Dear Friends,

A government that does not communicate transparently and thoroughly with its constituents cannot operate effectively; that’s something I’ve long believed. Particularly as an agency that operates using taxpayer dollars, it’s important to me that I keep Floridians like you informed on how we’re putting our budget to its highest and best use. And, as I shared with you a couple of weeks ago, new Florida laws that became effective on July 1 are bringing about some changes within our Department. Change happens—it’s how we continue to grow and improve ourselves—and we believe these changes will help us streamline the way we do business.

As frequent newsletter readers know, one of my main priorities is to rid our great state of fraud, waste, and abuse. We do that in a variety of ways, but primarily via the three law enforcement units that are housed within our Department of Financial Services—the Division of Insurance Fraud, the Bureau of Fire and Arson Investigations, and the Office of Fiscal Integrity. These offices work to catch perpetrators who commit acts of insurance fraud, criminals who intentionally set fires to collect insurance money or to cover up a larger crime, and those who cheat or steal state dollars.

Previously housed in separate areas of the Department, on July 1, these units combined to form a new Division—the Division of Investigative and Forensic Services. As a nationally-recognized leader in the fight against fraud, our ability to share intelligence and resources is vital to our continued success. We must continually adjust our methods and adapt our techniques to match these ever-evolving crimes and by combining forces, we’re able to extend our reach and do more to protect the people of Florida from falling victim to acts of insurance fraud, arson, and the misuse of state funds.

While our team may appear new on paper, our mission, vision and values remain the same. We’ll continue to serve the people of Florida as we’ve done for decades, and we’ll continue to communicate with you openly, as we always have.

If you’ve reported suspected fraud to us before, we encourage you to remain vigilant to these crimes and to call us anytime you see something that just isn’t right.

I try to remember, as I’m sure many of you do as well, that the only constants in life are change and taxes... although we work hard to keep those low here in Florida!
Sincerely,

Jeff Atwater
Chief Financial Officer
State of Florida
News You Can Use

- Updating you on what's going on

Department of Financial Services Enhances Law Enforcement Strategy with Newly-Formed Division of Investigative and Forensic Services

Chief Financial Officer and State Fire Marshal Jeff Atwater announced an exciting transition involving the law enforcement units housed within the Florida Department of Financial Services. Three sworn law enforcement units operate under the direction of the Department, which is led by CFO Atwater—the Division of Insurance Fraud, the Bureau of Fire and Arson Investigations, and the Office of Fiscal Integrity. To create greater efficiencies and to streamline the way the Department does business, these units were combined into the newly-formed Division of Investigative and Forensic Services, also known as DIFS, effective July 1.

Division Director Simon Blank stated, “As a nationally-recognized leader in the fight against fraud, our ability to share intelligence and resources is paramount as we continually raise the bar by adjusting our methods and adapting our techniques to match an ever-evolving crime. By combining forces, we’re able to extend our reach and do more to protect the people of Florida from falling victim to acts of insurance fraud, arson or the misuse of state funds.”

Click here to continue reading the press release>>

Miami Attorney Charged with Insurance Fraud and Grand Theft

Chief Financial Officer Jeff Atwater and the Department of Financial Services’ Division of Investigative and Forensic Services (DIFS) announced the recent arrest of Miami attorney, Anett Lopez, 42, for her involvement in a personal injury protection (PIP) fraud scheme that accounted for nearly $1.5 million in financial loss. Lopez allegedly filed numerous lawsuits demanding payment for treatment of patients at Care Resources Group, LLC, a PIP clinic in Miami that fraudulently operated under a straw ownership.

Click here to continue reading the press release>>

Ft. Myers Business Owner Steals More Than $1,000,000 Through Payroll Check-Cashing and Workers’ Comp Scheme

Chief Financial Officer Jeff Atwater and the Department of Financial Services’ (DFS) Division of Investigative and Forensic Services (DIFS) announced the recent arrest of Ivan Hernandez, owner of Global Staffing / Professional Staffing and Payroll Services in Ft. Myers. Hernandez is alleged to have ran a criminal enterprise by claiming to provide workers’ compensation insurance and payroll services to his clients but instead of providing those services, Hernandez allegedly provided fictitious policies and pocketed his client’s payments. As a result, Hernandez is being held responsible for the theft of more than $1,000,000.
An investigation by DIFS’ Bureau of Insurance Fraud and the Department’s Division of Workers’ Compensation Bureau of Compliance revealed that in August 2013 Hernandez obtained a workers’ compensation insurance policy for his company, Global Staffing Services, LLC. The policy accounted for two employees, an estimated $51,000.00 payroll and listed Hernandez’s company as a staffing company that provided employee recruiting services. When obtaining the policy, Hernandez stated Global Staffing Services was a staffing company that provided employee recruiting services for various companies but would not directly hire or offer any long-term or short-term staffing services.

