

# THE INTERCOM

VOL. 11, NO. 1  
MAY - SEPTEMBER 2001

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

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Treasurer/Insurance Commissioner/Fire Marshal

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## Setting the standard for health coverage

Establishing a single regulatory standard for health insurance coverage marketed to individuals and families is a top legislative priority for me.

Approximately 60 to 70 percent of all individual health coverage in Florida is sold through "true" individual health insurance policies or HMO contracts, in which the master policy is held by the purchaser. The remaining coverage is sold through association or trust-based group mechanisms, which issue certificates of coverage to individuals. The master policies in this form of coverage are held by the association or trust in the state where the group policy is filed.

Why should this distinction matter to those of you who sell individual health coverage? Because some companies market coverage through out-of-state group policies merely to circumvent important consumer protections afforded to holders of true individual policies. Many agents are unaware that such plans are not subject to Florida laws governing the timely payment of claims, free-look provisions, credit for prior coverage, required benefits and rating practices.

Companies that issue to individuals through out-of-state group policies are primarily governed by the laws of a state other than Florida. Other states' laws, or lack thereof, guide your clients' coverage. As a result, such companies employ practices that would never be permitted if Florida laws applied.

These companies' exemption from Florida rating laws poses a serious consequence for your clients. I'm sure those of you who sell such coverage have wondered at times how the rapid escalation in rates for some of your clients could be justified. The truth is, in most cases, those rate increases were never subject to any regulatory review, even in states where the policy is filed.

The carriers that market out-of-state group coverage say they offer a "choice" and an "affordable" alternative. But that "affordability" can quickly evaporate. So can "choice." Both exist as long as your client remains healthy and can move to other coverage. But for those clients who develop health problems, renewal premiums can escalate very quickly.

And that's a serious problem, particularly in the individual market, where one's insurability is critical to gaining coverage. If a client develops a health condition, and the rates rise beyond his or her ability to pay, coverage may be dropped with the real possibility of no alternative.

I strongly believe that Florida's individual health rating laws for "true" individual coverage, which promote rate stability and risk sharing, are fair to both the consumer and carriers. All



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Floridians who purchase individual coverage should be afforded the same protections.

What kind of practices in use would be prohibited if Florida's rating laws applied to out-of-state group coverage?

◆ Durational rating, which is the periodic raising of your clients' rates merely because they've held coverage for a specific length of time. Use of this practice can cause covered individuals with identical policy and demographic characteristics to pay wildly different rates, not to mention formalizing increases regardless of circumstances;

◆ Periodic closing of pools, a common tactic designed to divide the healthy from those with health problems by shutting down new entrants to an existing policy form and simultaneously opening a similar one. The healthy migrate to the new form, leaving the "uninsurable" behind to endure spiking rates or dropping coverage. Florida law requires regulated individual coverage to pool the risk of similar forms for rate-setting purposes in order to curb such mischief;

◆ Tier rating, whereby carriers move your clients from the underwriting basis or class in which they were issued coverage to one that is of a lesser standard and subject to higher renewal rates. Carriers employing this tactic deftly circumvent the *statutory* assurance that "rates will only be raised on a class basis." But when your clients are moved to an adverse class that is assessed large rate increases, isn't that the same thing as being singled out for an increase? Florida's regulations prohibit tier rating.

◆ "Scare" rating, used in guaranteed-issue cases such as HIPAA eligibles, to discourage applicants. Carriers whose rates we don't regulate routinely quote 400-600 percent of their standard rate to such guarantee-issue individuals, effectively sloughing them off

to the regulated carriers that take virtually all of this business at more realistic rates. This is a blatantly unfair tactic designed to shift responsibility that should be shared by all carriers in the marketplace.

I support the application of consistent standards for the entire individual market, not just a portion of it. Accordingly, my legislative proposal is an uncomplicated one: If carriers wish to market health insurance to individuals through group arrangements filed in other states, let them do so if they apply true group principles, i.e., all "members" of the group have access to health coverage regardless of their health status.

If, however, the group or association's health benefits are contingent upon an individual member's health, then such coverage will not be considered group coverage, but instead be subject to Florida's laws applicable to individual health insurance. In other words, all coverage marketed to individuals — whether a "true" individual policy or a certificate from a group — would be treated in the same manner.

The fair thing is to have one standard for health insurance in Florida so there is no confusion or surprise. Fair rating dictates that rates should be priced adequately on the front end to anticipate future losses; premiums should be adjusted as losses are experienced; and rate increases should be the same for those who stay healthy and those who get sick.

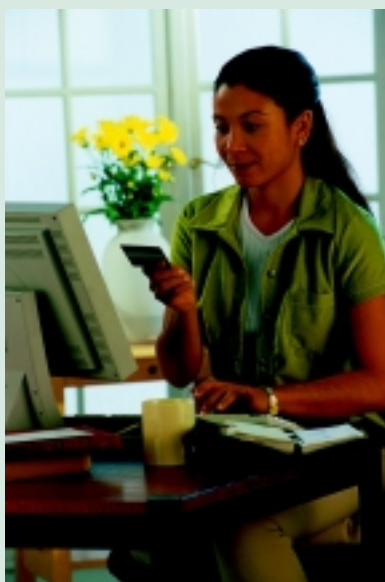
It is this type of fair rating approach that I want to see applied to Florida's individual market, and I will work throughout my administration to see that it happens. We can all do better to serve and protect those citizens who act responsibly by acquiring coverage when healthy.

*Tom Gallagher is Florida's treasurer, insurance commissioner and state fire marshal.*

## Now you may apply for licenses on the Internet

The Bureau of Agent & Agency Licensing launched an online, Internet application program on September 4, 2001. This service is available for all license types, re-examination, duplicate license and name/address change.

This program guides an applicant through an interview process to determine eligibility for a license. It is designed to provide an alert at any point in the process when it deems that the individual is ineligible for the license. Therefore, ineligible applicants are not required to pay the application processing fee.



Payment for the application processing license fee and examination fee may be paid with American Express, VISA or MasterCard credit cards. An individual will also have the option to pay by check or money order.

When the application process is completed, a summary of information that must be submitted to the Department of Insurance will be provided. The application will not be processed until the required documents are received.

Once the application is complete, the individual will receive an authorization form from Experior, the new testing/licensing contractor, to set up an appointment for an examination/license or photo license. If the individual passes the examination, the license will be issued on site.

