

# INTERCOM

VOL. 1, NO. 2

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

Spring 1990

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## Renewals:

**O**n March 1, 1990, all renewal invoices were mailed to all life and health insurance companies. Each company received a listing of all agents licensed to represent them prior to March 1, 1990.

Only agent copies will be printed. The licenses will be mailed directly to the insurance company. Companies are responsible for distributing licenses to their agents.

### Late Fees:

After April 15th - \$5.00 per agent

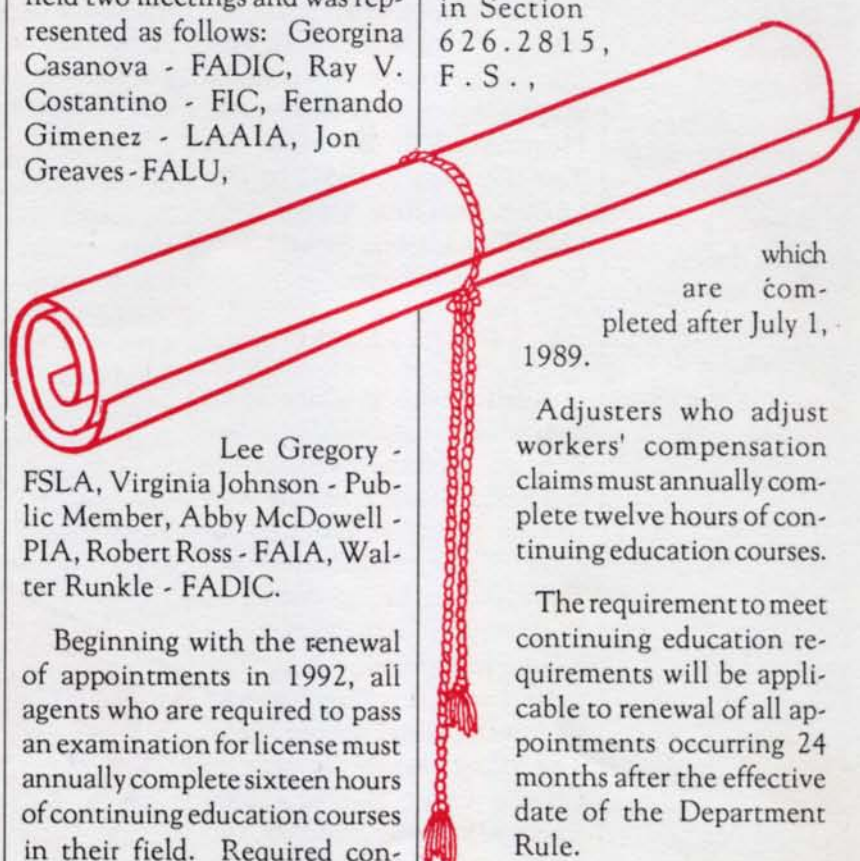
After May 15th - \$10.00 per agent.

**Fees/Revenue Correspondence**— should be sent to Department of Insurance - Division of Agent and Agency Services, Licensing, Revenue Processing Section, Post Office Box 6000, Tallahassee, FL 32314-6000.

General correspondence relating to licensing issues should be addressed as follows: Department of Insurance, Bureau of Agent and Agency Licensing, Room 235, Larson Building, Tallahassee, FL 32399-0300.

## Continuing Education Advisory Board

**T**reasurer Gallagher appointed the Continuing Education Advisory Board in accordance with Chapter 626.2815 to advise the Department in promulgating rules for the Continuing Education Program for agents. The Board has held two meetings and was represented as follows: Georgina Casanova - FADIC, Ray V. Costantino - FIC, Fernando Gimenez - LAAIA, Jon Greaves - FALU,



Lee Gregory - FSLA, Virginia Johnson - Public Member, Abby McDowell - PIA, Robert Ross - FAIA, Walter Runkle - FADIC.

Beginning with the renewal of appointments in 1992, all agents who are required to pass an examination for license must annually complete sixteen hours of continuing education courses in their field. Required con-

tinuing education credits must be completed every two years before the end of the month an agent or adjuster was initially licensed. Nonresident agents are exempt from this requirement if they have complied with similar CE requirements in their resident states. Agents who are dually licensed are required to have sixteen hours of Life/Health by 1992; then sixteen hours of Property/Casualty by 1993.

