

THE INTERCOM

VOL. 7, NO. 3
SEPT. - DEC. 1997

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

Bill Nelson
Treasurer/Insurance Commissioner/Fire Marshal

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Reviving the Homeowners' Insurance Market

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

During the past three years, the Department has worked closely with the Legislature to rebuild the homeowners' insurance market that Hurricane Andrew devastated five years ago.

As a result, the non-profit, tax-exempt Florida Hurricane Catastrophe (CAT) Fund now has the capacity to cover 75 percent of the residential losses of another Andrew-size storm. A growing number of private companies are writing homeowners' insurance in Florida for the first time, removing hundreds of thousands of policies from the state-run Residential Joint Underwriting Association. The JUA has less than 600,000 policies for the first time since 1994, and its rates are coming down instead of going up. State Farm and Allstate are beginning to write new coverage in parts of Florida — some 227,000 policies in all — and both have agreed to freeze their rates, at least until some point in 1999.

Still, it remains difficult or impossible for homeowners to find private-market coverage in South Florida and the Tampa Bay area. Rates have doubled on a statewide average since Andrew, and climbed even higher in Dade, Broward and Palm Beach counties. Accelerated use of a pool of insurers — the Florida Windstorm Underwriting Association — for wind risks is causing price shock in coastal areas from Miami to Pensacola.

Worse yet, no area of the state would be spared further shock if and when the next hurricane hits. That's because the windstorm pool, JUA and CAT Fund are authorized by law to levy regular and emergency assessments that could drive premiums up drastically

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Continuing Education Compliance Enforcement

Assessment Systems, Inc. (ASI) has assumed many of the duties related to the tracking of continuing education hours for Florida insurance representatives. The Department contracted with ASI after a competitive bidding process. This partnership will provide improved service to agents who must complete continuing education courses every two years.

One of ASI's primary responsibilities is to receive and record all continuing education credit hours as reported by approved course

providers and to submit compliance determinations to the Department.

The Department will soon begin to send letters to licensees whose records do not show completion of the required course hours.

It is *critical* that the Department be able to efficiently notify licensees of any preliminary non-compliance status reported by ASI

so licensees have an opportunity to reconcile their records with the Department.

The Department records three addresses for each licensee: home, business and mailing address. Florida law requires every licensee to notify the Department in writing, within 30 days, of any change to his/her address or name. Any licensee who has not yet informed the Department of a recent change is urged to do so immediately.

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News from the Division of Fraud

Unlicensed Agent Arrested

An investigator from the Division of Insurance Fraud, Unauthorized Entity Section, arrested a Coral Springs man in August for transacting insurance without a license. Dilip Patel was charged with one count each of acting as an unlicensed adjuster/agent, grand theft, forgery and uttering a forged instrument. The charges are all third-degree felonies.

Mr. Patel identified himself as an agent representing a company known as GEENET Systems, Inc. GEENET is not authorized to sell insurance in Florida, and Mr. Patel is not a licensed Florida agent.

According to the Department, Mr. Patel sold a physician's and surgeon's professional liability policy, along with Tail coverage, to a Dade County physician in March 1996. The doctor paid a total of \$5,000 to GEENET, but he never received either policy.

The Unauthorized Entity Section will be pursuing more criminal cases in the future. It is important that insurance agents determine that the carrier is authorized or eligible in Florida. Failure to do so could result in possible civil or criminal penalties by the Department. ■

Agent Charged In Fraud Case

A Lakeland insurance agent and two others were arrested and charged with workers' compensation fraud in September. John "Duke" Mills is accused of transmitting false information in an application for coverage for Workers of Florida, Inc.

Mark A. Lang, of Orlando, and

George "Bud" Komlenic, of Daytona Beach, were charged with racketeering, grand theft, organized fraud and workers' compensation fraud. Lang and Komlenic ran Workers of Florida, which is one of Florida's largest temporary labor agencies. The three individuals allegedly defrauded four insurers out of more than \$2 million over a four-year period.

The arrests were the result of an investigation by the Fourteenth Statewide Grand Jury. The jury was impaneled to investigate complex, multi-circuit insurance fraud cases that are being handled by the Department. The cases involve workers' compensation premium fraud, health care fraud and company fund looting.

The actions of the grand jury will raise consumer awareness of fraud and deter future criminal activity by vigorous prosecution of these crimes. According to the National Coalition Against Insurance Fraud, these types of frauds cost each American family about \$1,500 a year.

The grand jury handed down its first indictments in August. John Robert Tolbert and Tammy Annette Setliff of Panama Roofing and Sheet Metal, Panama City, allegedly engaged in a scheme to defraud four insurers out of more than \$600,000.

An investigation by the Division of Insurance Fraud revealed that the suspects routinely understated the number of employees and misclassified roofers as sheet metal workers or general laborers that have lower premium rates. Tolbert was also charged with filing a false homeowner's claim for \$200,000 following Hurricane Opal.