The online application program is available every day from 5 a.m. to 11:30 p.m. EDT on the Department of Insurance web site, **[www.doi.state.fl.us](http://www.doi.state.fl.us)**.

# Legislative Update

*This is an overview of legislation passed by the 2001 Legislature. Access to all bills as well as legislative staff analyses, floor amendments, bill history and Florida Statute citations are available through the Florida Legislature's Online Sunshine web site, [www.leg.state.fl.us](http://www.leg.state.fl.us).*

## **SB 806, Insurance Adjuster and Customer Representative Education Requirements:**

Section 626.221, Florida Statutes, has been amended to exempt both customer representative and adjuster applicants from examination requirements under specified circumstances.

Customer representative applicants are exempt if an applicant obtains a designation as a Certified Customer Service Representative (CCSR) from the Florida Association of Insurance Agents or the designation of Registered Customer Service Representative (RCSR) from a regionally accredited postsecondary institution (this includes community colleges as well as four-year universities) in this state. Adjuster applicants are exempt if an applicant obtains a designation as an Accredited Claims Adjuster (ACA) from a regionally accredited postsecondary institution in Florida.

All three designations must be approved by the Department of Insurance and include comprehensive analysis of basic property and casualty lines of insurance and testing at least equal to that of standard Department testing for customer representative and all-lines adjuster licenses. The bill provides that the Department shall adopt rules establishing standards for the approval of the specified curriculum.

## **SB 2174, Insurance Agents:**

This legislation makes a variety of changes relating to the licensure of insurance company representatives, mostly in chapter 626, F.S. Major changes include:

- Requiring licensed insurance agents marketing other products to maintain separate records relating to insurance products and transactions.
- Allowing the Department access to insurance agent records maintained at a third-party location.

- Specifying the activities constituting the "solicitation of insurance" and requiring licensure.
- Authorizing employee-leasing companies to carry out specified insurance-type activities under limited circumstances.
- Eliminating the collection of certain information by the Department of Insurance.
- Expanding from 24 to 48 months the time for which insurance licensees, title agents or bail bond agents have to obtain an appointment after original licensure, or after the termination of prior appointment.
- Expanding from four to six years, time for which insurance licensees, title agents or bail bond agents who are in the military, have to obtain an appointment after the original licensure.
- Mandating the fingerprinting of new company officers or directors for licensed entities.
- Removing the ability of licensees to waive confidentiality as to investigative information.
- Allowing the Department of Insurance to revoke or suspend the license of a licensee selling securities not registered as required under chapter 517, F.S.
- Clarifying that a nonresident license is limited to the specific lines of authority granted in the license issued by the agent's state of residence and further limited to the specific lines authorized under the nonresident license issued by this state.
- Declaring that the requirements of the Insurance Code apply equally to all insurance transactions, insurance agents, and insurance agencies, unless otherwise specified in the Insurance Code.
- Clarifying that advertising and other communication materials developed by insurers regarding products must indicate that the communication relates to insurance products.
- Authorizing the Department to promulgate rules to govern the use of a consumer's personal financial and health information. The rules must be consistent with the model regulation developed by the National Association of Insurance Commissioners (NAIC) and with the standards contained in Title V of the **Gramm-Leach-Bliley Act** (GLB) of 1999. The GLB allows banks, securities firms and insurance companies to merge, affiliate with

each other, and engage in new business activities outside their traditional areas. The GLB also authorizes state insurance departments to issue regulations protecting the privacy of insurance consumers' personal information.

In response to the GLB, the NAIC adopted a model regulation that provides specific protections for consumers' financial and health information held by insurers, agents and other entities engaged in insurance activities. The model regulation requires insurers to:

- Notify consumers about their privacy policies.
- Give consumers the opportunity to prohibit the sharing of their protected financial information with nonaffiliated third parties (a company that is not affiliated with an insurer).
- Obtain affirmative consent from consumers before sharing protected health information with any other parties, affiliates and nonaffiliates alike.

## **SB 1092, PIP Insurance Fraud:**

- Provides a definition of "broker" and states that insurance companies or insureds are not required to pay claims made by brokers or by persons making claims on behalf of brokers. Also defines "medically necessary" as used in the motor vehicle no-fault law.
- Provides that an insurer may, in good faith, request of a provider information or documentation as to why a PIP claim was reasonable in amount and medically necessary.
- Clarifies that insurers are not precluded or limited in asserting that a claim was unrelated, not medically necessary, or unreasonable in amount. Such assertion may be made at any time, including after payment of the claim.
- Authorizes that as a condition precedent to filing certain court actions to collect an overdue claim for benefits, the insurer must receive a written notice of the intent to litigate (a "demand letter") containing specified information. This provision allows insurers seven business days after receipt of a notice to pay the

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# Legislative Update continued

claim, with applicable interest and specified penalty, without being potentially subject to payment of attorney's fees.

- Requires insurers to provide specified information to providers when paying only a portion of a claim or rejecting a claim.

- Creates a civil cause of action to allow insurers to sue a person who, in connection with a claim for PIP benefits, is found guilty of, or pled guilty or nolo contendere to, specified violations, regardless of adjudication of guilt.

- Provides for specified crimes (insurance fraud, solicitation of persons involved in motor vehicle accidents, and patient brokering) to be ranked under the Criminal Punishment Code so that judges will consider such crimes as to sentencing guidelines. Provides that it is a third degree felony for persons to willfully use accident reports to commercially solicit accident victims.

- Expands immunity from civil liability for individuals reporting insurance fraud to the Department of Insurance.

- Provides that the "spiritual healing" provision in s. 627.736(1)(a), F.S., does not affect determinations of what other services or procedures are medically necessary.

- Eliminates the medical payments provision that currently requires that medical payment insurance fill the 20 percent PIP co-insurance.

- Changes the interest rate for overdue payments from a fixed rate to the rate no less than that established by the comptroller under s. 55.03, F.S.

- Helps to remedy the current practice of insurers utilizing "paper" independent medical examinations (IMEs) by requiring "valid" reports by experienced physicians or a physical examination by a physician who meets certain active practice criteria. Also provides that such report may not be modified by anyone other than the physician.

- Allows providers up to 75 days under specified conditions to submit a statement of charges to insurance companies.

