

THE INTERCOM

VOL. 9, NO. 2
APRIL - JULY 1999

PUBLICATION FOR AGENTS AND ADJUSTERS FROM
THE STATE OF FLORIDA DEPARTMENT OF INSURANCE

Bill Nelson
Treasurer/Insurance Commissioner/Fire Marshal

Banking and Insurance

By Bill Nelson, Florida Treasurer, Insurance Commissioner and State Fire Marshal

With the support of our Department, banks, insurers, and insurance agents throughout Florida, the Legislature this spring repealed the state law prohibiting agents from being employed by, or associated with, financial institutions in selling insurance.

The legislation was signed into law by Governor Jeb Bush on June 18 and took effect July 1.

In addition to freeing agents to work for or associate with banks throughout the state, the legislation (HB 897) includes a number of provisions designed to protect consumers and prevent the consumer confusion that could arise from the combined marketing of insurance and bank products and services. The new law:

- Prohibits the use of information provided by a consumer seeking credit for purposes of marketing insurance to the consumer unless he or she has given express written consent or has been given an opportunity to object to the use of such information.
- Requires a written disclosure if insurance is offered in connection with an extension of credit or a sale or lease of goods and services. The disclosure must make it clear that the choice of an insurance provider will not affect the decision regarding credit or the sale or lease of goods or services.
- Requires that financial institutions, before marketing insurance, provide a clear and conspicuous disclosure that insurance is not a bank deposit, is not insured by the FDIC or other similar program, and is not guaranteed by the financial institution. Financial institutions also must disclose that they're not obligated to provide benefits under the insurance contract, and that certain types of insurance products involve investment risk including potential loss of principal.
- Prohibits a loan officer involved in a loan transaction from soliciting or selling insurance in connection with the same loan.
- Requires financial institutions conducting insurance transactions to use licensed insurance agents and licensed insurance companies.

Most of these requirements are derived from so-called *safe harbor* provisions of financial services legislation pending before the U.S. Congress. As this column is written, the Senate had already passed a financial services bill and the House was still considering its version (HR 10). The pending federal proposals recognize the applicability of specific state laws imposing marketing requirements like those provided in our new state law.

However, on other market-conduct issues and the crucial question of insurer solvency, both the Senate bill and one version of HR 10 in the House would strip away authority of state regulators to protect consumers in the insurance activities of banks. I've written to the House Committee on Rules in opposition to the objectionable provisions, and in support of another House version that addresses the problems by incorporating changes



What's Inside:

Churning	2
Case Notes	2
New License Numbers	3
Notice to P&C Insurers	3
Continuing Education	4
Private Mailboxes	4
Company Insolvencies	5
Moving to Another State	5
Intercom – Index to Past Issues	5
JUA Policy Removals	5
1999 Legislation	1, 6-12
Banks and Insurance	1
Property	6-7
Auto	7
Life & Health	8-10
Other	10-11
Fraud	12
Late Appointment Forms	12
Consumer Rating	12
New Companies	13
Address Update Form	14
Disciplinary Actions	15
Phone Directory	16

(Continued on page 11)

\$5.5M Penalty in Latest Life Insurance *Churning* Case

American General Corporation companies have agreed to pay a total of \$5.5 million to settle charges that they routinely engaged in deceptive sales tactics, including *churning*. The agreement, which contains no admission of wrongdoing by the companies, is part of a broader, ongoing probe by state Treasurer and Insurance Commissioner Bill Nelson and Florida Attorney General Bob Butterworth. The probe is targeting companies that victimized Florida consumers, specifically with deceptive sales practices.

Nelson and Butterworth stated that eight life insurance companies, all subsidiaries of American General, deceived up to 207,000 Floridians who bought life insurance in the period from 1982 through 1997.

Additionally, the agreement gives Florida an *outreach program* to help provide quick restitution to the life insurance customers who bought up to 231,000 policies from the American General companies during the 15-year period.

Under the churning scheme, agents preyed on customers who had purchased policies in the past. Some customers were convinced to buy larger policies believing dividends from their old ones would cover the new premiums; or, they weren't told the cash value of their old policies would be used to pay the new premiums.

In some cases, customers were led to believe the new policies would be paid up after just a few years when, in fact, premiums went on much longer. Another alleged deception involved selling life insurance by disguising it as an investment product.

The case against American General companies began in Febru-



A Cautionary Message for Agents

Agents should be aware that the Department can take disciplinary action against any licensee who engages in the practice of churning. Churning is an unfair method of competition and an unfair or deceptive act or practice prohibited in section 626.9541(1)(aa), Florida Statutes. An agent can be fined up to \$100,000 for churning or any other unfair practice defined in s. 626.9541, F.S.

ary 1998, when state investigators issued subpoenas for records of one of the company's subsidiaries, Franklin Life Insurance Company, of Illinois. At that time, Franklin had the fourth highest number of churning complaints from Florida consumers.

The investigation was later expanded to include American General Life and Accident Insurance Co., based in Nashville, Tennessee, along with six other subsidiaries of American General Corp., the parent company based in Houston, Texas. The other companies are: American Franklin Life Insurance Co.; The United States Life Insurance Company in the City of New York; All American Life Insurance Co.; Old Line Insurance Company of America; American General Life Insurance Company; and, American General Life Insurance Company in New York.

Investigators noted that the parent company cooperated fully during the course of the probe of the eight subsidiaries — the majority of which, they said, were not owned by American General during the entire 15-year period of the alleged sales abuses.

In the past few years, the two Florida regulators have imposed penalties on two other life-insurance industry giants, Prudential Insurance Co. and John Hancock. They were hit with \$15 million and \$6 million fines, respectively.

Case Notes

➤ A public adjuster was the subject of an investigation which showed he failed to use due diligence in the handling of a hurricane-related property damage claim, received a commission on a settlement he did not procure, and failed to have a designated primary adjuster. The Department entered into a Settlement Stipulation for Consent Order that required the adjuster to refund \$1,680 to the insureds and designate a primary adjuster as required by law.

➤ A life and health insurance agent was found to have introduced other Florida licensed agents to the sale of unregistered securities by a foreign corporation, through a Florida company. The worthless securities were then sold mostly to

insurance clients in central Florida. In lieu of a hearing, the agent entered into a Settlement Stipulation with the Department providing for a two-year suspension of his licenses.

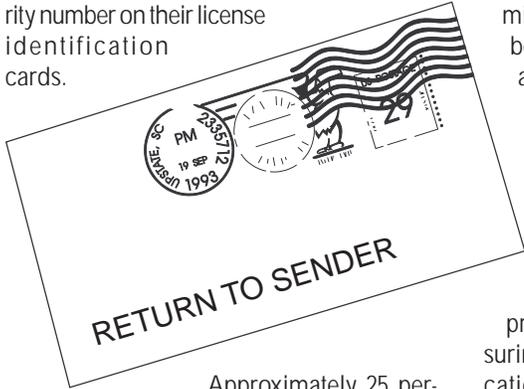
➤ A general lines agent failed to timely pay a court ordered judgement to the Department as Receiver for an insurance company. The judgement was based on premiums and/or unearned commissions which the agent failed to pay to the company. The Department entered into a Settlement Stipulation for Consent Order with the agent in lieu of filing an Administrative Complaint. The agent signed a Forbearance Agreement

to pay all debts, plus interest, to the Receiver. The agent was also fined \$500.

➤ Two title insurance agents, a husband and wife team, were found to have solicited title insurance without being appointed by an insurer, and misappropriated funds intended for use as premium payments on a title insurance policy. The Department filed Emergency Orders of Suspension, and subsequently entered into a Settlement Stipulation for Consent Order on both agents. The settlements provided for suspension of all licenses for two years, or until a) Each agent secures a proper appointment; b) The agents find an underwriter for all title insurance policies for which they collected premiums; and c) The Department inspects all agency files and escrow records.