The Office of Statewide Prosecution will prosecute the defendants in these indictments as well as any indictments that could follow during this session. The grand jury will meet monthly in Leon County during its 12-month term. Jurors will be called for service from around the state. ■

New Unauthorized Entities Coordinator

The Division Of Insurance Fraud recently announced the appointment of LaVerne Stephens to the position of Unauthorized Entities Coordinator. Ms. Stephens replaces Denise Prather, who was promoted to Administrator for the Insurance Fraud Hotline and Anti-Fraud/Special Investigative Units Compliance.

The Unauthorized Entities Section (UES) was originally established to pursue civil cases resulting from unauthorized insurance activity. With the increasing rise in fraudulent activity, the UES is now focusing on criminal matters.

Persons suspecting unauthorized insurance activities are urged to contact Ms. Stephens immediately by calling (850) 413-4004 or writing to her at 200 East Gaines Street, Tallahassee, FL 32399-0324. Send fax communications to (850) 488-5768.

Unauthorized activity may involve unlicensed domestic entities, unlicensed offshore/foreign companies, unapproved union plans, unapproved employee leasing plans, unapproved insurance benefit plans and individuals who are marketing and/or soliciting unauthorized insurance plans within the state of Florida.

Resident and nonresident agents risk losing their licenses whenever they solicit for an unauthorized insurer.

To find out whether an insurer is authorized in the state of Florida, call the Department's Consumer Services Hotline at (800) 342-2762 in Florida or (850) 922-3131 outside of Florida. ■

Review of Continuing Education Requirements

Due to recent changes in various sections of the continuing education laws, the Bureau of Licensing thought it would be helpful to include a review of the requirements for insurance representatives.

Please keep in mind that this is only a brief overview. Space limitations prevent us from printing the entire text of the laws. For the complete text, refer to the Florida Statutes, Chapter 626.2815 (for agents, customer representatives and solicitors), Chapter 626.859 (for adjusters) and 648.385 (for bail bond agents). Most public libraries have a copy of the Florida Statutes.

Rule 4-228 of the Florida Administrative Code explains how credit hours should be earned for the different license types and classes.

It is the licensee's responsibility to know the applicable rules and laws to ensure that his/her credits are in order.

Who is required to take continuing education courses?

Here is a basic "rule of thumb": a person who took an examination to become a licensed insurance representative must take continuing education (CE) courses in order to maintain his/her license and appointments. Each licensee subject to CE requirements must accumulate the required hours every two years.

Individuals who hold these licenses must take CE courses:

- General Lines
- Customer Representative
- Limited Customer Representative
- Industrial Fire or Burglary

- Life, including Variable Annuity or Health
- Limited Surety
- Professional Bondsman
- Surplus Lines
- Title Insurance
- Adjuster - All Lines (if handling workers' compensation claims)
- Adjuster - Workers' Compensation

How often do I need to take courses?

A licensee is required to meet continuing education requirements by the end of his/her birth month after he/she has been licensed for 24 months, and every two (2) years thereafter.

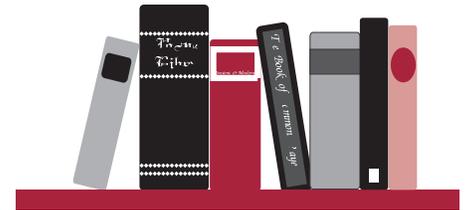
Should I notify the Department after I have taken a course?

Licensees do not need to notify the Department. Course providers are required to submit a student roster for each course completed. However, licensees should keep copies of their certificates of completion. This will help resolve any discrepancies that may occur.

I have a nonresident license. Am I required to take CE courses?

A nonresident insurance agent who resides in a state that requires continuing education and has a reciprocal agreement with Florida, or holds a nonresident license in another state that requires CE and has a reciprocal agreement with Florida, may comply with Florida law by meeting that

state's requirements. Otherwise, the licensee must fulfill Florida's requirements. Self-study courses are available. Florida has no CE reciprocal agreements for adjuster classes of license, so adjusters must fulfill Florida's requirements.



How do I get in touch with ASI, the Department's new continuing education vendor?

Assessment Systems, Inc. (ASI) has a toll-free number, (888) 204-6214, that is designated for continuing education questions. Operators are available from 8 a.m. to 6 p.m. (EST), Monday through Friday. Address correspondence to: Assessment Systems, Inc., Three Bala Plaza West, Suite 300, Bala Cynwyd, PA 19004-3481.

I have not taken my required hours, and my compliance period will end soon. Can I get an extension?

The Department will grant a 90-day extension of time to an individual who shows "good cause." Good cause is an incident or occurrence which is beyond the individual's control and which prevented the licensee from earning the required hours during the two-year compliance period. An example is a disabling accident or illness. Requests for extensions must be submitted to Assessment Systems, Inc., in writing, at least 30 days prior to the applicable compliance date. ■

CE Hours Reduced for Experienced Agents

The State has reduced the number of required continuing education hours for certain insurance representatives who have been licensed in Florida for six (6) years or more. **Effective with the compliance period beginning January 1, 1998 or after**, the number of hours will decrease

from 28 to 20 hours every two (2) years. The 20 hours must be in intermediate or advanced level courses prescribed by law or approved by the Department. Agents who have been licensed for less than six (6) years will still need 28 hours of continuing education every two (2) years.

