

T H E A G E N T S' INTERCOM

VOL. 1, NO. 1

News from the Florida Office of the Treasurer and Department of Insurance

OCTOBER 1989

Welcome . . .

To the first issue of The Agents Intercom. Designed for agents, this first issue concentrates on 1989 legislation and licensing information.

We plan to bring you this publication periodically, with department news and information regarding the insurance industry. Suggested topics for future editions are welcomed.

1989 Agents Legislation

Here's a summary of legislation enacted this year that directly affects agents:

Reorganization Act — Department of Insurance. **Effective July 3, 1989**, the Division of Agents and Agencies Services was created. The existing Bureaus of Licensing and Compliance will become a part of this new Division upon the completion of the reorganization.

Administrative Action — Effective July 1, 1989, Section 626.621, Florida Statutes, was amended giving the Department the authority to deny, suspend or revoke a licensee's license or permit if he fails to notify the Department in writing that he has pled guilty, nolo contendere to or been convicted of a felony. Such notification must be received within 30 days after the plea is entered or of being convicted.

Credit Life Insurance — Effective June 19, 1989, the limits of insurance creditors or borrowers can purchase on the life of a debtor was increased from \$30,000 to \$50,000.

Health Maintenance Organizations (HMO) — Effective July 1, 1989, HMO Sales Representatives will be re-

quired to be licensed as health insurance agents. To qualify for licensure an individual must meet the identical requirements of a health agent as outlined in Chapter 626, Florida Statutes. This includes passing an examination. It is not intended for regular salaried officers or employees of Health Maintenance organizations who have ad-



ministrative or clerical functions. The Department has given HMOs **until December 31, 1989** to have their people examined and licensed.

Refunds — Effective July 1, 1989, in order for an applicant to be eligible for a refund, he must request the refund in writing within 60 days from the time an application has been closed, withdrawn and/or denied.

Continuing Education — Agents. Effective July 1, 1989 and beginning with the renewal of agents' licenses in 1992, all property, casualty, surety, surplus lines, life and health agents must complete 32 hours of Continuing Education every 2 years. Dually licensed agents holding both property, casualty, life, and health licenses must complete one half of their Continuing Education requirements in their respective areas. Persons teaching Continuing Education courses may qualify for the same number of hours that would be

granted to a person completing the course. Nonresident agents must also meet Florida's Continuing Education requirements if their home state has none. Details of the rules relative to Agent Continuing Education will be shared as soon as they are available.

Continuing Education — Workers Compensation Adjusters — Effective October 1, 1989, and beginning with the April 1, 1991 renewal, any licensed adjuster who adjusts Workers Compensation claims must complete 24 hours of Continuing Education prior to renewal of his license. Two hours of the twenty-four must relate directly to ethics. Guidelines and rules are being developed for the new requirement.

Primary Agents — (Please use enclosed form to comply) Effective October 1, 1989, each insurance agency must designate a primary agent for each agency location. This primary agent must be a licensed agent and will be responsible for the hiring and supervision of all individuals in the agency location who deal with the public in the solicitation and negotiation of insurance contracts or in the collection or accounting of moneys from the general public. If an insurance agency does not designate a primary agent, the agency is subject to licensure under Sections 626.112(5) and 626.172, F.S. A primary agent's license is subject to suspension or revocation if the insurance agency employs any person who has his license denied or is currently suspended or revoked.

Life Insurance Agents as Beneficiary — Effective October 1, 1989, Section 626.798 restricts life insurance agents from being named as a beneficiary on policies the agent sells. However, if the agent is related to the policyholder or has an insurable interest, the agent may be named

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NOTE:

A new law requires primary agents to be named. See 1989 Agents Legislation.

TESTING INFORMATION

Weekday Testing — The Department now offers weekday testing at five test sites: Fort Lauderdale, Jacksonville, Miami, Tampa and Orlando. Weekday testing is much more convenient since it gives applicants the opportunity to test without having to wait to take the exam on one of two Saturday test dates each month. Test scores for life and/or health examinations are available on Keyway (on-site electronic scoring), which permits life and health agents to test, receive their results and begin work immediately if a license application is on file with the Department in Tallahassee.

Saturday Testing — Saturday testing is held at six locations: Pensacola, Tallahassee, Gainesville, West Palm Beach, Ft. Myers and Orlando.

NOTE: If you have any questions concerning locations and schedules for testing, please call Educational Testing Services 800-533-5599 (toll free) or 215-750-8340.

PREVIEW

1. Immediate Test Results for all limited lines examinations. Proposed implementation date: **January 1990** (Does not include general lines exam).

Conversion of General Lines Agent Exam from essay to multiple choice and immediate test results by **March 1990**.

2. Implementation of Agents Continuing Education Bill by **February 1990**.
3. Draft rewrite of Chapter 626, Licensing regulation of agents by **November 1989**.

APPLICATION PROCESSING

In order to expedite the application processing time, the following recommendations are made:

1. **Please submit a complete application package.** Applications are returned due to:
 - a) Incomplete responses
 - b) Lack of documentation for required training and education
 - c) Unanswered questions, especially the **felony question**.
 - d) Lack of signature or notarized statements
 - e) Failure to submit the required applications
 - f) Insufficient fees
2. Please allow 10-12 working days for application processing before calling Licensing. Applicants **requiring an exam** will normally receive an authorization to take the exam within 10-12 working days; applicants **not requiring an exam** will normally receive a license within this same time frame.



QUESTIONS & ANSWERS

These questions have been identified as the five most frequently asked questions

- Q. Did I pass or fail the Test?
A. Calls regarding test results should be made to Educational Testing Services (ETS) at 1-800-533-5599. Results are mailed no later than twelve (12) working days after your test date.
- Q. What is the procedure for obtaining a letter of certification?
A. Submit a letter to the Department requesting a certification. You must include the number of certifications plus a \$5 fee for each and where you wish the certifications to be mailed.

