



Government Operations & Technology Appropriations Subcommittee

**Tuesday, February 6, 2018
10:00 AM – 11:30 AM
Morris Hall (17 HOB)**

Meeting Packet



The Florida House of Representatives

Appropriations Committee

Government Operations & Technology Appropriations Subcommittee

Richard Corcoran
Speaker

Blaise Ingoglia
Chair

AGENDA

Tuesday, February 6, 2018

17 HOB (Morris Hall)

10:00 -11:30 A.M.

- I. Call to Order / Roll Call
- II. Opening Remarks
- III. Consideration of the following bill(s):
 - CS/HB 309 by Oversight, Transparency & Administration Subcommittee, Antone and Mercado
 - CS/HB 1073 by Insurance & Banking Subcommittee and Hager
 - HB 1437 by Abruzzo
- IV. Closing Remarks/Meeting Adjourned

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 309 Fire Safety

SPONSOR(S): Oversight, Transparency & Administration Subcommittee, Antone and others

TIED BILLS: IDEN./SIM. **BILLS:** CS/SB 394

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Oversight, Transparency & Administration Subcommittee	10 Y, 0 N, As CS	Moore	Harrington
2) Government Operations & Technology Appropriations Subcommittee		Helping 	Topp 
3) Government Accountability Committee			

SUMMARY ANALYSIS

The Chief Financial Officer is designated by law as the State Fire Marshal, operating through the Division of State Fire Marshal (division). Pursuant to this authority, the State Fire Marshal regulates, trains, and certifies fire service personnel; investigates the causes of fires; enforces arson laws; regulates the installation of fire equipment; conducts firesafety inspections of state property; develops firesafety standards; provides facilities for the analysis of fire debris; and operates the Florida State Fire College.

The division is required to establish courses and course examinations to provide the training required to obtain a Firefighter Certificate of Compliance, a Special Certificate of Compliance, and a Volunteer Firefighter Certificate. The division is also responsible for assisting in making a firefighter's place of employment a safer place to work and decreasing the frequency and severity of on-the-job injuries.

The bill requires the division to establish, by rule, courses to provide training for career and volunteer firefighters related to cancer and mental health risks within the fire service. Such training must be a requirement for obtaining a Firefighter Certificate of Compliance, a Volunteer Firefighter Certificate of Completion, or a Special Certificate of Compliance. The training must include cancer and mental health awareness, prevention, mitigation, and treatment as well as lifestyle, environmental, inherited, and occupational risks and must emphasize appropriate behavior, attitude, and cultural changes within the fire service. The bill requires certified firefighters to have such training available to them.

The bill also authorizes the division to adopt rules for providing education and training related to cancer and mental health risks within the fire service.

The bill may have an insignificant negative fiscal impact on the Department of Financial Services.

The bill has an effective date of July 1, 2018

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

State Fire Marshal

Chapter 633, F.S., governs state law on fire prevention and control. The Chief Financial Officer is designated as the State Fire Marshal, operating through the Division of State Fire Marshal (division).¹ Pursuant to this authority, the State Fire Marshal regulates, trains, and certifies fire service personnel; investigates the causes of fires; enforces arson laws; regulates the installation of fire equipment; conducts firesafety inspections of state property; develops firesafety standards; provides facilities for the analysis of fire debris; and operates the Florida State Fire College.

Qualifications and Curriculum Requirements for Firefighters

A person applying for certification as a firefighter must:

- Be a high school graduate or the equivalent and at least 18 years of age;
- Not have been convicted of a misdemeanor relating to the certification or to perjury or false statements, or a felony or a crime punishable by imprisonment of one year or more, or be dishonorably discharged from the Armed Forces of the United States;
- Submit a set of fingerprints to the division with a current processing fee;
- Have a good moral character;
- Be in good physical condition; and
- Be a nonuser of tobacco or tobacco products for at least one year immediately preceding application.²

The division is responsible for establishing a Minimum Standards Course and course examination to provide the training required to obtain a Firefighter Certificate of Compliance.³ The division must issue a Firefighter Certificate of Compliance to an individual who does all of the following:

- Satisfactorily completes the Minimum Standards Course or has satisfactorily completed training for firefighters in another state that has been determined by the division to be at least the equivalent of the training required for the Minimum Standards Course;
- Passes the Minimum Standards Course examination within 12 months after completing the required courses; and
- Possesses the qualifications described above for certification as a firefighter.⁴

In addition, the division is required to establish a course and a course examination to provide training required to obtain a Special Certificate of Compliance.⁵ A Special Certificate of Compliance only authorizes an individual to serve as an administrative and command head of a fire service provider.⁶ The division must issue a Special Certificate of Compliance to an individual who does all of the following:

- Satisfactorily completes the course established by the division;
- Passes the course examination established by the division; and
- Possesses the qualifications described above for certification as a firefighter.

¹ Section 633.104, F.S.

² Section 633.412, F.S.

³ Section 633.408(1)(a), F.S.

⁴ Section 633.408(4), F.S.

⁵ Section 633.408(1)(b), F.S.

⁶ Section 633.408(6)(b), F.S. The term "fire service provider" means a municipality or county, the state, the division, or any political subdivision of the state, including authorities and special districts, that employs firefighters or uses volunteer firefighters to provide fire extinguishment or fire prevention services for the protection of life and property. The term includes any organization under contract or other agreement with such entity to provide such services. Section 633.102(13), F.S.

The division is also required to establish a course to provide training required to obtain a Volunteer Firefighter Certificate of Completion.⁷ The division must issue a Volunteer Firefighter Certificate of Completion to any individual who satisfactorily completes the course. The training for a volunteer firefighter requires completion of Part I of the Minimum Standards Course.

Workplace Safety

The division is responsible for assisting in making a firefighter employee's⁸ place of employment a safer place to work and decreasing the frequency and severity of on-the-job injuries. In carrying out these duties, the division is authorized to adopt rules for the purpose of ensuring safe working conditions for all firefighter employees by authorizing the enforcement of effective standards, by assisting and encouraging firefighter employers⁹ to maintain safe working conditions, and by providing for education and training in the field of safety.¹⁰

Effect of the Bill

The bill requires the division to establish, by rule, courses to provide training for career and volunteer firefighters related to cancer and mental health risks within the fire service. Such training must be a requirement for obtaining a Firefighter Certificate of Compliance, a Volunteer Firefighter Certificate of Completion, or a Special Certificate of Compliance. The training must include cancer and mental health awareness, prevention, mitigation, and treatment as well as lifestyle, environmental, inherited, and occupational risks and must emphasize appropriate behavior, attitude, and cultural changes within the fire service. The bill requires certified firefighters to have such training available to them.

The bill authorizes the division to adopt rules for providing education and training related to cancer and mental health risks within the fire service.

B. SECTION DIRECTORY:

Section 1. amends s. 633.408, F.S., relating to firefighter and volunteer firefighter training and certification.

Section 2. amends s. 633.508, F.S., relating to workplace safety.

Section 3. provides an effective date of July 1, 2018.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

⁷ Section 633.408(1)(b), F.S.

⁸ The term "firefighter employee" means a firefighter, volunteer firefighter, or individual providing support services who is engaged in any employment, public or private, under any appointment or contract of hire or apprenticeship, express or implied, oral or written, whether lawfully or unlawfully employed, responding to or assisting with fire or medical emergencies, regardless of whether on duty, except those appointed under s. 590.02(1)(d). Section 633.504(1), F.S.

⁹ The term "firefighter employer" means the state and all political subdivisions of the state; all public and quasi-public corporations in the state; and a person carrying on any employment for the state, political subdivisions of the state, and public and quasi-public corporations in the state that employs firefighter employees, except those appointed under s. 590.02(1)(d). Section 633.504(2), F.S.

¹⁰ Section 633.508(1) and (2), F.S.

2. Expenditures:

The bill may have an indeterminate, but insignificant negative fiscal impact on the Department of Financial Services' Division of State Fire Marshal to modify the current curriculum for firefighter and volunteer firefighter training and certification. According to the division, this will result in either an increase in the number of hours to complete the training or the removal of other subject materials from the curriculum. The changes in training will also require the state's certification examinations to be adjusted to address the new topics taught during training.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. The bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill requires the division to establish, by rule, courses to provide training for career and volunteer firefighters related to cancer and mental health risks within the fire service. The bill also authorizes the division to adopt rules for providing education and training related to cancer and mental health risks within the fire service.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 30, 2018, the Oversight, Transparency & Administration Subcommittee adopted an amendment and reported the bill favorably as a committee substitute. The amendment removed a provision from the bill that required a firefighter to be a nonuser of tobacco or tobacco products during his or her career in the fire service.

This analysis is drafted to the committee substitute as approved by the Oversight, Transparency & Administration Subcommittee.

1 A bill to be entitled
2 An act relating to fire safety; amending s. 633.408,
3 F.S.; requiring the Division of State Fire Marshal to
4 establish specified courses as a part of firefighter
5 and volunteer firefighter training and certification;
6 amending s. 633.508, F.S.; specifying the division's
7 authority to adopt rules for training related to
8 cancer and mental health risks within the fire
9 service; providing an effective date.

10
11 Be It Enacted by the Legislature of the State of Florida:

12
13 Section 1. Paragraph (d) is added to subsection (1) of
14 section 633.408, Florida Statutes, to read:

15 633.408 Firefighter and volunteer firefighter training and
16 certification.—

17 (1) The division shall establish by rule:

18 (d) Courses to provide training for career and volunteer
19 firefighters related to cancer and mental health risks within
20 the fire service. Such training must be a requirement for
21 obtaining a Firefighter Certificate of Compliance, Volunteer
22 Firefighter Certificate of Completion, or Special Certificate of
23 Compliance. The training must include cancer and mental health
24 awareness, prevention, mitigation, and treatment. The training
25 must specifically include lifestyle, environmental, inherited,

26 and occupational risks, and emphasize appropriate behavior,
27 attitude, and cultural changes within the fire service.
28 Certified firefighters shall have such training made available
29 to them.

30 Section 2. Subsection (2) of section 633.508, Florida
31 Statutes, is amended to read:

32 633.508 Workplace safety; rulemaking authority; division
33 authority.—

34 (2) The division shall have the authority to adopt rules
35 for the purpose of ensuring safe working conditions for all
36 firefighter employees by authorizing the enforcement of
37 effective standards, by assisting and encouraging firefighter
38 employers to maintain safe working conditions, and by providing
39 for education and training in the field of safety, including
40 training related to cancer and mental health risks within the
41 fire service. Specifically, the division may by rule adopt the
42 most current edition of all or any part of subparts C through T
43 and subpart Z of 29 C.F.R. s. 1910; the National Fire Protection
44 Association, Inc., Publication 1403, Standard on Live Fire
45 Training Evolutions, as limited by subsection (6); and ANSI A
46 10.4.

47 Section 3. This act shall take effect July 1, 2018.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 1073 Department of Financial Services
SPONSOR(S): Insurance and Banking Subcommittee, Hager
TIED BILLS: IDEN./SIM. BILLS: SB 1292

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Insurance & Banking Subcommittee	14 Y, 0 N, As CS	Bowen	Luczynski
2) Government Operations & Technology Appropriations Subcommittee		Helping <i>Off</i>	Topp <i>BST</i>
3) Commerce Committee			

SUMMARY ANALYSIS

The bill modifies several areas regulated by the Department of Financial Services (DFS), including:

- Deeming electronic images of all records as original documents as used by the Division of Treasury;
- Requiring that financial literacy curriculum be completed before a child may remain in licensed care or receive post-secondary support services. It also requires that financial literacy be addressed in a foster youth's transition plan;
- Exempting qualifying veterans from certain application fees for licensure under the Florida Funeral, Cemetery, and Consumer Services Act;
- Allowing for the transfer of \$2 million in funds from the Consumer Protection Trust Fund to be used for operational costs and for acquiring information technology infrastructure in the Division of Funeral, Cemetery and Consumer Services;
- Changing the managing general agent license to an appointment and allows a general lines agent to obtain a managing general agent appointment;
- Deeming fingerprint submissions to be valid for 48 months for currently licensed individuals seeking additional licensure under ch. 626, F.S., and for bail bond agents under ch. 648, F.S.;
- Reducing the number of insurance policies that can be written each year, with an insurer by an unappointed agent from 24 to 4;
- Eliminating an affidavit requirement for nonresident public and all-lines insurance adjusters;
- Adding that DFS may utilize the Anti-Fraud Reward Program to pay rewards for tips relating to arson;
- Clarifying the terms of members of the Florida Fire and Safety Board;
- Allowing franchisees to operate under the fire equipment dealer license of their parent company;
- Modifying the requirements for the firefighter Special Certificate of Compliance; and
- Allowing fire service providers to employ veterans who have received equivalent training.

Regarding the Division of Risk Management (DRM), the bill:

- Makes it mandatory that agency safety coordinators complete the safety coordinator training offered by DFS within one year of being appointed to his or her position;
- Requires agencies to report to DFS on their return-to-work and risk management programs;
- Requires each agency to communicate with DRM about discrepancies in claims and loss records, and about any inquiries identifying conditions or trends that may lead to claims involving the state; and
- Allows DRM to share personal identifying information of individual workers' compensation claims with its contracted vendors, for the purpose of ascertaining claimant history to investigate the compensability of a claim or to identify and prevent fraud.

The bill has an insignificant negative fiscal impact on state government revenues and an indeterminate fiscal impact on the private sector (See *Fiscal Analysis and Economic Impact Statement*). The bill does not affect local expenditures or local revenues.

The bill has an effective date of July 1, 2018.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h1073b.GOT.DOCX

DATE: 2/1/2018

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Reproductions of Certain Warrants, Records, and Documents (Section 1)

Current law authorizes the Division of Treasury to reproduce documents¹ and deems photographs, microphotographs, or reproductions on film of documents to be original records.² Use of these mediums is an obsolete method for fulfilling warrant image requests.

Effect of the bill

The bill deems electronic images of warrants, vouchers, or checks to be original records for all purposes. It also replaces the applicable medium from film or print to electronic, in provisions relating to copies and reproductions of records and documents of the division.

Financial Literacy for Foster Youth (Sections 3, 4, 7)

Foster care transition plans must be developed during the 180-day period after a child reaches 17 years of age. The transition plan must be developed by the child, with assistance from the Department of Children and Families (DCF) and the community-based care provider, in collaboration with the caregiver and any other individual the child would like to include. The transition plan is in addition to standard case management requirements and must address specific options for the child to use in obtaining services, including housing, health insurance, education, a driver license, and workforce support and employment services.³

A child who is living in licensed care on his or her 18th birthday and who has not achieved permanency under s. 39.6251, F.S., is eligible to remain in licensed care if he or she is:

- Completing secondary education or a program leading to an equivalent credential;
- Enrolled in an institution that provides postsecondary or vocational education;
- Participating in a program that promotes or eliminates barriers to employment;
- Employed for at least 80 hours a month; or
- Unable to participate in the above programs due to certain circumstances.⁴

The Road-to-Independence Program (Program) provides young adults, who were previously living in licensed care, an opportunity to receive postsecondary education services and support if certain conditions are met.⁵ Among other conditions, the young adult must have earned a high school diploma, been admitted to a postsecondary educational institution, have reached 18 years of age but is not yet 23 years old, applied for any available scholarship and grants, submitted a Free Application for Federal Student Aid, and signed an agreement to allow DCF to access his or her school records.⁶ The Program also makes aftercare services available to young adults who were previously living in licensed care and are currently not receiving funds available under s. 409.1451(2), F.S., to pursue postsecondary education.⁷ Aftercare services include mentoring and tutoring, various skills trainings, mental health and substance abuse counseling, temporary financial assistance for necessities, and financial literacy skills training.⁸

¹ s. 17.64(2), F.S.

² s. 17.64(1), F.S.

³ s. 39.6035(1), F.S.

⁴ s. 39.6251(2), F.S.

⁵ s. 409.1451, F.S.

⁶ s. 409.1451(2), F.S.

⁷ s. 409.1451(3), F.S.

⁸ s. 409.1452(3)(b), F.S.

Effect of the bill

The bill adds a requirement that the transition plan also address financial literacy. It also requires that DCF and the community-based provider provide information for the financial literacy curriculum for foster youth offered by DFS and require completion of the curriculum with a passing score before receiving aftercare or continuing care services.

The bill adds that a child can be eligible to remain in licensed care after his or her 18th birthday, if he or she has completed the financial literacy curriculum for foster youth offered by DFS. It also updates a cross reference related to an exception where a child in licensed care may continue receiving care despite not meeting certain requirements.