The first licensees affected are Life/Health agents. Credit will be given for any of the Life/Health related courses specified in Section 626.2815, F.S.,

which are completed after July 1, 1989.

Adjusters who adjust workers' compensation claims must annually complete twelve hours of continuing education courses.

The requirement to meet continuing education requirements will be applicable to renewal of all appointments occurring 24 months after the effective date of the Department Rule.

## Summary of Rules Filed With Secretary of States' Office

**W**orker's Compensation and Continuing Education Rules. The proposed new Rules Chapter 4-110 and Chapter 4-90, respectively provides definitions and establishes procedures for course and speaker approvals; class attendance; certification of students; examinations; extensions of time; advertising; use of textbooks; return of fees; and requirements for the type of facility in which the course is to be given. The chapter gives notice that courses may be audited, that certain practices are prohibited, and that administrative action may be taken under certain circumstances. The chapter also provides for the applicability of the statutory requirements to new licenses, and states where forms may be obtained. **If Requested, Hearings Will Be Held On Tuesday, May 8, 1990, In The Larson Building, Room 170, (200 East Gaines Street) Tallahassee, FL.**

### Advertising

Agents who produce their own advertising should be aware that all advertisements of life and health products require prior written approval from the insurer. The proposed advertisement should be submitted to the company for their review. If a filing is required with the Department, the insurer should submit the filing, not the agent. The filing should be sent to Charlie Gray, Bureau Chief, Room 335, Larson Building, Tallahassee, FL 32399-0300

## QUESTIONS & ANSWERS

**Q. What are the requirements to open a general lines insurance agency?**

**A.** The Insurance Code does not list the requirements. The law does require that all insurance transactions be handled by properly licensed agents. The owners or principals are not required to be licensed.

Each agency must be in the full-time charge of a licensed general lines agent. Commissions may only be paid to or shared with an incorporated insurance agency.

**Q. Can I solicit or sell insurance while I am waiting to take my test?**

**A.** No. Unlicensed individuals may not transact insurance.

**Q. Does my general lines agent's license authorize me to sell life insurance?**

**A.** No. In order to sell life insurance you must qualify as a life insurance agent by successfully completing an approved 40 hour pre-licensing education course and passing the state exam.

**Q. How may I obtain a copy of my license?**

**A.** Send your request to the Department. Include your full name, social security number, insurance company name and where you wish the copy mailed. Send your request together with a \$5.00 fee for each company to: Bureau of Agent and Agency Licensing, Revenue Processing Section, P.O. Box 6000, Tallahassee, FL 32314-6000.



**Q. When placing coverage under the exchange of business statute, is it illegal to use blank "accord - type" application/binder forms if I prominently display the name of the insurer on the form before I use it?**

**A.** No. When placing coverage under section 626.752, agents may only use those application, binders and other coverage forms which are provided by the insurer (or its MGA), and such forms provided by the insurer must have the insurer's name prominently displayed thereon. This means that the insurer's name must be prominently displayed on the form by the insurer prior to delivery to the agent.

**Q. Is it illegal for General Lines Agents to possess blank "accord - type" application/binder forms?**

**A.** No. The possession of such forms is not prohibited by the Insurance code. However, no such form may be utilized by an agent when placing business pursuant to section 626.752, F.S.

**Q. Recently there have been news articles profiling certain business entities which advertise insurance services to the consumer. These services include premium quotes for life, health or annuity insurance. Telephone numbers are advertised for the convenience of the consumer. Is a license required of those entities who respond to telephone inquiries?**

**A.** Yes. Only licensed agents may quote, solicit, negotiate or otherwise transact life and/or health insurance.

**Q. Does the Florida Insurance Code prohibit automobile dealerships from referring customers to a specific agent or insurance agency?**

**A.** No. However, the agent or agency may not pay a referral fee to the dealership or its employees as this would be an unlawful sharing of commissions.

### Special Note:

*Sunset Legislation Chapter 626*

*Chapter 626, Florida Statutes is currently under Legislative review as it is due to sunset October, 1990. The next Agents Intercom will provide the final changes enacted during the 1990 Legislative Session - Watch for details in the next issue.*

# Reorganization

The Florida Department of Insurance is currently reorganizing and modernizing its operations in order to serve consumers more efficiently.

