurance Corporation, pursuant to s. 627.351(6), for a policy
1181 | that has been assumed by an authorized insurer offering
1182 | replacement coverage to the policyholder is exempt from the
1183 | notice requirements of paragraph (a) and this paragraph. In such
1184 | cases, the corporation must give the named insured written
1185 | notice of nonrenewal at least 45 days before the effective date
1186 | of the nonrenewal.

1187 | 6. Notwithstanding any other provision of law, an insurer
1188 | may cancel or nonrenew a property insurance policy after at
1189 | least 45 days' notice if the office finds that the early
1190 | cancellation of some or all of the insurer's policies is
1191 | necessary to protect the best interests of the public or
1192 | policyholders and the office approves the insurer's plan for
1193 | early cancellation or nonrenewal of some or all of its policies.
1194 | The office may base such finding upon the financial condition of
1195 | the insurer, lack of adequate reinsurance coverage for hurricane
1196 | risk, or other relevant factors. The office may condition its
1197 | finding on the consent of the insurer to be placed under
1198 | administrative supervision pursuant to s. 624.81 or to the
1199 | appointment of a receiver under chapter 631.

1200 | 7. A policy covering both a home and a motor vehicle may

1201 be nonrenewed for any reason applicable to the property or motor
 1202 vehicle insurance after providing 90 days' notice.

1203 Section 16. Effective January 1, 2024, section 627.4554,
 1204 Florida Statutes, is amended to read:

1205 627.4554 Suitability in annuity transactions investments.—

1206 (1) PURPOSE.—The purpose of this section is to require
 1207 agents to act in the best interest of the consumer when making a
 1208 recommendation of an annuity and to require insurers to
 1209 establish and maintain a system to supervise so set forth
 1210 standards and procedures for making recommendations to consumers
 1211 which result in transactions involving annuity products, and to
 1212 establish a system for supervising such recommendations in order
 1213 to ensure that the insurance needs and financial objectives of
 1214 consumers are effectively ~~appropriately~~ addressed at the time of
 1215 the transaction.

1216 (2) SCOPE.—This section applies to any sale or
 1217 recommendation of ~~made to a consumer to purchase, exchange, or~~
 1218 ~~replace an annuity by an insurer or its agent, and which results~~
 1219 ~~in the purchase, exchange, or replacement recommended.~~

1220 (3) DEFINITIONS.—As used in this section, the term:

1221 (a) "Agent" means a person or entity required to be
 1222 licensed under the laws of this state to sell, solicit, or
 1223 negotiate insurance, including annuities. For purposes of this
 1224 section, the term includes an insurer when no agent is involved
 1225 ~~has the same meaning as provided in s. 626.015.~~

1226 (b) "Annuity" means an insurance product under state law
 1227 which is individually solicited, whether classified as an
 1228 individual or group annuity.

1229 (c) "Cash compensation" means any discount, concession,
 1230 fee, service fee, commission, sales charge, loan, override, or
 1231 cash benefit received by an agent from an insurer or
 1232 intermediary or directly from the consumer in connection with
 1233 the recommendation or sale of an annuity.

1234 (d) "Consumer profile information" means information that
 1235 is reasonably appropriate to determine whether a recommendation
 1236 addresses the consumer's financial situation, insurance needs,
 1237 and financial objectives, including, at a minimum, the
 1238 following:

- 1239 1. Age.
- 1240 2. Annual income.
- 1241 3. Financial situation and needs, including debts and
 1242 other obligations.
- 1243 4. Financial experience.
- 1244 5. Insurance needs.
- 1245 6. Financial objectives.
- 1246 7. Intended use of the annuity.
- 1247 8. Financial time horizon.
- 1248 9. Existing assets or financial products, including
 1249 investment, annuity, and insurance holdings.
- 1250 10. Liquidity needs.

- 1251 11. Liquid net worth.
- 1252 12. Risk tolerance, including, but not limited to,
 1253 willingness to accept nonguaranteed elements in the annuity.
- 1254 13. Financial resources used to fund the annuity.
- 1255 14. Tax status.
- 1256 (e)~~(e)~~ "FINRA" means the Financial Industry Regulatory
 1257 Authority or a succeeding agency.
- 1258 (f)~~(d)~~ "Insurer" has the same meaning as provided in s.
 1259 624.03.
- 1260 (g) "Intermediary" means an entity contracted directly
 1261 with an insurer or with another entity contracted with an
 1262 insurer to facilitate the sale of the insurer's annuities by
 1263 agents.
- 1264 (h) "Material conflict of interest" means a financial
 1265 interest of the agent in the sale of an annuity which a
 1266 reasonable person would expect to influence the impartiality of
 1267 a recommendation. The term does not include cash compensation or
 1268 noncash compensation.
- 1269 (i) "Noncash compensation" means any form of compensation
 1270 that is not cash compensation, including, but not limited to,
 1271 health insurance, office rent, office support, and retirement
 1272 benefits.
- 1273 (j) "Nonguaranteed elements" means the premiums; credited
 1274 interest rates, including any bonus; benefits; values;
 1275 dividends; noninterest-based credits; charges; or elements of

1276 formulas used to determine any of these, which are subject to
 1277 company discretion and are not guaranteed at issue. An element
 1278 is considered nonguaranteed if any of the underlying
 1279 nonguaranteed elements are used in its calculation.

1280 (k)(e) "Recommendation" means advice provided by an
 1281 ~~insurer or its agent to~~ an individual a consumer which was
 1282 intended to result or does result ~~which would result in a~~ the
 1283 purchase, an exchange, or a replacement of an annuity in
 1284 accordance with that advice. The term does not include general
 1285 communication to the public, generalized customer services,
 1286 assistance or administrative support, general educational
 1287 information and tools, prospectuses, or other product and sales
 1288 material.