The bill adds an additional condition that the young adult complete the financial literacy curriculum for foster youth with a passing score in order to receive postsecondary education services and support through the Road-to-Independence Program. Additionally, the bill provides that the financial literacy skills training available under aftercare services shall be the curriculum offered by DFS.

DIVISION OF RISK MANAGEMENT

The Division of Risk Management (DRM) is responsible for the management of claims reported by or against state agencies and universities for coverage under the self-insurance fund known as the "State Risk Management Trust Fund."⁹

Risk Management (Section 5 & 6)

Under current law, the head of each department of state government, except the Legislature, must designate a safety coordinator and DFS must provide the appropriate training to the safety coordinators.¹⁰ Currently, there is no requirement that safety coordinators attend the training provided by DFS.

In accordance with s. 284.50(3), F.S., DFS and all agencies employing more than 3,000 full-time employees must maintain return-to-work programs for employees receiving workers' compensation benefits.¹¹ DFS is required to submit an annual report on the state insurance program, including agency return-to-work programs;¹² however, there is currently no requirement that agencies with return-to-work programs report any program information to DFS. According to DFS, several do not voluntarily provide return-to-work program information, and therefore DFS is not able to provide a complete and accurate report.¹³

Additionally, under s. 284.50(4), F.S., DRM is required to evaluate each agency's risk management programs at least once every five years. There is currently no statutory requirement that agencies provide the information DRM needs to perform such evaluation.

DRM routinely sends agencies reports of their claims and losses for review and notifies agencies of any unsafe conditions, trends, incidents, etc., that may lead to accidents or claims involving the state.¹⁴ Currently, agencies are not required to notify DRM of any discrepancies between the reports and their

⁹ DIVISION OF RISK MANAGEMENT, <https://myfloridacfo.com/Division/Risk/default.htm> (last visited Jan. 19, 2018).

¹⁰ s. 284.50(1), F.S.

¹¹ Return-to-work programs aim to enable injured workers to remain at work or return to work to perform job duties within the physical or mental functional limitations and restrictions. s. 284.50(3), F.S.

¹² s. 284.42(1), F.S.

¹³ Department of Financial Services, Agency Analysis of 2018 House Bill 1073, p. 3 (Dec. 29, 2017).

¹⁴ *Id.*

records nor are they required to respond to communications from DRM identifying conditions or trends that may lead to claims involving the state.¹⁵

In 2017, HB 1107¹⁶ was passed, creating s. 440.1851, F.S., to restrict DFS's sharing of personal identifying information on workers' compensation claims by making the information confidential and exempt from public record disclosure requirements. This change had the unintended consequence of restricting the information that DRM can share with its contracted vendors to perform its duty of administering state employee workers' compensation claims. Under s. 440.1851, F.S., DRM's data sharing agreements with vendors, such as Insurance Services Office/Verisk Analytics, may be prohibited and, thus, is keeping DRM from sharing such information with the vendors. This hinders DRM in its efforts to obtain an accurate history of preexisting conditions, investigate compensability, and prevent fraud.

Effect of the bill

The bill makes the following changes to the state's safety management programs:

- Makes it mandatory that the safety coordinators complete the safety coordinator training offered by DFS within one year of being appointed to his or her position;
- Requires agencies employing more than 3,000 full-time employees to report return-to-work information to DFS to assist in their mandatory reporting requirement under s. 284.42(1)(b), F.S.;
- Requires each agency to provide risk management program information to DRM in support of the DRM's requirement to evaluate and report on agency risk management programs as mandated in s. 284.50(4), F.S.;
- Requires each agency to review information provided by DRM on claims and losses and identify and report any discrepancies between the agency's records and DRM's records;
- Requires each agency to respond to communications from DRM identifying conditions or trends that may lead to claims involving the state; and
- Allows DRM to participate in data sharing agreements with its contracted vendors when administering workers' compensation claims.

DIVISION OF FUNERAL, CEMETERY, AND CONSUMER SERVICES

The Board of Funeral, Cemetery, and Consumer Services within DFS is charged with regulating cemeteries, funeral directing, embalming, preneed sales, monument establishments, cremation, crematories, and direct disposition under ch. 497, F.S., The Division of Funeral, Cemetery, and Consumer Services (FCCS) within DFS administers the provisions of ch. 497, F.S., on behalf of the board.

Exemptions for Members of the United States Armed Forces from Certain Application Fees (Section 9)

Effect of the bill

The bill exempts certain members of the United States Armed Forces or veterans of the United States Armed Forces from the initial application filing fee for certain licenses under FCCS. To qualify for the exemption, a veteran applicant must have been honorably discharged within 24-months before the date of application for licensure. Applicants must provide appropriate identification or documentation as specified in the bill to prove they qualify. The exemption, among others, includes licenses for embalmers, intern embalmers, apprentice embalmers, funeral directors, and intern funeral directors.

¹⁵ *Id.*

¹⁶ Ch. 2017-185, Laws of Fla.

Preneed Funeral Contract Consumer Protection Trust Fund (Section 10)

The Legislature established the Preneed Funeral Contract Consumer Protection Trust Fund (CPTF) to provide restitution for people who entered into a preneed contract and the preneed licensee failed to provide the benefit of the preneed contract.¹⁷ A “preneed contract” is any arrangement or method, of which the provider of funeral merchandise or services has actual knowledge, whereby any person agrees to furnish funeral merchandise or service in the future. Examples of burial or funeral merchandise are caskets, outer burial containers, urns, monuments, flowers, and register books. A “burial service” is any service offered or provided in connection with the final disposition, memorialization, interment, entombment, or inurnment of human remains or cremated remains.¹⁸

For each preneed funeral contract written, the preneed licensee pays a \$1.00 fee¹⁹ into the CPTF. The CPTF currently has a balance of approximately \$8,800,000²⁰ and there is no cap on the amount that may be maintained. In the past 10 years, the CPTF had a maximum annual expenditure of approximately \$202,000.²¹ In addition, in six out of the past 10 years the expenditures did not exceed \$100,000.²² For the past 10 years, the annual revenue of the fund has been over \$250,000 per year.²³ The following chart shows the fees, interest, total revenues, and expenditures for the CPTF for the past 10 years.²⁴

Fiscal Year	Fees	Interest	Total	Expenditures
FY 2007/2008	\$139,577.63	\$398,485.17	\$538,062.80	\$60,570.72
FY 2008/2009	\$76,708.36	\$201,281.59	\$277,989.95	\$77,228.30
FY 2009/2010	\$94,698.50	\$197,442.18	\$292,140.68	\$64,173.61
FY 2010/2011	\$112,763.95	\$202,032.01	\$314,795.96	\$65,495.47
FY 2011/2012	\$99,041.00	\$197,219.38	\$296,260.38	\$166,814.22
FY 2012/2013	\$100,691.00	\$154,291.34	\$254,982.34	\$92,196.40
FY 2013/2014	\$193,268.00	\$93,228.11	\$286,496.11	\$92,840.13
FY 2014/2015	\$115,475.50	\$136,885.82	\$252,361.32	\$202,471.51
FY 2015/2016	\$117,436.00	\$133,891.42	\$251,327.42	\$149,851.68
FY 2016/2017	\$120,573.45	\$137,720.16	\$258,293.61	\$178,839.87

FCCS is currently using outdated technology and database systems, many of which are unsupported by the DFS’s Office of Information Technology. The outdated technology prevents them from, among other things, operating an online application system.²⁵

Effect of the bill

The bill allows DFS to make a one-time transfer of up to \$2 million from the CPTF to the Regulatory Trust Fund for the purpose of acquiring information technology infrastructure and for the payment of expenses of the licensing authority in carrying out its responsibilities under ch. 497, F.S., and as prescribed by rule. It also allows for the annual transfer of the accrued interest from the preceding fiscal year for five years starting in 2018. The authority to transfer funds expires on August 31, 2022.

¹⁷ s. 497.456, F.S.

¹⁸ s. 497.005 (7), (9), (61), F.S.

¹⁹ s. 497.456(12), F.S.; Rule 69K-10.003(2), F.A.C.

²⁰ Department of Financial Services, Agency Analysis of 2018 House Bill 1073, p. 4 (Dec. 29, 2017).

²¹ *Id.*

²² *Id.*

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

DIVISION OF AGENT AND AGENCY SERVICES

The Division of Agent and Agency Services (A&A) regulates and manages the licensure of insurance agents, adjusters, limited surety (bail bond) agents, and other insurance-related entities.²⁶

Managing General Agent Licensure (Sections 12, 14, 16, 17, 18, 19, 21, 26, 27, 28, 29, 30, 36 & 46)

A managing general agent (MGA) is defined as any person managing all or part of the insurance business of an insurer, including the management of a separate division, department, or underwriting office. In addition, the MGA, when acting as an agent for the insurer, with or without authority, separately or together with affiliates, produces directly or indirectly, or underwrites an amount of gross direct written premium equal to or more than five percent of the policyholder surplus as reported in the last annual statement of the insurer in any single quarter or year. The definition also includes that an MGA adjusts or pays claims and/or negotiates reinsurance on behalf of the insurer.²⁷

A&A currently licenses approximately 150 new MGA licensees per year.²⁸ To be a MGA requires a MGA license but this license type has no prelicensing requirements or formal examination to determine eligibility.²⁹ To obtain this license, the only requirements are to complete the application, be eligible to work in the United States, and submit fingerprints for a background evaluation.

Under s. 626.731, F.S., a general lines agent may not hold a MGA license.³⁰ A general lines agent³¹ is one who sells one or more of the following lines of insurance: property;³² casualty,³³ including commercial liability insurance underwritten by a risk retention group, a commercial self-insurance fund,³⁴ or a workers' compensation self-insurance fund;³⁵ surety;³⁶ health;³⁷ and, marine.³⁸ This is inconsistent with the National Association of Insurance Commissioners' Model Act MDL-225, Managing General Agents Act;³⁹ because the Act states that, a person shall not be a MGA without being a licensed agent in the state.

Effect of the bill

The bill eliminates the MGA license, but not the role of an MGA. It requires an MGA to be a licensed agent and have an MGA appointment (See *Fiscal Comments*). These changes will clarify some of the inconsistency in the MGA statutes. The bill makes technical changes throughout ch. 626, F.S., to conform terminology to these changes.

Fingerprinting Requirements (Sections 20 & 47)

Current law requires a submission of fingerprints and a fingerprint-processing fee of \$50 with each application for an insurance license and each application for licensure as a bail bonds agent.⁴⁰ A&A currently tracks its licensees against the Florida Clerk's database to identify existing licensees

²⁶ INSURANCE DIVISION OF AGENT AND AGENCY SERVICES, <https://myfloridacfo.com/Division/Agents/> (last visited Jan. 19, 2018).

²⁷ s. 626.015(16)(a), F.S.

²⁸ Department of Financial Services, Agency Analysis of 2018 House Bill 1073, p. 5 (Dec. 29, 2017).

²⁹ *Id.*

³⁰ s. 626.731(1)(f), F.S.

³¹ s. 626.015(5), F.S.

³² s. 624.604, F.S.

³³ s. 624.605, F.S.

³⁴ As defined in s. 624.462, F.S.

³⁵ Pursuant to s. 624.4621, F.S.

³⁶ s. 626.606, F.S.

³⁷ ss. 624.603 and 627.6482, F.S.

³⁸ s. 624.607, F.S.

³⁹ <http://www.naic.org/store/free/MDL-225.pdf> (last visited Jan. 21, 2018).

⁴⁰ ss. 626.202 and 648.34(4), F.S.

convicted or pleading to felony charges.⁴¹ According to DFS, the fingerprinting requirement is unnecessary for those already licensed because it informs A&A of information they already knew through the Florida Clerk's database.⁴²

Effect of the bill

Under the bill, an individual who is currently licensed under ch. 626, F.S., or ch. 648, F.S., and has submitted fingerprints in the past 48 months is not required to resubmit fingerprints or pay the fingerprint processing fee when applying for an additional license.⁴³

The bill also waives the fingerprint submission requirement for members of the United States Armed Forces and veterans who were honorably discharged within 24 months of the date of an application for licensure.

All-lines Adjuster Examination Requirements (Section 22)

Under s. 626.221, F.S., DFS may not issue any license as an agent or adjuster to any individual who has not taken and passed a written examination. However, there are exemptions from examination, including for applicants who have certain professional designations or certificates.⁴⁴

Effect of the bill

The bill adds Claims Adjuster Certified Professional from WebCE, Inc. to the list of professional designations that exempt an applicant from the all-lines adjuster licensure exam requirement.

Credit and Character Reports (Section 24)

Credit and character reports must be secured from an established and reputable independent reporting service. They must be secured and kept on file by the appointing insurer or employer for first-time applicants as agents, services representatives, customer representatives, or managing general agents, in the state.⁴⁵ If a credit and character report is requested by DFS, it must be completed on a form furnished by DFS.⁴⁶

Effect of the bill

The bill clarifies language and changes the time at which a credit and character report must be completed to before appointment rather than before licensure because the licensure process does not involve appointing entities.

The bill removes the requirement that a credit and character report request by DFS be completed on a form furnished by DFS. It also removes the requirement that the credit and character report be done by an "established and reputable independent reporting service" because there are no standards to determine "established and reputable independent reporting service;" hence, it is unenforceable. Additionally, the appointing insurer or employer is required to certify to DFS that the licensee is of good moral character and reputation, and is fit to engage in the insurance business.⁴⁷ The bill also adds that the requirements for credit and character reports do not apply to licensees who self-appoint pursuant to s. 624.501, F.S.

⁴¹ Department of Financial Services, Agency Analysis of 2018 House Bill 1073, p. 5 (Dec. 29, 2017).

⁴² *Id.*

⁴³ DFS may still require fingerprints if they have reason to believe that the applicant has been found guilty of, or pleaded nolo contendere to, a felony or crime related to the business of insurance.

⁴⁴ s. 626.221(2)(j), F.S.

⁴⁵ s. 626.521, F.S.

⁴⁶ s. 626.521(2), F.S.

⁴⁷ s. 626.451(2), F.S.

Exchange of Business (Sections 15, 31, 32 & 33)

Under current “exchange of business” or “excess or rejected business” laws, brokering agents⁴⁸ are permitted to write up to 24 policies for an insurer each year without being appointed by the insurer.⁴⁹ Once an agent has written more than 24 policies, the insurer must report them to DFS under the exchange of business appointment type.⁵⁰ This appointment type costs \$30 per year.⁵¹ Under s. 626.451(3), F.S., an appointment of an agent by an insurer is a certification to DFS that the insurer is willing to be bound by the acts of the agent, within the scope of the licensee’s employment or appointment.

Brokering agents are required to maintain a “bound journal” to record chronologically numbered insurance transactions.

Effect of the bill

The bill changes the requirement from “bound journal” to “permanent record of” to allow for electronic recordkeeping.

The bill reduces the number of policies that can be written each year by a brokering agent from 24 to four. The change in statute will allow DFS to protect consumers by increasing the number of policies written by agents that have been appointed by an insurer and are therefore bound by the acts of the agent.

Nonresident Public and All-lines Adjuster’s Qualifications (Sections 34 & 35)

Current law requires nonresident public and nonresident all-lines adjusters, wishing to do business in Florida, to submit an affidavit certifying that the licensee is familiar with and understands the insurance code, administrative rules of the state, and the provisions of the contracts negotiated or to be negotiated as a condition precedent to the issuance, continuation, reinstatement, or renewal of appointment.⁵² Insurance companies who appoint licensees are already required to certify to A&A that the licensee is of good moral character and is fit to engage in the insurance business.⁵³

Effect of the bill

The bill eliminates the affidavit requirement for non-resident public and all-lines adjusters because it is duplicative with the certification of good moral character and fitness by the appointing insurance company.

DIVISION OF STATE FIRE MARSHAL

The Florida State Fire Marshal is dedicated to protecting life, property and the environment from the devastation of fire. Their focus and efforts foster a fire safe environment through engineering, education and enforcement. The Division of State Fire Marshall (SFM) is comprised of the Bureau of Fire Prevention and the Bureau of Fire Standards and Training.

⁴⁸ Brokering agent is defined in s. 626.751(1)(a), F.S., as “an originating general lines agent placing business with a company with which he or she is not appointed.”

⁴⁹ s. 626.752, F.S.

⁵⁰ s. 626.752(5), F.S.

⁵¹ s. 624.501(19)(e), F.S.

⁵² ss. 626.8732(5) and 626.8734(4), F.S.

⁵³ s. 626.451(2), F.S.