New License Numbers ... Did You Get Yours?

The Department issued new license numbers to all Florida licensees (agents, adjusters, customer representatives, managing general agents, warranty representatives and viatical brokers) in April. Notifications were mailed to each licensee's *home* address, and included a peel-off label with the new license number. Licensees should place this label over the social security number on their license identification cards.



Approximately 25 percent, or 50,000 notices, were returned by the post office as undeliverable. If you have not received your license ID card peel-off label by now, there is a good chance that your home address on file with the Department is out of date. In another effort to get the labels to licensees, the Department mailed a second notice in June to the business or mailing address of those licensees with an invalid home address. These notices included a change of address form.

If by the time you read this article, you have not received the peel-off label for your license ID card, you must submit a request for a new ID card along with a \$5.00 fee. Send your request to: Florida Department of Insurance, Revenue Processing Section, P.O. Box 6000, Tallahassee, FL 32314-6000. Enclose a \$5.00 check, payable to the Florida Department of Insurance.

In addition, please update your home, business and mailing address, as required by Florida law, if you have not already re-

ported a change to the Department. Use the form on page 14.

Please make sure that you provide your new license number to continuing education (CE) schools and insurance companies or other entities who may appoint you to represent them. These entities are now required to submit license numbers for their students and appointees. Information submitted that does *not* contain license numbers will result in delayed processing of appointments and CE credits.

Florida law requires the disclosure of your new license number on applications for insurance policies or annuities, as stated in section 627.4085, Florida Statutes:

"(1) All applications for an insurance policy or annuity contract shall prominently display the name of the insuring entity on the first page of the application form at the time the coverage is bound or premium is quoted. Such applications shall also disclose the name and license identification number of the agent as shown on the agent's license issued by the department, which information may be typed, printed, stamped, or handwritten if legible. (2) This section does not apply to surplus lines business under the provisions of ss. 626.931-626.937."

Licensees for whom the above statute is applicable are required to provide their new license number on these applications in lieu of their social security number. However, we are aware that the Florida Windstorm Underwriting Association (FWUA) still requires agents to put their social security numbers on FWUA policies. We have contacted the FWUA in order to resolve this and will update you in the next issue of *The Intercom*.

Please contact the Bureau of Licensing at (850) 922-3137, extension 1101 if you have questions regarding the implementation of the new license number for licensees.

If by the time you read this article, you have not received the peel-off label for your license ID card, you must submit a request for a new ID card along with a \$5.00 fee.



INFORMATIONAL MEMORANDUM

99-103M — March 18, 1999

Florida Department of
Insurance

Bill Nelson — Treasurer,
Insurance Commissioner and
Fire Marshal

To: All Property and Casualty Insurers
Reporting Moratorium-Related Policy
Information in Florida
Re: Extension of Moratorium
Reporting Period

The purpose of this memorandum is to advise you of the extension of specific reporting requirements under Sections 627.7013(2) and 627.7014(2), Florida Statutes.

Pursuant to the above-referenced legislation, all property and casualty companies reported to the Department the policy number, by county, of any and all of the following types of policies each company had in force on June 1, 1996: personal lines residential coverage of all types and classes, and commercial lines residential coverage for condominium association policies, excluding liability-only policies.

Additionally, all required companies have been reporting to the Department, on a monthly basis, information about the cancellation or nonrenewal of any of those policies in force on June 1, 1996. The Department developed the Moratorium Enforcement Tracking System (METS) in the fall of 1996 to monitor compliance with these requirements.

Pursuant to Sections 627.7013(1)(c), 627.7013(2)(e), 627.7014(1)(b), and 627.7014(2)(d), Florida Statutes, the monthly reporting requirements have been extended until June 1, 2001. Until that date, you must continue reporting any cancellation or nonrenewal of your policies in force on June 1, 1996.

Please direct any questions to Gwen Chick at (850) 413-2583.

Continuing Education Enforcement

The Department continues to contact licensees who have not fulfilled their continuing education (CE) requirements. The Bureau of Agent and Agency Licensing mails approximately 3,500 non-compliance letters each month. About half of these are usually resolved when the licensee provides proof of courses taken or documentation that exempts the licensee from CE requirements. In most of the remaining cases, the licensees go through an administrative proceeding, pay a \$250 fine, and make up the missed credits.

Don't be *caught short*. Review your credits well in advance of your compliance date. Each licensee subject to CE requirements must accumulate the required hours every two (2) years, by the end of his/her birth month.

The number of hours required varies, depending upon the length of time of licensure and type of license(s) held. These criteria are described in more detail in our CE Guide, which you can obtain at no charge from Assessment Systems, Inc. (ASI). Call ASI toll-free at (888) 204-6214, or download the guide from their web site at www.asivcs.com. You can obtain a transcript of your credits by calling ASI's FAX-BACK system at (888) 205-6251.

The Bureau's Continuing Education Section has compiled a second list of issues that have come up as a result of these mailings. (Note: the first list was published in the May – July 1998 issue of *The Intercom*.)

Q: I didn't take CE because I am no longer working in insurance. Will my license automatically expire?

A: No. If you no longer need your license, you should be sure that you cancel all your appointments **and** return your license ID card to the Department.

For example: an agent quits the insurance business and terminates all her appointments, effective July 1, 1999. She is still qualified to transact insurance for 24 months after the termination date – until June 30, 2001. If her compliance date falls anywhere within those 24 months, she will be responsible for CE. However, if she **surrenders** her license when she terminates her appointments, she will not be responsible for CE.

Q: Can I surrender my license to avoid CE?

A: You can surrender your license **prior to** a compliance date to avoid requirements or penalties. If you choose to surrender your license, the Department will cancel all your appointments, if any, and change your license status to *surrendered*. You may reinstate your license(s) within 24 months of the date you last held an appointment for each class of license (this may be more recent than your last compliance date.) However, you must first make up the credits you would have needed for the compliance period that you avoided.



Q: I have a general lines (or customer representative) license and am not appointed with any health insurer. How many health credits can I take in one compliance period?

A: You may fulfill up to 50 percent of your requirement with health credits.

Q: What is my requirement if I hold a general lines license and have obtained an appointment with a health insurer through this license?

A: The Department considers you to be dually licensed as a general lines agent and a health agent. You are required to complete 14 hours of property and casualty credits and 14 hours of health credits.

Q: I didn't take CE because I'm leaving Florida and surrendering my resident license. Once I have a resident license in my new home state, will I be able to obtain a Florida nonresident license?

A: If you apply for a nonresident license within 24 months of surrendering your resident license, you must make up the missed credits before the Department can issue the license.

Q: The company I work for has stopped selling industrial fire policies. Will my industrial fire requirement drop off at the end of my compliance period?

A: No, you must voluntarily surrender the license if you do not want to take industrial fire credits. **CE requirements are based on the type(s) of license(s) the agent has, not what the company sells.**

Q: I am a fraternal agent. Do I have to take CE courses?

A: Yes, the requirements are the same as for a life or health agent.

Notice to Private Mailbox Users

Persons or firms who rent private mailboxes need to be aware of changes to US Postal Service (USPS) regulations. A private mailbox is similar to a post office box, except that a private company owns it. The USPS refers to these companies as Commercial Mail Receiving Agencies (CMRA). The Postal Service now requires anyone using a CMRA to add PMB (private mailbox) to his or her address. Here is an example:

JOE DOE or ABC COMPANY
PMB 234
10 MAIN STREET
ANYTOWN, USA, 99999-9999

The USPS is allowing CRMA customers until September 10, 1999 to comply with the required PMB and number address format. After that date, the Postal Service will return improperly addressed mail to the sender.