1289 (l)(f) "Replacement" means a transaction in which a new
 1290 annuity policy or contract is to be purchased and it is known or
 1291 should be known to the proposing ~~insurer or its agent,~~ or to the
 1292 proposing insurer whether or not an agent is involved, that by
 1293 reason of such transaction an existing annuity or other
 1294 insurance policy has been or is to be any of the following ~~or~~
 1295 ~~contract will be:~~

1296 1. Lapsed, forfeited, surrendered or partially
 1297 surrendered, assigned to the replacing insurer, or otherwise
 1298 terminated;

1299 2. Converted to reduced paid-up insurance, continued as
 1300 extended term insurance, or otherwise reduced in value due to

- 1301 the use of nonforfeiture benefits or other policy values;
- 1302 3. Amended so as to effect a reduction in benefits or the
- 1303 term for which coverage would otherwise remain in force or for
- 1304 which benefits would be paid;
- 1305 4. Reissued with a reduction in cash value; or
- 1306 5. Used in a financed purchase.

1307 (m) "SEC" means the United States Securities and Exchange

1308 Commission.

1309 ~~(g) "Suitability information" means information related to~~

1310 ~~the consumer which is reasonably appropriate to determine the~~

1311 ~~suitability of a recommendation made to the consumer, including~~

1312 ~~the following:~~

- 1313 1. ~~Age;~~
- 1314 2. ~~Annual income;~~
- 1315 3. ~~Financial situation and needs, including the financial~~
- 1316 ~~resources used for funding the annuity;~~
- 1317 4. ~~Financial experience;~~
- 1318 5. ~~Financial objectives;~~
- 1319 6. ~~Intended use of the annuity;~~
- 1320 7. ~~Financial time horizon;~~
- 1321 8. ~~Existing assets, including investment and life~~
- 1322 ~~insurance holdings;~~
- 1323 9. ~~Liquidity needs;~~
- 1324 10. ~~Liquid net worth;~~
- 1325 11. ~~Risk tolerance; and~~

1326 | ~~12. Tax status.~~

1327 | (4) EXEMPTIONS.—Unless otherwise specifically included,

1328 | this section does not apply to transactions involving:

1329 | (a) Direct-response solicitations where there is no

1330 | recommendation based on information collected from the consumer

1331 | pursuant to this section;

1332 | (b) Contracts used to fund:

1333 | 1. An employee pension or welfare benefit plan that is

1334 | covered by the federal Employee Retirement and Income Security

1335 | Act;

1336 | 2. A plan described by s. 401(a), s. 401(k), s. 403(b), s.

1337 | 408(k), or s. 408(p) of the Internal Revenue Code, if

1338 | established or maintained by an employer;

1339 | 3. A government or church plan defined in s. 414 of the

1340 | Internal Revenue Code, a government or church welfare benefit

1341 | plan, or a deferred compensation plan of a state or local

1342 | government or tax-exempt organization under s. 457 of the

1343 | Internal Revenue Code; or

1344 | 4. A nonqualified deferred compensation arrangement

1345 | established or maintained by an employer or plan sponsor;

1346 | (c)5. Settlements or assumptions of liabilities associated

1347 | with personal injury litigation or a dispute or claim-resolution

1348 | process; or

1349 | (d)6. Formal prepaid funeral contracts.

1350 | (5) DUTIES OF INSURERS AND AGENTS.—

1351 (a) An agent, when making a recommendation of an annuity,
1352 shall act in the best interest of the consumer under the
1353 circumstances known at the time the recommendation is made,
1354 without placing the financial interest of the agent or insurer
1355 ahead of the consumer's interest. An agent has acted in the best
1356 interest of the consumer if the agent has satisfied the
1357 following obligations regarding care, disclosure, conflict of
1358 interest, and documentation:

1359 1.a. The agent, in making a recommendation, shall exercise
1360 reasonable diligence, care, and skill to:

1361 (I) Know the financial situation, insurance needs, and
1362 financial objectives of the customer.

1363 (II) Understand the available options after making a
1364 reasonable inquiry into options available to the agent.

1365 (III) Have a reasonable basis to believe the recommended
1366 option effectively addresses the consumer's financial situation,
1367 insurance needs, and financial objectives over the life of the
1368 product, as evaluated in light of the consumer profile
1369 information.

1370 (IV) Communicate the reason or reasons for the
1371 recommendation.

1372 b. The requirements of sub-subparagraph a. include:

1373 (I) Making reasonable efforts to obtain consumer profile
1374 information from the consumer before the recommendation of an
1375 annuity.

1376 (II) Requiring an agent to consider the types of products
1377 the agent is authorized and licensed to recommend or sell which
1378 address the consumer's financial situation, insurance needs, and
1379 financial objectives. This does not require analysis or
1380 consideration of any products outside the authority and license
1381 of the agent or other possible alternative products or
1382 strategies available in the market at the time of the
1383 recommendation. Agents shall be held to standards applicable to
1384 agents with similar authority and licensure.

1385 (III) Having a reasonable basis to believe the consumer
1386 would benefit from certain features of the annuity, such as
1387 annuitization, death or living benefit, or other insurance-
1388 related features.

1389 c. The requirements of this subsection do not create a
1390 fiduciary obligation or relationship and only create a
1391 regulatory obligation as provided in this section.