- Q. May unlicensed personnel in an insurance agency quote rates to the public?
A. Yes, only if the request is initiated by the public.
- Q. May unlicensed personnel take applications, receive premiums and issue receipts?
A. Yes, employees who devote full time to clerical and administrative duties may take insurance applications and receipt premiums incidental to their duties, so long as such employees do not receive commissions on such applications and their compensation is not varied by the volume of applications or premiums taken or received.
- Q. Do I have to be in the office all day?
A. No, however, every general lines agency must have a licensed general lines agent who is in the active, full-time charge of the agency. This would not preclude the agent from being away from the office as long as the insuring public can have their insurance needs met in a timely manner.
- Q. What is the status of my application?
A. Please allow the staff 10-12 working days to process applications and mail authorization to take the exam.
- Q. May unlicensed personnel complete applications?
A. Yes, an unlicensed individual may complete an application. However, the application must be reviewed and signed by the agent. (Presigned applications and staff signing agent's name are strictly prohibited.)

THE AGENTS INTERCOM

The Agents Intercom is produced by the Office of the Treasurer and Insurance Commissioner for agents and companies.

SPECIAL NOTE:

A recent survey indicates that Licensing receives duplicate phone calls from applicants and their sponsoring companies regarding the status of the same applicant. Please limit the calls to the sponsoring company to save time and reduce the number of phone calls. Allow two weeks from the date the application was mailed before requesting a status check.

Filing of Firm, Corporation or Business Name and Designation of Primary Agent for Insurance Agency

I the undersigned, hereby submit the following information pursuant to Sections 626.541 and 626.592, Florida Statutes.

1. Give your full name and social security number.

_____ (S.S.#) _____ — _____ — _____

2. List the business name, Federal I.D.# and address of the insurance agency or adjusting firm where you are employed:

Business Name _____ Federal I.D. Number _____

Street Address _____

City _____ State _____ Zip Code _____

3. (AGENTS ONLY) Full name and social security number of the individual who is the designated **primary agent** for the insurance agency location given in question #1.

_____ (S.S.#) _____ — _____ — _____

4. Do you have other business locations operating under the business name given in question #1? _____ If so, list the complete address for each of these additional locations.

5. List below the name and residence address of: (a) each director and each officer of the corporation, if doing business under a corporate name; or, (b) the owners/partners if incorporated.

6. List the name, residence address and type of license held by all persons in the agency or adjusting firm given in question #1 who transact insurance (sell insurance or adjust losses under an insurance contract).

Full Name	Residence Address	Type and Class License(s)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

7. If there is a change in the information given above, do you understand that you must complete a new form and file it with the Department of Insurance within 60 days? _____

If you need additional space to give the above-referenced information, please attach additional sheets of paper.

Signature of Agent or Adjuster

**Please return to: Department of Insurance, Bureau of Licensing, 235 Larson Building,
200 E. Gaines Street, Tallahassee, FL 32399-0300**

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as a beneficiary.

1989, Section 624.501(5) was amended and requires title agents to annually pay to the Department a \$200 administrative charge. This fee is due on or before January 30 of each

calendar year. In addition, as of July 1, 1989, title agents must also carry errors and omissions insurance in an amount not less than \$250,000 per claim, and with a deductible not greater than \$10,000. Agents must also obtain a fidelity bond not less than \$50,000. In addition, the agent must post a \$35,000 surety bond or eligible securities with the Department of Insurance. If securities are posted, they must also have a market value at all times of not less than \$35,000.

Title Insurance — Effective October 1,

ADDRESS CORRECTION FOR INSURANCE AGENTS

Please complete this form to change your home, business or mailing address(es)

Agent Name: _____

Social Security #: _____

HOME STREET ADDRESS	CITY	STATE	ZIP CODE
BUSINESS STREET ADDRESS	CITY	STATE	ZIP CODE
*MAILING ADDRESS	CITY	STATE	ZIP CODE

*This address will appear on **all** licenses and correspondence sent by this department.

★ PLEASE NOTE ★

1. Address change **only**, please address correspondence to Department of Insurance, 235 Larson Building, Tallahassee, FL 32399-0300.
2. Address change with corrected **copy** of license, please address correspondence and \$5.00 fee per license for each company to Department of Insurance, Post Office Box 6000, Revenue Processing Section, Tallahassee, FL 32314-6000.

COMPANY NAME _____ TYPE/CLASS _____

FOR DEPARTMENT USE ONLY

Public Adjusters Have New Licensing Requirements

— The 1988 Legislative Session amended Section 626.854, Florida Statutes, requiring those individuals who receive a fee for preparing, completing or filing a health insurance claim form for another person to become licensed as a public health adjuster. This requirement would not apply to licensed health care providers or their employees, who prepare claims forms for their patients. The applications for examination and licensure may be obtained by writing the Department of Insurance, Bureau of Licensing, Larson Building, Room 235, Tallahassee, FL 32399.

Surplus Lines Agents

— Effective October 1, 1989 new legislation removes the requirement contained in Section 626.923, that requires surplus lines policies to be filed with the Department within 60 days of policy issuance. The reporting requirements have been amended to require that surplus lines agents shall submit copies of the policy, or other forms of insurance confirmation, within 30 days, if these documents are requested by the Department of Insurance. The time an agent must retain a copy of the policy has been increased from 3 to 5 years; and all forms of insurance confirmation must be retained for 5 years.

Department of Insurance
Division of Agents and Agencies Services
Bureau of Licensing
235 Larson Building
Tallahassee, Florida 32399-0300

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