If you have any questions, contact your local post office.



Company Insolvencies

Fidelity National

On March 15, 1999, Judge Terry P. Lewis of the Second Judicial Circuit Court entered a Consent Order Appointing the Florida Department of Insurance as Receiver for Purposes of Liquidation, Injunction and Notice of Automatic Stay against Fidelity National Insurance Company, Case No. 99-1345. The policies were cancelled as of April 14, 1999 at 11:59 p.m. The claims filing deadline is March 14, 2000 at 11:59 p.m. Call the Division of Rehabilitation & Liquidation at (800) 882-3054 for more information.

Florida Workers' Comp Fund

On May 13, 1999, Judge N. Sanders Sauls of the Second Judicial Circuit Court appointed the Florida Department of Insurance as Receiver of Florida Workers' Compensation Fund (FWCF), a Florida self-insurance fund. The Department will liquidate the assets of the company. The claims filing deadline is November 15, 1999 at 11:59 p.m. The Court had previously entered a rehabilitation order against FWCF on July 17, 1998.

Index to Intercom Articles Available

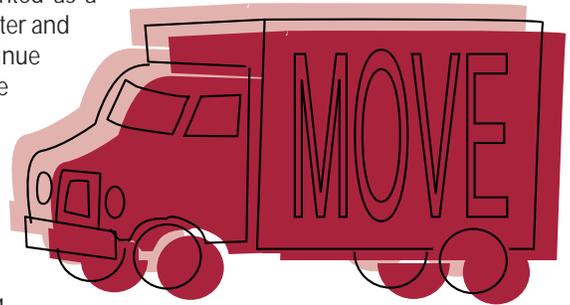
An index to articles that have appeared in *The Intercom* newsletter is now available on the Department's web site.

To view the index, as well as back issues of *The Intercom*, go to the Department's home page at www.doi.state.fl.us. Click on the "For Agents" button, then click on "Agent Intercom".

The Intercom is published three times a year, and contains articles about laws and procedures affecting the insurance industry, information about licensing and compliance, and other articles of interest to insurance representatives.

Moving to Florida? Leaving Florida? You Need a New License

If you are licensed and appointed as a Florida nonresident agent or adjuster and you move to Florida, you can continue to transact insurance in this state under your nonresident license and appointment(s), for a period not to exceed 90 days. However, you must apply for resident licensure and must become licensed and appointed as a resident agent within 90 days of becoming a resident of this state. Section



626.741(5), Florida Statutes, governs this procedure for general lines agents. Similar language is in the laws governing other types/classes of agents and adjusters.

If you have a **Florida resident** license and move to another state, you must surrender your license to the Department. Most states require you to give up your Florida license before you can obtain a resident license in that state. Once you have obtained a resident license in your new home state, you may send an application to us if you wish to become licensed as a Florida nonresident agent or adjuster.

If you have a **Florida nonresident** license and you move to a state other than Florida, you may keep your nonresident license if: 1) you become licensed in the other state for the same type/class(es) of license, and 2) the other state has a reciprocal agreement with Florida. You must provide the Department with a letter of certification from your new home state. Section 626.741(1), F.S., governs this procedure for general lines agents. Similar language is in the laws governing other types/classes of agents and adjusters.

There are exceptions to these rules for some classes of adjusters. In some cases, an adjuster can simply request a change of category when she/he moves to another state. Call the Bureau of Licensing at (850) 922-3137, ext. 1101 for clarification.

In all of the above cases, you must also be properly appointed for each type/class of license you hold, before you can transact insurance or adjust claims. See the Jan. – Apr. 1998 issue of *The Intercom* for more information on the appointment process.

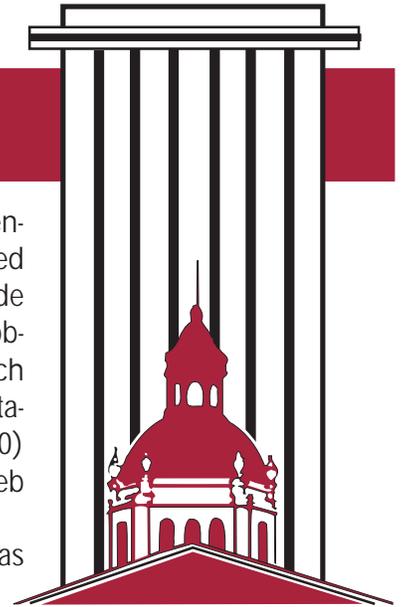
If you change your state of residence and *no longer wish to transact insurance*, you must surrender your license to the Department.

Good News For Florida Homeowners

Insurance Commissioner Bill Nelson has approved a plan that will result in tens of thousands of Florida homeowners getting coverage with a large national property insurer – and at rates lower than they are currently paying in the Florida Residential Property and Casualty Joint Underwriting Association (FRPCJUA). Nelson also announced the first ever removal of wind policies from the Florida Windstorm Underwriting Association (FWUA).

Nelson said his decision to allow Clarendon National Insurance Company to assume as many as 91,000 of the 195,000 policies remaining in the state-created JUA, and more than 40,000 from the FWUA, is tangible evidence of the restoration of the private insurance marketplace.

1999 Florida Legislation



This article contains brief summaries of new laws that affect insurance representatives and companies. Additional articles about 1999 legislation are contained on pages one and 12. Due to space limitations, *The Intercom* cannot include details of every change made by the new laws. We recommend that our readers obtain copies of the enrolled (final) bills in order to have a complete description of each new act. You can obtain copies of the bills by calling your state senator or representative, or by calling the state's legislative information lines at (800) 342-1827 or (850) 488-4371. You can also view and copy bills from the Florida Legislature's Internet web site, *Online Sunshine*, at www.leg.state.fl.us.

Note: Throughout this summary, the Department of Insurance will be referred to as the *Department* or *DOI*.

Property



DEPOPULATION/FLORIDA RESIDENTIAL PROPERTY & CASUALTY JOINT UNDERWRITING ASSOCIATION

SB 1464; Chapter 99-142, Laws of Florida; Effective March 29, 1999; by Senator Dyer

This bill repeals the provision which specifies that an insurer or agent may not qualify for a bonus or exemption from payment of assessments to the Florida Residential Property and Casualty Joint Underwriting Association (JUA) after the number of risks insured by the JUA is less than 250,000.

On January 1, 1999, the JUA policy count dropped below 250,000 policies. The effect of repealing this provision allows the JUA, which as of April 1 had approximately 199,808 policies with \$32 billion in exposure, to continue to offer financial incentives to insurers to take over homeowner's policies and other risks insured by the JUA.



HURRICANE LOSS MITIGATION

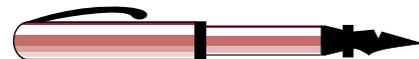
HB 975; Chapter 99-305, Laws of Florida; Effective July 1, 2000; by Representative Feeny and others.

This bill requires that the Legislature annually appropriate \$7 million of the money authorized for appropriation from the Florida

Hurricane Catastrophe Fund to the Department of Community Affairs (DCA) for the Hurricane Loss Mitigation Program. These funds shall be used for programs to improve the wind resistance of residences and mobile homes through loans, subsidies, grants, demonstration projects, direct assistance, and other programs. DCA is required to develop programs in consultation with an advisory council.

In the first year, 40 percent of the funds is to be used for mobile homes, 30 percent in the second year, and 20 percent in the third year. Ten percent of the money appropriated must be used by the Type I Hurricane Center of the State University System to support research and the development of loss reduction devices and techniques for residences.

This law is to be repealed on June 30, 2002.