1392 d. The consumer profile information, characteristics of
1393 the insurer, and product costs, rates, benefits, and features
1394 are those factors generally relevant in making a determination
1395 whether an annuity effectively addresses the consumer's
1396 financial situation, insurance needs, and financial objectives,
1397 but the level of importance of each factor under the care
1398 obligation of this paragraph may vary depending on the facts and
1399 circumstances of a particular case. However, each factor may not
1400 be considered in isolation.

1401 e. The requirements under sub-subparagraph a. apply to the
1402 particular annuity as a whole and the underlying subaccounts to
1403 which funds are allocated at the time of purchase or exchange of
1404 an annuity, and riders and similar product enhancements, if any.

1405 f. Sub-subparagraph a. does not require that the annuity
1406 with the lowest one-time occurrence compensation structure or
1407 multiple occurrence compensation structure shall necessarily be
1408 recommended.

1409 g. Sub-subparagraph a. does not require the agent to have
1410 ongoing monitoring obligations under the care obligation,
1411 although such an obligation may be separately owed under the
1412 terms of a fiduciary, consulting, investment, advising, or
1413 financial planning agreement between the consumer and the agent.

1414 h. In the case of an exchange or replacement of an
1415 annuity, the agent shall consider the whole transaction, which
1416 includes taking into consideration whether:

1417 (I) The consumer will incur a surrender charge; be subject
1418 to the commencement of a new surrender period; lose existing
1419 benefits, such as death, living, or other contractual benefits;
1420 or be subject to increased fees, investment advisory fees, or
1421 charges for riders and similar product enhancements.

1422 (II) The replacing product would substantially benefit the
1423 consumer in comparison to the replaced product over the life of
1424 the product.

1425 (III) The consumer has had another annuity exchange or

1426 replacement and, in particular, an exchange or replacement
1427 within the preceding 60 months.

1428 i. This section does not require an agent to obtain any
1429 license other than an agent license with the appropriate line of
1430 authority to sell, solicit, or negotiate insurance in this
1431 state, including, but not limited to, any securities license, in
1432 order to fulfill the duties and obligations contained in this
1433 section; provided, the agent does not give advice or provide
1434 services that are otherwise subject to securities laws or engage
1435 in any other activity requiring other professional licenses.

1436 2.a. Before the recommendation or sale of an annuity, the
1437 agent shall prominently disclose to the consumer, on a form
1438 substantially similar to that posted on the office website as
1439 Appendix A, related to an insurance agent disclosure for
1440 annuities:

1441 (I) A description of the scope and terms of the
1442 relationship with the consumer and the role of the agent in the
1443 transaction.

1444 (II) An affirmative statement on whether the agent is
1445 licensed and authorized to sell the following products:

1446 (A) Fixed annuities.

1447 (B) Fixed indexed annuities.

1448 (C) Variable annuities.

1449 (D) Life insurance.

1450 (E) Mutual funds.

- 1451 (F) Stocks and bonds.
- 1452 (G) Certificates of deposit.
- 1453 (III) An affirmative statement describing the insurers for
1454 which the agent is authorized, contracted, or appointed, or
1455 otherwise able to sell insurance products, using the following
1456 descriptions:
- 1457 (A) From one insurer;
- 1458 (B) From two or more insurers; or
- 1459 (C) From two or more insurers, although primarily
1460 contracted with one insurer.
- 1461 (IV) A description of the sources and types of cash
1462 compensation and noncash compensation to be received by the
1463 agent, including whether the agent is to be compensated for the
1464 sale of a recommended annuity by commission as part of premium
1465 or other remuneration received from the insurer, intermediary,
1466 or other agent, or by fee as a result of a contract for advice
1467 or consulting services.
- 1468 (V) A notice of the consumer's right to request additional
1469 information regarding cash compensation described in sub-
1470 subparagraph b.
- 1471 b. Upon request of the consumer or the consumer's
1472 designated representative, the agent shall disclose:
- 1473 (I) A reasonable estimate of the amount of cash
1474 compensation to be received by the agent, which may be stated as
1475 a range of amounts or percentages.

1476 (II) Whether the cash compensation is a one-time or
 1477 multiple occurrence amount; and if a multiple occurrence amount,
 1478 the frequency and amount of the occurrence, which may be stated
 1479 as a range of amounts or percentages. ~~When recommending the~~
 1480 ~~purchase or exchange of an annuity to a consumer which results~~
 1481 ~~in an insurance transaction or series of insurance transactions,~~
 1482 ~~the agent, or the insurer where no agent is involved, must have~~
 1483 ~~reasonable grounds for believing that the recommendation is~~
 1484 ~~suitable for the consumer, based on the consumer's suitability~~
 1485 ~~information, and that there is a reasonable basis to believe all~~
 1486 ~~of the following:~~

1487 c.1. Before or at the time of the recommendation or sale
 1488 of an annuity, the agent shall have a reasonable basis to
 1489 believe the consumer has been ~~reasonably~~ informed of various
 1490 features of the annuity, such as the potential surrender period
 1491 and surrender charge; potential tax penalty if the consumer
 1492 sells, exchanges, surrenders, or annuitizes the annuity;
 1493 mortality and expense fees; any annual fees; investment advisory
 1494 fees; potential charges for and features of riders or other
 1495 options of the annuity; limitations on interest returns;
 1496 potential changes in nonguaranteed elements of the annuity;
 1497 insurance and investment components; and market risk.

1498 ~~2. The consumer would benefit from certain features of the~~
 1499 ~~annuity, such as tax-deferred growth, annuitization, or the~~
 1500 ~~death or living benefit.~~

1501 3. An agent shall identify and avoid or reasonably manage
1502 and disclose material conflicts of interest, including material
1503 conflicts of interest related to an ownership interest.