The law is effective June 19, 2001. However, changes affecting policies apply to policies issued or renewed after October 1, 2001. Also, a number of provisions dealing with

the relationship between insurers and medical providers take effect October 1, 2001.

## **SB 1274, Motor Vehicle Driver's Permit/Foster Child:**

This bill revises the responsibility of the individual signing for a minor foster child's learner's license. Either a foster parent or the responsible adult in a residential group home will be able to sign the learner's driver's license application for a foster child without assuming liability for any negligent or willful misconduct of that child while operating a motor vehicle. The motor vehicle owner will assume liability for the actions of the minor child while operating the vehicle rather than the person signing the driver's license application.

This bill also prohibits a motor vehicle insurance company from charging an additional premium on a motor vehicle owned by a foster parent for coverage of a minor child operating the vehicle while the child is holding a learner's license. This prohibition will be applicable until the child obtains a regular driver's license. This section of the bill shall apply to insurance policies that are issued or renewed on or after July 1, 2001.

## **SB 1530, Viatical Settlements:**

This bill provides for disclosures, form filings, and other protections, which are currently afforded to consumers engaged in viatical settlement transactions in the primary market to apply to such persons in the secondary market. Secondary market viatical settlement transactions pertain to those purchases made from any person or entity other than the viatical settlement provider who effectuated the viatical settlement contract, that is, who originally viaticated the policy.

The bill provides that viatical settlement sales agents are responsible for disclosures to purchasers in the secondary market, that viatical settlement purchase transactions in the secondary market must be completed through the use of escrow agents or third-party trustees, that all funds paid by purchasers must be deposited with such trustees or agents, and that the funds must

not be released to the seller until after a three-day voidable period has expired. Also, the bill provides requirements that the viatical settlement provider who initially purchased the policy from the viator is responsible for monitoring the insured as to the insured's whereabouts and health status, premium payments, and submission of the death claim. This responsibility may be contracted out to a third party. The bill expands certain terms relating to trusts, financing and special purpose entities, purchasers, and purchase agreements. Finally, the bill clarifies that viatical settlement providers doing business from this state, and who transact business with viators or viatical settlement purchasers outside of the state, must be licensed in Florida.

## **SB 788, Insurance Discrimination/Victims of Abuse:**

This bill amends s. 626.9541, F.S., to add disability, property and casualty, and automobile insurance companies to the list of insurers (health and life insurers and managed care providers) that are currently prohibited from refusing to issue a policy or deny a claim to applicants or insureds who have been, or are likely to become, victims of domestic abuse by a family or household member.

Specifically, the bill declares that it is an unfair or deceptive act for disability, property and casualty, and automobile insurers to underwrite a policy, refuse to issue or renew a policy, refuse to pay a claim, terminate a policy or increase rates based on the fact that the insured or applicant who is also the proposed insured, has made a claim or sought medical or psychological treatment in the past for abuse, or that a claim might occur as a result of any future abuse, by a family or household member upon another family or household member. The current law defines "abuse" to mean assault, battery, sexual assault, placing another in fear of serious bodily injury, false imprisonment, physically or sexually abusing a minor child, or an act of domestic violence.

The bill further clarifies that the above provision does not prohibit a property and

casualty insurer or automobile insurer from excluding coverage for intentional acts by the insured if such exclusion does not constitute an act of unfair discrimination. The “intentional act” exclusion is a standard provision in property and casualty contracts. The exclusion provides that the insurance company is not required to pay any claim resulting from an intentional act by the insured as to covered property. For example, if a battered woman’s spouse burns down their house, the insurer would not cover the loss since it was an intentional act by the co-insured. However, the bill would prohibit an insurer from canceling or refusing to renew coverage of the wife, or refusing to issue new coverage to the wife, based on the past act of domestic violence.

The bill also deletes the term “solely” as that term applies to facts insurers consider as to domestic violence. This would clarify that an insurer could not base its decision to deny a claim or policy based on the fact that the insured made a claim as a result of domestic violence.

### **SB 938, Credit Insurance:**

This bill clarifies that a credit life or disability insurance license may be issued to a creditor or a lending or financial institution, e.g., state or federal banks, associations, savings banks, or credit unions, and provides that such licensees may also sell credit insurance and credit property insurance. The bill provides that only the officers and directors of the entity applying for credit life or disability licensure with the Department of Insurance must submit fingerprints with an application.

The bill also provides that in lieu of the written acknowledgments required by law

for credit life insurance, if credit life insurance is solicited or consummated by telephone, the creditor agent or agent must provide written disclosures to the borrower

Presently, if requested by the Department, surplus lines agents are required to submit copies of policies, applications, and other specified information related to surplus lines



within 30 days from the date the coverage takes effect. Further, the borrower must be notified that he or she has 30 days from the date the disclosures are received to rescind the credit life insurance coverage.

### **HB 405, Surplus Lines Insurance/Public Records:**

This bill reenacts and expands the current public records exemption and confidentiality for certain surplus lines insurance records submitted by surplus lines insurance agents to the Department, as provided by s. 626.921(8), F.S. The exemption was scheduled for repeal on October 2, 2001, unless reviewed and reenacted by the Legislature, pursuant to the criteria specified in the Open Government Sunset Review Act, s. 119.15, F.S.

policies. The information must be maintained for five years and be available for inspection by the Department. Any information obtained by the Department that reveals a trade secret, as defined in s. 688.002, F.S., is exempt from the public records law and confidential. As currently interpreted, any information that is specific to an individual policy or policyholder is considered a trade secret. The bill clarifies this by revising the exemption to apply to information that reveals information specific to a particular policy or policyholder, rather than information that reveals a trade secret.

The bill also expands the exemption by applying it to information furnished to the Florida Surplus Lines Service Office

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(“Service Office”) under the Surplus Lines Law (ss. 626.913-626.937, F.S.), if the disclosure would reveal information specific to a particular policy or policyholder. The Service Office was created by the Legislature in 1997 and is authorized by s. 626.921, F.S., to require surplus lines agents to submit such information as required by the association’s plan of operation, approved by Department rule. The plan requires surplus lines agents to submit detailed information about each surplus lines policy written. By referring to information furnished to the Service Office “under the Surplus Lines Law,” this bill also conforms to CS/SB 658, that amends ss. 626.923, 626.930, and 626.931, F.S., to authorize the Service Office to have the same access to records of surplus lines agents as currently provided to the Department and to require surplus lines agents to report specified information.