Click here to continue reading the press release>>

**Husband and Wife Duo Arrested for Role in Alleged Fake Investment Scam**

The Florida Office of Financial Regulation (OFR) announced the arrests of Miguel Angel Perez and his wife, Maritza Belinda Perez, on charges of organized fraud, grand theft and mortgage fraud in connection with the sale of investment offerings in Clearwater.

“The Florida Office of Financial Regulation remains committed to protecting Floridians from financial fraud,” said Commissioner Drew J. Breakspear. “Potential investors interested in these types of offerings are urged to proceed with caution and take time to fully research the investment and company, including verifying proper licensure.”

Miguel and Maritza Perez allegedly defrauded at least 13 Floridians out of approximately $500,000 through a fraudulent investment scheme. Potential investors were purportedly recruited through “free” real estate investment seminars held at various hotels throughout the Tampa Bay area, where investments in an assisted living facility were offered. The OFR investigation revealed that the assisted living facility never came into operation and the pair are alleged to have used a large portion of investor funds for personal living expenses, including the purchase of their home in New Port Richey.

Click here to continue reading the press release>>

**Florida Insurance Commissioner Announces Public Hearings for Two Insurance Companies Requesting Long-Term Care Insurance Rate Increases Up to 95% and 114%**

Florida Insurance Commissioner David Altmaier announced the Office of Insurance Regulation (Office) will host two public hearings on Friday, August 12, 2016, to discuss significant long-term care insurance rate increases being proposed by Metropolitan Life Insurance Company (“Metlife”) and Unum Life Insurance Company of America (“Unum”). The majority of policyholders impacted by the proposed rate increases reside in the South Florida area of Broward or Miami-Dade counties, but Floridians from all parts of the state are included. For a list detailing the number of policyholders by county for each company, click here for MetLife and here for Unum.

Metlife is the largest life insurance company in Florida and one of the largest long-term care insurance companies in Florida. As of year-end 2015, Metlife had a net income of $3.7 billion and surplus of $14.48 billion. It is proposing long-term care insurance rate increases ranging from 20% up to 95%. These increases are expected to affect approximately 22,796 Florida policyholders. If this rate filing is approved as requested, the average annual premium would change from $1,593 to $2,580.

Unum is the largest provider of disability insurance products in the United States and also one of the largest
long-term care insurance companies in Florida. As of year-end 2015, Unum had a net income of $203.5 million and a surplus of $1.56 billion. It is proposing rate increases ranging from 0% up to 114%. These increases are expected to affect approximately 45,666 Florida policyholders. If this rate filing is approved as requested, the average annual premium would change from $581 to $862.

Office Receives Amended NCCI Workers’ Compensation Rate Filing

The Office of Insurance Regulation received an amended rate filing by the National Council on Compensation Insurance (NCCI) to address a third legal change affecting Florida's workers’ compensation system. This amended filing increases NCCI’s initial proposed combined average rate increase from 17.1% to 19.6%.

Individual projected rate impacts for all three recent legal changes include the following:

- A 2.2% projected rate increase for the June 9th Florida Supreme Court decision in the case of Westphal v. City of St. Petersburg (Westphal), in which the Florida Supreme Court found the 104-week statutory limitation on temporary total disability benefits in Section 440.15(2)(a), Florida Statutes, unconstitutional because it causes a statutory gap in benefits in violation of an injured worker’s constitutional right of access to courts. The Supreme Court reinstated the 260-week limitation in effect prior to the 1994 law change.

- A 15% projected rate increase for the April 28th Florida Supreme Court decision in the case of Castellanos v. Next Door Company (Castellanos), which found the mandatory attorney fee schedule in Section 440.34, Florida Statutes, unconstitutional as a violation of due process under both the Florida and United States Constitutions.