1504 4. An agent shall at the time of the recommendation or
1505 sale:

1506 a. Make a written record of any recommendation and the
1507 basis for the recommendation, subject to this section.

1508 b. Obtain a consumer-signed statement on a form
1509 substantially similar to that posted on the office website as
1510 Appendix B, related to a consumer's refusal to provide
1511 information, documenting:

1512 (I) A customer's refusal to provide the consumer profile
1513 information, if any.

1514 (II) A customer's understanding of the ramifications of
1515 not providing his or her consumer profile information or
1516 providing insufficient consumer profile information.

1517 c. Obtain a consumer-signed statement on a form
1518 substantially similar to that posted on the office website as
1519 Appendix C, related to a consumer's decision to purchase an
1520 annuity not based on a recommendation, acknowledging the annuity
1521 transaction is not recommended if a customer decides to enter
1522 into an annuity transaction that is not based on the agent's
1523 recommendation.

1524 5. Any requirement applicable to an agent under this
1525 subsection applies to every agent who has exercised material

1526 control or influence in the making of a recommendation and has
1527 received direct compensation as a result of the recommendation
1528 or sale, regardless of whether the agent has had any direct
1529 contact with the consumer. Activities such as providing or
1530 delivering marketing or education materials, product wholesaling
1531 or other back office product support, and general supervision of
1532 an agent do not, in and of themselves, constitute material
1533 control or influence.

1534 ~~3. The particular annuity as a whole, the underlying~~
1535 ~~subaccounts to which funds are allocated at the time of purchase~~
1536 ~~or exchange of the annuity, and riders and similar product~~
1537 ~~enhancements, if any, are suitable; and, in the case of an~~
1538 ~~exchange or replacement, the transaction as a whole is suitable~~
1539 ~~for the particular consumer based on his or her suitability~~
1540 ~~information.~~

1541 ~~4. In the case of an exchange or replacement of an~~
1542 ~~annuity, the exchange or replacement is suitable after~~
1543 ~~considering whether the consumer:~~

1544 ~~a. Will incur a surrender charge; be subject to the~~
1545 ~~commencement of a new surrender period; lose existing benefits,~~
1546 ~~such as death, living, or other contractual benefits; or be~~
1547 ~~subject to increased fees, investment advisory fees, or charges~~
1548 ~~for riders and similar product enhancements;~~

1549 ~~b. Would benefit from product enhancements and~~
1550 ~~improvements; and~~

1551 ~~e. Has had another annuity exchange or replacement,~~
 1552 ~~including an exchange or replacement within the preceding 36~~
 1553 ~~months.~~

1554 ~~(b) Before executing a purchase, exchange, or replacement~~
 1555 ~~of an annuity resulting from a recommendation, an insurer or its~~
 1556 ~~agent must make reasonable efforts to obtain the consumer's~~
 1557 ~~suitability information. The information shall be collected on~~
 1558 ~~form DFS-H1-1980, which is hereby incorporated by reference, and~~
 1559 ~~completed and signed by the applicant and agent. Questions~~
 1560 ~~requesting this information must be presented in at least 12-~~
 1561 ~~point type and be sufficiently clear so as to be readily~~
 1562 ~~understandable by both the agent and the consumer. A true and~~
 1563 ~~correct executed copy of the form must be provided by the agent~~
 1564 ~~to the insurer, or to the person or entity that has contracted~~
 1565 ~~with the insurer to perform this function as authorized by this~~
 1566 ~~section, within 10 days after execution of the form, and shall~~
 1567 ~~be provided to the consumer no later than the date of delivery~~
 1568 ~~of the contract or contracts.~~

1569 ~~(c) Except as provided under paragraph (d), an insurer may~~
 1570 ~~not issue an annuity recommended to a consumer unless there is a~~
 1571 ~~reasonable basis to believe the annuity is suitable based on the~~
 1572 ~~consumer's suitability information.~~

1573 ~~(b)1.(d) Except as provided under subparagraph 2., An~~
 1574 ~~insurer's issuance of an annuity must be reasonable based on all~~
 1575 ~~the circumstances actually known to the insurer at the time the~~

1576 ~~annuity is issued. However, an insurer or its agent does not~~
 1577 ~~have~~ does not have an obligation to a consumer related to an
 1578 annuity transaction under subparagraph (a)1. ~~paragraph (a) or~~
 1579 ~~paragraph (c)~~ if:

1580 a.1. A recommendation has not been made;

1581 b.2. A recommendation was made and is later found to have
 1582 been based on materially inaccurate information provided by the
 1583 consumer;

1584 c.3. A consumer refuses to provide relevant consumer
 1585 profile suitability information and the annuity transaction is
 1586 not recommended; or

1587 d.4. A consumer decides to enter into an annuity
 1588 transaction that is not based on a recommendation of the an
 1589 ~~insurer or its~~ agent.

1590 2. An insurer's issuance of an annuity subject to
 1591 subparagraph 1. must be reasonable under all the circumstances
 1592 actually known to the insurer at the time the annuity is issued.

1593 (c)1. Except as permitted under paragraph (b), an insurer
 1594 may not issue an annuity recommended to a consumer unless there
 1595 is a reasonable basis to believe the annuity would effectively
 1596 address the particular consumer's financial situation, insurance
 1597 needs, and financial objectives based on the consumer's consumer
 1598 profile information.