### **SB 658, Surplus Lines Insurance:**

Effective June 13, 2001, except that section 24 (requiring any quarterly or annual statement be filed after the effective date of the act to be prepared in accordance with the act) applies retroactively to January 1, 2001.

This bill authorizes the Florida Surplus Lines Service Office (“Service Office”) to have access to records of surplus lines insurance agents related to the surplus lines insurance policies they write, as currently authorized for the Department. The bill also requires surplus lines agents to report certain information on policies written to the Service Office, that in most respects codifies what were already current practices of the Service Office pursuant to operational procedures approved by the Department.

Similarly, the bill clarifies the responsibilities of the Service Office relative to those of the Department with regard to monitoring the surplus lines business and collecting the 5 percent premium tax imposed on surplus lines policies and the 0.3 percent service fee that funds the operations of the Service Office. Current fines and penalties that apply to late payment of the premium tax will now also apply to late payment of the service fee. The bill also deletes the requirement that insurers and adjusters notify the Service

Office of each claim that is filed.

The bill increases maximum per-policy fee that may be charged by a surplus lines agent to a policyholder from \$25 to \$35.

The bill requires persons who independently obtain coverage from a

surplus lines insurer (rather than through a surplus lines agent) to report and pay the 5 percent premium tax to the Service Office, rather than to the Department. The bill also imposes the 0.3 percent service fee that currently applies to surplus lines policies on independently procured coverage, payable to the Service Office.

## **Case Notes**

The following are instances in which licensees or other persons violated the Florida Statutes or rules governing insurance activities. Below are the administrative actions the Department has taken against them.

**CASE:** A general lines insurance agent was served with a two-count Administrative Complaint alleging that she mishandled premium funds received in the normal course of business. The agent had taken \$585 in February for auto insurance but did not place the insurance with the company until August. An informal hearing was scheduled before a Department hearing officer.

**DISPOSITION:** The agent’s license was suspended for three months.

**CASE:** The Department filed a multiple-count Administrative Complaint against a life and health agent alleging he used misrepresentation and other deceptive practices, including churning and twisting to solicit and sell life insurance contracts and annuities to clients. The agent requested a formal hearing, which was held by the Division of Administration Hearings.

**DISPOSITION:** A recommended order was entered by the Administrative Law Judge, recommending the Department enter a Final Order revoking the agent’s insurance licenses. This order was issued, which resulted in the revocation of all of the agent’s Florida insurance licenses.

**CASE:** A life, health and variable annuity agent participated in a scheme to enroll consumers in group health insurance through fraudulent groups and charged unlawful fees for obtaining this insurance.

Consumers were left without insurance coverage and incurred substantial unpaid medical bills as a result of this agent’s actions.

**DISPOSITION:** The Department issued an Emergency Order of Suspension suspending the agent’s insurance licenses, then filed an Administrative Complaint. In lieu of taking this matter to hearing, the agent entered into a Settlement Stipulation for Consent Order that provided for the voluntary surrender of the agent’s insurance licenses, to have the same force and effect as a revocation, permanent ineligibility for licensure in Florida, and immediate and permanent barring from any participation with an entity licensed by the Department. In the related criminal case the agent was arrested and charged with organized fraud in the third degree and insurance fraud. The agent then pleaded guilty to one count of organized fraud and was ordered to pay restitution of \$64,000. The agent received five years probation.

**CASE:** An Emergency Order of Suspension was immediately filed on a life, health, and general lines agent when it was discovered that the agent had deposited insurance premiums belonging to insurers, totaling \$106,000, into his personal investment/day trading account.

**DISPOSITION:** The agent subsequently entered into a Settlement Stipulation for Consent Order that called for a nine-month suspension of all licenses, with no reinstatement of any licenses until the companies are reimbursed for all misappropriated premiums. The Consent Order also provided for a \$1,000 fine and a one-year probation if the licenses are ever reinstated.



# ERISA: Things *still* may not be what they seem

By Luke Brown

In the last *Intercom*, I alerted you to some earmarks and dangers of the unauthorized health insurance plans that have invaded Florida under the guise of ERISA. In the time since, we have seen just how creative the purveyors of these products can be. They continue to litter the insurance marketplace with new versions of old schemes, often through a new “plan sponsor.” Many, having no Florida connection other than a desire for its citizens’ money, are headquartered instead in Indiana, Nevada, Texas and elsewhere.

Many agents, some unwittingly and some by design, continue to help spread these products to consumers. They do so in many ways, including, through inadequate or inaccurate knowledge of employee benefit plans, real insurance products, reinsurance, and related issues; by failing to seek outside counsel from others more knowledgeable than they; by not carefully, completely, and objectively analyzing the products and demanding factually and legally correct answers from plan promoters; or by just refusing to see what they don’t want to see. In any case, they place their clients, the insurance marketplace, and their own licenses, livelihood and assets at risk.

One ploy used by questionable ERISA plans and their minions is to misuse or confuse important terms and concepts. They bank on the fact that you don’t understand enough to pick up on the misuse, or will buy into it to promote your own sales, and that the average consumer won’t know the difference (which is often the case). The reality is that you have an *ethical* and a *legal*

*obligation* to understand what you become involved with and are offering to your clients, and to ensure that the product is authorized, lawful, and serves the clients’ best interests. Here are a few of the terms, distinctions, and concepts that you must understand:

- **Self-insured:** In this context it means that there is no licensed insurer financially responsible for claims; instead, claims are paid from and with the funds of the employer. In general, provided that all



of the claims are from employees of the same employer, this may suggest a legitimate ERISA plan. If multiple, unrelated employers are involved, it is a MEWA that must be licensed by the Department. This, or by some variant, is usually how the current unauthorized plans operate.

- **Self-funded:** Correctly used, this can have a similar meaning, in that it suggests that the employer is fully funding claims. Don’t fall for a use of this term meaning that the employer merely funds the purchase of stop-loss coverage or funds premiums that are commingled with those of other unrelated employers into a common pool.

- **Fully insured:** Many promoters try to create a false sense of security by

claiming that the plan is fully insured, and is, therefore, both financially and legally safe for the agent to sell. A fully insured plan means that a licensed insurer has the complete and ultimate financial responsibility for claims. If the plan is touted as being fully insured, demand to see the proof, get a copy of the underlying policy, make sure it is in force, and verify the facts with the licensed insurer. Frequently, there will *not* in fact be a licensed insurer with the responsibility for the payment of claims.