FLORIDA HURRICANE CATASTROPHE FUND

CS/CS/SB 1790; Chapter 99-217, Laws of Florida; Effective June 1, 1999; by Senate Fiscal Policy Committee; Senate Banking and Insurance Committee and Senator Holzendorf.

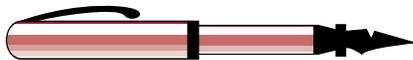
The bill makes a number of changes to the statutes governing the Florida Hurricane Catastrophe Fund (CAT Fund). The most important changes are designed to provide for a viable fund in the years following a major hurricane, as follows:

- Limits the total amount the CAT Fund may reimburse all insurers for hurricane losses to \$11 billion for any one year, subject to increase in future years under certain conditions.
- Limits each insurer's payment from the CAT Fund for any one year to the current minimum payment, which generally equals each insurer's proportionate share of CAT Fund premiums.
- Increases the potential maximum assessments on property and casualty policies from four percent to six percent to fund CAT

Fund bonds issued by the State Board of Administration (SBA), but limited to four percent for any one contract year. Any assessment authority not used for a contract year may be used for a subsequent contract year (subject to the four percent cap).

The bill makes other changes to the operation of the CAT Fund, including:

- specifying that the percentage growth in the insurers' retention is based on the percentage growth in the exposure to the fund, rather than the percentage growth in premiums for covered policies;
- clarifying the types of policies covered by the CAT Fund;
- adding definitions to clarify the distinction between the estimated and actual claims-paying capacity of the CAT Fund;
- deleting the requirement that the fund charge an equalization charge for insurers increasing their coverage level;
- requiring insurers to report losses on an interim basis as directed by the SBA;
- authorizing the SBA to audit records of each insurer's covered policies;
- authorizing the SBA to collect interest on late reimbursement payments;
- adding provisions intended to protect the interest of bondholders of CAT Fund bonds and, thereby, help assure their marketability; and
- authorizing the SBA to take any action necessary to enforce its rules and contract requirements.



COLLATERAL PROTECTION INSURANCE

SB 1832; Chapter 99-237, Laws of Florida; Effective July 1, 1999; by Senator Casas.

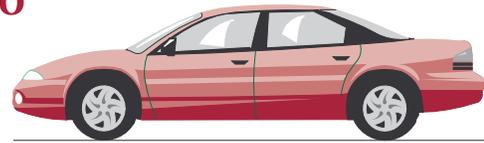
This bill defines *collateral protection insurance* as commercial property insurance of which a creditor (such as a bank) is the primary beneficiary and policyholder and which protects or covers an interest of the creditor arising out of a credit transaction secured by real or personal property. Initiation of such coverage is triggered by the mortgagor's failure to maintain insurance coverage as required by the mortgage or other lending document.

As defined, collateral protection insurance policies will be exempt from:

- mandatory participation in the Florida Hurricane Catastrophe Fund. Such policies would be currently excluded by contract and rules of the State Board of Administration, but the bill's exemption is somewhat broader; and
- the assessment base for the personal lines residential property insurance account of the RPCJUA. However, as commercial property insurance, such coverage would be included in the assessment base for the commercial residential account.

The bill has no effect on the FWUA assessment base.

Auto



TRAFFIC CONTROL/HSMV

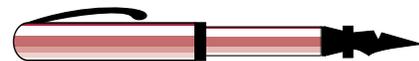
CS/CS/SB 1270; Chapter 99-248, Laws of Florida; Effective June 8, 1999; by Senate Fiscal Policy Committee, Senate Transportation Committee and Senator Casas.

Third Party Claims (Amends S. 627.743, F.S.):

When making any payment on a third party claim for damage to a motor vehicle, insurers will be required to have a statement printed on the loss estimate that failure to use insurance proceeds in accordance with the security agreement could constitute theft under Florida law. This requirement will not apply if the insurer does not prepare the loss estimate.

Seizure of License Plates (Amends S. 324.202, F.S.):

In 1995, the Legislature authorized a pilot project in Broward, Miami-Dade, and Hillsborough Counties to determine the effectiveness of using recovery agents to seize license plates of motor vehicles whose registrations have been suspended. This year, the Legislature voted to continue the pilot program in the existing three counties. After the Office of Program Policy Analysis and Government Accountability verifies an error rate of two percent or less, the program can be expanded to other counties. The program is to be repealed on July 1, 2002.



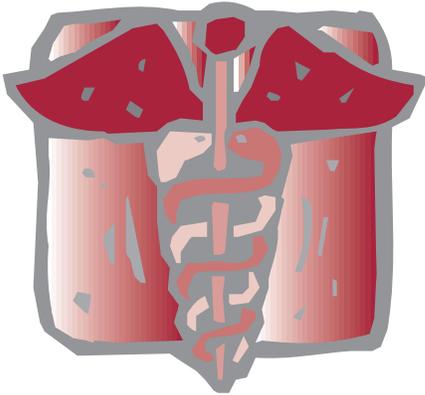
PERSONAL INJURY PROTECTION

HB 295; Chapter 99-381, Laws of Florida; Effective July 1, 1999, except as otherwise provided; by Representative Villalobos and others.

This bill addresses several provisions relating to motor vehicle insurance coverage:

- It allows policyholders to elect a deductible amount in combination with the exclusion of wage loss benefits under personal injury protection (PIP) coverage. Under current law, a policyholder electing a high deductible amount cannot also elect the exclusion of wage loss benefit. Policyholders will receive a premium reduction associated with each coverage limitation. The bill requires insurance companies to provide sufficient notice to insureds of these coverage deductibles and modifications and requires that such notice be made in clear and unambiguous language at the time of initial application and before each annual renewal. In lieu of the above referenced notice, the insurer may use notice forms approved by DOI.
- The current law provision that allows policyholders to elect to deduct Medicare or military benefits from PIP benefits is deleted, due to conflict with federal law.

- The bill also requires motor vehicle insurers to give policyholders at least 30 days' advance written notice of the renewal premium of the policy, to be sent to the policyholder's last address as shown by the insurer's records.
- A binder in the amount equal to two months' premium is not required of the policyholder if all policy payments are paid pursuant to a payroll deduction plan or an automatic electronic funds transfer payment plan, provided that the first policy payment is made by cash, cashier's check, check, or money order.



Life and Health

VIATICAL SETTLEMENT CONTRACTS

CS/CS/SB 1242; Chapter 99-212, Laws of Florida; Effective May 26, 1999; by Senate Judiciary Committee, Senate Banking & Insurance Committee and Senator Geller.

In recent years, the viatical business has grown steadily in Florida. In the past few years, the viatical industry has started selling viaticated policies to investors. Until now there have not been safeguards for these investors—98 percent of all inquiries and complaints to the Department regarding viaticals concern false or deceptive advertising or investment practices. This law does the following to resolve some of the current concerns:

- Revises definitions of *viatical settlement broker*, *viatical settlement contract*, *viatical settlement provider*, *viator* and *related provider trust*. Creates the following terms: *viatical settlement purchase agreement*, *viatical settlement purchaser*, and *viatical settlement sales agent*.
- Provides that a viatical settlement broker must disclose to a prospective viator the amount and method of calculating the broker's compensation. The term *compensation* includes anything of value paid or given to a viatical settlement broker for the placement of a policy.
- Requires viatical settlement sales agents to be licensed as life insurance agents by the Department of Insurance. Provides for 30 days' advance notice to the Department of a change in name or address of viatical settlement sales agent licensees. Provides a grace period for viatical settlement sales agents who are currently

transacting business to obtain licensure no later than November 1, 1999.