- A 1.8% projected rate increase related to updates within the Florida Workers’ Compensation Health Care Provider Reimbursement Manual (HCPR Manual) per Senate Bill 1402. The manual becomes effective on July 1, 2016. NCCI is proposing an effective date of October 1, 2016 for new and renewal workers’ compensation policies and that the 19.6% rate increase apply to all workers’ compensation policies in effect as of October 1, 2016.

Make Sure You Don't Miss Important Information From Us

We highly recommend that licensees routinely check their MyProfile accounts for messages from the Department. We send an email notification when a message has been sent to remind you to check your MyProfile account but on rare occasions you may not receive that email. For that reason, we suggest you add our domains dfs.state.fl.us and MyFloridaCFO.com to your email software's Trusted or Safe Senders List to ensure you are able to receive email notifications from us. Licensees who have a valid email address on file with the Department, as required by law, are sent important email notifications when something that affects their application, license, continuing education, or appointment(s) occurs. Additionally, we will keep you informed with warnings regarding new schemes and scams being marketed to licensees. You can update your contact information through your MyProfile account. We want to keep you informed in a timely manner of pertinent information. You are still required to abide by the Florida Insurance Code regardless of whether you read the information we provide or attempt to provide.
**The Shell Game: Fraud In The Florida Construction Industry**


A dangerous fraud scheme has infiltrated the construction industry in Florida over the last several years. Usually involving residential home building, it started in South Florida but has swept northward to encompass most major cities in the state. The scheme revolves around “shell companies,” which on the surface look legitimate and have proper workers comp coverage, but in reality are operating a giant pool of off-the-books labor and are hiding millions of dollars of unreported payroll.

The fraud starts when a labor broker, also called a facilitator, induces a (sometimes) innocent third party—often a foreign national with family to support in his or her home country—to set up a company with the state Division of Corporations that has a very generic name that may reference construction. The company’s name has to be generic, because different crews will be (a) working on many different job sites and (b) often performing all types of construction work. Often the words “Construction Services” or “Services Corp” are in the name. A series of three initials like “ABC Construction” is also common.

The owner then approaches an insurance agent to secure workers compensation coverage and reports just enough payroll in a construction class to look legitimate and to not arouse suspicion from the insurance carrier. Most often, the class code is one that typically uses unskilled labor, such as drywall, framing or concrete.

After the workers comp coverage is in place, the business owner takes his certificate of insurance (COI) listing the company’s workers comp coverage and then rents that COI out for a fee to dozens of different construction crews doing work on many different job sites.

When the general contractor pays the crew for work performed, the labor broker takes that check to a check-cashing store, gets the cash, takes his (substantial) cut, gives the check cashing store its cut, and gives what’s left to the crew leader to pay his crew for doing the work. The labor broker can have dozens of crews using hundreds of workers on different jobs sites at any one time, which means he is cashing millions of dollars in payroll checks in any given policy period.

**The victims**

None of this payroll is reported to the company’s insurance agent or workers comp carrier. Neither the carrier nor the agent know the true exposure associated with the policy for the shell company. For example, what is supposed to be a company with $50,000 in framing payroll that is paying $8,500 in annual premium could in reality be a company with $5 million in framing, drywall and concrete payroll that should be paying $850,000.
annually. This results in hundreds of thousands of dollars of unpaid premium that the insurance carrier never receives. If claims are made on the policy, they usually are from workers the insurance carrier never knew they were covering and for which they never received a penny. Of course, the shell game also reduces the commission the insurance agent should have received. Other victims of this scheme are the undocumented workers who are injured working for one of these companies. They are the ones doing the hard work, and if they are hurt on the job, they have no idea what to do. Usually the only name they know is their crew leader; they don’t know the name of the shell company and they don’t know the name of the shell company’s insurance carrier. This complicated structure means injured workers can be left on their own to try and find medical help for injuries.

**Warning signs**

Shell companies often have several common characteristics. Individually, these signs might be legitimate, but taken together, they usually add up to fraud:

1. Generic company name like “ABC Construction” or “XYZ Services Corp.” These generic names allow the shell company to perform a wide range of construction jobs.
2. Class code on the policy is one that does not require a license and can use unskilled workers, like framing, carpentry, concrete, masonry, wallboard or painting.
3. Company address is not a legitimate business address. Often, shell companies use a P.O. Box or a UPS store as their business address. They will even work out of a small house or condo.
4. Down payment for the policy is made using a money order or starter check where the company name is hand written.
5. Company is located in a part of the state that is far away from their insurance agent. Often shell companies will use an agent in a different part of the state to avoid scrutiny.
6. Company wants to make changes to their workers comp policy shortly after binding, such as adding or changing class codes.
7. Company does not comply with audit requests from the insurance company.
8. Company requests a large number of COIs not in line with the estimated payroll for their policy, requests certificates listing generic descriptions of operations, or wants class codes listed on the COI that are not on the policy.