- **Reinsurance vs. stop-loss:** Another ploy that is often used as a sales tool (by the plan promoter and thereafter, by agents who fall for it) is to claim that the ERISA plan is fully reinsured. True reinsurance is, in effect, insurance for an insurer. That is, if the primary insurer is unable to pay claims, the reinsurer does (subject to the conditions and limitations of the reinsurance contract). Reinsurance can also exist in the setting of a fully self-insured plan, so that if the employer can’t pay claims, the reinsurer will.

In contrast, if they have anything at all, the suspect ERISA plans usually have only stop-loss coverage, sometimes called excess loss insurance. Depending upon the terms of the contract, it pays only if covered claims incurred over a specific period of time exceed some stated amount (aggregate stop-loss), or if a particular claim exceeds a stated amount (per claim stop-loss). Typically the stated amount (called the attachment point) is very high. Therefore, the plan bears the risk of payment of all amounts up to the attachment point. In turn, that triggers all of the dangers that attend unlicensed, unregulated, insuring entities that are not legitimate, single-employer ERISA plans. Among those dangers could be your responsibility for the payment of claims when the plan promoters move on to something else.

**If the product claims to be an ERISA plan, don’t sell it.** If you don’t understand it, don’t sell it. The promoters of these schemes don’t care what happens to the public or to you. Both the public welfare, and your career, are in the balance.

*Luke S. Brown is a senior executive attorney and unauthorized entities supervisor with the Division of Insurance Fraud.*

# Fraud Division takes on entities, agents and bondsmen

By Stacey-Ann Clarke

## Former executive convicted

A former executive for Cigna Dental Health Inc., was arrested at her Georgia home January 26. She recently appeared in Broward County Circuit Court and pleaded guilty to grand theft for bilking her employer out of almost \$170,000.

A Division of Insurance Fraud (DIF) investigation revealed that during her employment, she manipulated the company's bookkeeping system to generate invoices showing false vendor bills totaling \$169,681.77. She took the checks that were drafted to pay the fake vendor bills and made payments on her mortgage and an American Express card, which she unlawfully obtained and used to pay for vacations, furniture, clothing, limousine service and work done on her home.

Her sentencing will include full restitution, repayment of DIF's investigative costs, 12 years probation and a lifetime ban from participating in Florida's insurance industry.

## Unlicensed entity gets caught

Florida Treasurer and Insurance Commissioner Tom Gallagher ordered a Pennsylvania-based association operating as an unlicensed health insurer in Florida to stop issuing new policies in the state and to turn over its claims-handling process to a licensed third-party administrator. The association has sold insurance policies



under numerous names. Department of Insurance (DOI) regulators believe they have been selling these unauthorized insurance policies since 1999. None of the affiliated associations or the administrator have ever been licensed in Florida.

DOI regulators were made aware of the unlicensed entity when consumers complained that their policies were canceled for no reason and without proper notice, and that claims were paid slowly or not at all. DOI regulators also believe that tens of thousands of Florida residents may have insurance policies with this entity or its affiliated organizations. Policies were sold to employers, both large and small, throughout Florida.

"An unlicensed entity like this one is luring in employers with low rates for health insurance coverage, often through slick TV advertising, but what they are really offering is a false sense of security," Gallagher said.

Under Florida law, licensed insurance agents who sell unlicensed policies may be subject to disciplinary action up to and including revocation of their license, and could face criminal charges. If an unlicensed insurer fails to pay claims, agents may be held responsible for unpaid claims.

## Bond for the bondsman

An unlicensed South Florida bail bondsman has found himself on the other side of the law. The man's scheme started to unravel when he was engaged in a fight with another bail bondsman as he attempted to bond out an inmate from the Turner Guilford Knight

Correctional Center. The argument prompted a complain to DIF. DIF's investigation revealed that his license was revoked in 1993. Since then, he has been acting as a bail bond agent.

The investigation also revealed that corporate filings with the Secretary of State for his bail bond company showed him as a corporate officer. Florida law makes it a crime for anyone who has been convicted of or has pled no contest to a felony to participate in or direct a bail bond agency. Court records proved that the man pled no contest and was found guilty on felony charges in 1998.



When investigators found him in the hallway of the courthouse, on the floor where bail hearings are held, he denied that he was doing business. He said that he was there because it was a public building even though investigators found a stack of business cards for a bail bond business in his pocket.

He was arrested and charged with acting as an unlicensed bail bondsman, acting as a bail bondsman while his licenses were revoked and participating in a bail bond agency after having pled no contest or being convicted of a felony.

*Stacey-Ann Clarke is the managing editor of Voices newsletter with the Division of Insurance Fraud.*

## Company Rehabilitation and Liquidation

On April 18, an Order to Show Cause as to Why the Department of Insurance Should Not Be Appointed Receiver for Purposes of Liquidation was entered against N.A.P.T. (National Association of Physical Therapists, et al), an unauthorized entity. The Petition to Show Cause is currently pending.

A Consent Order Appointing the Florida Department of Insurance as Receiver for Purposes of Rehabilitation, Injunction and Notice of Automatic Stay was entered against Fortune Insurance Company on May 21. Fortune's principal place of business is located at 10475 Fortune Parkway, Suite 109, Jacksonville, FL 32256-3523.

Please refer any questions to our consumer hotline at (800) 882-3054.



# Fingerprint card policies have changed

By Hazel Collins Muhammad

With the exception of applicants for licensure as home, auto and service warranty sales representatives, a fingerprint card is required for each license type. In the past, we have attempted by several different processes to handle the problem of fingerprint submissions rejected by the Florida Department of Law Enforcement (FDLE) or the Federal Bureau of Investigation (FBI).

Listed below are the most common problem areas, in the order of frequency, that cause fingerprint submissions to be rejected.

- The actual print is not dark enough to be used.
- Erroneous or incomplete fingerprint(s); or the fingerprints or hands are out of sequence, printed twice or missing with no reason given.
- Any highlighter marks on the the card.

For a brief period of time (roughly between May 1, 2001 and May 21, 2001), the Bureau of Agent and Agency Licensing issued a fingerprint instruction sheet that stated that the Best Obtainable Print certification form was mandatory.