Remember that this change is only effective with compliance periods that start on or after January 1, 1998. Any agents whose current compliance period began prior to January 1 must take the full 28 hours of classes.

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Reviving the Homeowners' Insurance Market

Continued from page 1

statewide in the years following a storm. As a result, every Florida homeowner could be hit with a 42 percent surcharge in the first year after a major storm, and smaller surcharges for up to 20 years.

Clearly, we need to address these problems in a way that will not only restore the private market but also provide needed rate relief to Florida homeowners. That's why I am proposing legislation that will streamline our resources, strip unnecessary profits, taxes and expenses from the system, and cut policyholders' rates throughout the state.

No one has a bigger stake than you, as agents, in the restoration of a competitive homeowners' insurance market. I hope you will consider and support my plan. Here's what it would do:

- ✓ **Expand** the CAT Fund into a stronger hurricane facility that could help cover \$12 billion of hurricane losses. The insurance industry would be directly responsible for \$15 billion, with no cap on its liability;
- ✓ **Phase out** both the JUA and industry windstorm pool as writers of residential insurance, transferring most of those risks back to the private market in exchange for the CAT Fund's expanded role in covering hurricanes;
- ✓ **Slash** potential post-storm surcharges from the intolerable 42 percent level under present law to a more affordable single assessment no higher than 10 percent and only levied for major hurricanes; and
- ✓ **Reduce** homeowners' rates statewide by up to 10 percent, based on the CAT Fund's increased capacity for covering catastrophic losses and the savings achieved as the state fund accumulates more reserves tax-free and provides reinsurance to companies at half the price they would pay in the private reinsurance market.

This plan not only slashes potential surcharges, it substantially reduces the likelihood such assessments would be needed. Under existing law, the JUA and windstorm

pool are authorized to levy assessments whenever those entities incur any hurricane losses beyond their slim cash reserves. But help from the CAT Fund is not triggered until losses exceed the first \$3.16 billion, for which the industry is solely responsible. If needed, that help would first come from CAT Fund reserves (\$2 billion and growing). Assessments could be levied only after the industry met its initial responsibilities and the CAT Fund's cash reserves were exhausted.

That means — if our plan was in effect today — storm losses would have to reach \$5.5 billion before any surcharges could be levied. Compared to the existing situation where homeowners are hit with multiple assessments up front, that's a vast improvement — especially when you consider that in the last 50 years no storm except Andrew exceeded even \$1.8 billion.

With these changes, we can greatly enhance the benefits of Florida's CAT Fund, while reducing rates and avoiding frequent and costly homeowner surcharges. I believe this plan is in the best interest of insurers, as well as in the best interest of consumers. It should greatly ease the fear of catastrophic losses — the fear that has virtually paralyzed the industry since Andrew.

But the companies *must* do their part. That means taking back the risk now in the windstorm pool. It also means continuing to depopulate the JUA, leaving only lower-value dwellings truly uninsurable in the private market to be covered by a much smaller, last-resort insurance program.

Some in the industry may be satisfied with the status quo, and prefer to do nothing in the coming legislative session. But the status quo is not good enough for Florida's homeowners. And I don't believe it's good enough for you, the agents on the front line. You and I both know Floridians are tired of being held hostage by the lingering ghost of Hurricane Andrew. I urge you to join me in pushing in the coming legislative session for the final steps needed to revive the homeowners' insurance market in our state. ■

CE Hours Reduced for Experienced Agents

Continued from page 3

Continuing education hours for agents who have been licensed for 25 years or more and hold a CLU or CPCU designation or have a Bachelor of Science degree in risk management or insurance, with evidence of 18-plus semester hours in upper-level, insurance-related courses, may be reduced from 14 hours to ten (10) hours every two (2) years. This change is also effective for compliance periods beginning on or after January 1, 1998.

If you have already provided documentation of your designation or degree to the Department, no further action is required. If you have not, call ASI's FAX BACK system at (888) 204-6246 to obtain an application for reduction of hours. Ask for form number 601011.

To verify that ASI has a record of an applicable designation or degree, call (888) 204-6214.