1599 ~~(c) At the time of sale, the agent or the agent's~~
 1600 ~~representative must:~~

1601 ~~1. Make a record of any recommendation made to the~~
 1602 ~~consumer pursuant to paragraph (a);~~
 1603 ~~2. Obtain the consumer's signed statement documenting his~~
 1604 ~~or her refusal to provide suitability information, if~~
 1605 ~~applicable; and~~
 1606 ~~3. Obtain the consumer's signed statement acknowledging~~
 1607 ~~that an annuity transaction is not recommended if he or she~~
 1608 ~~decides to enter into an annuity transaction that is not based~~
 1609 ~~on the insurer's or its agent's recommendation, if applicable.~~
 1610 ~~(f) Before executing a replacement or exchange of an~~
 1611 ~~annuity contract resulting from a recommendation, the agent must~~
 1612 ~~provide on form DFS-H1-1981, which is hereby incorporated by~~
 1613 ~~reference, information that compares the differences between the~~
 1614 ~~existing annuity contract and the annuity contract being~~
 1615 ~~recommended in order to determine the suitability of the~~
 1616 ~~recommendation and its benefit to the consumer. A true and~~
 1617 ~~correct executed copy of this form must be provided by the agent~~
 1618 ~~to the insurer, or to the person or entity that has contracted~~
 1619 ~~with the insurer to perform this function as authorized by this~~
 1620 ~~section, within 10 days after execution of the form, and must be~~
 1621 ~~provided to the consumer no later than the date of delivery of~~
 1622 ~~the contract or contracts.~~
 1623 2.(g) An insurer shall establish and maintain a
 1624 supervision system that is reasonably designed to achieve the
 1625 insurer's and its agent's compliance with this section,

1626 including, but not limited to, the following:-

1627 1. ~~Such system must include, but is not limited to:~~

1628 a. The insurer shall establish and maintain ~~Maintaining~~

1629 reasonable procedures to inform its agents of the requirements

1630 of this section and incorporating those requirements into

1631 relevant agent training manuals.†

1632 b. The insurer shall establish and maintain ~~Establishing~~

1633 standards for agent product training and shall establish and

1634 maintain reasonable procedures to require its agents to comply

1635 with the requirements of subsection (6).†

1636 c. The insurer shall provide ~~Providing~~ product-specific

1637 training and training materials that explain all material

1638 features of its annuity products to its agents.†

1639 d. The insurer shall establish and maintain ~~Maintaining~~

1640 procedures for the review of each recommendation before issuance

1641 of an annuity which are designed to ensure that there is a

1642 reasonable basis to determine the recommended annuity would

1643 effectively address the particular consumer's financial

1644 situation, insurance needs, and financial objectives ~~for~~

1645 ~~determining that a recommendation is suitable.~~ Such review

1646 procedures may use a screening system for identifying selected

1647 transactions for additional review and may be accomplished

1648 electronically or through other means, including, but not

1649 limited to, physical review. Such electronic or other system may

1650 be designed to require additional review only of those

1651 transactions identified for additional review using established
1652 selection criteria.†

1653 e. The insurer shall establish and maintain ~~Maintaining~~
1654 reasonable procedures to detect recommendations that are not in
1655 compliance with paragraphs (a), (b), (d), and (e). This may
1656 include, but is not limited to, suitable, ~~such as~~ confirmation
1657 of consumer profile ~~suitability~~ information, systematic customer
1658 surveys, agent and consumer interviews, confirmation letters,
1659 agent statements or attestations, and internal monitoring
1660 programs. This sub-subparagraph does not prevent an insurer from
1661 using sampling procedures or from confirming the consumer
1662 profile ~~suitability~~ information after the issuance or delivery
1663 of the annuity.† ~~and~~

1664 f. The insurer shall establish and maintain reasonable
1665 procedures to assess, prior to or upon issuance or delivery of
1666 an annuity, whether an agent has provided to the consumer the
1667 information required to be provided under this subsection.

1668 g. The insurer shall establish and maintain reasonable
1669 procedures to identify and address suspicious consumer refusals
1670 to provide consumer profile information.

1671 h. The insurer shall establish and maintain reasonable
1672 procedures to identify and eliminate any sales contests, sales
1673 quotas, bonuses, and noncash compensation that are based on the
1674 sales of specific annuities within a limited period of time. The
1675 requirements of this sub-subparagraph are not intended to

1676 prohibit the receipt of health insurance, office rents, office
1677 support, retirement benefits, or other employee benefits by
1678 employees, as long as those benefits are not based upon the
1679 volume of sales of a specific annuity within a limited period of
1680 time.

1681 i.f. The insurer shall annually provide ~~providing~~ a
1682 written report to senior managers, including the senior manager
1683 who is responsible for audit functions, which details a review,
1684 along with appropriate testing, which is reasonably designed to
1685 determine the effectiveness of the supervision system, the
1686 exceptions found, and corrective action taken or recommended, if
1687 any.

1688 3.2. An insurer is not required to include in its
1689 supervision system:

1690 a. Agent recommendations to consumers of products other
1691 than the annuities offered by the insurer; or

1692 b. Consideration of or comparison to options available to
1693 the agent or compensation relating to those options other than
1694 annuities or other products offered by the insurer.

1695 4.3. An insurer may contract for performance of a
1696 function, including maintenance of procedures, required under
1697 subparagraph 1.

1698 a. An insurer's supervision system under this subsection
1699 shall include supervision of contractual performance under this
1700 subsection, which includes, but is ~~If an insurer contracts for~~

1701 ~~the performance of a function, the insurer must include the~~
 1702 ~~supervision of contractual performance as part of those~~
 1703 ~~procedures listed in subparagraph 1. These include, but are not~~
 1704 limited to:

1705 (I) Monitoring and, as appropriate, conducting audits to
 1706 ensure that the contracted function is properly performed; and

1707 (II) Annually obtaining a certification from a senior
 1708 manager who has responsibility for the contracted function that
 1709 the manager has a reasonable basis to represent, and does
 1710 represent, ~~for representing~~ that the function is being properly
 1711 performed.