We have changed our policy, and even though we encourage all applicants who are required to submit fingerprint cards to also

include this form, the Best Obtainable Print form is no longer mandatory. However, submitting this form with the fingerprint card does allow the bureau to process the card quicker and more effectively.

## Policy change regarding possible amputations

Previously, the FBI would reject a submission that appeared to contain a possible amputation. The FBI now processes fingerprint submissions when they contain an image with a possible amputation or “tip amp” that has minutia above the first crease. To ensure a fingerprint submission with an amputation is processed successfully, the agency taking the prints should place the XX (AMP) code in the fingerprint block of the amputated fingers(s).

## Highlighter marks obscure information

As of May 14, 2001, the FBI began rejecting fingerprint cards with highlighted areas and returned the cards to the contributing agencies. Contributors used highlighters on the fingerprint cards to identify areas applicants should complete, e.g., name, date of birth, signatures, etc. The FBI’s card-scanning device could not process fingerprint cards with highlighted fields. The highlighter colors obscured information during the scanning process.

*Hazel Collins Muhammad is the administrator of the Bureau of Licensing’s Property and Casualty Qualification Section.*

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## Read what’s lawful and what’s not in world of viaticals

By Samuel D. Binnun, LUTCF, CI

A person who purchases an insurance policy from a viator or transacts a viatical settlement contract in this state, from this state or with residents of this state is required to be licensed as viatical settlement provider. This includes purchases of policies known as viatical settlements, life settlements or senior settlements.

The Department reviews and investigates complaints and related issues and may take action against viatical settlement providers, viatical settlement sales agents and viatical settlement brokers who violate the Viatical Settlement Act related to “Unfair and Prohibited Practices.”

It is unlawful for any person who transacts viatical settlements:

- To knowingly enter into, broker, or otherwise deal in a viatical settlement contract the subject of which is a life insurance policy, knowing that the policy was obtained by presenting materially false information concerning any fact material to the policy or by concealing, for the purpose of misleading another, information concerning any fact material to the policy, where the viator or the viator’s agent

intended to defraud the policy’s issuer.

- In the solicitation or sale of a viatical settlement purchase agreement: to employ any device, scheme, or artifice to defraud; to obtain money or property by means of an untrue statement of a material fact or by any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon a person.

Furthermore, a person who violates any provision of this section commits:

- A felony of the third degree, punishable as provided in s. 775.082, 1s. 774.083, or s. 775.084, if the insurance policy involved is valued at any amount less than \$20,000.
- A felony of the second degree, punishable as provided in s. 775.082, 1s. 774.083, or s. 775.084, if the insurance policy involved is valued at \$20,000 or more, but less than \$100,000.
- A felony of the first degree,

punishable as provided in s. 775.082, 1s. 774.083, or s. 775.084, if the insurance policy involved is valued at \$100,000 or more.

The Department has been made aware of violations and unethical activities involving viatical transactions, which are not always in the best interest of the viatical settlement purchaser or viator. If you are currently transacting in the viatical industry, you should perform proper due diligence prior to commencing your business activities. To help ensure the best interest of all concerned, you should verify that the viatical settlement provider, broker, or sales agent is properly licensed in the state they are transacting business in or from.

The above referenced Florida Statutes are not intended to be complete representations but are for informational purposes only. You may access a complete copy of the Viatical Settlement Act online at **www.leg.state.fl.us** under Florida Statutes, Chapter 626, Part X.

*Samuel D. Binnun is a senior management analyst supervisor who manages the Viatical Settlement Licensure and Enforcement Section with the Division of Insurer Services.*

# New Companies and Acquisitions

(January 1, 2001 to June 30, 2001)

**Atlantic Specialty Insurance Company** was approved as a foreign property and casualty insurer on Feb. 8. Lines of business: Fire, Allied Lines, Homeowners Multi Peril, Commercial Multi Peril, Ocean Marine, Inland Marine, Workers Compensation, Other Liability, Private Passenger Auto Liability, Commercial Auto Liability, Private Passenger Auto Physical Damage, Commercial Auto Physical Damage, Aircraft, Glass, Burglary and Theft, Boiler and Machinery. Address: 140 Broadway, New York, NY 10005-1101.

**Benefit Land Title Insurance Company** was approved on Apr. 26 as a foreign property and casualty insurer. Line of business: Title Insurance. Address: 2828 North Harwood St., 11th Floor, Dallas, TX 75201-6966.

The acquisition of stock of **Bridgefield Casualty Insurance Company** and **Bridgefield Employers Insurance Company** (both Florida domestic insurers) by Liberty Mutual Holding Company was approved on May 31. Address: P.O. Drawer 988, Lakeland, FL 33802-0988.

**Constitution Insurance Company** was approved as a foreign property and casualty insurer on Apr. 4. Lines of business: Fire, Allied Lines, Homeowners Multi Peril, Ocean Marine, Inland Marine, Other Liability, Boiler and Machinery. Address: 717 Fifth Ave., New York, NY 10022-8101.

**C.P.A. Insurance Company** was approved on June 22 as a foreign property and casualty insurer. Lines of business: Other Liability, Accident and Health. Address: P.O. Box 250010, West Bloomington, MI 48325-0010.

**Enhance Life Benefits, LLC** was acquired by Shear Holdings, LLC, a viatical settlement provider, on Apr. 5. Address: 1499 W. Palmetto Park Rd., Suite 420, Boca Raton, FL 33486-3324.

**Farmers New World Life Insurance Company** was approved as a foreign life and health insurer on June 14. Lines of business: Ordinary Life, Endowment, Term Life, Universal Life, Individual and Group Variable Annuities, Group Life and Annuities, Variable Life, Accident and Health. Address: 3003 77th Ave. SE, Mercer Island, WA 98040-2890.

The application for indirect acquisition of 100 percent of the outstanding voting securities of **Great Atlantic Life Insurance Company** by the Richard H. Dean Revocable Trust was approved in Florida on Mar. 22. Address: 2090 Palm Beach Lakes Blvd., Suite 200, West Palm Beach, FL 33409-6507.

**Kemper Surplus Lines Insurance Company** was approved for eligibility as a surplus lines insurer on Mar. 8. Line of business: Other Liability. Address: One Kemper Dr., Long Grove, IL 60049-0001.

**Life Settlements Corporation d/b/a Peachtree Life Settlements** was approved as a viatical settlement provider

on June 14. Address: 5085 Avalon Ridge Pkwy., Norcross, GA 30071-5706.