Continuing education requirements for an agent licensed in one of the following classes, who is not a licensed life or health agent, will be reduced from 14 to ten (10) hours, beginning on or after January 1, 1998: Customer representative, limited customer representative, administrative agent, title agent, solicitor, or industrial fire or burglary agent. Motor vehicle physical damage and mechanical breakdown agents, crop/hail agents and multiple-peril crop agents are exempt from CE requirements if that is the **only** license the agent holds. ■

Advertising by Bail Bond Agents

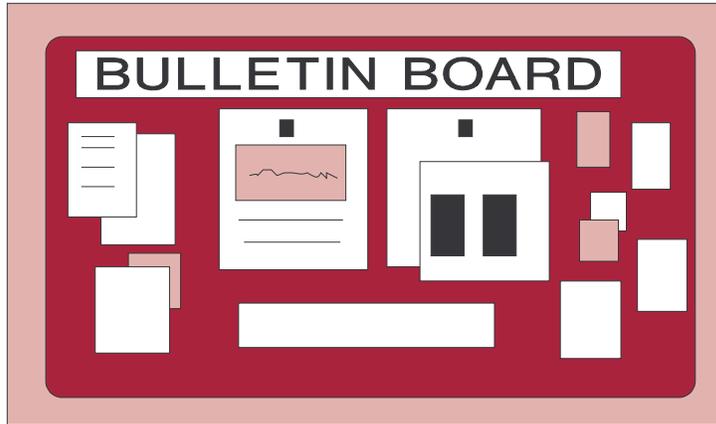
In 1996, the Florida Legislature placed new restrictions on advertising by bail bond agents. Chapter 648, Florida Statutes, was amended to limit print advertising in jails to a listing in a telephone directory and the posting of the bail bond agency's name, address and telephone number in a designated location in the jail. These locations, called "boards", are available at the discretion of the jail administrators. The jail administrators have sole authority over the boards and the information placed on them.

Print advertising allowed in the telephone book is yellow page advertising. These advertisements and any other permissible advertising by a bail bond agent or agency must include the address of record filed with the Department.

Bail bond agents must also comply with Chapter 626, Part X, Florida Statutes, which governs Unfair Insurance Trade Practices. This section of the law prohibits any mis-

leading or false advertising or deceptive trade practices.

A bail bond agent is required to notify the Department of any change in the name,



address, or telephone number of each agency or firm for which he or she writes bonds. The licensee must also send a notice to the Department of any change in his or her name, home address or telephone number. This information must be sent within ten (10) working days. Send changes

to: Bail Bond Coordinator, Florida Department of Insurance, Bureau of Agent and Agency Investigations, 200 E. Gaines Street, Tallahassee, FL 32399-0320.

A bail bond agent must send a notice of a change in his/her principal business address or telephone number to the insurer, managing general agent, and the clerk of each court in which the licensee is registered, within ten (10) working days after such change.

It has come to the attention of the Department that some agents are not obeying the new laws regarding bail bond advertising. A bail bond agent risks having the Department take administrative action against his/her license if the licensee does not adhere to the new regulations.

It is the responsibility of bail bond agents to ensure that all advertising done by the individual or the agency conforms with the new laws.■

Health Coverage Guaranteed for Many Consumers

Under new federal and state laws effective January 1, 1998, many consumers will find it easier to obtain an individual health insurance policy. Eligible persons leaving a group health plan can purchase a "guarantee issue," major medical, individual policy. In anticipation of consumer inquiries, health agents should be aware of the basic provisions of the law.

Companies that sell individual health policies cannot deny coverage to anyone defined as an "eligible individual" under the law. These individuals may not be refused coverage on the basis of a pre-existing medical condition and will have no preexisting condition exclusion waiting period.

An eligible individual must meet the following criteria:

- Must have been a member of a group health plan for at least 18 months and is no longer eligible for that plan or any other group plan;

- has elected and exhausted any continuation benefits, such as COBRA;
- Must not have had a break in coverage for a period greater than 63 days; and
- Must not have had previous group coverage canceled for nonpayment of premiums or fraud.

The guarantee issue policy is available in two different ways. If the individual is leaving a group plan regulated by the Florida Insurance Code, he or she has a choice between a group conversion plan or a policy which meets the requirements of the small group market's standard plan.

If the individual is leaving a group plan issued in another state or territory, a self-insured plan, a church group plan, Medicaid or Medicare or other governmental health plan program, or any other major medical group plan, he or she may receive a guarantee issue individual policy from any insurer that markets individual coverage in

Florida. The insurer must offer a choice between its two most popular products (those with the highest premium volume).

Consumers must obtain this coverage within 63 days of the date they lost previous coverage or exhausted their continuation benefits. After 63 days, companies are not required to credit previous coverage towards a reduction of a pre-existing condition exclusion period.

Guaranteed issuance of individual coverage is retroactive to July 1, 1997. Persons who would have been eligible on that date (or later) will remain eligible on January 1, 1998.

For more information, refer to the summary of CS/Senate Bill 1682 in the April-August 1997 issue of *The Intercom*, or Chapter 97-179, Laws of Florida.■

NEW COMPANIES

Alliance Title of America, Inc. was authorized on July 23, 1997. Lines of business: Title insurance, Reinsurance. Address: 2502 Rocky Point Drive, Suite 160, Tampa, FL 33607; telephone: (813) 282-8556.

American Travelers Assurance Company was authorized on September 5, 1997. Lines of business: Life, Accident and Health. Address: 820 Keosauqua Way, Des Moines, IA 50309; telephone: (515) 283-0101.