- Authorizes the Department to examine advertising and solicitation materials pertaining to viatical settlements. Provides that viatical settlement purchase agreements must be maintained for three (3) years by the licensee after the death of the insured and be available to the Department for inspection.
- Strengthens disclosure and advertising requirements relating to viatical settlement sales agents and viatical settlement purchasers. Authorizes the Department to adopt rules regarding disclosure forms.
- Authorizes the Department to promulgate rules establishing record keeping requirements for viatical settlement purchase agreements.
- Prohibits rate regulation by the Department. Provides that such agreements are subject to the unfair trade practices law.
- Increases the powers of the Department to issue cease and desist orders against persons violating viatical settlement provisions. Authorizes the Department to impose an administrative fine of \$10,000 for each nonwillful violation and \$25,000 for each willful violation of any provision of this part.
- Provides that it is a prohibited practice for any person to employ any device, scheme, or artifice to defraud in the solicitation or sale of viatical settlement purchase agreements. Also, provides that it is unlawful for a person in the advertisement, offer, or sale of a viatical settlement purchase agreement to misrepresent such agreement as being guaranteed, recommended or approved by the state or any agency of the United States.

Florida-based viatical companies will not be subject to Florida law when they enter into agreements with purchasers or viators in a state that regulates viatical settlements. In a state where viatical settlements are not regulated, Florida law will apply.

The current law prohibits a viator with minor children from viaticating more than 50 percent of a policy. SB 1242 amends the prohibition so that it does not apply to out-of-state viators who enter into agreements with Florida-based viatical settlement providers. This provision will be repealed on June 1, 2000.



HEALTH MAINTENANCE ORGANIZATION CONTRACTS CS/SB 232; Chapter 99-264, Laws of Florida; Effective June 8, 1999; by Senate Banking and Insurance Committee and Senator Latvala.

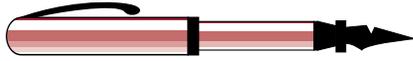
This act establishes as an unfair or deceptive act when a health maintenance organization (HMO) takes any retaliatory action against a health care provider for communicating to patients information regarding their medical care or treatment options, when the provider deems such information to be in the best interests of the patient.

An HMO or health care provider is prohibited from terminating a contract with a health care provider or HMO without providing the terminated party with a written reason for the contract termination,

which may include termination for business reasons of the terminating party. Such notice may not be used as substantive evidence in a subsequent action relating to the termination.

The bill revises the requirement that HMOs allow subscribers to continue care with a terminated treating provider. The law extends the period during which treatment can continue.

HMOs are required to use the same rate filing procedures that apply to health insurers. This essentially removes the ability of HMOs to *use and file* rates, and instead requires HMOs to file rates at least 30 days in advance of use.



HMO CONTRACTS/NOTICE OF BENEFIT CHANGES/ CONVERSION CONTRACTS/ MASSAGE

CS/SB 2554; Chapter 99-275, Laws of Florida; Effective July 1, 1999; by Senate Banking and Insurance Committee and Senator King.

Hmo Contracts/Notice Of Benefit Changes

This bill stipulates that HMOs may increase the copayment for any benefit, or amend, delete or limit benefits to which a subscriber is entitled under a group contract only if written notice is given to the contract holder at least 45 days in advance of the time of coverage renewal.

Conversion Contracts

The act clarifies current law to allow group insurers to contract with another insurer to issue conversion contracts on its behalf, provided that the other insurer is authorized in Florida and the Department of Insurance has approved the policy.

Massage

The bill requires that HMO contracts providing for massage must also cover the services of persons licensed to practice massage if the massage is prescribed by a contracted physician as medically necessary and the prescription specifies the number of treatments.



SUBSCRIBER ASSISTANCE PANEL/POINT OF SERVICE PLANS/HMO CLAIMS PAYMENT

CS/HB 1927; Chapter 99-393, Laws of Florida; Effective June 18, 1999; by House Health Care Services Committee and Representative Eggleton.

Statewide Subscriber Assistance Panel

The act clarifies that the Panel is precluded from hearing grievances that are part of an internal grievance process in a Medicare managed care entity. Specifies that accrued interest on unpaid balances, court costs, and transportation costs associated with grievance procedures are also included in the list of incidental expenses that cannot form the basis for grievances before the Panel.

Point-Of-Service Plans

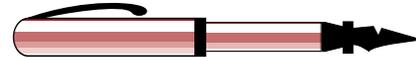
HB 1927 authorizes a health maintenance organization (HMO) to offer as a rider a point-of-service benefit, whereby HMO subscribers may choose to receive services from a provider with whom the HMO does not have a contract, exclusive of a referral for such services.

HMO Payment of Claims

The bill adds an additional provision to 1998's prompt payment statutes (s. 641.3155, F.S.) stating that retroactive reductions of payments or a demand for refund of previous overpayments which are due to retroactive review of coverage decisions or payment levels and any retroactive demands by providers for payment due to underpayments or non-payments for covered services must be reconciled to specific claims unless the parties agree to other reconciliation methods and terms.

Dermatologists

This legislation establishes that any preferred provider contract that has a referral process must permit direct access to dermatologists in a manner similar to currently required of HMOs and EPOs. This requirement does not affect the amount the insured or patient must pay as a deductible or coinsurance amount authorized under the preferred provider contract

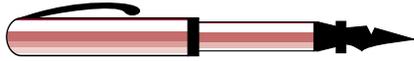


RETROACTIVE CANCELLATION OF GROUP COVERAGE

CS/SB 312; Chapter 99-204, Laws of Florida; Effective October 1, 1999; by Senate Banking and Insurance Committee and Senator Lee.

This legislation limits the ability of an insurance company or health maintenance organization (HMO) to retroactively cancel a group health insurance policy due to nonpayment of premium by the employer and protects the employee's right to elect an individual conversion health insurance policy in this event. Specific provisions include:

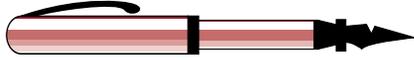
- Prohibits an insurer or HMO from retroactively canceling a group health insurance contract, due to nonpayment of premium by the employer, prior to the date the notice of cancellation is mailed to the employer *unless* the notice is mailed within 45 days after the date the premium was due.
- If a group policy is canceled for nonpayment of premium, the employee's 63-day time limit to apply for an individual conversion policy does not begin until notice of cancellation is mailed to the employee by either the insurer or the employer, whichever is earlier.
- Further provides that the premium for the conversion policy must be set at the previous group rate for the time period prior to the date the insurer or HMO mails the notice to the employee. (For the period of coverage after such date, the premium for the converted policy is subject to the requirements of current law providing that such premium may not exceed 200 percent of the standard risk rate as established by the Department.)



BONE MARROW TRANSPLANTS/COVERAGE FOR COSTS

CS/SB 377; Chapter 99-299, Laws of Florida; Effective January 1, 2000; by House Insurance Committee, Representative Bense and others.

The act requires health insurers and health maintenance organizations (HMOs) to cover the costs associated with the donor patient to the same extent that the current law requires the insurer or HMO to cover costs associated with the insured for covered bone marrow transplant procedures that are determined to be scientifically acceptable and non-experimental for certain types of cancer.



OBSTETRICIANS AND GYNECOLOGISTS/DIRECT ACCESS

HB 2231; Chapter 99-356, Laws of Florida; Effective July 1, 1999; by House Health Care Services Committee, Representative Peaden and others.

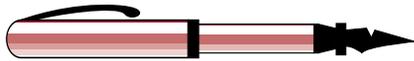
This bill requires exclusive provider organizations and health maintenance organizations to allow direct access to a contracted obstetrician/gynecologist for one annual visit and medically necessary follow-up care detected during the annual visit, but authorizing EPOs and HMOs to require such an obstetrician/gynecologist treating a covered patient to coordinate the medical care provided through the patient's primary care physician, if applicable.