**Manufacturers Alliance Insurance Company** was approved as a foreign property and casualty insurer on June 14. Lines of business: Commercial Multi Peril, Workers Compensation, Other Liability, Commercial Auto Liability, Commercial Auto Physical Damage. Address: P.O. Box 3031, Blue Bell, PA 19422-0754.

**MGIC Indemnity Corporation** was approved as a foreign property and casualty insurer on Feb. 8. Line of business: Mortgage Guaranty. Address: P.O. Box 756, Milwaukee, WI 53201-0756.

**Montgomery Capital, LLC**, was approved as a viatical settlement provider on Apr. 26. Address: 7111 Valley Green Rd., Fort Washington, PA 19034-2209.

**North Pointe Insurance Company** was approved as a foreign property and casualty insurer on Feb. 23. Lines of business: Fire, Commercial Multi-Peril, Other Liability, Commercial Auto Liability, Commercial Auto Physical Damage. Address: P.O. Box 2223, Southfield, MI 480347-2223.

The acquisition of **Old Dominion Insurance Company** (a domestic property and casualty insurer) by White Mountains Insurance Group, Ltd. was approved on May 11. Address: 55 West St., Keene, NH 03431-3374.

The acquisition of **PCA Property and Casualty Insurance Company** (a domestic property and casualty insurer) by White Mountains Insurance Group, Ltd. was approved on May 11. Address: P.O. Box 914700, Longwood, FL 32791-4700.

**Pennsylvania Manufacturers Indemnity Company** was approved as a foreign property and casualty insurer on June 14. Lines of business: Commercial Multi Peril, Workers Compensation, Other Liability, Commercial Auto Liability, Commercial Auto Physical Damage. Address: P.O. Box 3031, Blue Bell, PA 19422-0754.

**Stone Street Financial, Inc.** was approved as a viatical settlement provider on Apr. 26. Address: 7316 Wisconsin Ave., Suite 500, Bethesda, MD 20814-2937.

**Topa Insurance Company** was approved on Feb. 8 as a surplus lines insurer. Line of business: Other Liability. Address: 1800 Avenue of the Stars, Suite 1200, Los Angeles, CA 90067-4213.

**Tryg-Baltica International (UK) Limited** was approved as an alien surplus lines insurer in Florida on June 22. Lines of business: Inland Marine, Livestock. Address: Edwards & Angell, LLP, 750 Lexington Ave., New York, NY 10022-1200.

# Disciplinary Actions

## December 1, 2000 – June 30, 2001

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. License reinstatements that were effective as of August 21, 2001, are reflected herein.

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, FL 32399-0319; telephone (850) 413-3137, ext. 1101.

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

### REVOCATIONS

LAST NAME	FIRST and MIDDLE	CITY	STATE
ANTOINE	Harold George	Gainesville	FL
ANDERSON	Dale Bradford	Destin	FL
ANDERSON	Marilyn K.	Jackson	MS
BALTA	Eric Aurelio	Pembroke Pines	FL
BARTHELMAN	Cheryl Lynn	North Miami	FL
BENNETT-KENNEY	Alice Regina	Southport	FL
BERRY	Jason Robert	North Miami Beach	FL
BICHARA	Angel	Miami	FL
BLUM	Phyllis Abadie	Boca Raton	FL
BOSCH	Belinda Jane	Geneva	FL
BROCK	Ann M.	Marianna	FL
BROWN	Myah Johnnye	Plantation	FL
BURK	Thad J.	Oklahoma City	OK
CAPEHART	Sylvia	Miami	FL
CARABALLO	Eduardo	Miami	FL
CASTILLO, Jr.	Adolfo	Daytona Beach	FL
COLLINS, Jr.	Thomas Vernon	Jacksonville	FL
COLLINS	Sheila W.	Tampa	FL
CROWLEY	Janice Denise	Bradenton	FL
D'ANGIO	Gregory Robert	Lighthouse Point	FL
DAVIS	Reginald Ferell	Vero Beach	FL
DECHTENBERG	Philip	Tequesta	FL
DIAMOND	Andrew Bruce	Cooper City	FL
DISLA	Eric Andres	Pembroke Pines	FL
DIXON	James Richard	Key Largo	FL
ELMORE	Derrick Joseph	Hazelwood	MO
FAAS	Ronald Paul	Miami	FL
FABIAN	Anastasia Nefertiti	Camden	NJ
FLEYSHMAN	Aleksandra	Miami	FL
FREEMAN	James Edward	Bainbridge	GA
GARCIA	Julio Cesar	Miami	FL
GARY	Susan Christine	Dade City	FL
GASTON	Rosa Beatriz	Orlando	FL
GOLDBERG	Irving Robert	Tamarac	FL
GONZALEZ-DUENAS	Reynaldo	Hialeah	FL
HARRIS	Leroy James	Navarre	FL
HAUN	John Jordan	Plantation	FL
HECHAVARRIA	Ricardo	Fort Walton Beach	FL
HLUBEK	Pamela Jean	Jacksonville	FL
HOLMAN	Eddie Logan	Gulf Breeze	FL
HOYT	Gary E.	Tampa	FL
HUMES	Jodie Monique	Sunrise	FL
JONES	Robert Burns	Tampa	FL
JOSEPH	Mary J.	Satellite Beach	FL
KEARNEY	Elworth Howell	Palatka	FL
KEEVER	Susan S.	Charlotte	NC
KINLOCK	Dudley	Miami	FL
LAGO	Kenneth Philip	Palm Beach Gardens	FL
LAHOUD	Andre	North Miami Beach	FL
LANA	Vincent Anthony	West Palm Beach	FL
LARISSEY	James Edward	Las Vegas	NV
LESCHINSKY	James Thomas	Port St. Lucie	FL
LEWIS	Ronald David	Daytona Beach	FL
LITTLE	William James	Lighthouse Point	FL
LIZASO	Andras	Miami	FL
MARTINEZ	Margaret C.	Cleveland	OH
MENENDEZ	Aurelio	Tampa	FL
MOBILE HOME DIVISION OF AMERICA INC.		Ft. Lauderdale	FL
MORRA	Linda J.	Pompano Beach	FL
OLIVAR	Henry Ramon	Miami	FL
OLSON	Peter R.	Cedar Rapids	IA
PATRASH	Jamie Albert	Jacksonville	FL