Anti-Fraud Reward Program (Section 39)

The Anti-Fraud Reward Program authorizes DFS to pay rewards of up to \$25,000 to persons providing information leading to the arrest and conviction of persons committing various crimes relating to insurance fraud.⁵⁴ DFS may pay for tips relating to crimes involving, among others, explosives and arson resulting in injury to another.⁵⁵

Effect of the bill

The bill adds that DFS may also utilize the Anti-Fraud Reward Program to pay rewards for tips leading to the arrest and conviction of persons committing the crime of arson.

Florida Fire Safety Board (Section 40)

The Florida Fire Safety Board (Board) consists of seven members that act as an advisory board for the SFM. They advise on administrative rules, codes, standards, and training.⁵⁶ Currently, the initial term for board members is as follows: one member of the Board must be appointed for a term of one year, one member for a term of two years, two members for a term of three years, and two members for a term of four years.⁵⁷

Effect of the bill

The bill clarifies that each member of the Board shall serve a four-year term and removes language relating to the initial staggered terms. The initial terms are no longer necessary because the board is already established and the change is intended to remove confusing language and add clarity.

Fire Suppression Equipment; License to Install or Maintain (Sections 41 & 42)

Current law allows a person with a valid fire equipment dealer license to maintain their license in an inactive status for four years or when the license is renewed, whichever comes first.⁵⁸ Fire equipment dealer licenses are renewed every two years,⁵⁹ making this language contradictory.

Individuals performing the work of servicing, recharging, repairing, hydrotesting, installing, testing, or inspecting fire extinguishers or pre-engineered systems must possess a valid and subsisting permit.⁶⁰ These permittees must be employees of a fire equipment dealer licensee.⁶¹ Current law does not allow a franchisee to operate under the license of their parent company; the franchisee is required to obtain its own license.

Fire equipment dealers and fire protection system contractors are required to submit to the SFM proof of insurance providing coverage for comprehensive general liability for bodily injury and property damage, products liability, completed operations, and contractual liability.⁶² The SFM may require proof of such insurance on a form provided by the SFM.⁶³

⁵⁴ s. 626.9892(2), F.S.

⁵⁵ *Id.*

⁵⁶ s. 633.302(4), F.S.

⁵⁷ s. 633.302(3), F.S. Current law does not explicitly indicate that the staggered terms were only for the initial board members when the board was first established, which has caused confusion.

⁵⁸ s. 633.304(2), F.S.

⁵⁹ Department of Financial Services, Agency Analysis of 2018 House Bill 1073, p. 6 (Dec. 29, 2017).

⁶⁰ s. 633.304(3), F.S.

⁶¹ *Id.*

⁶² ss. 633.304(4)(d)(3) and 633.318(7), F.S.

⁶³ *Id.*

Effect of the bill

The bill clarifies ambiguous language to allow inactive fire equipment dealers to maintain their license in an inactive status for up to four years. It clarifies that in order to maintain the license in an inactive status; the inactive licensee must submit proof of continuing education and the inactive status fee every two years. The bill also allows franchisees to operate under the license of their parent company.

The bill also deletes the requirement that fire equipment dealer and fire protection system contractors furnish proof of insurance on a form provided by the SFM. According to DFS, industry practice is to use Accord forms to show proof of insurance and this change reflects that practice.⁶⁴

Firefighter and Volunteer Firefighter Training and Certification (Sections 43 & 44)

Under current law, the SFM may establish requirements to be issued a Firefighter Certificate of Compliance, a Volunteer Firefighter Certificate of Compliance, and a Special Certificate of Compliance.⁶⁵ A Special Certificate of Compliance only authorizes an individual to serve as an administrative and command head of a fire service provider.⁶⁶

Additionally, a fire service provider may not employ an individual unless they have a valid Firefighter Certificate of Compliance.⁶⁷

Effect of the bill

The bill adds the following requirements for the Special Certificate of Compliance:

- Requires that an individual who is employed as a fire chief, coordinator, director, or administrator must obtain certification within one year;
- Prohibits an individual from serving as a command officer or in a position dictating incident outcomes or objectives before achieving certification; and
- Requires that retention requirements must be similar to those for firefighters and volunteer firefighters.

The bill also allows a fire service provider to employ individuals who have received equivalent training while active in the United States Department of Defense. The individual must obtain a Firefighter Certificate of Compliance within two years of employment.

Miscellaneous

Effect of the bill

The bill:

- Makes a technical change to fix an incorrect reference to the Department of Economic Opportunity with the Department of Education in a list of entities to which a public assistance recipient may be required to provide written consent for certain investigative inquiries (Section 8);
- The bill renames the Bureau of Fire and Arson Investigations as the Bureau of Fire, Arson, and Explosives Investigations. It also creates the Bureau of Insurance Fraud and the Bureau of Workers' Compensation Fraud (Section 2);
- Clarifies terminology related to insurance agents (Section 11);
- Deletes requirement that law enforcement or the state attorney's office notify DFS of criminal actions against licensees because monthly data matching between DFS and the clerks of courts system has made it unnecessary (Section 23);

⁶⁴ Department of Financial Services, Agency Analysis of 2018 House Bill 1073, p. 9 (Dec. 29, 2017).

⁶⁵ s. 633.408, F.S.

⁶⁶ s. 633.408(6)(b), F.S.

⁶⁷ s. 633.416(1)(a), F.S.

- Makes a technical change to delete a contradiction and no longer applicable qualification for a general lines agent license (Section 25);
- Clarifies requirements for licensing of surplus lines agents and deletes an examination exemption that is no longer applicable (Section 37);
- Clarifies that surplus lines agents shall maintain their records in either his or her general lines agency office or managing general agency office (Section 38); and
- Deletes the responsibility of the SFM to develop a staffing and funding formula for the Florida State Fire College because it was delegated to Marion County through a memorandum of agreement in 2008 (Section 45).

B. SECTION DIRECTORY:

Section 1: Amends s. 17.64, F.S., relating to Division of Treasury to make reproductions of certain warrants, records, and documents.

Section 2: Amends s. 20.121, F.S., relating to Department of Financial Services.

Section 3: Amends s. 39.6035, F.S., relating to transition plan.

Section 4: Amends s. 39.6251, F.S., relating to continuing care for young adults.

Section 5: Amends s. 284.40, F.S., relating to Division of Risk Management.

Section 6: Amends s. 284.50, F.S., relating to Loss prevention program; safety coordinators; Interagency Advisory Council on Loss Prevention; employee recognition program.

Section 7: Amends s. 409.1451, F.S., relating to the Road-to-Independence Program.

Section 8: Amends s. 414.411, F.S., relating to public assistance fraud.

Section 9: Amends s. 497.168, F.S., relating to member of Armed Forces in good standing with administrative boards.

Section 10: Amends s. 497.456, F.S., relating to Preeed Funeral Contract Consumer Protection Trust Fund.

Section 11: Amends s. 624.317, F.S., relating to investigation of agents, adjusters, administrators, service companies, and others.

Section 12: Amends s. 624.34, F.S., relating to authority of Department of Law Enforcement to accept fingerprints of, and exchange criminal history records with respect to, certain persons.

Section 13: Amends s. 624.4073, F.S., relating to Officers and directors of insolvent insurers.

Section 14: Amends s. 624.4094, F.S., relating to bail bond premiums.

Section 15: Amends s. 624.501, F.S., relating to filing, license, appointment, and miscellaneous fees.

Section 16: Amends s. 624.509, F.S., relating to premium tax; rate and computation.

Section 17: Amends s. 625.071, F.S., relating to special reserve for bail and judicial bonds.

Section 18: Amends s. 626.112, F.S., relating to license and appointment required; agents, customer representatives, adjusters, insurance agencies, service representatives, managing general agents.

Section 19: Amends s. 626.171, F.S., relating to application for license as an agent, customer representative, adjuster, service representative, managing general agent, or reinsurance intermediary.

Section 20: Amends s. 626.202, F.S., relating to fingerprinting requirements.

Section 21: Amends s. 626.207, F.S., relating to disqualification of applicants and licensees; penalties against licensees; rulemaking authority.

Section 22: Amends s. 626.221, F.S., relating to examination requirement; exemptions.

- Section 23:** Amends s. 626.451, F.S., relating to appointment of agent or other representative.
- Section 24:** Amends s. 626.521, F.S., relating to character, credit reports.
- Section 25:** Amends s. 626.731, F.S., relating to qualifications for general lines agent's license.
- Section 26:** Amends s. 626.7351, F.S., relating to qualifications for customer representative's license.
- Section 27:** Amends s. 626.744, F.S., relating to service representatives, managing general agents; application for license.
- Section 28:** Amends s. 626.745, F.S., relating to service representatives, managing general agents; managers; activities.
- Section 29:** Amends s. 626.7451, F.S., relating to managing general agents; required contract provisions.
- Section 30:** Amends s. 626.7455, F.S., relating to managing general agent; responsibility of insurer.
- Section 31:** Amends s. 626.752, F.S., relating to exchange of business.
- Section 32:** Amends s. 626.793, F.S., relating to excess or rejected business.
- Section 33:** Amends s. 626.837, F.S., relating to excess or rejected business.
- Section 34:** Amends s. 626.8732, F.S., relating to nonresident public adjuster's qualifications, bond.
- Section 35:** Amends s. 626.8734, F.S., relating to nonresident all-lines adjuster license qualifications.
- Section 36:** Amends s. 626.88, F.S., relating to definitions.
- Section 37:** Amends s. 626.927, F.S., relating to licensing of surplus lines agent.
- Section 38:** Amends s. 626.930, F.S., relating to records of surplus lines agent.
- Section 39:** Amends s. 626.9892, F.S., relating to Anti-Fraud Reward Program; reporting of insurance fraud.
- Section 40:** Amends s. 633.302, F.S., relating to Florida Fire Safety Board; membership; duties; meetings; officers; quorum; compensation; seal.
- Section 41:** Amends s. 633.304, F.S., relating to fire suppression equipment; license to install or maintain.
- Section 42:** Amends s. 633.318, F.S., relating to certificate application and issuance; permit issuance; examination and investigation of applicant.
- Section 43:** Amends s. 633.408, F.S., relating to firefighter and volunteer firefighter training and certification.
- Section 44:** Amends s. 633.416, F.S., relating to firefighter employment and volunteer firefighter service; saving clause.
- Section 45:** Amends s. 633.444, F.S., relating to Division powers and duties; Florida State Fire College.
- Section 46:** Amends s. 648.27, F.S., relating to licenses and appointments; general.
- Section 47:** Amends s. 648.34, F.S., relating to bail bond agents; qualifications.
- Section 48:** Reenacts s. 626.8734, F.S., relating to nonresident all-lines adjuster license qualifications.
- Section 49:** Provides an effective date of July 1, 2018.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill eliminates the managing general agent (MGA) license. However, the bill requires that an MGA have an agent license, which will offset any loss of license revenues.

The Florida Department of Law Enforcement (FDLE) has indicated that eliminating the managing general agent license could result in a loss of revenue as the former MGA licensees will no longer be required to undergo a state and national criminal history record check for both the MGA license and the agent license.⁶⁸ However, any reduction in revenue to FDLE will likely be insignificant.

DFS will likely have an insignificant fiscal impact from the loss in revenue from license fee waivers for veterans of the United States Armed Forces.

2. Expenditures:

See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The direct economic impact is indeterminate. The bill provides insignificant cost savings for various licenses and could potentially result in minor increases for insurers when agents who are not appointed by the insurers make sales under the exchange of business laws. There will be a savings for veterans of the United States Armed Forces who are applicable for license fee waivers under the Division of Funeral, Cemetery, and Consumer Services.

D. FISCAL COMMENTS:

The current balance of the Preened Funeral Contract Consumer Protection Trust Fund is approximately \$8,800,000.⁶⁹ The average expenditure from the trust fund for the previous 10 years is \$115,048, with an annual revenue over \$250,000 per year.

The bill allows DFS to make a one-time transfer of up to \$2 million from the CPTF to the Regulatory Trust Fund for the purpose of acquiring information technology infrastructure and for the payment of expenses of the licensing authority in carrying out its responsibilities under ch. 497, F.S. However, for the funds to be available to DFS for the purposes specified in the bill, DFS will need to submit a Legislative Budget Request for the next fiscal year, which should detail how the funds will be used to meet the requirements of the bill. The department's request for the use of funds will require approval of the Legislature and be included in the General Appropriations Act.

⁶⁸ Florida Department of Law Enforcement, Agency Analysis of 2018 House Bill 1073. p. 3 (Jan. 9, 2018).

⁶⁹ Department of Financial Services, Agency Analysis of 2018 House Bill 1073, p. 4 (Dec. 29, 2017).

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill grants DFS new rulemaking authority relating to the transfer of funds from the CPTF to the Regulatory Trust Fund. Additionally, several sections of the bill will require DFS to make minor amendments to existing rules.

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 23, 2018, the Insurance & Banking Subcommittee considered the bill, adopted a strike-all, and reported the bill favorably as a committee substitute. The strike-all:

- Updates a cross reference relating to an exception where a child in licensed care (e.g., foster care) may continue receiving care despite not meeting certain requirements.
- Removes the application fee waiver for cemetery operator licensure and adds additional application fee waivers under the Florida Funeral, Cemetery, and Consumer Services Act for members or veterans of the United States Armed Forces.
- Changes the provisions for the transfer of funds from the Preneed Funeral Contract Consumer Protection Trust Fund (CPTF) to the Regulatory Trust Fund to an initial one-time transfer of up to \$2 million and to annually transfer the accrued interest from the preceding fiscal year for five years starting in 2018.
- Clarifies what the transferred funds from the CPTF may be used to fund and provides that the authority to transfer funds expires on August 31, 2022.
- Adds that former officers and directors of insolvent insurers may not have direct or indirect control over the selection of officers or directors of an admitted insurer.
- Adds that the requirements for credit and character reports do not apply to licensees who self-appoint.
- Clarifies requirements for maintaining an inactive fire equipment dealer license.
- Clarifies that members of the Florida Fire Safety Board shall serve four-year terms.
- Makes various technical changes.

The staff analysis has been updated to reflect the committee substitute.

26 under the Workers' Compensation Law to department-
 27 contracted vendors for certain purposes; amending s.
 28 284.50, F.S.; requiring safety coordinators of state
 29 governmental departments to complete, within a certain
 30 timeframe, safety coordinator training offered by the
 31 department; requiring certain agencies to report
 32 certain return-to-work information to the department;
 33 requiring agencies to provide certain risk management
 34 program information to the Division of Risk Management
 35 for certain purposes; specifying requirements for
 36 agencies in reviewing and responding to certain
 37 information and communications provided by the
 38 division; amending s. 409.1451, F.S.; revising
 39 conditions under which a young adult is eligible for
 40 postsecondary education services and support under the
 41 Road-to-Independence Program; conforming a provision
 42 to changes made by the act; amending s. 414.411, F.S.;
 43 replacing the Department of Economic Opportunity with
 44 the Department of Education in a list of entities to
 45 which a public assistance recipient may be required to
 46 provide written consent for certain investigative
 47 inquiries and to which the department must report
 48 investigation results; amending s. 497.168, F.S.;
 49 providing an exemption from specified application fees
 50 for members and certain veterans of the United States

51 Armed Forces; amending s. 497.456, F.S.; authorizing
 52 the department, on or before a specified date, to
 53 transfer up to a specified amount from the Preneed
 54 Funeral Contract Consumer Protection Trust Fund to the
 55 Regulatory Trust Fund for a certain purpose;
 56 authorizing the department to annually transfer earned
 57 or accrued interest from the Preneed Funeral Contract
 58 Consumer Protection Trust Fund to the Regulatory Trust
 59 Fund for a certain purpose; providing for expiration;
 60 amending s. 624.317, F.S.; authorizing the department
 61 to conduct investigations of any, rather than
 62 specified, agents subject to its jurisdiction;
 63 amending s. 624.34, F.S.; conforming a provision to
 64 changes made by the act; amending s. 624.4073, F.S.;

65 prohibiting certain officers or directors of insolvent
 66 insurers from having direct or indirect control over
 67 certain selection or appointment of officers or
 68 directors, except under certain circumstances;
 69 amending ss. 624.4094, 624.501, 624.509, and 625.071,
 70 F.S.; conforming provisions to changes made by the
 71 act; amending s. 626.112, F.S.; requiring a managing
 72 general agent to hold a currently effective producer
 73 license rather than a managing general agent license;
 74 amending s. 626.171, F.S.; deleting applicability of
 75 licensing provisions as to managing general agents;