1712 b. An insurer is responsible for taking appropriate
 1713 corrective action and may be subject to sanctions and penalties
 1714 pursuant to subsection (8) ~~(7)~~ regardless of whether the insurer
 1715 contracts for performance of a function and regardless of the
 1716 insurer's compliance with sub-subparagraph a.

1717 ~~(d)(h)~~ Neither an agent nor an insurer shall may not
 1718 dissuade, or attempt to dissuade, a consumer from:

1719 1. Truthfully responding to an insurer's request for
 1720 confirmation of consumer profile suitability information;

1721 2. Filing a complaint; or

1722 3. Cooperating with the investigation of a complaint.

1723 ~~(e)1.(i)~~ Recommendations and sales made in compliance with
 1724 comparable standards shall ~~FINRA requirements pertaining to the~~
 1725 ~~suitability and supervision of annuity transactions~~ satisfy the

1726 requirements of this section. This applies to all
1727 recommendations and ~~FINRA broker-dealer~~ sales of variable
1728 annuities made by financial professionals in compliance with
1729 business rules, controls, and procedures that satisfy a
1730 comparable standard even if such standard would not otherwise
1731 apply to the product or recommendation at issue ~~and fixed~~
1732 ~~annuities if the suitability and supervision is similar to those~~
1733 ~~applied to variable annuity sales.~~ However, this paragraph does
1734 not limit the ability of the office or the department to
1735 investigate and enforce, ~~including investigate, the provisions~~
1736 ~~of~~ this section.

1737 2. Subparagraph 1. does not limit the insurer's obligation
1738 to comply with subparagraph (c)1., although the insurer may base
1739 its analysis on information received from either the financial
1740 professional or the entity supervising the financial
1741 professional.

1742 3. For subparagraph 1. this paragraph to apply, an insurer
1743 must:

1744 a.1. Monitor relevant conduct of the financial
1745 professional seeking to rely on subparagraph 1. or the entity
1746 responsible for supervising the financial professional, such as
1747 the financial professional's broker-dealer or an investment
1748 adviser registered under federal or state securities law, ~~the~~
1749 ~~FINRA member broker-dealer~~ using information collected in the
1750 normal course of an insurer's business; and

1751 b.2. Provide to the entity responsible for supervising the
1752 financial professional seeking to rely on subparagraph 1., such
1753 as the financial professional's broker-dealer or investment
1754 adviser registered under federal or state securities laws, ~~FINRA~~
1755 ~~member broker-dealer~~ information and reports that are reasonably
1756 appropriate to assist such entity ~~the FINRA member broker-dealer~~
1757 in maintaining its supervision system.

1758 4. For purposes of this paragraph, the term:

1759 a. "Comparable standards" means:

1760 (I) With respect to broker-dealers and registered
1761 representatives of broker-dealers, applicable SEC and FINRA
1762 rules pertaining to best interest obligations and supervision of
1763 annuity recommendations and sales, including, but not limited
1764 to, Regulation Best Interest, 17 C.F.R. s. 240.151-1, and any
1765 amendments or successor regulations thereto;

1766 (II) With respect to investment advisers registered under
1767 federal or state securities laws or investment adviser
1768 representatives, the fiduciary duties and all other requirements
1769 imposed on such investment advisers or investment adviser
1770 representatives by contract or under the Investment Advisers Act
1771 of 1940 or applicable state securities laws, including, but not
1772 limited to, Form ADV and interpretations; and

1773 (III) With respect to plan fiduciaries or fiduciaries, the
1774 duties, obligations, prohibitions, and all other requirements
1775 attendant to such status under the Employee Retirement Income

1776 Security Act of 1974 or the Internal Revenue Code and any
1777 amendments or successor statutes thereto.

1778 b. "Financial professional" means an agent that is
1779 regulated and acting as:

1780 (I) A broker-dealer registered under federal or state
1781 securities laws or a registered representative of a broker-
1782 dealer;

1783 (II) An investment adviser registered under federal or
1784 state securities laws or an investment adviser representative
1785 associated with the federal or state registered investment
1786 adviser; or

1787 (III) A plan fiduciary under s. 3(21) of the Employee
1788 Retirement Income Security Act of 1974 or fiduciary under s.
1789 4975(e) (3) of the Internal Revenue Code or any amendments or
1790 successor statutes thereto.

1791 (6) AGENT TRAINING.—

1792 (a) An agent shall not solicit the sale of an annuity
1793 product unless the agent has adequate knowledge of the product
1794 to recommend the annuity and the agent is in compliance with the
1795 insurer's standards for product training. An agent may rely on
1796 insurer-provided, product-specific training standards and
1797 materials to comply with this subsection.

1798 (b)1.a. An agent who engages in the sale of annuity
1799 products shall complete a one-time 4-hour training course. This
1800 requirement is not part of an agent's continuing education

1801 requirement in s. 626.2815; however, if a course provider
1802 submits and receives approval from the department, the course is
1803 eligible for continuing education credit pursuant to s.
1804 626.2815.

1805 b. Agents who hold a life insurance line of authority on
1806 January 1, 2024, and who desire to sell annuities shall complete
1807 the requirements of this subsection by July 1, 2024. Individuals
1808 who obtain a life insurance line of authority after January 1,
1809 2024, may not engage in the sale of annuities until the annuity
1810 training course required under this subsection has been
1811 completed.