PAUL	Wonsik	Miami	FL
PEDRIANES	John Athony	Orlando	FL
PENKUNAS	Adam John	Middleburg	FL
PETT-LOUIS	Durameau	West Palm Beach	FL
POST	Charles Martin	Miami	FL
REYNOLDS	Linda Joy	Lake Mary	FL
RININGER	Jason Todd	Lakeland, FL	
ROBINSON	Ayesha Slobhan	Clearwater	FL
ROCA	Mildred Ibet	Miami Beach	FL
RODETSKY	Craig A.	Clearwater	FL
RODRIGUEZ*	Vivian Maria	Hialeah	FL
*Permanently barred from transacting any insurance business			
RODRIGUEZ-BAJDOR	Rosa Mara	Miami	FL
ROHENA	Elvis	Tampa	FL
RUSSELL	Fran J.	Crystal River	FL
SABO	Madalyn Arlene	Ponte Vedra Beach	FL
SABO, Sr.	Donald William	Ponte Vedra Beach	FL
SALVAGGIO	Lisa J.	Hewlett	NY
SATTERFIELD, Jr.	George William	Jacksonville	FL
SCALETTI	Albert S.	Miami	FL
SCOTT	Stephanie Nichol	Moore	OK
SCURLOCK	Eddie Walter	Cottdonale	FL
SEAROCK	Patrick Joseph	Treasure Island	FL
SHARPE, III	Alexander Beatty	St. Augustine	FL
SLATTERY	Gail J.	Omaha	NE
SMITH	Beverly A.	Avon Lake	OH
SNIPES	Paul Jacob	Jacksonville	FL
SPAULDING	Roy Grunwell	Boca Raton	FL
STAGL	Kevin Aloise	Ocala	FL
STEELEY	Lillie Sue	St. Petersburg	FL
STRIPECK	Michele	Scranton	PA
STUKES	St. Peterano	Miami	FL
SUAREZ	Yvette	Miami	FL
TALIAFERRO	Robin Ann	Tampa	FL
TOURVILLE	Leon Dennis	Hollywood	FL
TWEADY	Sidney Monroe	Naples	FL
VANZUIDAM	Terry Lee	Naples	FL
VELASQUEZ	Carlos E.	Miami	FL
WARD	Stephen Lee	Holiday	FL
WARREN	Kimberly Baragona	Tallahassee	FL
WEEKS	Cosellers Turner	Columbia	SC
WELCH	James Joseph	Coral Gables	FL
WELCH	Wanda D.	Mishawaka	IN
WILCHER, Sr.	Gary Bradley	Port Charlotte	FL
WITTHROW	Estelle M.	Panama City	FL
ZAIA	Robert Alan	Hewlett	NY

### SUSPENSIONS (licenses or appointments)

LAST NAME	FIRST and MIDDLE	CITY	STATE
ALVAREZ	Daniel	Miami	FL
BEATLEY	Terry Trittipoe	White Stone	VA
BLOODWORTH	Smaro G.	Sarasota	FL
CAMERON*	Michael S.	Jacksonville	FL
*License reinstated on 7/10/01			
CLOUSER	Edward Lee	Port Charlotte	FL
COUTURE*	Lee James	Waterford	CT
*License reinstated on 8/10/01			
CUNNINGHAM	Ronald Keith	Clearwater	FL
DEBERRY	Richard E.	Cocoa	FL
DEEGAN	William Scott	Alpharetta	GA
DUBA	David Charles	Winter Park	FL
ELBERY	Charles Smith	Sanford	FL
ELLIS	Robert Benton	Lake City	FL
FLOYD	James Barrs	Tallahassee	FL
GATES-LEWIS	Jacqueline D.	Oxford	FL
GONZALEZ	Rafael Ralph	Miami	FL
GUYDOS	Gilbert G.	Hollywood	FL
HERBERT	Heather Ann	Orlando	FL
HERNANDEZ*	Marco Vinicio	Miami	FL
*License reinstated on 2/14/01			
HERNANDEZ	Nick	Miami	FL
HUFFMAN	Sandra Simone	Tallahassee	FL
JONES	Daniel Philip	Lynn Haven	FL
MAGLIONE	Larry G.	Sarasota	FL
MATTHEWS, Jr.	James H.	Tequesta	FL
MCDOWELL*	Marvin Emory	Doerun	GA
*License reinstated on 8/21/01			
MCWHIRTER*	Gail	Jacksonville Beach	FL
*License reinstated on 5/15/01			
MEYER*	Doris Elizabeth	Miami	FL
*License reinstated on 5/9/01			
ONEAL	Dion Daniel	Fort White	FL
PADGETT	Joe W.	Brandon	MS
PEBLEY	Kari S.	Palm City	FL
PLASENCIA	Manuel Humberto	Miami Beach	FL
POL	Judith	Miami	FL
RANSOM	Robert	Opa Locka	FL
RODRIGUEZ	Diana L.	Miami	FL
SABO, JR.	Donald William	Jacksonville	FL
SPENCER*	Roy	Jacksonville	FL
*License reinstated on 5/25/01			
STEADMAN	Stephen Jack	Myakka City	FL
STIFFLER*	James Robert	Safety Harbor	FL
*License reinstated on 4/17/01			
VANHOOK II	Jerome	Naples	FL



# THE INTERCOM

*The Intercom* is published by the Department of Insurance,  
Division of Agents and Agencies Services.

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Editor/Publisher  
(850) 413-5418

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We welcome suggestions and inquiries concerning *The Intercom*. Written suggestions should be mailed to Heather Mendelson, Florida Department of Insurance, 200 E. Gaines St., Room 416.4, Tallahassee, FL 32399-0318. ©Copyright all rights reserved. Reproduction in whole or in part without permission is prohibited.



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 E. Gaines St.  
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.

**Tom Gallagher**  
Treasurer/Insurance Commissioner/Fire Marshal

**Paul Mitchell**, Chief of Staff  
**Kenney Shipley**, Deputy Insurance Commissioner

**DIVISION OF AGENTS AND AGENCIES SERVICES**

**John E. Hale**, Division Director  
**Mary Alice Palmer**, Assistant Division Director  
**Philip M. Fountain**, Chief, Bureau of Investigation  
**Audrey Huggins**, Chief, Bureau of Licensing



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