76 making a technical change; amending s. 626.202, F.S.;
 77 providing that certain applicants are not required to
 78 resubmit fingerprints to the department under certain
 79 circumstances; authorizing the department to require
 80 these applicants to file fingerprints under certain
 81 circumstances; providing an exemption from
 82 fingerprinting requirements for members and certain
 83 veterans of the United States Armed Forces; requiring
 84 such members and veterans to provide certain
 85 documentation of good standing or honorable discharge;
 86 amending s. 626.207, F.S.; conforming a provision to
 87 changes made by the act; amending s. 626.221, F.S.;
 88 adding a designation that exempts applicants for
 89 licensure as an all-lines adjuster from an examination
 90 requirement; amending s. 626.451, F.S.; deleting a
 91 requirement for law enforcement agencies and state
 92 attorney's offices to notify the department or the
 93 Office of Insurance Regulation of certain felony
 94 dispositions; deleting a requirement for the state
 95 attorney to provide the department or office a
 96 certified copy of an information or indictment against
 97 a managing general agent; conforming a provision to
 98 changes made by the act; amending s. 626.521, F.S.;
 99 revising requirements for credit and character reports
 100 secured and kept by insurers or employers appointing

101 certain insurance representatives; providing
 102 applicability; amending s. 626.731, F.S.; deleting a
 103 certain qualification for licensure as a general lines
 104 agent; amending s. 626.7351, F.S.; revising a
 105 qualification for licensure as a customer
 106 representative; amending s. 626.744, F.S.; conforming
 107 a provision to changes made by the act; amending s.
 108 626.745, F.S.; revising conditions under which service
 109 representatives and managing general agents may engage
 110 in certain activities; amending ss. 626.7451 and
 111 626.7455, F.S.; conforming provisions to changes made
 112 by the act; amending s. 626.752, F.S.; revising a
 113 requirement for the Brokering Agent's Register
 114 maintained by brokering agents; revising the limit on
 115 certain personal lines risks an insurer may receive
 116 from an agent within a specified timeframe before the
 117 insurer must comply with certain reporting
 118 requirements for that agent; amending s. 626.793,
 119 F.S.; revising the limit on certain risks that certain
 120 insurers may receive from a life agent within a
 121 specified timeframe before the insurer must comply
 122 with certain reporting requirements for that agent;
 123 amending s. 626.837, F.S.; revising the limit on
 124 certain risks that certain insurers may receive from a
 125 health agent within a specified timeframe before the

126 insurer must comply with certain reporting
 127 requirements for that agent; amending s. 626.8732,
 128 F.S.; deleting a requirement for a licensed
 129 nonresident public adjuster to submit a certain annual
 130 affidavit to the department; amending s. 626.8734,
 131 F.S.; deleting a requirement for a nonresident
 132 independent adjuster to submit a certain annual
 133 affidavit to the department; amending s. 626.88, F.S.;
 134 conforming a provision to changes made by the act;
 135 amending s. 626.927, F.S.; revising conditions under
 136 which an individual may be licensed as a surplus lines
 137 agent solely for the purpose of placing certain
 138 coverages with surplus lines insurers; amending s.
 139 626.930, F.S.; revising a requirement relating to the
 140 location of a surplus lines agent's surplus lines
 141 business records; amending s. 626.9892, F.S.;
 142 authorizing the department to pay a specified amount
 143 of rewards under the Anti-Fraud Reward Program for
 144 information leading to the arrest and conviction of
 145 persons guilty of arson; amending s. 633.302, F.S.;
 146 revising the duration of the terms of members of the
 147 Florida Fire Safety Board; amending s. 633.304, F.S.;
 148 revising circumstances under which an inactive fire
 149 equipment dealer license is void; specifying the
 150 timeframe when an inactive license must be

151 reactivated; specifying that permittees performing
 152 certain work on fire equipment may be contracted
 153 rather than employed; revising a requirement for a
 154 certain proof-of-insurance form to be provided by the
 155 insurer rather than the State Fire Marshal; amending
 156 s. 633.318, F.S.; revising a requirement for a certain
 157 proof-of-insurance form to be provided by the insurer
 158 rather than the State Fire Marshal; amending s.
 159 633.408, F.S.; specifying prerequisites and retention
 160 requirements for a Special Certificate of Compliance
 161 that authorizes an individual to serve as an
 162 administrative and command head of a fire service
 163 provider; amending s. 633.416, F.S.; authorizing fire
 164 service providers to employ honorably discharged
 165 veterans who received specified training; requiring
 166 the Division of State Fire Marshal to verify the
 167 equivalency of such training before the individual
 168 begins employment; requiring such individual to obtain
 169 a Firefighter Certificate of Compliance within a
 170 specified timeframe; making a technical change;
 171 amending s. 633.444, F.S.; deleting a requirement for
 172 the Division of State Fire Marshal to develop a
 173 staffing and funding formula for the Florida State
 174 Fire College; amending s. 648.27, F.S.; revising
 175 conditions under which a managing general agent must

176 also be licensed as a bail bond agent; conforming a
 177 provision to changes made by the act; amending s.
 178 648.34, F.S.; providing that certain individuals
 179 applying for bail bond agent licensure are not
 180 required to resubmit fingerprints to the department
 181 under certain circumstances; authorizing the
 182 department to require such individuals to file
 183 fingerprints under certain circumstances; reenacting
 184 s. 626.8734(1)(b), F.S., relating to nonresident all-
 185 lines adjuster license qualifications, to incorporate
 186 the amendment made to s. 626.221, F.S., in a reference
 187 thereto; providing an effective date.

188

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

190

191 Section 1. Section 17.64, Florida Statutes, is amended to
 192 read:

193 17.64 Division of Treasury to make reproductions of
 194 certain warrants, records, and documents.—

195 (1) Electronic images, photographs, microphotographs, or
 196 reproductions on film of warrants, vouchers, or checks are ~~shall~~
 197 ~~be~~ deemed to be original records for all purposes; and any copy
 198 or reproduction thereof ~~made from such original film~~, duly
 199 certified by the Division of Treasury as a true and correct copy
 200 or reproduction ~~made from such film~~, is ~~shall be~~ deemed to be a

201 transcript, exemplification, or certified copy of the original
 202 warrant, voucher, or check such copy represents, and must ~~shall~~
 203 in all cases and in all courts and places be admitted and
 204 received in evidence with the like force and effect as the
 205 original thereof might be.

206 (2) The Division of Treasury may electronically
 207 ~~photograph, microphotograph, or reproduce on film,~~ all records
 208 and documents of the division, as the Chief Financial Officer,
 209 in his or her discretion, selects; and the division may destroy
 210 any such documents or records after they have been reproduced
 211 electronically photographed and filed and after audit of the
 212 division has been completed for the period embracing the dates
 213 of such documents and records.

214 (3) Electronic copies ~~Photographs or microphotographs in~~
 215 ~~the form of film or prints~~ of any records made in compliance
 216 with ~~the provisions of~~ this section ~~shall~~ have the same force
 217 and effect as the originals ~~thereof would~~ have, and must ~~shall~~
 218 be treated as originals for the purpose of their admissibility
 219 in evidence. Duly certified or authenticated reproductions of
 220 such electronic images ~~must~~ ~~photographs or microphotographs~~
 221 ~~shall~~ be admitted in evidence equally with the original
 222 electronic images ~~photographs or microphotographs~~.

223 Section 2. Paragraph (e) of subsection (2) of section
 224 20.121, Florida Statutes, is amended to read:
 225 20.121 Department of Financial Services.—There is created

226 a Department of Financial Services.

227 (2) DIVISIONS.—The Department of Financial Services shall
 228 consist of the following divisions and office:

229 (e) The Division of Investigative and Forensic Services,
 230 which shall function as a criminal justice agency for purposes
 231 of ss. 943.045-943.08. The division may conduct investigations
 232 within or outside of this state as it deems necessary. If,
 233 during an investigation, the division has reason to believe that
 234 any criminal law of this state has or may have been violated, it
 235 shall refer any records tending to show such violation to state
 236 or federal law enforcement or prosecutorial agencies and shall
 237 provide investigative assistance to those agencies as required.
 238 The division shall include the following bureaus and office:

- 239 1. The Bureau of Forensic Services;
- 240 2. The Bureau of Fire, ~~and~~ Arson, and Explosives
 241 Investigations; and
- 242 3. The Office of Fiscal Integrity, which shall have a
 243 separate budget;~~;~~
- 244 4. The Bureau of Insurance Fraud; and
- 245 5. The Bureau of Workers' Compensation Fraud.

246 Section 3. Subsection (1) of section 39.6035, Florida
 247 Statutes, is amended to read:

248 39.6035 Transition plan.—

249 (1) During the 180-day period after a child reaches 17
 250 years of age, the department and the community-based care

251 provider, in collaboration with the caregiver and any other
 252 individual whom the child would like to include, shall assist
 253 the child in developing a transition plan. The required
 254 transition plan is in addition to standard case management
 255 requirements. The transition plan must address specific options
 256 for the child to use in obtaining services, including housing,
 257 health insurance, education, financial literacy, a driver
 258 license, and workforce support and employment services. The plan
 259 must also consider establishing and maintaining naturally
 260 occurring mentoring relationships and other personal support
 261 services. The transition plan may be as detailed as the child
 262 chooses. In developing the transition plan, the department and
 263 the community-based provider shall:

264 (a) Provide the child with the documentation required
 265 pursuant to s. 39.701(3); ~~and~~

266 (b) Coordinate the transition plan with the independent
 267 living provisions in the case plan and, for a child with
 268 disabilities, the Individuals with Disabilities Education Act
 269 transition plan; ~~and-~~

270 (c) Provide information for the financial literacy
 271 curriculum for foster youth offered by the Department of
 272 Financial Services, and require completion of the curriculum
 273 with a passing score before receiving aftercare services or
 274 continuing care services as attested by the child's guardian ad
 275 litem.

276 Section 4. Subsection (2) of section 39.6251, Florida
 277 Statutes, is amended to read:

278 39.6251 Continuing care for young adults.—

279 (2) The primary goal for a child in care is permanency. A
 280 child who is living in licensed care on his or her 18th birthday
 281 and who has not achieved permanency under s. 39.621 is eligible
 282 to remain in licensed care under the jurisdiction of the court
 283 and in the care of the department. A child is eligible to remain
 284 in licensed care if he or she is:

285 (a) Completing secondary education or a program leading to
 286 an equivalent credential;

287 (b) Enrolled in an institution that provides postsecondary
 288 or vocational education;

289 (c) Participating in a program or activity designed to
 290 promote or eliminate barriers to employment;

291 (d) Employed for at least 80 hours per month; ~~or~~

292 (e) Completing the financial literacy curriculum for
 293 foster youth offered by the Department of Financial Services; or

294 (f)~~(e)~~ Unable to participate in programs or activities
 295 listed in paragraphs (a)-(e) ~~(a)-(d)~~ full time due to a
 296 physical, intellectual, emotional, or psychiatric condition that
 297 limits participation. Any such barrier to participation must be
 298 supported by documentation in the child's case file or school or
 299 medical records of a physical, intellectual, or psychiatric
 300 condition that impairs the child's ability to perform one or

301 more life activities.

302 Section 5. Section 284.40, Florida Statutes, is amended to
 303 read:

304 284.40 Division of Risk Management; disclosure of certain
 305 workers' compensation-related information by the Department of
 306 Financial Services.—

307 (1) It shall be the responsibility of the Division of Risk
 308 Management of the Department of Financial Services to administer
 309 this part and the provisions of s. 287.131.

310 (2) The claim files maintained by the Division of Risk
 311 Management shall be confidential, shall be only for the usage by
 312 the Department of Financial Services in fulfilling its duties
 313 and responsibilities under this part, and shall be exempt from
 314 the provisions of s. 119.07(1).

315 (3) Upon certification by the division director or his or
 316 her designee to the custodian of any records maintained by the
 317 Department of Children and Families, Department of Health,
 318 Agency for Health Care Administration, or Department of Elderly
 319 Affairs that such records are necessary to investigate a claim
 320 against the Department of Children and Families, Department of
 321 Health, Agency for Health Care Administration, or Department of
 322 Elderly Affairs being handled by the Division of Risk
 323 Management, the records shall be released to the division
 324 subject to the provisions of subsection (2), any conflicting
 325 provisions as to the confidentiality of such records

326 notwithstanding.

327 (4) Notwithstanding s. 440.1851, the Department of
 328 Financial Services may disclose the personal identifying
 329 information of an injured or deceased employee to a department-
 330 contracted vendor for the purpose of ascertaining a claimant's
 331 claims history to investigate the compensability of a claim or
 332 to identify and prevent fraud.

333 Section 6. Section 284.50, Florida Statutes, is amended to
 334 read:

335 284.50 Loss prevention program; safety coordinators;
 336 Interagency Advisory Council on Loss Prevention; employee
 337 recognition program; return-to-work programs; risk management
 338 programs.—

339 (1) The head of each department of state government,
 340 except the Legislature, shall designate a safety coordinator.
 341 Such safety coordinator must be an employee of the department
 342 and must hold a position which has responsibilities comparable
 343 to those of an employee in the Senior Management System. The
 344 Department of Financial Services shall provide appropriate
 345 training to the safety coordinators to permit them to
 346 effectively perform their duties within their respective
 347 departments. Within 1 year after being appointed by his or her
 348 department head, the safety coordinator shall complete safety
 349 coordinator training offered by the Department of Financial
 350 Services. Each safety coordinator shall, at the direction of his

351 or her department head:

352 (a) Develop and implement the loss prevention program, a
 353 comprehensive departmental safety program which shall include a
 354 statement of safety policy and responsibility.

355 (b) Provide for regular and periodic facility and
 356 equipment inspections.

357 (c) Investigate job-related employee accidents of his or
 358 her department.

359 (d) Establish a program to promote increased safety
 360 awareness among employees.

361 (2) There shall be an Interagency Advisory Council on Loss
 362 Prevention composed of the safety coordinators from each
 363 department and representatives designated by the Division of
 364 State Fire Marshal and the Division of Risk Management. The
 365 chair of the council is ~~shall be~~ the Director of the Division of
 366 Risk Management or his or her designee. The council shall meet
 367 at least quarterly to discuss safety problems within state
 368 government, to attempt to find solutions for these problems,
 369 and, when possible, to assist in the implementation of the
 370 solutions. If the safety coordinator of a department or office
 371 is unable to attend a council meeting, an alternate, selected by
 372 the department head or his or her designee, shall attend the
 373 meeting to represent and provide input for that department or
 374 office on the council. The council is further authorized to
 375 provide for the recognition of employees, agents, and volunteers

376 | who make exceptional contributions to the reduction and control
 377 | of employment-related accidents. The necessary expenses for the
 378 | administration of this program of recognition shall be
 379 | considered an authorized administrative expense payable from the
 380 | State Risk Management Trust Fund.

381 | (3) The Department of Financial Services and all agencies
 382 | that are provided workers' compensation insurance coverage by
 383 | the State Risk Management Trust Fund and employ more than 3,000
 384 | full-time employees shall establish and maintain return-to-work
 385 | programs for employees who are receiving workers' compensation
 386 | benefits. The programs must ~~shall~~ have the primary goal of
 387 | enabling injured workers to remain at work or return to work to
 388 | perform job duties within the physical or mental functional
 389 | limitations and restrictions established by the workers'
 390 | treating physicians. If no limitation or restriction is
 391 | established in writing by a worker's treating physician, the
 392 | worker is ~~shall be~~ deemed to be able to fully perform the same
 393 | work duties he or she performed before the injury. Agencies
 394 | employing more than 3,000 full-time employees shall report
 395 | return-to-work information to the Department of Financial
 396 | Services to support the Department of Financial Services'
 397 | mandatory reporting requirements on agency return-to-work
 398 | efforts under s. 284.42(1)(b).

399 | (4) The Division of Risk Management shall evaluate each
 400 | agency's risk management programs, including, but not limited

401 to, return-to-work, safety, and loss prevention programs, at
 402 least once every 5 years. Reports, including, but not limited
 403 to, any recommended corrective action, resulting from such
 404 evaluations must ~~shall~~ be provided to the head of the agency
 405 being evaluated, the Chief Financial Officer, and the director
 406 of the Division of Risk Management. The agency head must provide
 407 to the Division of Risk Management a response to all report
 408 recommendations within 45 days and a plan to implement any
 409 corrective action to be taken as part of the response. If the
 410 agency disagrees with any final report recommendations,
 411 including, but not limited to, any recommended corrective
 412 action, or if the agency fails to implement any recommended
 413 corrective action within a reasonable time, the division shall
 414 submit the evaluation report to the legislative appropriations
 415 committees. Each agency shall provide risk management program
 416 information to the Division of Risk Management to support the
 417 Division of Risk Management's mandatory evaluation and reporting
 418 requirements in this subsection.