Atlantic Dental, Inc. was authorized on October 1, 1997. Line of business: Dental Care Services. Address: 2333 Ponce de Leon Blvd., Suite 303, Coral Gables, FL 33134; telephone: (305) 441-9400.

Comp Options Insurance Company, Inc. was authorized on September 2, 1997. Lines of business: Workers' Compensation, Reinsurance - Workers' Compensation. Address: 8665 Baypine Road, Jacksonville, FL 32256; telephone: (904) 828-1332.

Glencoe Insurance Ltd. was placed on Florida's list of eligible surplus lines insurers on July 23, 1997. Address: PO Box HM 2527, Hamilton HMGX, Bermuda; telephone: (441) 296-3235.

Mercury Casualty Company was authorized on October 29, 1997. Lines of business: Private Passenger Auto Liability, PPA Physical Damage, Reinsurance. Address: PO Box 54600, Los Angeles, CA 90054; telephone: (714) 671-6600.

Old United Life Insurance Company was authorized on October 1, 1997. Lines of business: Credit Life and Health, Credit Disability, Reinsurance. Address: PO Box 795, Shawnee Mission, KS 66201; telephone: (913) 432-6400.

Potomac Insurance Company of Illinois was

authorized on July 23, 1997. Lines of business: Fire, Allied Lines, Homeowners Multi Peril, Commercial Multi Peril, Ocean Marine, Inland Marine, Workers' Compensation, Private Passenger Auto Liability, Commercial Auto Liability, PPA Physical Damage, Commercial Auto Physical Damage, Glass, Burglary and Theft, Boiler and Machinery, Other Liability, Reinsurance. Address: PO Box 1109, Philadelphia, PA 19105; telephone: (215) 625-1000.

Regency Insurance Company was authorized on October 29, 1997. Lines of business: Homeowners Multiple Peril, Mobile Home Multi Peril, Inland Marine, Reinsurance. Address: 3711 Latrobe Drive, Charlotte, NC 28222; telephone: (704) 366-7985.

Safeway Property Insurance Company was authorized on October 20, 1997. Lines of business: Inland Marine, Mobile Home Multi Peril, Reinsurance. Address: 790 Pasquinelli Drive, Westmont, IL 60559; telephone: (630) 887-8300.

Security Indemnity Insurance Company was authorized on October 1, 1997. Lines of business: Fire, Commercial Multi Peril, Glass, Burglary and Theft, Other Liability, Reinsurance. Address: PO Box 448, Brielle, NJ 08730; telephone: (908) 223-3000.

Zenith Insurance Company of Florida was authorized on October 31, 1997. Lines of business: Fire, Allied Lines, Commercial Multi Peril, Inland Marine, Workers' Compensation, Private Passenger Auto Liability, Commercial Auto Liability, PPA Physical Damage, Commercial Auto Physical Damage, Surety, Accident & Health, Other Liability, Reinsurance. Address: 21255 Califa Street, Woodland Hills, CA 91367; telephone: (818) 713-1000. ■

New Auto Insurance Laws Provide Discounts, Additional Protection

Agents should be aware of a new law that allows policyholders to qualify for a discount on their automobile insurance. Effective October 1, 1997, policyholders who successfully complete a driver-improvement course approved by the Department of Highway Safety and Motor Vehicles may qualify for a premium discount of up to 10 percent.

However, the law does not require companies to grant the discount; it merely authorizes them to do so. In anticipation of receiving inquiries from policyholders, agents should find out whether the compa-

nies they transact auto insurance for offer this discount.

The discount will last for three years after a driver takes the course, but companies may cancel the discount for drivers who receive traffic citations during this period. Also, the discount does not apply to those who enroll in a course to avoid accumulating points on their Florida driver's licenses.

Meanwhile, drivers age 55 and older may continue to qualify for a premium discount by successfully completing a special course offered by the American Asso-

ciation of Retired Persons, the American Automobile Association, or the National Safety Council.

* * * * *

Another new state law that took effect October 1 gives motorists who have children in school expanded personal injury protection (PIP) coverage. Parents' PIP now covers their children living in the same household if they are injured in a school bus accident. The new law reduces the chance that a child might suffer an uncompensated injury while riding a school bus. ■

Primary Agent / Primary Adjuster Form Due on January 1

The Department of Insurance requires each person operating an insurance agency or adjusting firm and each location of a multiple agency or firm to complete a Primary Agent/Primary Adjuster Form (D14-63/64) on or before January 1 of each year.

The form and instructions for completing it are contained on this page and the next page. If you have questions about completing the form, call the Bureau of Investigations at (850) 922-3136. Due to the large number of these forms that the Department receives every year, we are unable to call or write to confirm receipt. Please do not call to verify whether we have received your completed form. If you need proof that we have received the Primary Agent/Primary Adjuster Form, we suggest that you send the form by certified mail, return receipt requested.