**Shell companies do their best to look legitimate on the surface, but there are some things agents can do to avoid doing business with them:**

1. Meet clients in person. Make sure the person you are dealing with is the company owner or officer, and not an unrelated third party. Make sure the company owner or officer has a valid Florida driver’s license.
2. Require original signatures on all documents.
3. Google the company’s business address to make sure it is legitimate.
4. Make sure the company has a legitimate company bank account.
5. Ask if the company will be paying state and federal unemployment taxes on its employees.
6. Check the Proof of Coverage database maintained by the state Division of Workers’ Compensation to see if the company has had prior coverage and if that coverage was cancelled.
7. Know which subcontractors your client uses. Most importantly, agents should immediately report any suspected fraud or unusual activity to the insurance carrier. Agents are an insurance company’s eyes and ears in the field and the best weapon to help stop fraud before it starts.
What is an Unaffiliated Agent?

"Unaffiliated insurance agent" means a licensed insurance agent, except a limited lines agent, who is self-appointed and who practices as an independent consultant in the business of analyzing or abstracting insurance policies, providing insurance advice or counseling, or making specific recommendations or comparisons of insurance products for a fee established in advance by written contract signed by the parties. An unaffiliated insurance agent may not be affiliated with an insurer, insurer-appointed insurance agent, or insurance agency contracted with or employing insurer-appointed insurance agents. [See subsection 626.015(18), F.S. (effective July 1, 2014)]

An agent who appoints his or her license as an unaffiliated insurance agent may not hold an appointment from an insurer for any license he or she holds; transact, solicit, or service an insurance contract on behalf of an insurer; interfere with commissions received or to be received by an insurer-appointed insurance agent or an insurance agency contracted with or employing insurer-appointed insurance agents; or receive compensation or any other thing of value from an insurer, an insurer-appointed insurance agent, or an insurance agency contracted with or employing insurer-appointed insurance agents for any transaction or referral occurring after the date of appointment as an unaffiliated insurance agent. An unaffiliated insurance agent may continue to receive commissions on sales that occurred before the date of appointment as an unaffiliated insurance agent if the receipt of such commissions is disclosed when making recommendations or evaluating products for a client that involve products of the entity from which the commissions are received. [See subsection 626.311(6), F.S. (effective July 1, 2014)]

General Lines Agents - Lawful Fees

MVR Fee

As an agent, you or your agency may charge a consumer the actual cost of the motor vehicle report (MVR) for each licensed driver. However, you may not include subscription or access fees associated with obtaining the MVR in the cost to the consumer. See s.627.7295(5)(b), F.S.

Policy Fee

A licensed general lines agent may charge a per-policy fee not to exceed $10 to cover the administrative costs of the agent associated with selling the motor vehicle insurance policy if the policy covers only personal injury protection coverage as provided by s. 627.736 and property damage liability coverage as provided by s. 627.7275 and if no other insurance is sold or issued in conjunction with or collateral to the policy. The fee is not considered part of the premium.

Credit Card Fee
If a credit card company charges a fee for payments of policies/premiums, then in accordance with 626.9541(o)2., F.S., a licensed agent may charge “...the exact amount of any discount or other such fee charged by a credit card facility in connection with the use of a credit card, as authorized by subparagraph (q)3., in addition to the premium required by the insurer.”

Section 626.9541(q)3., F.S. states, “A licensed agent or insurer may solicit or negotiate insurance; seek or accept applications for insurance; issue or deliver any policy; receive, collect, or transmit premiums, to or for an insurer; or otherwise transact insurance in this state, or relative to a subject of insurance resident, located, or to be performed in this state, through the arrangement or facilities of a credit card facility or organization, for the purpose of insuring credit card holders or prospective credit card holders if:

a. The insurance or policy which is the subject of the transaction is noncancelable by any person other than the named insured, the policyholder, or the insurer;

b. Any refund of unearned premium is made to the credit card holder by mail or electronic transfer; and

c. The credit card transaction is authorized by the signature of the credit card holder or other person authorized to sign on the credit card account.”

