

## Helping Protect Florida's Seniors from Financial Scams and Fraud

Dear friends,

Recently, I announced a new series of Operation S.A.F.E. financial workshops to help inform, empower and protect Florida's seniors from financial scams and fraud. Florida's seniors work their whole lives to save and build a nest egg for their families, and I want to make sure their finances are protected from anyone who might target them.

Statistics show that nearly one in five seniors has fallen victim to financial fraud. In order to combat this deceptive crime against seniors, I launched the statewide financial education initiative known as Operation S.A.F.E. to "Stop Adult Financial Exploitation" and the fraudsters who target Florida's seniors.

Our Operation S.A.F.E. 'Be Scam Smart' workshops and its accompanying website [www.MyFloridaCFO.com/SAFE](http://www.MyFloridaCFO.com/SAFE) have already helped nearly 11,000 seniors protect themselves from becoming victims of financial fraud. Our workshops provide valuable resources and information such as:

- If it sounds too good to be true, it usually is.
- Never sign incomplete or blank documents.
- Know that it is a red flag if you are notified of winning a lottery for which you never submitted an entry, or are asked to pay money to collect any prize.
- Always make sure you are dealing with a licensed insurance agent and verify before you buy.
- Never send money to a company without full proof of their legitimacy. Check with the Better Business Bureau to ensure that the dealer is licensed.
- Do not give out personal financial information by email or over the phone unless you initiated the contact.



A disaster can strike your business or your home anytime. Take action and learn ways on how to prepare. [Read more >>](#)

Be Scam Smart workshops are open to seniors, family members and their caregivers. I encourage everyone to sign up for a workshop near you to learn how to protect your families' financial security.

For more information, visit [www.MyFloridaCFO.com/SAFE](http://www.MyFloridaCFO.com/SAFE) or call our Consumer Helpline at 1-877-MY-FL-CFO (1-877-693-5236).



**Jeff Atwater**  
**Chief Financial Officer**  
**State of Florida**



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## News You Can Use

- Updating you on what's going on

### **CFO Atwater Announces 16 Arrests for Workers' Compensation Fraud and Unlicensed Contracting Following Undercover Multi-Agency Sting**

CFO Jeff Atwater announced 16 arrests for workers' compensation fraud and unlicensed contracting following a three-day undercover operation in Sarasota County. The operation was led by the Florida Department of Financial Services' Division of Insurance Fraud and Bureau of Compliance in partnership with the Florida Department of Business and Professional Regulation, Florida Department of Law Enforcement, Venice Police Department and City Building and Code Enforcement, along with the Sarasota State Attorney's Office. Florida law sets specific rules and guidelines for obtaining professional licensure, and the people who have met these requirements are held to professional standards. Investigators with the Division of Insurance Fraud and the Department of Business and Professional Regulation routinely work to combat unlicensed activity throughout Florida.

[Click here to read the press release >>](#)

### **Notice to Florida Agents Regarding the Liquidation of Sunshine State Insurance Company**

On June 3, 2014, Sunshine State Insurance Company ("SSIC") was ordered liquidated by the Second Judicial Circuit Court in Leon County, Florida. The Florida Department of Financial Services is the court appointed Receiver of SSIC. A copy of the liquidation order for SSIC is available on the Receiver's website, [www.MyFloridaCFO.com/Division/Receiver](http://www.MyFloridaCFO.com/Division/Receiver).

The Receiver sent notice of the receivership proceedings to all of the SSIC agents of record in order to provide them with information to better assist them in advising the SSIC policyholders who are their clients. As an agent of record, they are advised that the liquidation order significantly affects SSIC's policyholders and legally imposes certain obligations on them. The Florida Department of Financial Services, as Receiver of SSIC expects them to contact their clients who are SSIC policyholders and assist them with any questions they may have regarding the receivership proceeding.

As an agent for SSIC and pursuant to Section 631.341, Florida Statutes, these agents are also expected to provide a written notice of the receivership, by registered or certified mail, to SSIC policyholders

whose policies have not been replaced or reinsured with a solvent authorized insurer. At this time, the Receiver intends to send a notice of the liquidation proceedings to all SSIC policyholders. Please note, however, that these agents are still responsible for providing written notice to policyholders under Section 631.341, Florida Statutes.