419 (5) Each agency shall:

420 (a) Review information provided by the Division of Risk
 421 Management on claims and losses;

422 (b) Identify any discrepancies between the Division of
 423 Risk Management's records and the agency's records and report
 424 such discrepancies to the Division of Risk Management in
 425 writing; and

426 (c) Review and respond to communications from the Division
 427 of Risk Management identifying unsafe or inappropriate
 428 conditions, policies, procedures, trends, equipment, or actions
 429 or incidents that have led or may lead to accidents or claims
 430 involving the state.

431 Section 7. Paragraph (a) of subsection (2) and paragraph
 432 (b) of subsection (3) of section 409.1451, Florida Statutes, are
 433 amended to read:

434 409.1451 The Road-to-Independence Program.—

435 (2) POSTSECONDARY EDUCATION SERVICES AND SUPPORT.—

436 (a) A young adult is eligible for services and support
 437 under this subsection if he or she:

438 1. Was living in licensed care on his or her 18th birthday
 439 or is currently living in licensed care; or was at least 16
 440 years of age and was adopted from foster care or placed with a
 441 court-approved dependency guardian after spending at least 6
 442 months in licensed care within the 12 months immediately
 443 preceding such placement or adoption;

444 2. Spent at least 6 months in licensed care before
 445 reaching his or her 18th birthday;

446 3. Earned a standard high school diploma pursuant to s.
 447 1002.3105(5), s. 1003.4281, or s. 1003.4282, or its equivalent
 448 pursuant to s. 1003.435;

449 4. Has been admitted for enrollment as a full-time student
 450 or its equivalent in an eligible postsecondary educational

451 institution as provided in s. 1009.533. For purposes of this
 452 section, the term "full-time" means 9 credit hours or the
 453 vocational school equivalent. A student may enroll part-time if
 454 he or she has a recognized disability or is faced with another
 455 challenge or circumstance that would prevent full-time
 456 attendance. A student needing to enroll part-time for any reason
 457 other than having a recognized disability must get approval from
 458 his or her academic advisor;

459 5. Has reached 18 years of age but is not yet 23 years of
 460 age;

461 6. Has applied, with assistance from the young adult's
 462 caregiver and the community-based lead agency, for any other
 463 grants and scholarships for which he or she may qualify;

464 7. Submitted a Free Application for Federal Student Aid
 465 which is complete and error free; ~~and~~

466 8. Signed an agreement to allow the department and the
 467 community-based care lead agency access to school records; ~~and~~

468 9. Has completed with a passing score the financial
 469 literacy curriculum for foster youth offered by the Department
 470 of Financial Services.

471 (3) AFTERCARE SERVICES.--

472 (b) Aftercare services include, but are not limited to,
 473 the following:

474 1. Mentoring and tutoring.

475 2. Mental health services and substance abuse counseling.

- 476 3. Life skills classes, including credit management and
 477 preventive health activities.
 478 4. Parenting classes.
 479 5. Job and career skills training.
 480 6. Counselor consultations.
 481 7. Temporary financial assistance for necessities,
 482 including, but not limited to, education supplies,
 483 transportation expenses, security deposits for rent and
 484 utilities, furnishings, household goods, and other basic living
 485 expenses.
 486 8. Financial literacy skills training pursuant to s.
 487 39.6035(1)(c).
 488

489 The specific services to be provided under this paragraph shall
 490 be determined by an assessment of the young adult and may be
 491 provided by the community-based care provider or through
 492 referrals in the community.

493 Section 8. Subsections (1) and (3) of section 414.411,
 494 Florida Statutes, are amended to read:

495 414.411 Public assistance fraud.—

496 (1) The Department of Financial Services shall investigate
 497 all public assistance provided to residents of the state or
 498 provided to others by the state. In the course of such
 499 investigation the department shall examine all records,
 500 including electronic benefits transfer records and make inquiry

501 of all persons who may have knowledge as to any irregularity
 502 incidental to the disbursement of public moneys, food
 503 assistance, or other items or benefits authorizations to
 504 recipients. All public assistance recipients, as a condition
 505 precedent to qualification for public assistance under chapter
 506 409, chapter 411, or this chapter, must first give in writing,
 507 to the Agency for Health Care Administration, the Department of
 508 Health, the Department of Education ~~Economic Opportunity~~, and
 509 the Department of Children and Families, as appropriate, and to
 510 the Department of Financial Services, consent to make inquiry of
 511 past or present employers and records, financial or otherwise.

512 (3) The results of such investigation shall be reported by
 513 the Department of Financial Services to the appropriate
 514 legislative committees, the Agency for Health Care
 515 Administration, the Department of Health, the Department of
 516 Education ~~Economic Opportunity~~, and the Department of Children
 517 and Families, and to such others as the department may
 518 determine.

519 Section 9. Subsection (3) is added to section 497.168,
 520 Florida Statutes, to read:

521 497.168 Members of Armed Forces in good standing with
 522 administrative boards.—

523 (3) A member of the United States Armed Forces or a
 524 veteran of the United States Armed Forces who was honorably
 525 discharged within the 24-month period before the date of an

526 initial application for licensure is exempt from the initial
 527 application filing fees under ss. 497.281(1), 497.368(1)(a),
 528 497.369(1)(a), 497.369(5), 497.370(1), 497.371, 497.373(1)(a),
 529 497.373(3), 497.374(1)(a), 497.374(5), and 497.375(1)(a).

530 Section 10. Subsection (14) is added to section 497.456,
 531 Florida Statutes, to read:

532 497.456 Preneed Funeral Contract Consumer Protection Trust
 533 Fund.—

534 (14)(a) On or before August 31, 2018, the department may
 535 transfer up to \$2 million from the Preneed Funeral Contract
 536 Consumer Protection Trust Fund to the Regulatory Trust Fund for
 537 the purpose of acquiring information technology infrastructure
 538 and payment of related expenses of the licensing authority in
 539 carrying out its responsibilities under this chapter and as
 540 prescribed by rule.

541 (b) On or before August 31 of each year, the department
 542 may transfer any interest accrued or earned from investment of
 543 the funds in the Preneed Funeral Contract Consumer Protection
 544 Trust Fund during the prior fiscal year of the state, as defined
 545 in s. 216.011(1)(o), to the Regulatory Trust Fund for the
 546 purpose of providing for the payment of expenses of the
 547 licensing authority in carrying out its responsibilities under
 548 this chapter and as prescribed by rule.

549 (c) This subsection expires on August 31, 2022.

550 Section 11. Subsection (1) of section 624.317, Florida

551 Statutes, is amended to read:

552 624.317 Investigation of agents, adjusters,
 553 administrators, service companies, and others.—If it has reason
 554 to believe that any person has violated or is violating any
 555 provision of this code, or upon the written complaint signed by
 556 any interested person indicating that any such violation may
 557 exist:

558 (1) The department shall conduct such investigation as it
 559 deems necessary of the accounts, records, documents, and
 560 transactions pertaining to or affecting the insurance affairs of
 561 any ~~general agent, surplus lines agent,~~ adjuster, ~~managing~~
 562 ~~general agent, insurance agent,~~ insurance agency, customer
 563 representative, service representative, or other person subject
 564 to its jurisdiction, subject to the requirements of s. 626.601.

565 Section 12. Subsection (2) of section 624.34, Florida
 566 Statutes, is amended to read:

567 624.34 Authority of Department of Law Enforcement to
 568 accept fingerprints of, and exchange criminal history records
 569 with respect to, certain persons.—

570 (2) The Department of Law Enforcement may accept
 571 fingerprints of individuals who apply for a license as an agent,
 572 customer representative, adjuster, service representative, or
 573 navigator, ~~or managing general agent~~ or the fingerprints of the
 574 majority owner, sole proprietor, partners, officers, and
 575 directors of a corporation or other legal entity that applies

576 for licensure with the department or office under the Florida
 577 Insurance Code.

578 Section 13. Section 624.4073, Florida Statutes, is amended
 579 to read:

580 624.4073 Officers and directors of insolvent insurers.—Any
 581 person who was an officer or director of an insurer doing
 582 business in this state and who served in that capacity within
 583 the 2-year period before ~~prior to~~ the date the insurer became
 584 insolvent, for any insolvency that occurs on or after July 1,
 585 2002, may not thereafter serve as an officer or director of an
 586 insurer authorized in this state or have direct or indirect
 587 control over the selection or appointment of an officer or
 588 director through contract, trust, or by operation of law, unless
 589 the officer or director demonstrates that his or her personal
 590 actions or omissions were not a significant contributing cause
 591 to the insolvency.

592 Section 14. Subsection (1) of section 624.4094, Florida
 593 Statutes, is amended to read:

594 624.4094 Bail bond premiums.—

595 (1) The Legislature finds that a significant portion of
 596 bail bond premiums is retained by the licensed bail bond agents
 597 or appointed ~~licensed~~ managing general agents. For purposes of
 598 reporting in financial statements required to be filed with the
 599 office pursuant to s. 624.424, direct written premiums for bail
 600 bonds by a domestic insurer in this state shall be reported net

601 of any amounts retained by licensed bail bond agents or
602 appointed ~~licensed~~ managing general agents. However, in no case
603 shall the direct written premiums for bail bonds be less than
604 6.5 percent of the total consideration received by the agent for
605 all bail bonds written by the agent. This subsection also
606 applies to any determination of compliance with s. 624.4095.

607 Section 15. Paragraph (e) of subsection (19) of section
608 624.501, Florida Statutes, is amended to read:

609 624.501 Filing, license, appointment, and miscellaneous
610 fees.—The department, commission, or office, as appropriate,
611 shall collect in advance, and persons so served shall pay to it
612 in advance, fees, licenses, and miscellaneous charges as
613 follows:

614 (19) Miscellaneous services:

615 (e) Insurer's registration fee for agent exchanging
616 business more than four ~~24~~ times in a calendar year under s.
617 626.752, s. 626.793, or s. 626.837, registration fee per agent
618 per year.....\$30.00

619 Section 16. Subsection (1) of section 624.509, Florida
620 Statutes, is amended to read:

621 624.509 Premium tax; rate and computation.—

622 (1) In addition to the license taxes provided for in this
623 chapter, each insurer shall also annually, and on or before
624 March 1 in each year, except as to wet marine and transportation
625 insurance taxed under s. 624.510, pay to the Department of

626 Revenue a tax on insurance premiums, premiums for title
 627 insurance, or assessments, including membership fees and policy
 628 fees and gross deposits received from subscribers to reciprocal
 629 or interinsurance agreements, and on annuity premiums or
 630 considerations, received during the preceding calendar year, the
 631 amounts thereof to be determined as set forth in this section,
 632 to wit:

633 (a) An amount equal to 1.75 percent of the gross amount of
 634 such receipts on account of life and health insurance policies
 635 covering persons resident in this state and on account of all
 636 other types of policies and contracts, except annuity policies
 637 or contracts taxable under paragraph (b) and bail bond policies
 638 or contracts taxable under paragraph (c), covering property,
 639 subjects, or risks located, resident, or to be performed in this
 640 state, omitting premiums on reinsurance accepted, and less
 641 return premiums or assessments, but without deductions:

- 642 1. For reinsurance ceded to other insurers;
- 643 2. For moneys paid upon surrender of policies or
 644 certificates for cash surrender value;
- 645 3. For discounts or refunds for direct or prompt payment
 646 of premiums or assessments; and
- 647 4. On account of dividends of any nature or amount paid
 648 and credited or allowed to holders of insurance policies;
 649 certificates; or surety, indemnity, reciprocal, or
 650 interinsurance contracts or agreements;

651 (b) An amount equal to 1 percent of the gross receipts on
 652 annuity policies or contracts paid by holders thereof in this
 653 state; and

654 (c) An amount equal to 1.75 percent of the direct written
 655 premiums for bail bonds, excluding any amounts retained by
 656 licensed bail bond agents or appointed ~~licensed~~ managing general
 657 agents.

658 Section 17. Section 625.071, Florida Statutes, is amended
 659 to read:

660 625.071 Special reserve for bail and judicial bonds.—In
 661 lieu of the unearned premium reserve required on surety bonds
 662 under s. 625.051, the office may require any surety insurer or
 663 limited surety insurer to set up and maintain a reserve on all
 664 bail bonds or other single-premium bonds without definite
 665 expiration date, furnished in judicial proceedings, equal to the
 666 lesser of 35 percent of the bail premiums in force or \$7 per
 667 \$1,000 of bail liability. Such reserve shall be reported as a
 668 liability in financial statements required to be filed with the
 669 office. Each insurer shall file a supplementary schedule showing
 670 bail premiums in force and bail liability and the associated
 671 special reserve for bail and judicial bonds with financial
 672 statements required by s. 624.424. Bail premiums in force do not
 673 include amounts retained by licensed bail bond agents or
 674 appointed ~~licensed~~ managing general agents, but may not be less
 675 than 6.5 percent of the total consideration received for all

676 | bail bonds in force.

677 | Section 18. Subsection (5) of section 626.112, Florida
678 | Statutes, is amended to read:

679 | 626.112 License and appointment required; agents, customer
680 | representatives, adjusters, insurance agencies, service
681 | representatives, managing general agents.—

682 | (5) A ~~No~~ person may not ~~shall~~ be, act as, or represent or
683 | hold himself or herself out to be a managing general agent
684 | unless he or she then holds a currently effective producer
685 | license and a managing general agent license ~~and~~ appointment.

686 | Section 19. Section 626.171, Florida Statutes, is amended
687 | to read:

688 | 626.171 Application for license as an agent, customer
689 | representative, adjuster, service representative, ~~managing~~
690 | ~~general agent,~~ or reinsurance intermediary.—

691 | (1) The department may not issue a license as agent,
692 | customer representative, adjuster, service representative,
693 | ~~managing general agent,~~ or reinsurance intermediary to any
694 | person except upon written application filed with the
695 | department, meeting the qualifications for the license applied
696 | for as determined by the department, and payment in advance of
697 | all applicable fees. The application must be made under the oath
698 | of the applicant and be signed by the applicant. An applicant
699 | may permit a third party to complete, submit, and sign an
700 | application on the applicant's behalf, but is responsible for

701 ensuring that the information on the application is true and
702 correct and is accountable for any misstatements or
703 misrepresentations. The department shall accept the uniform
704 application for nonresident agent licensing. The department may
705 adopt revised versions of the uniform application by rule.

706 (2) In the application, the applicant shall set forth:

707 (a) His or her full name, age, social security number,
708 residence address, business address, mailing address, contact
709 telephone numbers, including a business telephone number, and e-
710 mail address.

711 (b) A statement indicating the method the applicant used
712 or is using to meet any required prelicensing education,
713 knowledge, experience, or instructional requirements for the
714 type of license applied for.

715 (c) Whether he or she has been refused or has voluntarily
716 surrendered or has had suspended or revoked a license to solicit
717 insurance by the department or by the supervising officials of
718 any state.

719 (d) Whether any insurer or any managing general agent
720 claims the applicant is indebted under any agency contract or
721 otherwise and, if so, the name of the claimant, the nature of
722 the claim, and the applicant's defense thereto, if any.

723 (e) Proof that the applicant meets the requirements for
724 the type of license for which he or she is applying.

725 (f) The applicant's gender (male or female).

726 (g) The applicant's native language.

727 (h) The highest level of education achieved by the
728 applicant.

729 (i) The applicant's race or ethnicity (African American,
730 white, American Indian, Asian, Hispanic, or other).

731 (j) Such other or additional information as the department
732 may deem proper to enable it to determine the character,
733 experience, ability, and other qualifications of the applicant
734 to hold himself or herself out to the public as an insurance
735 representative.

736

737 However, the application must contain a statement that an
738 applicant is not required to disclose his or her race or
739 ethnicity, gender, or native language, that he or she will not
740 be penalized for not doing so, and that the department will use
741 this information exclusively for research and statistical
742 purposes and to improve the quality and fairness of the
743 examinations.

744 (3) Each application must ~~shall~~ be accompanied by payment
745 of any applicable fee.

746 (4) An applicant for a license as an agent, customer
747 representative, adjuster, service representative, ~~managing~~
748 ~~general agent,~~ or reinsurance intermediary must submit a set of
749 the individual applicant's fingerprints, or, if the applicant is
750 not an individual, a set of the fingerprints of the sole

751 proprietor, majority owner, partners, officers, and directors,
 752 to the department and must pay the fingerprint processing fee
 753 set forth in s. 624.501. Fingerprints must ~~shall~~ be used to
 754 investigate the applicant's qualifications pursuant to s.
 755 626.201. The fingerprints must ~~shall~~ be taken by a law
 756 enforcement agency, designated examination center, or other
 757 department-approved entity. The department shall require all
 758 designated examination centers to have fingerprinting equipment
 759 and to take fingerprints from any applicant or prospective
 760 applicant who pays the applicable fee. The department may not
 761 approve an application for licensure as an agent, customer
 762 service representative, adjuster, service representative,
 763 ~~managing general agent,~~ or reinsurance intermediary if
 764 fingerprints have not been submitted.