FISCAL INTERMEDIARY SERVICE ORGANIZATIONS/ EXPLANATION OF BENEFITS

HB 2125; Chapter 99-397, Laws of Florida; Effective July 1, 1999; by House Health Care Services Committee, Representative Peaden and others.

HB 2125 provides that all health care provider and health maintenance organization fiscal intermediaries are required to include a detailed explanation of services for payments to a health care provider.

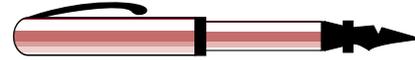


DOI STUDY OF HEALTH COVERAGE NEEDS FOR CHILD CARE WORKERS

HB 869; Chapter 99-304, Laws of Florida; Effective July 1, 1999; by House Children and Families Committee, Representative Murman and others.

The law requires the Department to conduct a study on "how to make affordable health insurance available to the staff of child care providers" and, within that study, presumably, how a program of medical savings accounts would play a role in providing such coverage.

It also provides a sales tax exemption for certain educational purchases by child care facilities identified by the act, only if such facilities provide basic health insurance to their employees.



SALE OF INSURANCE BY FINANCIAL INSTITUTIONS

HB 897; Chapter 99-388, Laws of Florida; Effective July 1, 1999; by Representative Sublette.

See the message from Insurance Commissioner Bill Nelson on page one for details about this bill.



BAIL BONDS

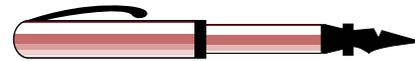
HB 717; Chapter 99-303, Laws of Florida; Effective June 8, 1999; by Representative Crow and others.

The bill revises bail bond provisions relating to discharge of forfeitures, judgments against sureties, remissions of forfeitures, original appearance bonds and continuing education. These provisions include:

- Extending the time frame within which the court can discharge a forfeiture of a bail bond (from 35 to 60 days) and reducing the time frame after a judgment within which a bail bond agent must pay the judgment (from 60 to 35 days).
- Requiring (rather than allowing) the court to set aside the forfeiture and discharge the bond if the defendant is arrested and returned to the county of jurisdiction prior to judgment.
- Providing that original appearance bonds expire 36 months after the date the bond is posted.
- Inaccuracies or omissions in applications for bail provided by county, correctional, or court employees shall not be grounds for discharging a forfeiture and setting aside bond.

The bill also amends s. 648.386, F.S., relating to continuing education requirements for bail bond agents, to allow guest lecturers to teach continuing education courses in the presence of the supervising instructor.

The bill amends s. 648.44, F.S., to provide that a bail bond agent may not execute a bond if a judgment has been entered on a bond executed by the bail bond agent, which has remained unpaid for 35 days, unless the amount of the judgment is first deposited with the court.



SERVICE WARRANTIES

CS/HB 1749; Chapter 99-293, Laws of Florida; Effective June 8, 1999; by House Insurance Committee, Representative Farkas and others.

This bill makes the following changes regarding motor vehicle service agreements, home warranties, and service warranties:

Motor Vehicle Warranties

Prohibits an insurer that provides contractual liability coverage for 100 percent of the claims from delegating the responsibility for maintaining the claims reserve to the service agreement company. The insurer is also required to maintain adequate reserves to cover all claims exposure of the service agreement company for the duration of the policy. However, this requirement does not apply when the insurer and the motor vehicle service agreement company are affiliated companies and members of an insurance holding company system.

Provisions of motor vehicle service agreements pertaining to limitations on benefits or rental car provisions will no longer be required to be set forth in conspicuous, boldfaced-type. However, the relevant section headings of the service agreements must be in conspicuous, boldfaced-type.

Home Warranties

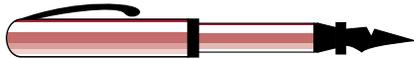
Requires home warranty contracts to state in conspicuous, boldfaced type that the home warranty may not provide free coverage for the period that the home is listed for sale.

Maintenance Agreements

Provides that a maintenance service contract that is longer than one year in length will be included in the definition of service warranty. A maintenance service contract for less than one year that also provides a combination of parts and labor discounted by more than 20 percent will also fall under the definition of a service warranty. These types of maintenance service contracts will be subject to regulation by DOI.

Service Warranties

Prohibits a service warranty association from using a policy from a surplus lines insurer to meet its requirements for contractual liability insurance.



INSURANCE FRAUD

CS/SB 312; Chapter 99-204, Laws of Florida; Effective October 1, 1999; by Senate Banking and Insurance Committee and Senator Lee.

See the article from the Division of Fraud on page 12 for details about this bill.



TITLE INSURANCE

CS/HB 403; Chapter 99-286, Laws of Florida; Effective July 1, 1999; by House Insurance Committee, Representative Byrd and others.

This bill makes various changes to the regulation of title insurance premium rates, strengthens the statutory provisions that prohibit rebating, and revises the schedule used by title insurers to release unearned premium. The provisions dealing with the release of unearned premium are identical to those contained in CS/

CS/CS/HB 93, discussed below. The bill changes the regulation of rates as follows:

- Removes the Department's authority to establish rates for a three-year period beginning July 1, 1999.
- Establishes premium rates identical to those contained in the Department's rules for policies of less than \$1 million. For policies from \$1 million to \$5 million, the bill reduces rates by 16.7 percent; from \$5 million to \$10 million, by 25 percent; and above \$10 million, by 11.1 percent.
- Prohibits the Department from granting rate deviations for the 3-year period.
- Provides a credit for title insurance purchased in connection with the sale of a new home equal to the cost of any prior policy obtained by the builder, subject to a minimum premium of \$200.
- Expands the availability of reissue rates to three years rather than the current one year.
- Establishes the current substitution loan rates in statute and provides that for loans of \$250,000 or more the substitution rates will apply even if a lender other than the original lender is making the loan.



TITLE INSURANCE RESERVE

CS/CS/CS/HB 93; Chapter 99-336, Laws of Florida; Effective July 1, 1999; by House Judiciary Committee, House Insurance Committee, House Real Property & Probate Committee and Representative Starks.

The title insurance statutory premium reserving method is changed to provide that the former pro rata reduction in the statutory premium reserve over a 12 year period was replaced with a phased reduction over a 20 year period. The held reserves during the initial years will now be substantially less than under the former requirement; however, reserves would be held for an additional eight years. The bill's reserving method adopts substantially the same methodology as the NAIC model, but is more conservative than the NAIC model in terms of the percentage of the reserves taken down in the initial years.

In addition, the bill streamlines the computation of reserves, places the calculation on a calendar year basis and clarifies that the reserves for a title insurer are governed by the requirements of the state of domicile regardless of the states in which a company trans-

Commissioner's Message

Continued from page 1

proposed by the National Association of Insurance Commissioners.

Unless such changes are made, the federal legislation would pre-empt a number of state laws and regulations enabling us to monitor the financial stability of insurers and ensure fair sales practices and consumer treatment.

Certainly it is time for the federal government to reform the outdated federal laws that govern this nation's financial services industries. But, even more certainly, those changes should not leave the nation's insurance consumers unprotected.

News from the Division of Fraud

Insurance Fraud Legislation

The Department's fraud bill was placed by amendment into another insurance related bill, Senate Bill 312. The bill passed both houses unanimously and was signed by the Governor on May 27. The bill becomes effective on October 1, 1999. Here is a synopsis of the fraud provisions of SB 312:

- Includes Health Maintenance Organizations (HMOs) in the definition of insurer in the insurance fraud statute. This enables the Department to prosecute HMOs under the insurance fraud statute.
- Includes Health Maintenance Organizations (HMOs) in the definition of insurer in the Division of Insurance Fraud powers statute. This enables the Department to investigate HMOs under the Division of Insurance Fraud powers statute.
- Requires Health Maintenance Organizations (HMOs) to submit an anti-fraud plan or have an investigative unit as though such organization or applicant were an authorized insurer. HMOs that obtain a certificate of authority after July 1, 1999 have 18 months to comply. HMOs that had a certificate of authority prior to that date have until July 1, 2000 to comply. This provides for consistency of anti-fraud efforts in the health care industry.