1812 2. The minimum length of the training required under this
1813 subsection is 4 hours.

1814 3. The training required under this subsection shall
1815 include information on the following topics:

1816 a. The types of annuities and various classifications of
1817 annuities.

1818 b. Identification of the parties to an annuity.

1819 c. How product-specific annuity contract features affect
1820 consumers.

1821 d. The application of income taxation of qualified and
1822 nonqualified annuities.

1823 e. The primary uses of annuities.

1824 f. The appropriate standard of conduct, sales practices,
1825 replacement, and disclosure requirements.

1826 4. Providers of courses intended to comply with this
1827 subsection shall cover all topics listed in the prescribed
1828 outline and shall not present any marketing information or
1829 provide training on sales techniques or provide specific
1830 information about a particular insurer's products. Additional
1831 topics may be offered in conjunction with and in addition to the
1832 required outline.

1833 5. An agent who has completed an annuity training course
1834 before January 1, 2024, shall, by July 1, 2024, complete either:

1835 a. A new 4-hour training course; or

1836 b. An additional 1-hour training course on appropriate
1837 sales practices, replacement, and disclosure requirements under
1838 this section.

1839 6. Annuity training courses may be conducted and completed
1840 by classroom or self-study methods.

1841 7. Providers of annuity training shall issue certificates
1842 of completion.

1843 8. The satisfaction of the training requirements of
1844 another state that are substantially similar to the provisions
1845 of this subsection shall be deemed to satisfy the training
1846 requirements of this subsection in this state.

1847 9. The satisfaction of the training requirements of any
1848 course or courses with components substantially similar to the
1849 provisions of this subsection shall be deemed to satisfy the
1850 training requirements of this subsection in this state.

1851 10. An insurer shall verify that an agent has completed
 1852 the annuity training course required under this subsection
 1853 before allowing the agent to sell an annuity product for that
 1854 insurer.

1855 ~~(7)(6)~~ RECORDKEEPING.—

1856 (a) Insurers and agents must maintain or be able to make
 1857 available to the office or department records of the information
 1858 collected from the consumer and other information used in making
 1859 the recommendations that were the basis for insurance
 1860 transactions for 5 years after the insurance transaction is
 1861 completed by the insurer. An insurer may maintain the
 1862 documentation on behalf of its agent.

1863 (b) Records required to be maintained under this
 1864 subsection may be maintained in paper, photographic,
 1865 microprocess, magnetic, mechanical, or electronic media, or by
 1866 any process that accurately reproduces the actual document.

1867 ~~(8)(7)~~ COMPLIANCE MITIGATION; PENALTIES.—

1868 (a) An insurer is responsible for compliance with this
 1869 section. If a violation occurs because of the action or inaction
 1870 of the insurer or its agent which results in harm to a consumer,
 1871 the office may order the insurer to take reasonably appropriate
 1872 corrective action for the consumer and may impose appropriate
 1873 penalties and sanctions.

1874 (b) The department may order:

1875 1. An ~~insurance~~ agent to take reasonably appropriate

1876 corrective action for a consumer harmed by a violation of this
 1877 section by the ~~insurance~~ agent, including monetary restitution
 1878 of penalties or fees incurred by the consumer, and impose
 1879 appropriate penalties and sanctions.

1880 2. A managing general agency or insurance agency that
 1881 employs or contracts with an ~~insurance~~ agent to sell or solicit
 1882 the sale of annuities to consumers to take reasonably
 1883 appropriate corrective action for a consumer harmed by a
 1884 violation of this section by the ~~insurance~~ agent.

1885 (c) In addition to any other penalty authorized under
 1886 chapter 626, the department shall order an insurance agent to
 1887 pay restitution to a consumer who has been deprived of money by
 1888 the agent's misappropriation, conversion, or unlawful
 1889 withholding of moneys belonging to the consumer in the course of
 1890 a transaction involving annuities. The amount of restitution
 1891 required to be paid may not exceed the amount misappropriated,
 1892 converted, or unlawfully withheld. This paragraph does not limit
 1893 or restrict a person's right to seek other remedies as provided
 1894 by law.

1895 (d) Any applicable penalty under the Florida Insurance
 1896 Code for a violation of this section shall be reduced or
 1897 eliminated according to a schedule adopted by the office or the
 1898 department, as appropriate, if corrective action for the
 1899 consumer was taken promptly after a violation was discovered.

1900 (e) A violation of this section does not create or imply a

1901 private cause of action.

1902 (9)~~(8)~~ PROHIBITED CHARGES.—An annuity contract issued to a
 1903 senior consumer age 65 or older may not contain a surrender or
 1904 deferred sales charge for a withdrawal of money from an annuity
 1905 exceeding 10 percent of the amount withdrawn. The charge shall
 1906 be reduced so that no surrender or deferred sales charge exists
 1907 after the end of the 10th policy year or 10 years after the date
 1908 of each premium payment if multiple premiums are paid, whichever
 1909 is later. This subsection does not apply to annuities purchased
 1910 by an accredited investor, as defined in Regulation D as adopted
 1911 by the United States Securities and Exchange Commission, or to
 1912 those annuities specified in paragraph (4) (b).

1913 (10)~~(9)~~ RULES.—The department and the commission may adopt
 1914 rules to administer this section. The department may adopt by
 1915 rule the forms prescribed in the National Association of
 1916 Insurance Commissioners Suitability in Annuity Transactions
 1917 Model Regulation Appendix A - Insurance Agent (Producer)
 1918 Disclosure for Annuities, Appendix B - Consumer Refusal to
 1919 Provide Information, and Appendix C - Consumer Decision to
 1920 Purchase an Annuity Not Based on a Recommendation.