765 (5) The application for license filing fee prescribed in
 766 s. 624.501 is not subject to refund.

767 (6) Members of the United States Armed Forces and their
 768 spouses, and veterans of the United States Armed Forces who have
 769 retired within 24 months before application for licensure, are
 770 exempt from the application filing fee prescribed in s. 624.501.
 771 Qualified individuals must provide a copy of a military
 772 identification card, military dependent identification card,
 773 military service record, military personnel file, veteran
 774 record, discharge paper, ~~or separation document,~~ or a separation
 775 document that indicates such members of the United States Armed

776 Forces are currently in good standing or were honorably
 777 discharged.

778 (7) Pursuant to the federal Personal Responsibility and
 779 Work Opportunity Reconciliation Act of 1996, each party is
 780 required to provide his or her social security number in
 781 accordance with this section. Disclosure of social security
 782 numbers obtained through this requirement must ~~shall~~ be limited
 783 to the purpose of administration of the Title IV-D program for
 784 child support enforcement.

785 Section 20. Section 626.202, Florida Statutes, is amended
 786 to read:

787 626.202 Fingerprinting requirements.—

788 (1) The requirements for completion and submission of
 789 fingerprints under this chapter are deemed to be met when an
 790 individual currently licensed under this chapter seeks
 791 additional licensure and has previously submitted fingerprints
 792 to the department within the past 48 months. However, the
 793 department may require the individual to file fingerprints if it
 794 has reason to believe that an applicant or licensee has been
 795 found guilty of, or pleaded guilty or nolo contendere to, a
 796 felony or a crime related to the business of insurance in this
 797 state or any other state or jurisdiction.

798 (2) The requirements for completion and submission of
 799 fingerprints under this chapter are waived for members of the
 800 United States Armed Forces and veterans of the United States

801 Armed Forces who were honorably discharged within the 24-month
 802 period before the date of an application for licensure. A
 803 qualified individual shall provide a copy of a military
 804 identification card, military service record, military personnel
 805 file, veteran record, Form DD-214, NGB Form 22, or separation
 806 document that indicates such member or veteran of the United
 807 States Armed Forces is currently in good standing or was
 808 honorably discharged.

809 (3) If there is a change in ownership or control of any
 810 entity licensed under this chapter, or if a new partner,
 811 officer, or director is employed or appointed, a set of
 812 fingerprints of the new owner, partner, officer, or director
 813 must be filed with the department or office within 30 days after
 814 the change. The acquisition of 10 percent or more of the voting
 815 securities of a licensed entity is considered a change of
 816 ownership or control. The fingerprints must be taken by a law
 817 enforcement agency or other department-approved entity and be
 818 accompanied by the fingerprint processing fee in s. 624.501.

819 Section 21. Subsection (9) of section 626.207, Florida
 820 Statutes, is amended to read:

821 626.207 Disqualification of applicants and licensees;
 822 penalties against licensees; rulemaking authority.-

823 (9) Section 112.011 does not apply to any applicants for
 824 licensure under the Florida Insurance Code, including, but not
 825 limited to, agents, agencies, adjusters, adjusting firms, or

826 customer representatives, ~~or managing general agents.~~

827 Section 22. Paragraph (j) of subsection (2) of section
828 626.221, Florida Statutes, is amended to read:

829 626.221 Examination requirement; exemptions.—

830 (2) However, an examination is not necessary for any of
831 the following:

832 (j) An applicant for license as an all-lines adjuster who
833 has the designation of Accredited Claims Adjuster (ACA) from a
834 regionally accredited postsecondary institution in this state,
835 Associate in Claims (AIC) from the Insurance Institute of
836 America, Professional Claims Adjuster (PCA) from the
837 Professional Career Institute, Professional Property Insurance
838 Adjuster (PPIA) from the HurriClaim Training Academy, Certified
839 Adjuster (CA) from ALL LINES Training, Certified Claims Adjuster
840 (CCA) from AE21 Incorporated, Claims Adjuster Certified
841 Professional (CACP) from WebCE, Inc., or Universal Claims
842 Certification (UCC) from Claims and Litigation Management
843 Alliance (CLM) whose curriculum has been approved by the
844 department and which includes comprehensive analysis of basic
845 property and casualty lines of insurance and testing at least
846 equal to that of standard department testing for the all-lines
847 adjuster license. The department shall adopt rules establishing
848 standards for the approval of curriculum.

849 Section 23. Subsection (7) of section 626.451, Florida
850 Statutes, is renumbered as subsection (6), and subsections (1)

851 and (5) and present subsection (6) of that section are amended,
 852 to read:

853 626.451 Appointment of agent or other representative.—

854 (1) Each appointing entity or person designated by the
 855 department to administer the appointment process appointing an
 856 agent, adjuster, service representative, customer
 857 representative, or managing general agent in this state shall
 858 file the appointment with the department or office and, at the
 859 same time, pay the applicable appointment fee and taxes. Every
 860 appointment is ~~shall be~~ subject to the prior issuance of the
 861 appropriate agent's, adjuster's, service representative's, or
 862 customer representative's, ~~or managing general agent's~~ license.

863 ~~(5) Any law enforcement agency or state attorney's office~~
 864 ~~that is aware that an agent, adjuster, service representative,~~
 865 ~~customer representative, or managing general agent has pleaded~~
 866 ~~guilty or nolo contendere to or has been found guilty of a~~
 867 ~~felony shall notify the department or office of such fact.~~

868 (5)(6) Upon the filing of an information or indictment
 869 against an agent, adjuster, service representative, or customer
 870 representative, ~~or managing general agent,~~ the state attorney
 871 shall immediately furnish the department or office a certified
 872 copy of the information or indictment.

873 Section 24. Section 626.521, Florida Statutes, is amended
 874 to read:

875 626.521 ~~Character,~~ Credit and character reports.—

876 (1) Before appointing ~~As to each applicant who~~ for the
 877 first time in this state an ~~is applying and qualifying for a~~
 878 ~~license as agent, adjuster, service representative, customer~~
 879 ~~representative, or managing general agent, the appointing~~
 880 ~~insurer or employer shall its manager or general agent in this~~
 881 ~~state, in the case of agents, or the appointing general lines~~
 882 ~~agent, in the case of customer representatives, or the employer,~~
 883 ~~in the case of service representatives and of adjusters who are~~
 884 ~~not to be self-employed, shall coincidentally with such~~
 885 ~~appointment or employment secure and thereafter keep on file a~~
 886 full detailed credit and character report ~~made by an established~~
 887 ~~and reputable independent reporting service,~~ relative to the
 888 individual so appointed ~~or employed~~. This subsection does not
 889 apply to licensees who self-appoint pursuant to s. 624.501.

890 (2) If requested by the department, the insurer, ~~manager,~~
 891 ~~general agent, general lines agent,~~ or employer, as the case may
 892 be, must ~~shall~~ furnish to the department, ~~on a form adopted and~~
 893 ~~furnished by the department,~~ such information as it reasonably
 894 requires relative to such individual and investigation.

895 ~~(3) As to an applicant for an adjuster's or reinsurance~~
 896 ~~intermediary's license who is to be self-employed, the~~
 897 ~~department may secure, at the cost of the applicant, a full~~
 898 ~~detailed credit and character report made by an established and~~
 899 ~~reputable independent reporting service relative to the~~
 900 ~~applicant.~~

901 ~~(4) Each person who for the first time in this state is~~
 902 ~~applying and qualifying for a license as a reinsurance~~
 903 ~~intermediary shall file with her or his application for license~~
 904 ~~a full, detailed credit and character report for the 5-year~~
 905 ~~period immediately prior to the date of application for license,~~
 906 ~~made by an established and reputable independent reporting~~
 907 ~~service, relative to the individual if a partnership or sole~~
 908 ~~proprietorship, or the officers if a corporation or other legal~~
 909 ~~entity.~~

910 (3)~~(5)~~ Information contained in credit or character
 911 reports furnished to or secured by the department under this
 912 section is confidential and exempt from ~~the provisions of s.~~
 913 ~~119.07(1).~~

914 Section 25. Paragraph (f) of subsection (1) of section
 915 626.731, Florida Statutes, is amended to read:

916 626.731 Qualifications for general lines agent's license.-

917 (1) The department shall not grant or issue a license as
 918 general lines agent to any individual found by it to be
 919 untrustworthy or incompetent or who does not meet each of the
 920 following qualifications:

921 ~~(f) The applicant is not a service representative, a~~
 922 ~~managing general agent in this state, or a special agent or~~
 923 ~~similar service representative of a health insurer which also~~
 924 ~~transacts property, casualty, or surety insurance, except that~~
 925 ~~the president, vice president, secretary, or treasurer,~~

926 ~~including a member of the board of directors, of a corporate~~
 927 ~~insurer, if otherwise qualified under and meeting the~~
 928 ~~requirements of this part, may be licensed and appointed as a~~
 929 ~~local resident agent.~~

930 Section 26. Subsection (6) of section 626.7351, Florida
 931 Statutes, is amended to read:

932 626.7351 Qualifications for customer representative's
 933 license.—The department shall not grant or issue a license as
 934 customer representative to any individual found by it to be
 935 untrustworthy or incompetent, or who does not meet each of the
 936 following qualifications:

937 (6) Upon the issuance of the license applied for, the
 938 applicant is not an agent or, a service representative, ~~or a~~
 939 ~~managing general agent.~~

940 Section 27. Section 626.744, Florida Statutes, is amended
 941 to read:

942 626.744 Service representatives, ~~managing general agents;~~
 943 application for license.—The application for a license as
 944 service representative must ~~or the application for a license as~~
 945 ~~managing general agent shall~~ show the applicant's name,
 946 residence address, name of employer, position or title, type of
 947 work to be performed by the applicant in this state, and any
 948 additional information which the department may reasonably
 949 require.

950 Section 28. Section 626.745, Florida Statutes, is amended

951 to read:

952 626.745 Service representatives, managing general agents;
 953 managers; activities.—Individuals employed by insurers or their
 954 managers, general agents, or representatives as service
 955 representatives, and as managing general agents employed for the
 956 purpose of or engaged in assisting agents in negotiating and
 957 effecting contracts of insurance, shall engage in such
 958 activities ~~when, and~~ only when licensed as or, accompanied by a
 959 general lines an agent duly licensed and appointed ~~as a resident~~
 960 ~~licensee and appointee~~ under this code.

961 Section 29. Subsection (11) of section 626.7451, Florida
 962 Statutes, is amended to read:

963 626.7451 Managing general agents; required contract
 964 provisions.—No person acting in the capacity of a managing
 965 general agent shall place business with an insurer unless there
 966 is in force a written contract between the parties which sets
 967 forth the responsibility for a particular function, specifies
 968 the division of responsibilities, and contains the following
 969 minimum provisions:

970 (11) An appointed ~~A licensed~~ managing general agent, when
 971 placing business with an insurer under this code, may charge a
 972 per-policy fee not to exceed \$25. ~~In no instance shall~~ The
 973 aggregate of per-policy fees for a placement of business
 974 authorized under this section, when combined with any other per-
 975 policy fee charged by the insurer, may not result in per-policy

976 fees that ~~which~~ exceed the aggregate amount of \$25. The per-
 977 policy fee must ~~shall~~ be a component of the insurer's rate
 978 filing and must ~~shall~~ be fully earned.

979

980 For the purposes of this section and ss. 626.7453 and 626.7454,
 981 the term "controlling person" or "controlling" has the meaning
 982 set forth in s. 625.012(5)(b)1., and the term "controlled
 983 person" or "controlled" has the meaning set forth in s.
 984 625.012(5)(b)2.

985 Section 30. Subsection (1) of section 626.7455, Florida
 986 Statutes, is amended to read:

987 626.7455 Managing general agent; responsibility of
 988 insurer.—

989 (1) An insurer may not ~~No insurer shall~~ enter into an
 990 agreement with any person to manage the business written in this
 991 state by the general lines agents appointed by the insurer or
 992 appointed by the managing general agent on behalf of the insurer
 993 unless the person is properly licensed as an agent and appointed
 994 as a managing general agent in this state. An insurer is ~~shall~~
 995 ~~be~~ responsible for the acts of its managing general agent when
 996 the agent acts within the scope of his or her authority.

997 Section 31. Paragraph (e) of subsection (3) and subsection
 998 (5) of section 626.752, Florida Statutes, are amended to read:

999 626.752 Exchange of business.—

1000 (3)

1001 (e) The brokering agent shall maintain an appropriate and
 1002 permanent Brokering Agent's Register, which must ~~shall~~ be a
 1003 permanent record of bound journal in which chronologically
 1004 numbered transactions that are entered no later than the day in
 1005 which the brokering agent's application bearing the same number
 1006 is signed by the applicant. The numbers must ~~shall~~ reflect an
 1007 annual aggregate through numerical sequence and be preceded by
 1008 the last two digits of the current year. The initial entry must
 1009 ~~shall~~ contain the number of the transaction, date, time, date of
 1010 binder, date on which coverage commences, name and address of
 1011 applicant, type of coverage desired, name of insurer binding the
 1012 risk or to whom the application is to be submitted, and the
 1013 amount of any premium collected therefor. By no later than the
 1014 date following policy delivery, the policy number and coverage
 1015 expiration date must ~~shall~~ be added to the register.

1016 (5) Within 15 days after the last day of each month, any
 1017 insurer accepting business under this section shall report to
 1018 the department the name, address, telephone number, and social
 1019 security number of each agent from which the insurer received
 1020 more than four ~~24~~ personal lines risks during the calendar year,
 1021 except for risks being removed from the Citizens Property
 1022 Insurance Corporation and placed with that insurer by a
 1023 brokering agent. Once the insurer has reported pursuant to this
 1024 subsection an agent's name to the department, additional reports
 1025 on the same agent shall not be required. However, the fee set

1026 | forth in s. 624.501 must ~~shall~~ be paid for the agent by the
 1027 | insurer for each year until the insurer notifies the department
 1028 | that the insurer is no longer accepting business from the agent
 1029 | pursuant to this section. The insurer may require that the agent
 1030 | reimburse the insurer for the fee.

1031 | Section 32. Subsection (4) of section 626.793, Florida
 1032 | Statutes, is amended to read:

1033 | 626.793 Excess or rejected business.—

1034 | (4) Within 15 days after the last day of each month, any
 1035 | insurer accepting business under this section shall report to
 1036 | the department the name, address, telephone number, and social
 1037 | security number of each agent from which the insurer received
 1038 | more than four ~~24~~ risks during the calendar year. Once the
 1039 | insurer has reported an agent's name to the department pursuant
 1040 | to this subsection, additional reports on the same agent shall
 1041 | not be required. However, the fee set forth in s. 624.501 must
 1042 | ~~shall~~ be paid for the agent by the insurer for each year until
 1043 | the insurer notifies the department that the insurer is no
 1044 | longer accepting business from the agent pursuant to this
 1045 | section. The insurer may require that the agent reimburse the
 1046 | insurer for the fee.

1047 | Section 33. Subsection (5) of section 626.837, Florida
 1048 | Statutes, is amended to read:

1049 | 626.837 Excess or rejected business.—

1050 | (5) Within 15 days after the last day of each month, any

1051 insurer accepting business under this section shall report to
 1052 the department the name, address, telephone number, and social
 1053 security number of each agent from which the insurer received
 1054 more than four ~~24~~ risks during the calendar year. Once the
 1055 insurer has reported pursuant to this subsection an agent's name
 1056 to the department, additional reports on the same agent shall
 1057 not be required. However, the fee set forth in s. 624.501 must
 1058 ~~shall~~ be paid for the agent by the insurer for each year until
 1059 the insurer notifies the department that the insurer is no
 1060 longer accepting business from the agent pursuant to this
 1061 section. The insurer may require that the agent reimburse the
 1062 insurer for the fee.