- Increases criminal penalties for insurance fraud to be consistent with workers' compensation insurance fraud penalties. The penalties will change from third degree felonies to penalties ranging from third degree to first degree felonies, depending on the amount involved. The definitions generally follow the theft statute criteria.
 - Increases the statute of limitations for prosecution of general insurance fraud crimes to five years, to be consistent with workers' compensation law.
 - Makes patient brokering and kickbacks third degree felonies, in order to recognize the seriousness of the problem.
 - Establishes the Anti-Fraud Reward Program. The Department can pay rewards of up to \$25,000 to persons who provide information leading to the arrest and conviction of persons committing "complex or organized crimes" which are investigated by the Division of Insurance Fraud.
- SB 312 in its entirety, as amended, is available on the Internet at: www.leg.state.fl.us/session/1999/senate/bills/index.html.

Notice to Companies: Submit Appointment Forms Monthly

Section 626.361, Florida Statutes, states that all appointments shall be submitted to the Department on a monthly basis no later than 45 days after the date of the appointment. We are receiving an increasingly large volume of appointment requests that exceed the 45-day time limit set forth in the statute. While there are procedures in place to provide allowances for such appointments, recurrent violations of the statute may not be approved. Appointments must be received within 45 days of the date that the licensee begins to work for the company.

If the adjuster/agent you are appointing is not or has not actively been engaged in insurance business with your company, do not attempt to back date the appointment. If you are appointing an agent or adjuster and he/she has not transacted insurance (solicited or sold insurance/adjusted a claim), please use the current date on the appointment form.



State Gets 'A' from Consumers

How well do insurance consumers fare in Florida? Better than their counterparts in most other states around the country, according to a new study by the nonprofit Consumer Federation of America (CFA).

The federation, an association of 260 consumer groups, graded each state and the District of Columbia "A" through "F" on what they do for consumers. Seven, including Florida's Department of Insurance, got an "A" for doing a *particularly good job in serving their consumers*.

A key factor in the grading, according to a news release by the CFA, was how well each state did in providing useful information to help their consumers save money and make informed insurance-buying decisions. The CFA release is posted on the Department's web site at: www.doi.state.fl.us/Consumers/Alerts/Press/1999/CFA.htm.

New Companies

Agency Insurance

Company of Maryland, Inc. was approved on April 12, 1999. Lines of business: Private Passenger Auto Liability, PPA Physical Damage, Reinsurance. Address: PO Box 17071, Baltimore, MD 21297-0388; telephone: (410) 684-3399.

American Healthcare Specialty Insurance Company was added to the list of Florida's eligible surplus lines insurers on May 28, 1999. Address: 1888 Century Park East, Ste. 800, Los Angeles, CA 90067-1708; telephone: (310) 551-5900.

Brownguard Association of Delaware, Inc. was registered as a purchasing group on February 12, 1999. Address: 21 Maple Avenue, Bay Shore, NY 11706-9175; telephone: (516) 666-5050.

Dakota Specialty Insurance Company was placed on Florida's list of approved surplus lines insurers on May 10, 1999. Address: 107 Elm Street, Stanford, CT 06912-0043; telephone: (203) 705-2500.

Distinguished Star Contractors RPG, Inc. was registered as a purchasing group on April 6, 1999. Address: 575 Madison Avenue, New York, NY 10022; telephone: (212) 350-2301.

IGF Insurance Company was admitted on March 9, 1999. Lines of business: Allied Lines, Commercial Multi Peril, Inland Marine, Multi Peril Crop, Reinsurance. Address: 6000 Grand Avenue, Des Moines, IA 50312-1417; telephone: (515) 633-1000.

Liberty Surplus Insurance Corporation was placed on Florida's list of approved surplus lines insurers on April 12, 1999. Address: 175 Berkeley Street, Boston MA 02117; telephone: (617) 357-9500.

MIIX Insurance Company was admitted on February 26, 1999. Lines of Business: Commercial Multi Peril, Medical Malpractice, Other Liability, Reinsurance. Address: Two Princess Road, Lawrenceville, NJ 08648-2302; telephone: (609) 896-2404.

Nationwide Insurance Company of Florida was approved on May 25, 1999. Lines of business: Fire, Allied Lines, Farmowners Multi Peril, Homeowners Multi Peril, Commercial Multi Peril, Inland Marine, Earthquake, Other Liability, Glass, Burglary & Theft, Livestock, Mobile Home Multi Peril, Mobile Home Physical Damage, Reinsurance. Address: One Nationwide Plaza, Columbus, Oh 43216; telephone: (614) 249-7111.

Northwestern Long Term Care Insurance Company was admitted on April 2, 1999. Lines of business: Life, Group Life & Annuities, Accident & Health, Reinsurance. Address: 720 E. Wisconsin Avenue, Milwaukee, WI 53202; telephone: (414) 299-2510.

Quadrant Indemnity Company was admitted on April 12, 1999. Lines of business: Fidelity, Other Liability, Reinsurance. Address: 82 Hopmeadow Street, Simsbury, CT 06070-7683; telephone: (860) 408-2000.

Real Estate Sales Professionals Program was registered as a purchasing group on April 12, 1999. Address: 333 City Blvd. West, Orange, CA 92868; telephone: (714) 939-0800.

Scottsdale Indemnity Company was approved on April 1, 1999. Lines of business: Fire, Allied Lines, Farmowners Multi Peril, Homeowners Multi Peril, Commercial Multi Peril, Inland Marine, Medical Malpractice, Other Liability, Commercial Auto Liability, Commercial Auto Physical Damage, Fidelity, Surety, Glass, Boiler & Machinery, Burglary & Theft, Reinsurance. Address: PO Box 4110, Scottsdale, AZ 85261-4110; telephone: (602) 948-0505.

TIAA-CREF Life Insurance Company was approved on April 19, 1999. Lines of business: Life, Variable Annuities, Accident & Health, Reinsurance. Address: 730 Third Avenue, New York, NY 10017; telephone: (888) 842-5433.

20/20 Eyecare Plan, Inc. was licensed on March 23, 1999. Line of business: Optometric Services. Address: 1291 S. Powerline Road, Pompano Beach, FL 33069; telephone: (954) 977-6636.

United Property & Casualty Insurance Company was approved on April 2, 1999. Lines of business: Fire, Allied Lines, Homeowners Multi Peril. Address: 100 2nd Avenue N, Ste. 220, St. Petersburg, FL 33701-3338; telephone: (727) 895-7737.

Williamsburg National Insurance Company was authorized on May 29, 1999. Lines of business: Commercial Auto Liability, Commercial Auto Physical Damage, Other Liability, Reinsurance. Address: PO Box 3190, Cerritos, CA 90703-3190; telephone: (562) 404-3506.

Note: In the Jan. - Mar. 99 issue of The Intercom, the contact information for two companies is incorrect. The correct information is as follows:

Cypress Property & Casualty Insurance Company is located at 13810 Sutton Park Drive N., Ste. 529, Jacksonville, FL 32224-4248; telephone: (904) 992-4492.