1921 Section 17. Subsection (5) is added to section 627.70132,
 1922 Florida Statutes, to read:

1923 627.70132 Notice of property insurance claim.—

1924 (5) For loss assessment claims made under s. 627.714, the
 1925 notice of claim must be given to the insurer in accordance with

1926 | the terms of the policy within 3 years after the date of loss.

1927 | Section 18. Paragraph (b) of subsection (8) of section
 1928 | 634.041, Florida Statutes, is amended to read:

1929 | 634.041 Qualifications for license.—To qualify for and
 1930 | hold a license to issue service agreements in this state, a
 1931 | service agreement company must be in compliance with this part,
 1932 | with applicable rules of the commission, with related sections
 1933 | of the Florida Insurance Code, and with its charter powers and
 1934 | must comply with the following:

1935 | (8)

1936 | (b) A service agreement company does not have to establish
 1937 | and maintain an unearned premium reserve if it secures and
 1938 | maintains contractual liability insurance in accordance with the
 1939 | following:

1940 | 1. Coverage of 100 percent of the claim exposure is
 1941 | obtained from an insurer approved by the office, which holds a
 1942 | certificate of authority under s. 624.401 to do business within
 1943 | this state, or secured through a risk retention group, which is
 1944 | authorized to do business within this state under s. 627.943 or
 1945 | s. 627.944. Such insurer or risk retention group must maintain a
 1946 | surplus as regards policyholders of at least \$15 million.

1947 | 2. If the service agreement company does not meet its
 1948 | contractual obligations, the contractual liability insurance
 1949 | policy binds its issuer to pay or cause to be paid to the
 1950 | service agreement holder all legitimate claims and cancellation

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

1955 3. If the issuer of the contractual liability policy is
 1956 fulfilling the service agreements covered by the contractual
 1957 liability policy and the service agreement holder cancels the
 1958 service agreement, the issuer must make a full refund of
 1959 unearned premium to the consumer, subject to the cancellation
 1960 fee provisions of s. 634.121(3). The sales representative and
 1961 agent must refund to the contractual liability policy issuer
 1962 their unearned pro rata commission.

1963 4. The policy may not be canceled, terminated, or
 1964 nonrenewed by the insurer or the service agreement company
 1965 unless a 90-day written notice thereof has been given to the
 1966 office by the insurer before the date of the cancellation,
 1967 termination, or nonrenewal.

1968 5. The service agreement company must provide the office
 1969 with the claims statistics.

1970 6. A policy issued in compliance with this paragraph may
 1971 either pay 100 percent of claims as they are incurred, or 100
 1972 percent of claims due in the event of the failure of the service
 1973 agreement company to pay such claims when due.

1974
 1975 All funds or premiums remitted to an insurer by a motor vehicle

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

1987 Section 19. Paragraphs (d), (e), and (f) of subsection
 1988 (17) of section 634.401, Florida Statutes, are amended to read:

1989 634.401 Definitions.—As used in this part, the term:

1990 (17) "Manufacturer" means any entity or its affiliate
 1991 which:

1992 ~~(d) Maintains outstanding debt obligations, if any, rated~~
 1993 ~~in the top four rating categories by a recognized rating~~
 1994 ~~service;~~

1995 (d)-(e) Has and maintains at all times, a minimum net worth
 1996 of at least \$100 ~~\$10~~ million as evidenced by certified financial
 1997 statements prepared by an independent certified public
 1998 accountant in accordance with generally accepted accounting
 1999 principles; and

2000 (e)-(f) Is authorized to do business in this state.

2001 Section 20. Paragraph (a) of subsection (7) of section
 2002 634.406, Florida Statutes, is amended to read:
 2003 634.406 Financial requirements.—
 2004 (7) An association licensed under this part and holding no
 2005 other license under part I or part II of this chapter is not
 2006 required to establish an unearned premium reserve or maintain
 2007 contractual liability insurance and may allow its premiums to
 2008 exceed the ratio to net assets limitation of this section if the
 2009 association complies with the following:
 2010 (a) The association or, if the association is a direct or
 2011 indirect wholly owned subsidiary of a parent corporation, its
 2012 parent corporation has, and maintains at all times, a minimum
 2013 net worth of at least \$100 million and provides the office with
 2014 the following:
 2015 1. A copy of the association's annual audited financial
 2016 statements or the audited consolidated financial statements of
 2017 the association's parent corporation, prepared by an independent
 2018 certified public accountant in accordance with generally
 2019 accepted accounting principles, which clearly demonstrate the
 2020 net worth of the association or its parent corporation to be
 2021 \$100 million and a quarterly written certification to the office
 2022 that such entity continues to maintain the net worth required
 2023 under this paragraph.
 2024 2. The association's, or its parent corporation's, Form
 2025 10-K, Form 10-Q, or Form 20-F as filed with the United States

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

2033
 2034 Failure to timely file the documents required under this
 2035 paragraph may, at the discretion of the office, subject the
 2036 association to suspension or revocation of its license under
 2037 this part. ~~An association or parent corporation demonstrating~~
 2038 ~~compliance with subparagraphs 1. and 2. must maintain~~
 2039 ~~outstanding debt obligations, if any, rated in the top four~~
 2040 ~~rating categories by a recognized rating service.~~

2041 Section 21. Except as otherwise expressly provided in this
 2042 act, this act shall take effect July 1, 2023.