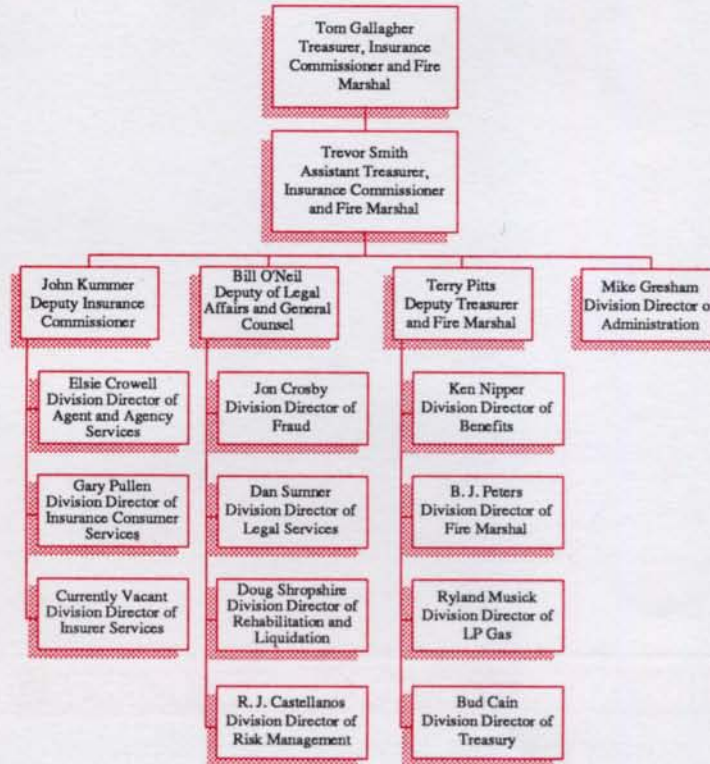
"One of the objectives of our reorganization and modernization is to provide better service to the consumers of Florida, with less red tape and cost," State Treasurer and Insurance Commissioner Tom Gallagher said. "The organization of the Department of Insurance has not been significantly changed in more than 15 years. As a result, some inefficiencies have developed and we are going to eliminate these," he added.

Under Gallagher's direction, department staff have developed a new structure using a variety of modern management techniques such as management by objectives and results, and zero-based budgeting. "This new structure will assure that the lines of communication are open and that consumers receive fast results from any part of the department," Gallagher said.

The Department of Insurance will function under twelve Divisions. Here is a brief summary of the three Divisions that govern Insurance Regulation.

The Division of Agent and Agency Services administers the insurance laws and rules relating to qualification and education of agents, solicitors, adjusters, and the insurance representatives. It also conducts investigations into alleged violations of the insurance code, reviews and inspects agency records.

## TREASURER, INSURANCE COMMISSIONER AND FIRE MARSHAL



The Division of Insurer Services protects policyholders by monitoring insurer solvency, ensuring that rates are not excessive, inadequate, or unfairly discriminating, and examining insurer records to verify compliance with Florida's Insurance Code.

The Division of Consumer Services is responsible for informing and protecting the insurance buying public by handling insurance complaints, claims and inquiries. They develop and distribute insurance shopping guides and establish consumer awareness programs

## Agency Inspection

The Department is conducting agency inspections throughout the state to determine whether agents and agencies are in compliance with the Insurance Code. Florida Statute 624.318, requires that agencies make their records available to Department representatives during an inspection. **Your cooperation is appreciated when information is requested.**

"The changes in the department are all part of our continuing dedication to provide the citizens of Florida the best possible service at less cost," Gallagher stated.

Department of Insurance  
 Division of Agent and Agency Services  
 613-F Larson Building  
 Tallahassee, Florida 32399-0300

BULK RATE  
 U.S. Postage  
 PAID  
 Tallahassee, FL  
 Permit No. 332

**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
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**THE AGENTS  
 INTERCOM**

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Agent and Agency Services, Room 613H, Larson Building, Tallahassee, FL 32399-0300.

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We Welcome suggestions and inquiries concerning the Agents Intercom. Please call our toll-free Florida number: 1-800-342-2762, for general information, or Janice Cloud (904) 922-5580. Written suggestions should be mailed to Florida Department of Insurance, Room 613H, Larson Building, Tallahassee, Florida 32399-0300.