DESIGNATION OF PRIMARY AGENT FOR INSURANCE AGENCY And PRIMARY ADJUSTER FOR ADJUSTING FIRM; And FILING OF FIRM, CORPORATION, OR BUSINESS NAME

This form must be filed with the Department of Insurance on or before January 1 of each year.

1. Owner's full name, Social Security number and residence address:

SSN	Last Name	Jr., Sr., etc.	First Name	M.I.
Residence Street Address	City	State	Zip Code	Residence Telephone Number ()

2. Business name, Federal ID number, street address and telephone number of the insurance agency or adjusting firm:

Federal ID Number	Business Name	Business Telephone Number ()	
Business Street Address	City	State	Zip Code

3. (To be completed by agents/adjusters only - see instructions on back) Full name and Social Security number of the individual who is the designated PRIMARY AGENT/PRIMARY ADJUSTER for insurance agency or adjusting firm location given in section 2:

SSN	Last Name	Jr., Sr., etc.	First Name	M.I.
Primary Agent <input type="checkbox"/>		Primary Adjuster <input type="checkbox"/>		

4. Are there additional business locations operating under the same business name given in section 2? _____ Yes _____ No
If "Yes" is marked, list the complete address for each of the additional locations.

Business Street Address	City	State	Zip Code
Business Street Address	City	State	Zip Code

5. If you, as a licensed agent or adjuster, are doing business under a firm or corporate name other than your own individual name, the following information must be provided:

Federal ID Number	Firm or Corporate Name
Address	

(continued on reverse side)
SIGNATURE REQUIRED



6. Name and Social Security number of the president, directors and other persons associated under the firm or corporate name listed in section 2 that are involved in transacting insurance or in the use of the business name:

SSN	Last Name	Jr., Sr., etc.	First Name	M.I.
SSN	Last Name	Jr., Sr., etc.	First Name	M.I.
SSN	Last Name	Jr., Sr., etc.	First Name	M.I.
SSN	Last Name	Jr., Sr., etc.	First Name	M.I.
SSN	Last Name	Jr., Sr., etc.	First Name	M.I.

I understand that if there is a change in the above information, I must complete a new form and file it with the Department of Insurance within thirty (30) days.

Signature of Designated Primary Agent or Primary Adjuster

Date

Please Return This Form To:
Bureau of Agent & Agency Investigation
200 East Gaines Street
Tallahassee, Florida 32399-0320

Revised 2/93
D-14-63/64

Instructions for Completing Primary Agent/Primary Adjuster Form

To be completed by each person *operating* an insurance agency or adjusting firm, and for each location of a multiple agency or firm. (See definitions of Insurance Agency and Adjusting Firm shown below.)

Each location of an insurance agency or adjusting firm shall file the name and agency or firm address of the primary agent or primary adjuster. The primary agent or primary adjuster may be the same person listed in section 1. If the agency or firm listed in section 3 is not a corporation, then use the Social Security number of the individual proprietor in place of the Federal ID. (See definitions of Primary Agent and Primary Adjuster shown below.)

DEFINITIONS:

“Insurance Agency” is a location where *any agent* is engaged in the business of insurance. Note: If an agent is operating alone then that agent is an agency and must file this form with the Department of Insurance.

“Primary Agent” is the licensed agent who is responsible for the hiring and supervision of all individuals within an insurance agency location who deal with the public in the solicitation or negotiation of insurance contracts or in the collection or accounting of moneys from the general public. Note: An agent may be designated as primary agent for only one insurance agency location.

“Adjusting Firm” is a location where *any adjuster* is engaged in the business of adjusting. Note: If an adjuster is operating alone then that adjuster is a firm and must file this form with the Department of Insurance.

“Primary Adjuster” is the licensed adjuster who is responsible for the hiring and supervision of all individuals within an adjusting firm location who deal with the public and who acts in the capacity of a public adjuster or an independent adjuster. Note: An adjuster may be designated a primary adjuster for only one adjusting firm location.

Failure to File:

No Insurance agency location or adjusting firm location shall conduct the business of insurance unless a primary agent or primary adjuster is designated at all times. Failure to designate a primary agent or adjuster as required by Florida Statutes shall constitute grounds for requiring that the agency or firm obtain a license in accordance with Sections 626.112 and 626.172, F.S.



BULLETIN

97-007

June 16, 1997

Florida Department of Insurance

Bill Nelson

Treasurer, Insurance Commissioner and Fire Marshal

All Surplus Lines Agents Eligibility Requirements for Exporting Risks

The purpose of this bulletin is to advise surplus lines agents of the requirements for exporting risks to the surplus lines market.

Section 626.916, Florida Statutes, prescribes the requirements that must be met for insurance coverage to be eligible for export to the surplus lines market. One of those requirements is that the coverage must not be procurable from authorized insurers after a "diligent effort" has been made by the producing agent to procure such coverage. It is the responsibility of the surplus lines agent to verify that a diligent effort has been made by requiring a properly documented statement of diligent effort from the retail or producing agent. Further, section 626.916, F.S. requires that the surplus lines agent's reliance on a statement of diligent effort be reasonable in light of the particular circumstances surrounding the export of that particular risk.