1063 Section 34. Subsection (5) of section 626.8732, Florida
 1064 Statutes, is amended to read:

1065 626.8732 Nonresident public adjuster's qualifications,
 1066 bond.—

1067 ~~(5) After licensure as a nonresident public adjuster, as a~~
 1068 ~~condition of doing business in this state, the licensee must~~
 1069 ~~annually on or before January 1, on a form prescribed by the~~
 1070 ~~department, submit an affidavit certifying that the licensee is~~
 1071 ~~familiar with and understands the insurance code and rules~~
 1072 ~~adopted thereunder and the provisions of the contracts~~
 1073 ~~negotiated or to be negotiated. Compliance with this filing~~
 1074 ~~requirement is a condition precedent to the issuance,~~
 1075 ~~continuation, reinstatement, or renewal of a nonresident public~~

1076 ~~adjuster's appointment.~~

1077 Section 35. Subsection (4) of section 626.8734, Florida
 1078 Statutes, is amended to read:

1079 626.8734 Nonresident all-lines adjuster license
 1080 qualifications.—

1081 ~~(4) As a condition of doing business in this state as a~~
 1082 ~~nonresident independent adjuster, the appointee must submit an~~
 1083 ~~affidavit to the department certifying that the licensee is~~
 1084 ~~familiar with and understands the insurance laws and~~
 1085 ~~administrative rules of this state and the provisions of the~~
 1086 ~~contracts negotiated or to be negotiated. Compliance with this~~
 1087 ~~filing requirement is a condition precedent to the issuance,~~
 1088 ~~continuation, reinstatement, or renewal of a nonresident~~
 1089 ~~independent adjuster's appointment.~~

1090 Section 36. Paragraph (h) of subsection (1) of section
 1091 626.88, Florida Statutes, is amended to read:

1092 626.88 Definitions.—For the purposes of this part, the
 1093 term:

1094 (1) "Administrator" is any person who directly or
 1095 indirectly solicits or effects coverage of, collects charges or
 1096 premiums from, or adjusts or settles claims on residents of this
 1097 state in connection with authorized commercial self-insurance
 1098 funds or with insured or self-insured programs which provide
 1099 life or health insurance coverage or coverage of any other
 1100 expenses described in s. 624.33(1) or any person who, through a

1101 health care risk contract as defined in s. 641.234 with an
 1102 insurer or health maintenance organization, provides billing and
 1103 collection services to health insurers and health maintenance
 1104 organizations on behalf of health care providers, other than any
 1105 of the following persons:

1106 (h) A person appointed ~~licensed~~ as a managing general
 1107 agent in this state, whose activities are limited exclusively to
 1108 the scope of activities conveyed under such appointment ~~license~~.

1109
 1110 A person who provides billing and collection services to health
 1111 insurers and health maintenance organizations on behalf of
 1112 health care providers shall comply with the provisions of ss.
 1113 627.6131, 641.3155, and 641.51(4).

1114 Section 37. Subsection (2) of section 626.927, Florida
 1115 Statutes, is amended to read:

1116 626.927 Licensing of surplus lines agent.-

1117 (2) Any individual, while licensed as ~~and appointed as a~~
 1118 ~~managing general agent as defined in s. 626.015, or service~~
 1119 ~~representative as defined in s. 626.015, and who otherwise~~
 1120 ~~possesses all of the other qualifications of~~ a general lines
 1121 agent under this code, and who has a minimum of 1 year of ~~year's~~
 1122 experience working for a licensed surplus lines agent or who has
 1123 successfully completed 60 class hours in surplus and excess
 1124 lines in a course approved by the department, may, upon taking
 1125 and successfully passing a written examination as to surplus

1126 lines, as given by the department, be licensed as a surplus
 1127 lines agent solely for the purpose of placing with surplus lines
 1128 insurers property, marine, casualty, or surety coverages
 1129 originated by general lines agents; ~~except that no examination~~
 1130 ~~as for a general lines agent's license shall be required of any~~
 1131 ~~managing general agent or service representative who held a~~
 1132 ~~Florida surplus lines agent's license as of January 1, 1959.~~

1133 Section 38. Subsection (3) of section 626.930, Florida
 1134 Statutes, is amended to read:

1135 626.930 Records of surplus lines agent.-

1136 (3) Each surplus lines agent shall maintain all surplus
 1137 lines business records in his or her general lines agency
 1138 office, ~~if licensed as a general lines agent,~~ or in his or her
 1139 managing general agency office, ~~if licensed as a managing~~
 1140 ~~general agent or the full-time salaried employee of such general~~
 1141 ~~agent.~~

1142 Section 39. Subsection (2) of section 626.9892, Florida
 1143 Statutes, is amended to read:

1144 626.9892 Anti-Fraud Reward Program; reporting of insurance
 1145 fraud.-

1146 (2) The department may pay rewards of up to \$25,000 to
 1147 persons providing information leading to the arrest and
 1148 conviction of persons committing crimes investigated by the
 1149 department arising from violations of s. 440.105, s. 624.15, s.
 1150 626.9541, s. 626.989, s. 790.164, s. 790.165, s. 790.166, s.

1151 806.01, s. 806.031, s. 806.10, s. 806.111, s. 817.233, or s.
 1152 817.234.

1153 Section 40. Subsection (3) of section 633.302, Florida
 1154 Statutes, is amended to read:

1155 633.302 Florida Fire Safety Board; membership; duties;
 1156 meetings; officers; quorum; compensation; seal.—

1157 (3) The State Fire Marshal's term on the board, or that of
 1158 her or his designee, shall coincide with the State Fire
 1159 Marshal's term of office. ~~Of the other six members of the board,~~
 1160 ~~one member shall be appointed for a term of 1 year, one member~~
 1161 ~~for a term of 2 years, two members for terms of 3 years, and two~~
 1162 ~~members for terms of 4 years.~~ All terms are for 4 years and
 1163 expire on June 30 of the last year of the term. When the term of
 1164 a member expires, the State Fire Marshal shall appoint a member
 1165 to fill the vacancy for a term of 4 years. The State Fire
 1166 Marshal may remove any appointed member for cause. A vacancy in
 1167 the membership of the board for any cause must ~~shall~~ be filled
 1168 by appointment by the State Fire Marshal for the balance of the
 1169 unexpired term.

1170 Section 41. Subsection (2), paragraph (a) of subsection
 1171 (3), and paragraphs (b), (c), and (d) of subsection (4) of
 1172 section 633.304, Florida Statutes, are amended to read:

1173 633.304 Fire suppression equipment; license to install or
 1174 maintain.—

1175 (2) A person who holds a valid fire equipment dealer

1176 license may maintain such license in an inactive status during
 1177 which time he or she may not engage in any work under the
 1178 definition of the license held. An inactive status license is
 1179 ~~shall be void after~~ 4 years after the approval date of the
 1180 inactive status application. To maintain inactive status, the
 1181 inactive licensee must submit proof of continuing education and
 1182 the inactive status fee before December 31 of each odd-numbered
 1183 year or when the license is renewed, whichever comes first. An
 1184 ~~inactive status license may not be reactivated unless the~~
 1185 ~~continuing education requirements of this chapter have been~~
 1186 ~~fulfilled.~~

1187 (3) Each individual actually performing the work of
 1188 servicing, recharging, repairing, hydrotesting, installing,
 1189 testing, or inspecting fire extinguishers or preengineered
 1190 systems must possess a valid and subsisting permit issued by the
 1191 division. Permittees are limited as to specific type of work
 1192 performed to allow work no more extensive than the class of
 1193 license held by the licensee under whom the permittee is
 1194 working. Permits will be issued by the division as follows:

1195 (a) Portable permit: "Portable permittee" means a person
 1196 who is limited to performing work no more extensive than the
 1197 employing or contractually related licensee in the servicing,
 1198 recharging, repairing, installing, or inspecting all types of
 1199 portable fire extinguishers.

1200

1201 Any fire equipment permittee licensed pursuant to this
 1202 subsection who does not want to engage in servicing, inspecting,
 1203 recharging, repairing, hydrotesting, or installing halon
 1204 equipment must file an affidavit on a form provided by the
 1205 division so stating. Permits will be issued by the division to
 1206 show the work authorized thereunder. It is unlawful, unlicensed
 1207 activity for a person or firm to falsely hold himself or herself
 1208 out to perform any service, inspection, recharge, repair,
 1209 hydrotest, or installation except as specifically described in
 1210 the permit.

1211 (4)

1212 (b) After initial licensure, each licensee or permittee
 1213 must successfully complete a course or courses of continuing
 1214 education for fire equipment technicians of at least 16 hours. A
 1215 license or permit may not be renewed unless the licensee or
 1216 permittee produces documentation of the completion of at least
 1217 16 hours of continuing education for fire equipment technicians
 1218 during the biennial licensure period. A person who is both a
 1219 licensee and a permittee shall ~~be required to~~ complete 16 hours
 1220 of continuing education during each renewal period. Each
 1221 licensee shall ensure that all permittees in his or her
 1222 employment or through a contractual agreement meet their
 1223 continuing education requirements. The State Fire Marshal shall
 1224 adopt rules describing the continuing education requirements and
 1225 shall have the authority upon reasonable belief, to audit a fire

1226 equipment dealer to determine compliance with continuing
 1227 education requirements.

1228 (c) The forms of such licenses and permits and
 1229 applications therefor must ~~shall~~ be prescribed by the State Fire
 1230 Marshal; in addition to such other information and data as that
 1231 officer determines is appropriate and required for such forms,
 1232 there must ~~shall~~ be included in such forms the following
 1233 matters. Each such application must be in such form as to
 1234 provide that the data and other information set forth therein
 1235 shall be sworn to by the applicant or, if a corporation, by an
 1236 officer thereof. An application for a permit must include the
 1237 name of the licensee employing, or contractually related to,
 1238 such permittee, and the permit issued in pursuance of such
 1239 application must also set forth the name of such licensee. A
 1240 permit is valid solely for use by the holder thereof in his or
 1241 her employment by, or contractual relationship with, the
 1242 licensee named in the permit.

1243 (d) A license of any class may not be issued or renewed by
 1244 the division and a license of any class does not remain
 1245 operative unless:

1246 1. The applicant has submitted to the State Fire Marshal
 1247 evidence of registration as a Florida corporation or evidence of
 1248 compliance with s. 865.09.

1249 2. The State Fire Marshal or his or her designee has by
 1250 inspection determined that the applicant possesses the equipment

1251 required for the class of license sought. The State Fire Marshal
 1252 shall give an applicant a reasonable opportunity to correct any
 1253 deficiencies discovered by inspection. To obtain such
 1254 inspection, an applicant with facilities located outside this
 1255 state must:

1256 a. Provide a notarized statement from a professional
 1257 engineer licensed by the applicant's state of domicile
 1258 certifying that the applicant possesses the equipment required
 1259 for the class of license sought and that all such equipment is
 1260 operable; or

1261 b. Allow the State Fire Marshal or her or his designee to
 1262 inspect the facility. All costs associated with the State Fire
 1263 Marshal's inspection must ~~shall~~ be paid by the applicant. The
 1264 State Fire Marshal, in accordance with s. 120.54, may adopt
 1265 rules to establish standards for the calculation and
 1266 establishment of the amount of costs associated with any
 1267 inspection conducted by the State Fire Marshal under this
 1268 section. Such rules must ~~shall~~ include procedures for invoicing
 1269 and receiving funds in advance of the inspection.

1270 3. The applicant has submitted to the State Fire Marshal
 1271 proof of insurance providing coverage for comprehensive general
 1272 liability for bodily injury and property damage, products
 1273 liability, completed operations, and contractual liability. The
 1274 State Fire Marshal shall adopt rules providing for the amounts
 1275 of such coverage, but such amounts may not be less than \$300,000

1276 for Class A or Class D licenses, \$200,000 for Class B licenses,
 1277 and \$100,000 for Class C licenses; and the total coverage for
 1278 any class of license held in conjunction with a Class D license
 1279 may not be less than \$300,000. The State Fire Marshal may, at
 1280 any time after the issuance of a license or its renewal, require
 1281 upon demand, and in no event more than 30 days after notice of
 1282 such demand, the licensee to provide proof of insurance, on the
 1283 insurer's a form ~~provided by the State Fire Marshal~~, containing
 1284 confirmation of insurance coverage as required by this chapter.
 1285 Failure, for any length of time, to provide proof of insurance
 1286 coverage as required must ~~shall~~ result in the immediate
 1287 suspension of the license until proof of proper insurance is
 1288 provided to the State Fire Marshal. An insurer that ~~which~~
 1289 provides such coverage shall notify the State Fire Marshal of
 1290 any change in coverage or of any termination, cancellation, or
 1291 nonrenewal of any coverage.

1292 4. The applicant applies to the State Fire Marshal,
 1293 provides proof of experience, and successfully completes a
 1294 prescribed training course offered by the State Fire College or
 1295 an equivalent course approved by the State Fire Marshal. This
 1296 subparagraph does not apply to any holder of or applicant for a
 1297 permit under paragraph (g) or to a business organization or a
 1298 governmental entity seeking initial licensure or renewal of an
 1299 existing license solely for the purpose of inspecting,
 1300 servicing, repairing, marking, recharging, and maintaining fire

1301 extinguishers used and located on the premises of and owned by
 1302 such organization or entity.

1303 5. The applicant has a current retestor identification
 1304 number that is appropriate for the license for which the
 1305 applicant is applying and that is listed with the United States
 1306 Department of Transportation.

1307 6. The applicant has passed, with a grade of at least 70
 1308 percent, a written examination testing his or her knowledge of
 1309 the rules and statutes governing the activities authorized by
 1310 the license and demonstrating his or her knowledge and ability
 1311 to perform those tasks in a competent, lawful, and safe manner.
 1312 Such examination must ~~shall~~ be developed and administered by the
 1313 State Fire Marshal, or his or her designee in accordance with
 1314 policies and procedures of the State Fire Marshal. An applicant
 1315 shall pay a nonrefundable examination fee of \$50 for each
 1316 examination or reexamination scheduled. A reexamination may not
 1317 be scheduled sooner than 30 days after any administration of an
 1318 examination to an applicant. An applicant may not be permitted
 1319 to take an examination for any level of license more than a
 1320 total of four times during 1 year, regardless of the number of
 1321 applications submitted. As a prerequisite to licensure of the
 1322 applicant, he or she:

- 1323 a. Must be at least 18 years of age.
- 1324 b. Must have 4 years of proven experience as a fire
 1325 equipment permittee at a level equal to or greater than the

1326 level of license applied for or have a combination of education
 1327 and experience determined to be equivalent thereto by the State
 1328 Fire Marshal. Having held a permit at the appropriate level for
 1329 the required period constitutes the required experience.

1330 c. Must not have been convicted of a felony or a crime
 1331 punishable by imprisonment of 1 year or more under the law of
 1332 the United States or of any state thereof or under the law of
 1333 any other country. "Convicted" means a finding of guilt or the
 1334 acceptance of a plea of guilty or nolo contendere in any federal
 1335 or state court or a court in any other country, without regard
 1336 to whether a judgment of conviction has been entered by the
 1337 court having jurisdiction of the case. If an applicant has been
 1338 convicted of any such felony, the applicant is ~~shall be~~ excluded
 1339 from licensure for a period of 4 years after expiration of
 1340 sentence or final release by the Florida Commission on Offender
 1341 Review unless the applicant, before the expiration of the 4-year
 1342 period, has received a full pardon or has had her or his civil
 1343 rights restored.

1344
 1345 This subparagraph does not apply to any holder of or applicant
 1346 for a permit under paragraph (g) or to a business organization
 1347 or a governmental entity seeking initial licensure or renewal of
 1348 an existing license solely for the purpose of inspecting,
 1349 servicing, repairing, marking, recharging, hydrotesting, and
 1350 maintaining fire extinguishers used and located on the premises

1351 of and owned by such organization or entity.

1352 Section 42. Subsection (7) of section 633.318, Florida
 1353 Statutes, is amended to read:

1354 633.318 Certificate application and issuance; permit
 1355 issuance; examination and investigation of applicant.—

1356 (7) The State Fire Marshal may, at any time subsequent to
 1357 the issuance of the certificate or its renewal, require, upon
 1358 demand and in no event more than 30 days after notice of the
 1359 demand, the certificateholder to provide proof of insurance
 1360 coverage on the insurer's a form ~~provided by the State Fire~~
 1361 ~~Marshal~~ containing confirmation of insurance coverage as
 1362 required by this chapter. Failure to provide proof of insurance
 1363 coverage as required, for any length of time, shall result in
 1364 the immediate suspension of the certificate until proof of
 1365 insurance is provided to the State Fire Marshal.

1366 Section 43. Paragraph (b) of subsection (6) of section
 1367 633.408, Florida Statutes, is amended to read:

1368 633.408 Firefighter and volunteer firefighter training and
 1369 certification.—

1370 (6)

1371 (b) A Special Certificate of Compliance only authorizes an
 1372 individual to serve as an administrative and command head of a
 1373 fire service provider.