See s.626.9541(q), F.S.

**Citizens' Maximum Coverage Limit Decreased Effective January 1, 2017**

As required by Senate Bill 1770, enacted by the Florida Legislature in 2013, and by approval of Citizens’ Board of Governors, Citizens will decrease allowable maximum policy coverage limits.

**Effective January 1, 2017**, for new business and renewals, the following personal residential risks no longer are eligible for coverage under Florida law:

- A structure that has a dwelling replacement cost (Coverage A) of $700,000 or more
- A single condominium unit with a combined dwelling and contents replacement cost (Coverage A and C) of $700,000 or more
- A tenant contents policy with a Coverage C limit of $700,000 or more

*Note: The maximum coverage limit changes reflected above will not affect policy forms where lower maximum coverage limits already exist.*

Because the Florida Office of Insurance Regulation (OIR) determined there is not a reasonable degree of competition in Miami-Dade and Monroe counties, these two counties are exempt from the decreased coverage limit of $700,000. The maximum coverage limit of less than $1 million will continue to apply to risks in these two counties.

Citizens will comply with the nonrenewal guidelines in Florida Statute 627.4133 and mail affected policyholders nonrenewal notices in advance of nonrenewal dates of January 1, 2017, or later. The nonrenewal will be effective at the end of each policy’s current term.

Agency principals will receive a separate email soon containing a list of affected policyholders, in order to assist them with securing coverage elsewhere.

Citizens’ website, systems and manuals will be updated to reflect this change.

[Click here to read the bulletin at Citizens' website]
Summer 2016 PDM for Consumers with Medicaid or Children's Health Insurance Program (CHIP) MEC: An Overview of for Agents and Brokers - Register Now

Registration is now open for the “Summer 2016 Periodic Data Matching (PDM) for Consumers with Medicaid or CHIP Minimum Essential Coverage (MEC): An Overview of for Agents and Brokers” webinar scheduled for August 5 at 1:00 PM Eastern Time.

The webinar will provide an overview of the summer 2016 PDM process for consumers enrolled in both a Marketplace qualified health plan with advance payments of the premium tax credit and/or cost-sharing reductions and MEC through Medicaid or the Children’s Health Insurance Program. The webinar will explain how agents and brokers can assist affected consumers.

To register for the webinar, please log in to www.REGTAP.info. Registration closes 24 hours prior to the event.

If you have questions on the webinar registration process, visit the “Agent and Broker Webinars” section of the Agents and Brokers Resources webpage for more information. If you require assistance with registration or logistics, you may contact the REGTAP registrar at 800-257-9520, 9:00 AM – 5:00 PM ET, Monday through Friday or email registrar@REGTAP.info

The 2015 Florida Statutes Now Available Online

The most current Florida Statutes can now be viewed at Online Sunshine - Title XXXVII Insurance.
Education Central

- Things to know about your continuing education

Are You Compliant with Your CE or Not?

To be CE compliant requires more than just taking CE courses. Below are a few suggestions for remaining CE compliant:

- **CE requirements change.** You should regularly review your CE status through your MyProfile account. Your total hours have specific allocation requirements that must be met. Be sure to take all the right categories of CE courses.

- **Check for late hours.** Hours taken after your due date will still post on your compliance evaluation screen, but they will be noted as "Late". Though your hours requirement may have been met, late completion of your continuing education requirement will result in penalties.

- **Check prior evaluation periods.** Always check previous compliance periods to make sure you are not delinquent for a prior period. Be sure to click on VIEW ENFORCEMENT NOTICE just below the Not Compliant text to check for any outstanding fines.

- **Check your transcript.** The same course cannot be taken with the same provider within a three-year period and receive credit. This is noted on your transcript as a duplicate course. You will need to take a different course to meet your CE requirement.

We wish you success in completing your hours to remain knowledgeable in an ever-changing insurance market. And remember, your CE compliance date is your DUE date, not your DO date.

Because many factors may affect your continuing education requirement (e.g. licenses held, number of years licensed, etc.), we encourage you to periodically check your MyProfile account to determine your individual continuing education compliance requirements and status. You will also be able to find more approved CE courses after logging in to your MyProfile account versus the public search option, which limits the results to the first 100 course offerings.