It is a prohibited practice for a producing agent to intentionally seek quotes from authorized insurers which they know are not writing new business, or are otherwise not writing the type or amount of coverage required. Such practice fails to satisfy the diligent effort requirements, and a surplus lines agent's reliance upon a producing agent's statement of diligent effort under these circumstances would not be reasonable. Surplus lines agents must exercise prudent business judgment when evaluating the reasonableness of the producing agent's statement of diligent effort. Failure to do so may result in disciplinary action, including revocation of the agent's license.

It has also been brought to the Department's attention that, after soliciting Agent of Record Letters from condominium associations and other commercial risks written in the admitted market, some producing agents are mid-term canceling insurance coverage for the purpose of replacing it with coverage written through the surplus lines market. Such a practice constitutes a violation of the Florida Insurance Code, as the policy to be replaced was obviously procurable and, in fact, had been procured from an authorized insurer. Any and all reports of such activity will be thoroughly investigated and prosecuted by the Department.

If you have any questions regarding this bulletin, please contact Carolyn Daniels, Administrator, Surplus Lines Section, Bureau of Industry Coordination, at (850) 413-2636.

Note: The Statement of Diligent Effort form is on the following page. Agents may reproduce this and use it as needed.



Continuing Education Compliance Enforcement

(Continued from page 1)

Mail notice of changes to: Florida Department of Insurance, Bureau of Licensing, 200 East Gaines Street, Tallahassee, FL 32399-0319. Specify the address(es) to be changed. Business addresses must contain a street address.

A name change necessitates the re-issuance of the individual's insurance license. Please enclose a \$5 fee and a copy of the

marriage certificate, divorce decree, or other documentation with the notice of change.

Insurance companies and agencies should pass this information on to their agents and adjusters.

Insurance representatives can obtain a change of address form from ASI through the company's FAX BACK system. Call

(888) 204-6246 and request form number 121002.

ASI's responsibilities also include generating transcripts of hours credited to licensees, and responding to telephone calls and written inquiries regarding licensees' continuing education status and course availability. ASI has set up a toll-free number, (888) 204-6214, for these inquiries. ■

Documentation Required for Exporting Surplus Lines Risk

The Department of Insurance requires producing agents to document that a diligent effort has been made to place a risk with at least three authorized insurers prior to contacting a surplus lines agent to export the risk in the surplus lines market. This requirement is set forth as follows in Chapter 4J-5.003 of the Florida Administrative Code:

4J-5.003 Statement of Diligent Effort.

(1) When placing coverage with an eligible surplus lines insurer, the surplus lines agent must verify that a diligent effort has been made by requiring from the retail or producing agent a properly documented statement of diligent effort on form DI4-1153 (7/94), "Statement of Diligent Effort", which is hereby adopted and incorporated by reference. Copies of form DI-1153 may be obtained from Florida Department of Insurance, Bureau of Property and Casualty Insurer Solvency, 200 East Gaines Street, Tallahassee, Florida 32399-0329; telephone (850) 413-2639.

(2) Declinations must be documented on a risk-by-risk basis.
*Specific Authority 624.308, 626.916(2) FS. Law Implemented 626.913(2), 626.916(1)(a), 626.930(1) FS.
History—New 10-1-91, Formerly 4-11.005, Amended 8-28-94.*

STATEMENT OF DILIGENT EFFORT

Producing Agent _____ SSN _____

Name of Agency _____

Has sought to obtain:
Type of Coverage _____ for

Named Insured _____ from the following
authorized insurers currently writing this type of coverage:

(1) Authorized Insurer _____ Person Contacted _____
Telephone Number _____ Date of Contact _____

The reason(s) for declination by the insurer was (were) as follows: _____

2) Authorized Insurer _____ Person Contacted _____
Telephone Number _____ Date of Contact _____

The reason(s) for declination by the insurer was (were) as follows: _____

3) Authorized Insurer _____ Person Contacted _____
Telephone Number _____ Date of Contact _____

The reason(s) for declination by the insurer was (were) as follows: _____

Signature of Producing Agent Printed or typed name of Producing Agent

Document Verified by Surplus Lines Agent: Yes _____ No _____ Date Verified: _____

DI4-1153 7/94

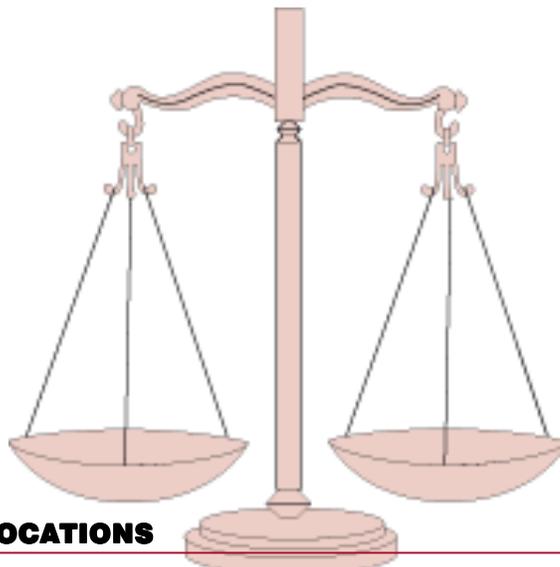
New Nonresident Adjuster Licenses

The Department now offers a nonresident license to public and independent adjusters. This is a result of a recent court case that challenged the constitutionality of Florida law concerning residency requirements for public adjuster licensure. An insurance company nonresident license is already available.