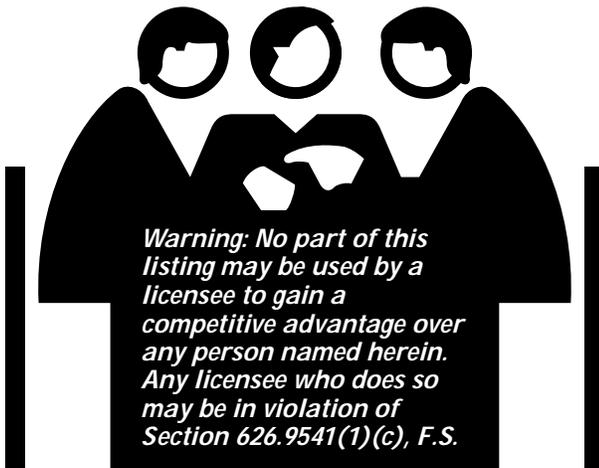
Professional Protective Insurance Company is located at 507 N. New York Avenue, Ste. 100, Winter Park, FL 32789; telephone: (407) 622-2297.

Disciplinary Actions

January – April 1999

Many of the following disciplinary actions have been resolved through consent orders based upon settlement stipulations in which there was no finding or admission of guilt by the licensee. The Department believes that notification of these actions is in the public interest and, although 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. Inquiries should be directed to: Florida Department of Insurance, Bureau of Agent and Agency Licensing, 200 East Gaines Street, Tallahassee, Florida 32399-0319; telephone (850) 922-3137.



SUSPENSIONS

Last Name	First, MI	City	State
BRUNS	Amy D	Orlando	FL
CICIRETTI	Angelo	Cape Coral	FL
CICIRETTI	Helen J	Cape Coral	FL
DAVIS	Daniel B	Apalachicola	FL
DeBELLO	Peter J	Coconut Grove	FL
FINLEY*	Dennis L	De Kalb	IL
*License reinstated 4/10/99			
GERMAIN	Shylov F	Coral Springs	FL
GIGNILLIAT	William R	Tampa	FL
MCMILLIAN	Robert S	St. Petersburg	FL
MERCHANT	Jeffery D	Milton	FL
POLANCO	Dina A	N Miami Beach	FL
PONTRELLI	Gary	Orlando	FL
RAE	William J	Largo	FL
RUSSELL	Tamara J	Pinellas Park	FL
SCHMIEL*	Arnold E	Tampa	FL
*License reinstated 6/8/99			
TEGER	Joanne L	Coconut Creek	FL
TITLE OF FLORIDA AGCY INC		Fort Myers	FL
WEIKEL	Albert H	Norristown	PA
WHALEN	John W	Clearwater	FL
WOODHAM	Kye	Pensacola	FL

REVOCATIONS

Last Name	First, MI	City	State
ADAMS	Timothy A	Blountstown	FL
ALICINO	Stephen P	Boynton Beach	FL
ALVAREZ	Alma	Hialeah	FL
*A/K/A Alvarez, Ali			
ATWOOD	Gary W	Tampa	FL
BERNER	Andrea M	Summerland Key	FL
BOUIE	Lori G	Quincy	FL
BYERS	Athana L	Kansas City	MO
CHASE	Chris	Miami	FL
CRAMER	Shirley A	Seminole	FL
CUETO	Thomas M	Tampa	FL
DEANDRADE	Sandro L	Miami Beach	FL
EARDLEY	Nancy R	Cape Coral	FL
ENGLE	Robert G	Tampa	FL
ENSWORTH	Robin R	Bradenton	FL
GHERINI*	Carlo A	Tampa	FL
*A/K/A Gerald, Marcus P			
GILLIAM	Steven	Royal Palm Bch	FL
GRIFFIN	Arthur M	Polk City	FL
HERRERA	Julio	Hialeah	FL
HIGHTOWER*	Lora Lee	Wichita	KS
*A/K/A Swensson, Lora Lee			
HILL	Charlotte A	Palm Bay	FL
KETELHUT	David R	Auburndale	FL
KOSAKOWSKI	Gerald J	Jacksonville	FL
LUMAN	Kirk D	Orange Park	FL
MACDIARMID	Jodi A	Chicago	IL
MARTINEZ	Irene	Homestead	FL
MAYERS	Barry V	Wellington	FL
MERCADO	Mariano	Hialeah Gdns	FL
MOSES, Sr.	Marvin E	Crystal River	FL
MUNARRIZ	Celestino	Miami	FL
ODDO	Santo A	Lantana	FL
ORRELL	Harry L	Lynn Haven	FL
OWEN	Earl C	Jacksonville	FL
PARKER	John N	Tampa	FL
PEYTON	Darren M	Reisterstown	MD
PLOTKA	Phillip S	Miami	FL
POMERANTZ	Donald D	Coral Springs	FL
RYDER, Jr.	Thomas F	Hingham	MA
SHANAHAN	Carolann G	Miami	FL
SOUCY	Roger J	Pompano Bch	FL
STREETMAN	Leon M	Plant City	FL
SWIECH	Melanie	Plantation	FL
THALOR	Jon E	Lake Park	FL
WASHINGTON	Richard A	York	PA
WEAVER	Bruce	Jacksonville	FL
WOMACK, Jr.	Taft	St. Petersburg	FL

It is every licensee's responsibility to stay informed of the laws and rules relating to his or her insurance licenses. Ignorance of the law cannot be used as a defense.

THE INTERCOM

The Intercom is published by the Department of Insurance, Division of Agents and Agencies Services, 200 East Gaines Street, Tallahassee, FL 32399-0318.

Kathryn Criscola
Editor/Publisher
(850) 413-5418



Contributors: Hazel Collins, John Derby, Don Dowdell, Kerry Edgil, Kimberly Hodges, Shirley Kerns, Victoria Kliner, Angela Leggett, Don Pride, Barbara Pyle, Bob Stewart, Marti Tatum, Phil Yorston, DOI Legislative Affairs, DOI Press Office

We welcome suggestions and inquiries concerning *The Intercom*. Written suggestions should be mailed to Kathryn Criscola, Florida Department of Insurance, 200 East Gaines Street, Tallahassee, Florida 32399-0318.
©Copyright all rights reserved. Reproduction in whole or in part without permission is prohibited.

Bill Nelson
Treasurer/Insurance Commissioner/Fire Marshal
DIVISION OF AGENTS AND AGENCIES SERVICES



John E. Hale, Division Director
Mary Alice Palmer, Assistant Division Director
Phil Fountain, Chief, Bureau of Investigation
Shirley Kerns, Chief, Bureau of Licensing

Bureau of Investigation (850) 922-3136
Bureau of Licensing (850) 922-3137
Education Section (850) 922-3134 Ext. 1108
Qualifications Section (850) 922-3137 Ext. 1101

Adjuster's Qualifications • Fingerprint Information
Nonresident Agents • Bail Bonds • Managing General Agents
Terminations • Customer Representatives • Mediator Approval

License Control Section (850) 922-3137 Ext. 1100
Certification and Clearance Letters • Forms • Mailing Lists
Appointment Renewals • Company and Agency Name Changes

For all other Divisions, call the Department of Insurance
Switchboard (850) 922-3100

Department web site: www.doi.state.fl.us



If your name, residence address, principal business street address, or mailing address changes, you must notify the Department within 30 days of the change. Licensees who fail to comply are in violation of Chapter 626.551, F.S., and are subject to investigation and possible disciplinary action.

Please mail your notice of change to:
Bureau of Agent and Agency Licensing
Department of Insurance
200 East Gaines Street
Tallahassee, FL 32399-0319

A name change necessitates the re-issuance of your insurance license. Please remember to enclose the \$5 fee and a copy of your marriage certificate, divorce decree, or other documentation at the time you request re-issuance.

Department of Insurance
Division of Agents and Agencies Services
200 East Gaines Street
Tallahassee, FL 32399-0318.

PRSR STD
U.S. Postage
PAID
Permit No. 996
So. Fla Facility