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Compliance Corner

This section has been created to assist you in keeping your insurance business in compliance. The items are intended as reminders only. Note: Division publications may include references to the Florida Statutes and/or the Florida Administrative Code. The laws noted in our publications are/were in effect at the time of publication but may have been repealed, amended or replaced and new laws may have been enacted subsequently.

Compliance Topic of the Month ~ Transacting Insurance - License Required

Florida Statutes s.626.112(1)(7) are the fundamental laws that require individuals and entities to obtain a license before advertising or "transacting" insurance in the state of Florida. What is "transacting insurance"?

Section 624.10, F.S., defines transacting "with respect to insurance, includes any of the following" activities or actions:

**Solicitation** or inducement
Preliminary negotiations
Effectuation of a contract of insurance
Transaction of matters subsequent to effectuation of a contract of insurance and arising out of it.

"Solicitation" as defined in s.626.112(1)(b)(1-6.), F.S. "as the" attempt to persuade any person to purchase an insurance product" by:

1. Describing the benefits or terms of insurance coverage, including premiums or rates of return;
2. Distributing an invitation to contract to prospective purchasers;
3. Making general or specific recommendations as to insurance products;
4. Completing orders or applications for insurance products;
5. Comparing insurance products, advising as to insurance matters, or interpreting policies or coverages; or
6. Offering or attempting to negotiate on behalf of another person a viatical settlement contract as defined in s. 626.9911, F.S.

Any person (or entity) who knowingly transacts insurance or otherwise engages in insurance activities in this state without a license in violation of this section commits a felony of the third degree, punishable as provided in s.775.082, s.775.083, or s.775.084, Florida Statutes.

Life and Health Advertising
Life and health advertising must have the prior approval of the benefiting insurance company before being disseminated. Any advertisements approved by the insurer should be used exactly as approved. See Rule 69B-150.013(10), F.A.C.

When advertising for life, health or annuity products, if there is a reference in the advertisement to a specific policy feature, interest or bonus rate, premium amount, etc., the name of the insurer issuing the policy needs to be disclosed in the advertisement. Furthermore, that insurer needs to approve the advertisement prior to dissemination. Making any alterations to an advertisement that has already been approved by the insurer could cause it to no longer be compliant. See 69B-150.114, F.A.C.

**Contractor Advertising**

If you are a public adjuster and a contractor advertising your services to the public for the construction or repair of a covered property that may result in the property owner filing for reimbursement of your fees under their insurance policy, you should be sure that your advertising or solicitation materials do not imply that you will, as referenced in the definition of a public adjuster:

- Aid in any manner on behalf of an insured in negotiating for or effecting the settlement of a claim,
- Advertises or solicits for employment as an adjuster of such claims.

The use of phrases such as those listed here may imply that you will assist in adjusting the claim: “We handle insurance and claims negotiations”, “We have the skill and knowledge to handle the entire claim process”, “We will take care of processing your insurance claim” or “We can reopen insurance claims on behalf of homeowners”. It is unlawful for a public adjuster to act as a public adjuster on a claim for which that adjuster is also acting as a contractor.

**Prohibited Bail Bond Agency Personnel**

The following persons are prohibited from owning or being employed by a bail bond agency. Refer to sections 648.285, F.S. and 648.44(2), F.S.

- Jailers or persons employed in any jail
- Police officers or employees of a law enforcement agency
- Judges, employees of a court, or employees of the clerk of any court
- Sheriffs and deputy sheriffs or employees of any sheriff’s department
- Attorneys
- Persons having the power to arrest or persons who have authority over or control of prisoners
- Any person who has been convicted or pleaded guilty or no contest to a felony or a crime involving moral turpitude
- Any person who previously had their license to be a limited surety (bail bond) agent, temporary bail bond agent or professional bail bond agent revoked.

**Lawful Title Agency Closing Services**

The Florida Statutes defines closing services as the services performed by a licensed title insurer, title insurance agent or agency, or attorney agent in the agent’s or agency's capacity as such, including, but not limited to, preparing documents necessary to close the transaction, conducting the closing, or handling the disbursing of funds related to the closing in a real estate closing transaction in which a title insurance commitment or policy is to be issued.
This means the closing services fee listed on the settlement statement form is to include all the fees and charges made by the agency to close and complete the transaction. Consumers should not be charged additional fees in addition to the amount listed as the closing or settlement services fee on the settlement statement form.