The Department has revised the application for insurance licensure (Form DI4-98, Revised 10/97) to include these two new license types and classes. A nonresident who applies for licensure as an independent or public adjuster must meet the same requirements as a Florida resident. This includes the requirement that the applicant pass an adjuster exam given by the Department. Nonresidents must travel to Florida to take the exam at one of the Department's authorized test centers.

The Department also requires a letter of certification from any applicant who resides in a state that licenses the same type of adjuster.

If you wish to obtain an application, call the Bureau of Agent and Agency Licensing at (850) 922-3137, ext. 1100; or write to 200 East Gaines Street, Tallahassee, FL 32399-0319.



REVOCATIONS

Last Name,	First,	MI	City	St.
ATC Dade Title Co.			North Miami	FL
Balian	Garbis		Deerfield Beach	FL
Berman	Vivian	C	Pembroke Pines	FL
Bias	John	M	Boca Raton	FL
Butler	Beverly	A	Kissimmee	FL
Campbell	Steven	L	Panama City Beach	FL
Celi	Anthony	S	St. Petersburg	FL
Cole	Maria	C	Miami	FL
Crapanzano	Dorinda	S	Daytona Beach	FL
Curtin	Ralph	D	Sunrise	FL
Davisson	Douglas	A	Plantation	FL
Debets	John		Titusville	FL
Diehl	Charles	J	Tempe	AZ
Drayton	Freddie	C	Tampa	FL
Dube	Dennis	A	Sanford	FL
Dunagan	Stephanie	L	Chattanooga	TN
Florida Title Services, Inc.			Orlando	FL
Franklin	Michael	T	Somers Point	NJ
Gantt	Gregory	B	Gainesville	FL
Gardin	Hugo		Tampa	FL
Haines City Motor Co./Haines City Ford			Haines City	FL
Jackson	Adrian	C	Ft. Lauderdale	FL
Kane	Dennis	P	Ocala	FL
Kellogg	Robert	L	Ft. Walton Beach	FL
Kreckler	William	J	Tampa	FL
Magaziner	William	R	Castle Rock	CO
Maloney	Stephen	L	Ft. Myers	FL
Meisegeier	Lance	E	Port Richey	FL
Montesi	Mark	B	Hollywood	FL
Morrison	Headley		Miami	FL
Niblick	Daniel	L	Margate	FL
Performance Title Company, Inc.			Aventura	FL
Robinson, Jr.	Charles	T	Orange Park	FL
Russell	Marie	T	College Park	GA
Shaw	Emily	C	Casselberry	FL
Smith	John	R	Okeechobee	FL
Stamas	Perry	T	Ft. Lauderdale	FL
Stern	Joseph		Tampa	FL
Stewart	Sandra	A	Winter Haven	FL
Williams	Frank		Casselberry	FL

* License reinstated 8/20/97
 ** License reinstated 10/1/97

DISCIPLINARY ACTIONS July-September 1997

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: Bureau of Agent and Agency Licensing, 200 East Gaines Street, Tallahassee, FL 32399-0319; telephone (850) 922-3137.

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), F.S.

SUSPENSIONS

Last Name,	First,	MI	City	St.
Chacon	Raul	E	Tampa	FL
Denno	Maria	D	Lake Worth	FL
Gonzalez	Carlos	L	Coral Gables	FL
*Green	John	O	Lutz	FL
Green	Margaret	E	Jacksonville	FL
Hatten	Arcolia		Ocala	FL
Lopez	Anthony		Miami	FL
**Manning	Herschell	E	Winter Haven	FL
Sample	Gregory	B	Ft. Myers	FL
Severe	Jean	G	Orange	NY
Woodruff	Anita	D	Key West	FL

THE INTERCOM

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



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We welcome suggestions and inquiries concerning *The Intercom*. Written suggestions should be mailed to Kathryn Criscola, Florida Department of Insurance, 200 E. Gaines Street, Tallahassee, Florida 32399-0318.

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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 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 Agent and Agency Services
200 East Gaines Street
Tallahassee, FL 32399-0318.

Bill Nelson
Treasurer/Insurance Commissioner/Fire Marshal
DIVISION OF AGENT AND AGENCY SERVICES



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Managing General Agents•Terminations
Customer Representatives•Mediator Approval

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