

DEPARTMENT OF FINANCIAL SERVICES

Division of Insurance Agents and Agency Services

RULE NO.:

RULE TITLE:

69B-210.005

Unlawful Inducements, Generally

NOTICE OF ADDITIONAL PUBLIC HEARING

The Department of Financial Services hereby gives notice that an additional public hearing will be held to discuss proposed changes to the above referenced rule.

DATE AND TIME: November 15, 2010 @ 9:30 A.M.

PLACE: Room 116, Larson Building, 200 East Gaines Street, Tallahassee, Florida

This rule was originally published in the August 20, 2010 (Vol. 36, No. 35) issue of the Florida Administrative Weekly. A hearing on this rule was held on July 30, 2010. A draft copy of the proposed changes to this rule can be obtained from the Department's website @ http://www.MyFloridaCFO.com/Agents/Industry/Laws-Rules/docs/Notice_69B-210_Induce_Gen.pdf.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 5 days before the workshop/meeting by contacting Lorna Noren at (850) 413-5634 or Lorna.Noren@MyFloridaCFO.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

69B-210.005 Unlawful Inducements, Generally.

(1) The term “unlawful inducement” as used in this rule means an inducement or rebate prohibited by Section 626.9541(1)(h)1., F.S.; specifically:

(a) Permitting, or offering to make, or making, any contract or agreement as to such contract other than plainly expressed in the insurance contract issued thereon; or

(b) Paying, allowing, or giving, or offering to pay, allow, or give, directly or indirectly, as an inducement to such insurance contract or a renewal of the insurance contract, any unlawful rebate of premiums payable on the insurance contract, any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement whatsoever which is not specified in the insurance contract.

(2) This rule is not applicable to the business of title insurance and does not apply to insurers. This rule does not prohibit inducements or rebates provided by filed or approved rates or rating manuals, allowed pursuant to Sections 626.572 and 626.9541(1)(m), F.S., or otherwise allowed by law. All lists contained within this rule are intended as examples and are not exhaustive.

(3) The following examples of inducements, when not specified by the insurance contract, are unlawful inducements and constitute unfair insurance trade practices under Sections 626.9521 and 626.9541, F.S.:

(a) Paying, crediting, allowing, or giving, or offering to pay, credit, allow, or give, directly or indirectly, an inducement to the purchase of insurance.

(b) Facilitating any discount, reduction, credit, or paying any portion of any premium, fee or cost of underwriting, policy fee, or claim cost.

(c) Facilitating any discount, reduction, credit, or paying any fee or portion of the cost of an inspection, inspection report, appraisal, or survey, including wind inspection.

(d) Bringing about any discount, reduction, credit, or paying any portion of the premium or any portion of the cost of premium financing.

(e) Making possible any lowered, credited, or discounted commission.

(f) Providing membership in any organization, society, association, guild, union, alliance or club at a discount, reduced rate, or at no cost.

(g) Making or offering to make a charitable or other tax-deductible contribution on behalf of the purchaser.

(h) Providing or offering stocks, bonds, securities, property, or any dividend or profit accruing or to accrue thereon.

(i) Providing or offering employment in exchange for the purchase of insurance.

Rulemaking Authority 624.308 (1), 626.9611 FS. Law Implemented 626.112(8),

626.572, 626.611(11), 626.621(6), 626.753, 626.9521, 626.9541(1)(h), (m), 626.9611

FS. History - New _____.