Examples of fees that should not be listed as separate line items on the form include, but are not limited to:

- Postage and handling
- Notary services
- Copies
- Digital documents
- Document preparation fees
- Document storage or warehousing fees
- Electronic conversion of documents to CD or DVD formats

Agencies that charge additional fees as separate line items may be found to be engaging in deceptive practices against Florida consumers in violation of the Florida Statutes. The penalty for violations such as this can be as strong as suspending or revoking the license of the agent and the agency involved in the practice. Agencies may provide consumers with an itemized listing of the fees and charges that comprise the closing services fee being charged. This itemized listing would be in addition to the settlement statement form and the amounts included would need to total to the same number listed on the settlement statement form as the closing services fee.

No other charges are authorized by the Florida Statutes to be charged by a title insurance agent or agency for these services.

**Title Agency Data Call 2016**

2016 marks the second year title insurance agencies are required under s.626.8437(11), F.S. to submit information to the Florida Office of Insurance Regulation (OIR) under the data call required by section 627.782(8), Florida Statutes. Title agencies had until May 31, 2016, to make their submission to the OIR. The OIR sent emails to each licensed title agency in Florida to remind them of the law with instructions on how to complete the process accurately.

Based on the preliminary information we have received from the OIR, more than 250 licensed agencies have failed to submit a report.

Agencies that did not comply with this requirement by May 31, 2016, now face possible disciplinary action against the agency’s license.

If you have any questions regarding this filing process, please contact the OIR’s Market Data Collections Unit at 850-413-3147 or via email: TitleAgencyReporting@floir.com.

**Compliance Information**

Department licensees and consumers can access compliance information at the Division’s web page Compliance Information. Additional information is available by type of license at our Frequently Asked Questions web page.
Case Notes

The following are instances in which licensees or other persons violated the Florida Insurance Code and the administrative action the Department has taken against them. Note: All administrative investigations are subject to referral to the Division of Insurance Fraud for criminal investigation.

Case: Investigators opened a case on a personal lines agent after learning he had been charged with multiple felonies; Use of a Computer to Seduce a Child, Traveling to Meet a Minor, Attempted Lewd Battery on a Child and Unlawful use of a Two-Way Communication Device. The agent entered a plea of guilty to three counts and was sentenced to 44 months in prison, followed by 72 months’ probation.
Disposition: License revoked.

Case: During a routine audit of a bail bond agency, investigators found a number of violations in the bail bond agent's records. Among the violations were, failing to include the bail bond agent's name, address and phone number on premium receipts. Further examination of the records revealed the bail bond agent failed to collect premiums on multiple bonds and failed to document the return of collateral.
Disposition: Fined $2,500 and placed on probation for six months.

Case: Investigators opened a case on a general lines agent after reviewing a complaint from a business owner that that his business' general liability policy had been cancelled for unpaid premium even though he had paid the premium in full to his agent. During the course of the investigation, it was determined the agent failed to remit the premium due to the insurer which resulted in the cancellation.
Disposition: Fined $3,500 and placed on probation for one year.

Case: An investigation was opened after a consumer alleged that a life, health and variable annuity agents failed to provide the consumer with a complete illustration of the product sold to the consumer, and may have withheld or misrepresented other important policy information. The proposals the agent provided to the consumer made bold statements about how purchase of the life policy would provide savings on their mortgage payments and additional money in their pocket. The agent's illustration did not include the name of the product being offered or the name of the insurance company. A disclaimer on one of the illustration's pages indicated the illustration was incomplete without all pages, but when questioned by the consumer, the agent said the other pages were "not important".

During the investigation the insurer confirmed that the documents in question were not created or approved by the insurance company nor did they accurately describe the product the agent sold. Investigators met with the agent who admitted that although he had access to the company-approved documents, he chose to create and present his own without the insurer's approval. The agent also acknowledged he did not provide the consumer with the entire illustration.
Disposition: Fined $3,500 and placed on probation for one year.
**Case:** The Division of Investigative & Forensic Services' Bureau of Insurance Fraud referred information that a life and variable annuity agent had fraudulently submitted more than a dozen life insurance applications to an insurer. Investigators obtained statements from the consumers for which policies were issued, and determined the agent submitted at least 15 life insurance application on the lives of consumers without their knowledge or consent, and had forged the signatures of the insureds on the applications which contained numerous misrepresentations. The agent earned about $9,300 in commissions from the fraudulent sales. The agent was arrested by the Bureau of Insurance Fraud and charged with an organized scheme to commit fraud.