1374 1. An individual desiring to obtain a Special Certificate
 1375 of Compliance may not be employed as a fire chief, fire

1376 coordinator, fire director, or fire administrator for a period
 1377 of more than 1 year without obtaining certification.

1378 2. An individual desiring to obtain a Special Certificate
 1379 of Compliance may not serve as a command officer or function in
 1380 a position dictating incident outcomes or objectives before
 1381 achieving certification.

1382 3. Retention requirements for a Special Certificate of
 1383 Compliance must be similar to those provided in s. 633.414.

1384 Section 44. Subsection (1) of section 633.416, Florida
 1385 Statutes, is amended, present subsections (7) and (8) of that
 1386 section are renumbered as subsections (8) and (9), respectively,
 1387 and a new subsection (7) is added to that section, to read:

1388 633.416 Firefighter employment and volunteer firefighter
 1389 service; saving clause.—

1390 (1) A fire service provider may not employ an individual
 1391 to:

1392 (a) Extinguish fires for the protection of life or
 1393 property or to supervise individuals who perform such services
 1394 unless the individual holds a current and valid Firefighter
 1395 Certificate of Compliance; or

1396 (b) Serve as the administrative and command head of a fire
 1397 service provider for a period in excess of 1 year unless the
 1398 individual holds a current and valid Firefighter Certificate of
 1399 Compliance or Special Certificate of Compliance pursuant to s.
 1400 633.408.

1401 (7) A fire service provider may employ veterans who were
 1402 honorably discharged and who received training equivalent to the
 1403 requirements under this chapter. The standard of equivalency of
 1404 training must be verified by the division before such an
 1405 individual's employment begins. Such individual must obtain a
 1406 Firefighter Certificate of Compliance within 24 months after
 1407 employment.

1408 Section 45. Paragraph (e) of subsection (1) of section
 1409 633.444, Florida Statutes, is amended to read:

1410 633.444 Division powers and duties; Florida State Fire
 1411 College.—

1412 (1) The division, in performing its duties related to the
 1413 Florida State Fire College, specified in this part, shall:

1414 ~~(e) Develop a staffing and funding formula for the Florida~~
 1415 ~~State Fire College. The formula must include differential~~
 1416 ~~funding levels for various types of programs, must be based on~~
 1417 ~~the number of full-time equivalent students and information~~
 1418 ~~obtained from scheduled attendance counts taken the first day of~~
 1419 ~~each program, and must provide the basis for the legislative~~
 1420 ~~budget request. As used in this section, a full-time equivalent~~
 1421 ~~student is equal to a minimum of 900 hours in a technical~~
 1422 ~~certificate program and 400 hours in a degree seeking program.~~
 1423 ~~The funding formula must be as prescribed pursuant to s.~~
 1424 ~~1011.62, must include procedures to document daily attendance,~~
 1425 ~~and must require that attendance records be retained for audit~~

1426 ~~purposes.~~

1427 Section 46. Subsection (8) of section 648.27, Florida
 1428 Statutes, is amended to read:

1429 648.27 Licenses and appointments; general.-

1430 (8) ~~An application for a managing general agent's license~~
 1431 ~~must be made by an insurer who proposes to employ or appoint an~~
 1432 ~~individual, partnership, association, or corporation as a~~
 1433 ~~managing general agent. Such application shall contain the~~
 1434 ~~information required by s. 626.744, and the applicant shall pay~~
 1435 ~~the same fee as a managing general agent licensed pursuant to~~
 1436 ~~that section.~~ An individual who is appointed as a managing
 1437 general agent to supervise or manage bail bond business written
 1438 in this state must also be licensed as a bail bond agent. In the
 1439 case of an entity, at least one owner, officer, or director at
 1440 each office location must be licensed as a bail bond agent.

1441 Section 47. Present subsection (6) of section 648.34,
 1442 Florida Statutes, is renumbered as subsection (7), and a new
 1443 subsection (6) is added to that section, to read:

1444 648.34 Bail bond agents; qualifications.-

1445 (6) The requirements for completion and submission of
 1446 fingerprints under this chapter are deemed to be met when an
 1447 individual currently licensed under this chapter seeks
 1448 additional licensure and has previously submitted fingerprints
 1449 to the department in support of an application for licensure
 1450 under this chapter within the past 48 months. However, the

1451 department may require the individual to file fingerprints if it
 1452 has reason to believe that an applicant or licensee has been
 1453 found guilty of, or pleaded guilty or nolo contendere to, a
 1454 felony or a crime related to the business of insurance in this
 1455 or any other state or jurisdiction.

1456 Section 48. For the purpose of incorporating the amendment
 1457 made by this act to section 626.221, Florida Statutes, in a
 1458 reference thereto, paragraph (b) of subsection (1) of section
 1459 626.8734, Florida Statutes, is reenacted to read:

1460 626.8734 Nonresident all-lines adjuster license
 1461 qualifications.—

1462 (1) The department shall issue a license to an applicant
 1463 for a nonresident all-lines adjuster license upon determining
 1464 that the applicant has paid the applicable license fees required
 1465 under s. 624.501 and:

1466 (b) Has passed to the satisfaction of the department a
 1467 written Florida all-lines adjuster examination of the scope
 1468 prescribed in s. 626.241(6); however, the requirement for the
 1469 examination does not apply to:

1470 1. An applicant who is licensed as an all-lines adjuster
 1471 in his or her home state if that state has entered into a
 1472 reciprocal agreement with the department;

1473 2. An applicant who is licensed as a nonresident all-lines
 1474 adjuster in a state other than his or her home state and a
 1475 reciprocal agreement with the appropriate official of the state

1476 | of licensure has been entered into with the department; or
1477 | 3. An applicant who holds a certification set forth in s.
1478 | 626.221(2)(j).
1479 | Section 49. This act shall take effect July 1, 2018.

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Government Operations &
2 Technology Appropriations Subcommittee
3 Representative Hager offered the following:

Amendment (with title amendment)

Remove lines 270-301 and insert:

7 (c) Provide information for the financial literacy
8 curriculum for youth offered by the Department of Financial
9 Services.

11 -----
12 **T I T L E A M E N D M E N T**

Remove lines 15-22 and insert:

14 amending s. 39.6035, F.S.; requiring child transition plans to
15 address financial literacy by providing specified information;
16 amending s. 218.32, F.S.;

Amendment No. 2

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Government Operations &
2 Technology Appropriations Subcommittee
3 Representative Hager offered the following:
4

5 **Amendment (with title amendment)**

6 Remove lines 530-549
7
8

9 -----
10 **T I T L E A M E N D M E N T**

11 Remove lines 51-59 and insert:

12 Armed Forces;

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1437 Employment Services for Persons with Disabilities

SPONSOR(S): Abruzzo

TIED BILLS: IDEN./SIM. **BILLS:** SB 648

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Oversight, Transparency & Administration Subcommittee	10 Y, 0 N	Toliver	Harrington
2) Government Operations & Technology Appropriations Subcommittee		Keith 	Topp 
3) Government Accountability Committee			

SUMMARY ANALYSIS

The Division of Blind Services (DBS), and the Division of Vocational Rehabilitation (DVR), are subdivisions of the Department of Education (DOE). Both DBS and DVR, pursuant to statute, have established statewide vocational rehabilitation programs for blind and disabled persons, respectively, for the purpose of maximizing employment opportunities for these individuals and to increase their independence and self-sufficiency. Participants in DOE's vocational rehabilitation programs are not currently considered employees of the state for the purpose of workers' compensation coverage. Workers' compensation coverage requires an employer to provide medical and indemnity benefits to a worker who is injured due to an accident arising out of and during the course of employment.

The bill requires participants in an adult or youth work experience activity under either the DBS or the DVR be deemed an employee of the state for the purposes of workers' compensation coverage

The bill has a significant fiscal impact on state government expenditures from the State Risk Management Trust Fund. According to the Department of Financial Services (DFS), the Division of Risk Management will incur additional expenditures associated with an annual increase of medical and indemnity workers' compensation claims costs. The DFS estimates that claims costs will increase by approximately \$166,000.

The bill has an effective date of July 1, 2018.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Division of Blind Services

The Division of Blind Services (DBS) is housed within the Department of Education (DOE).¹ It is the intent of the Legislature to establish a coordinated program of services which are available throughout Florida to individuals who are blind.² The program must be designed to maximize employment opportunities for individuals who are blind and to increase their independence and self-sufficiency.³ DBS's program of services include the blind babies program, children's program, transition services, independent living program, vocational rehabilitative program, employer services, business enterprises program, rehabilitation center for the blind and visually impaired, and the braille and talking books library.⁴

The Rehabilitative Council for the Blind⁵ (RCB) is an advisory council responsible for assisting the DBS in the planning and development of statewide vocational rehabilitation programs and services pursuant to the Rehabilitation Act of 1973,⁶ as amended, to recommend improvements to such programs and services, and to perform specified functions.

Vocational Rehabilitation

The Division of Vocational Rehabilitation (DVR), located within the DOE,⁷ is designated as the administrative unit⁸ for the purposes of complying with the Rehabilitation Act of 1973, as amended. Under Florida law, an individual with a disability⁹ is eligible for vocational rehabilitative (VR) services if the person requires VR services to prepare for, engage in, or retain gainful employment.¹⁰ The DVR is responsible for determining eligibility of an individual for VR services.¹¹ The DVR is also responsible for maintaining an internal system of quality assurance and monitoring compliance with state and federal laws, rules, and regulations.¹²

The Florida Rehabilitation Council (council) is responsible for assisting the division in the planning and development of statewide rehabilitation programs and services, recommending improvements to such programs and services, and performing specified functions.¹³ The council is responsible for performing functions such as developing and reviewing state goals and priorities in accordance with federal law and evaluating VR program effectiveness.¹⁴

¹ Section 20.15(3)(e), F.S.

² Section 413.011(2), F.S.

³ *Id.*

⁴ *See About Blind Services*, FLORIDA DIVISION OF BLIND SERVICES, <http://dbs.myflorida.com/Information/index.html> (last visited Jan. 25, 2018).

⁵ Section 413.011(8), F.S. Members of the council are appointed by the Governor with the majority being blind or visually impaired. The council membership must include at least 13 members. Also, *see Florida Division of Blind Services, Rehabilitation Council*, <http://dbs.myflorida.com/Rehab-Council/index.html> (last visited Jan. 25, 2018).

⁶ 29 U.S.C. s. 701(b).

⁷ Section 20.15(3)(d), F.S.

⁸ Section 413.202, F.S.

⁹ Section 413.20(7), F.S., defines "disability" to mean a physical or mental impairment that constitutes or results in a substantial impediment to employment.

¹⁰ Section 413.30(1), F.S.

¹¹ Section 413.30(4), F.S.

¹² Section 413.207(1), F.S.

¹³ Section 413.405, F.S. Members of the council are appointed by the Governor. The council membership must include at least 15 members but no more than 25 at a time.

¹⁴ Section 413.405(9)(b), F.S.

Workers' Compensation

Workers' compensation is a form of insurance designed to provide wage replacement and medical benefits for employees who are injured in the course of employment in exchange for giving up the right to sue the employer for negligence. In Florida, workers' compensation is governed by ch. 440, F.S., the "Workers' Compensation Law." The law prescribes coverage requirements, medical and indemnity benefits, the rights and responsibilities of employers, injured employees, medical providers, and carriers, as well as procedures for dispute resolution.

Generally, employers are required to provide medical and indemnity benefits to a worker who is injured due to an accident arising out of and during the course of employment.¹⁵ For such injuries, an employer is responsible for providing medical treatment,¹⁶ and compensation in the event of employee disability¹⁷ or death.¹⁸ Specific employer coverage requirements are based on the type of industry, number of employees, and entity organization.¹⁹

State Risk Management Program

The Division of Risk Management (division)²⁰ located within the Department of Financial Services (DFS) is responsible for ensuring that state agencies and universities participating in the state's self-insurance program receive quality coverage for workers' compensation, general liability, federal civil rights, auto liability, and property insurance at reasonable rates. The divisions operations and the state's insurance coverage are funded by annual agency assessments, which are deposited into the State Risk Management Trust Fund.²¹ Agency premiums are based on loss experience, exposure, and a prorated share of the division's operating budget. Projected costs are derived from actuarial studies of the divisions cash flow needs for claims and program expenses.²²

Effect of the Bill

The bill requires participants in an adult or youth work experience activity under either the DBS or the DVR be deemed an employee of the state for the purposes of workers' compensation coverage.

B. SECTION DIRECTORY:

Section 1 creates s. 413.015, F.S., relating to workers' compensation coverage for participants in an adult or youth work experience activity for blind individuals.

Section 2 creates s. 413.209, F.S., relating to workers' compensation coverage for participants in an adult or youth work experience activity in a vocational rehabilitation program.

Section 3 provides an effective date of July 1, 2018.

¹⁵ Section 440.09(1), F.S.

¹⁶ Section 440.13(2), F.S.

¹⁷ Section 440.15, F.S.

¹⁸ Section 440.16, F.S.

¹⁹ *Coverage Requirements*, DIVISION OF WORKERS' COMPENSATION, <https://www.myfloridacfo.com/division/wc/Employer/coverage.htm> (last visited on Jan. 25, 2018).

²⁰ Section 20.121(2)(h), F.S.

²¹ Section 284.30, F.S.

²² *See* Division of Risk Management, Department of Financial Services, Fiscal Year 2016 Annual Report, <https://www.myfloridacfo.com/Division/Risk/documents/2015-2016Report.pdf> (last visited on Jan. 25, 2018).

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The Department of Financial Services (DFS) Division of Risk Management (division) is expected to incur additional medical and indemnity claim costs for providing workers' compensation benefits coverage to participants of training programs offered by the Division of Blind Services (DBS) and the Division of Vocational Rehabilitation (DVR), operated within the Department of Education (DOE). Currently, in similar training programs offered by the Department of Economic Opportunity (DEO), the division only covers the medical benefits of program participants. Based on five years of claims experience in the DEO training programs, the DFS estimates that medical claim costs for the new program coverage created in the bill will increase costs approximately \$128,000 annually, which are paid from the State Risk Management Trust Fund. The DFS also indicates that this cost estimate does not include ultimate developed costs, and is based on 966 additional participants from the DOE for these programs.

Additionally, the DFS indicates that the above costs do not include indemnity payments. Unlike DEO participants, the participants in the blind and vocational rehabilitation training programs will now be eligible for indemnity payments. Based on the divisions aggregate claim data, approximately 8 percent of claims will result in indemnity payments. Although injury severity will influence the duration of indemnity payments, it is anticipated that adding 966 training participants will result in 23 additional claims per year. Based on aggregate claim data, the division indicates that 8 percent of the anticipated claims (2 claims) will result in indemnity payments. The National Council on Compensation Insurance estimates that the average Florida indemnity cost per claim is \$19,000. Utilizing the average Florida indemnity cost per claim, the DFS estimates that annual indemnity claim payments for the new program created in the bill will be approximately \$38,000.²³

The DFS estimates the total annual impact of HB 1437 to be \$166,000 (\$128,000 in medical claims and \$38,000 in indemnity payments).

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

²³ 2018 Agency Bill Analysis for SB 648, DEPARTMENT OF FINANCIAL SERVICES, on file with the Oversight, Transparency & Administration Subcommittee. SB 648 and HB 1437 are identical.

D. FISCAL COMMENTS:

In the event that a training participant is injured severely, resulting in the receipt of permanent total benefits, the DFS suggests that that indemnity claims payments would greatly exceed the estimated average cost per claim of \$19,000 for the life of the claim.²⁴

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

²⁴ *Id.*

1 A bill to be entitled
 2 An act relating to employment services for persons
 3 with disabilities; creating ss. 413.015 and 413.209,
 4 F.S.; specifying that participants in certain disabled
 5 persons' work experience activities are considered
 6 state employees for workers' compensation purposes;
 7 providing an effective date.

8

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

10

11 Section 1. Section 413.015, Florida Statutes, is created
 12 to read:

13 413.015 Workers' compensation coverage for program
 14 participants.—A participant in an adult or youth work experience
 15 activity administered under this part shall be deemed an
 16 employee of the state for purposes of workers' compensation
 17 coverage.

18 Section 2. Section 413.209, Florida Statutes, is created
 19 to read:

20 413.209 Workers' compensation coverage for program
 21 participants.—A participant in an adult or youth work experience
 22 activity administered under this part shall be deemed an
 23 employee of the state for purposes of workers' compensation
 24 coverage.

25 Section 3. This act shall take effect July 1, 2018.