**Disposition:** License revoked.

**Case:** Investigators opened a case after receiving a tip from another licensee that a general lines agent was the subject of a U.S. Postal Inspection Service investigation. The federal investigation alleged the agent was using fraudulent addresses and zip codes on auto insurance applications. Department investigators determined the agent made material misrepresentations on auto insurance applications and submitted fraudulent documents to insurance companies.

The U.S. Attorney's office filed charges against the licensee, who later pleaded guilty to eight federal charges, including bank fraud, wire fraud and mail fraud. The agent was sentenced to 18 months in prison and ordered to repay her employer $150,731 for the theft of bonus and commission checks.

**Disposition:** Permanently barred from the insurance business in Florida.

**Case:** Investigators received a complaint from a surety company alleging a bail bond agent had failed to submit premiums, return powers of attorney forms, appearance bonds and other company supplies subsequent to the termination of her appointment with the company. The surety company had also obtained a judgment in Circuit Court against the bail bond agent in favor of the company exceeding $119,500 for the unpaid premium.

During the investigation the bail bond agent told investigators the surety company had seized her files and therefore could not produce a number of documents requested by investigators. Other violations established by investigators included the bail bond agent's failure to maintain regular business hours and lack of appropriate signage to identify the agency.

The Division of Investigative & Forensic Services' Bureau of Insurance Fraud arrested the subject who was charged with Third-Degree Grand Theft, a felony.

**Disposition:** License revoked. The former agent is prohibited from ever reapplying for a bail bond agent's license.
Enforcement Actions

- June 2016

Some of the following enforcement actions were resolved through a settlement process resulting in an order for discipline. Notification of enforcement actions is in the public interest. While every effort is made to provide correct information, our readers are cautioned to check with the Department before making a decision based upon this listing. This listing does not reflect pending appeals or requests for hearings. The license or registration status may have changed since the filing of these orders. We suggest that you search the Licensee Search or make a public records request to verify the current status of any license or registration.

**IMPORTANT NOTE:** Actions taken before July 1, 2015 are located at FLDFS Final Orders. Actions taken after July 1, 2015, can be searched for at the Florida Division of Administrative Hearings' (DOAH) website. For further information, you may make a public records request via email or contact the Public Records Unit.

Warning: No part of this listing may be used by a licensee to gain an unfair competitive advantage over any person named herein. Any licensee who does so could be in violation of Section 626.9541(1)(c), Florida Statutes.

<table>
<thead>
<tr>
<th>LAST/BUSINESS NAME</th>
<th>FIRST NAME</th>
<th>LICENSE</th>
<th>LICENSE TYPE</th>
<th>DISPOSITION</th>
<th>FINE/COST</th>
<th>CITY, STATE</th>
<th>DOCUMENT</th>
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</tr>
</tbody>
</table>
Contact Us

- We're always here for you

Bureau of Licensing

AgentLicensing@MyFloridaCFO.com - For general inquiries about licensing.

Education@MyFloridaCFO.com - For education-related questions (prelicensing, continuing education, providers, etc.)

MyProfile - Check your up-to-the-minute application status, education information, and more.

Licensees are reminded to update any change in their name, addresses (including email) or phone numbers by logging in to their MyProfile account. If you also have an agency license, don't forget to log in to your agency's MyProfile account and update it as well.

200 East Gaines Street
Larson Building, Room 419
Tallahassee, FL 32399-0319

Bureau of Investigation

Compliance issues, licensees and insurers only:

Title@MyFloridaCFO.com - For title insurance matters

BailBond@MyFloridaCFO.com - For bail bond matters

Adjusters@MyFloridaCFO.com - For adjuster matters

For all other matters not related to licensing or education:

askDFS@MyFloridaCFO.com -

200 East Gaines Street
Larson Building, Room 412
Tallahassee, FL 32399-0320

Title Insurance Data Call

TitleAgencyReporting@floir.com - For questions about the filing process
TitleDataCall@floir.com - For all other questions about the data call

**Insurance Insights Editor/Publisher**

Susan Jordan

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