[Click here to read the full text of the notice >>](#)

## **CFO Jeff Atwater Applauds Governor Scott for Signing Legislation Creating Homeowner Claims Bill of Rights**

Florida Chief Financial Officer Jeff Atwater applauded Governor Rick Scott for signing Senate Bill 708 into law, creating a Homeowner Claims Bill of Rights that provides important consumer protections and greater transparency in the insurance claim-filing process. The Homeowner Claims Bill of Rights must be provided to every policyholder who files a claim. The bill of rights will be a simply worded one-page document that references current Florida law about the rights of policyholders in their claims process. It will also inform policyholders about what they should expect during their claims process and provide advice on the steps they should take in the process.

[Click here to read the press release >>](#)

## **Consumer Alert: Unauthorized Use of OFR Branding**

The Florida Office of Financial Regulation (OFR) was recently made aware of a scam that involves the unauthorized use of their agency's name and past branding. The scam was sent to consumers via email in the form of a fake invoice. The invoice details various fees to be paid to collect a large sum of prize money that is allegedly sponsored by the Multi-State Lottery Association (MUSL) and the National Manufacturers Association (NAM). The fake invoice contains logos, names and signatures of several legitimate organizations, which are used without authorization.

[Click here to read the press release >>](#)

[Click to read more recent news >>](#)

## **Make Sure You Don't Miss Important Information From Us**

We highly recommend licensees to routinely check their [MyProfile](#) account(s) for messages from the Department. We send an email notification at the same time to remind you to check your [MyProfile](#) account but on rare occasions you may not receive that email. For that reason, we suggest you add our domain **MyFloridaCFO.com** to your email software's Trusted or Safe Senders List to ensure you are able to receive email notifications from us. Licensees who have a valid email address on file with the Department, as required by law, are sent important email notifications when something that affects their application, license, continuing education, or appointment(s) occurs. Additionally, we will keep you informed with warnings regarding new schemes and scams being marketed to licensees. You can update your contact information through your [MyProfile](#) account. We want to keep you informed in a timely manner of pertinent information. You are still required to abide by the Florida Insurance Code regardless of whether you read the information we provide or attempt to provide.

## In The Know

- Keeping you informed is what it's all about

### 2014 Florida Legislative Summary Follow-up

The legislative bills mentioned below were passed during this year's legislative session and have an impact on those that we regulate. These bills were signed and approved by the Governor on June 13, 2014. Many parts of these bills have an effective date of July 1, 2014. The summaries below are not intended to be comprehensive. We encourage you to read the linked enacted law text for a comprehensive review of the legislation.

#### **CS/CS/HB 633 - Division of Insurance Agent & Agency Services**

The bill makes changes to the Florida Insurance Code below:

**General** - Effective July 1, 2014.

- Creates a new type of insurance agent - an unaffiliated insurance agent. This is a licensed insurance agent (excluding limited lines agents) who is self appointed and who practices as an independent consultant in the business of analyzing or abstracting insurance policies, providing insurance advice or counseling, or making specific recommendations or comparisons of insurance products for a fee established in advance by written contract signed by the parties. An unaffiliated insurance agent may not be affiliated with an insurer, insurer-appointed insurance agent, or insurance agency contracted with or employing insurer-appointed insurance agents. In other words, an unaffiliated insurance agent must be on his/her own and not working for or appointed by another insurance entity, which is why they are called *unaffiliated* insurance agents. An unaffiliated insurance agent may continue to receive commissions for sales that took place before the license was converted to an unaffiliated insurance agent as long as those commissions are disclosed when the unaffiliated insurance agent makes recommendations or evaluates products for a client that involve products from the entity paying those commissions. An unaffiliated insurance agent may not:
  - Hold any appointment from an insurer for any license he/she holds.
  - Transact, solicit or service an insurance contract on behalf of an insurer.
  - Interfere with the commissions received by an insurer-appointed agent.
  - Receive any compensation or any other thing of value from an insurer, appointed agent, or agency.

- Requires the Department of Financial Services (DFS) to immediately suspend a license or appointment of a licensee who is charged with a felony of the first degree; a capital felony; a felony involving money laundering, fraud, or embezzlement; or a felony directly related to the financial services business. The suspension will continue if the licensee is found guilty, pleads guilty or no contest to the crime, regardless of whether a judgment or conviction is entered, and during an appeal. A person may not transact insurance after his/her license is suspended.
- Bars applicants for licensure with sealed or expunged criminal history records from denying or failing to acknowledge arrests covered by these records.
- Exempts members of the United States Armed Forces, their spouses, and veterans who have retired within 24 months from the application filing fee for licenses.
- Requires agents who recommend the surrender of an annuity or life insurance contract for any reason and the proceeds are not used to fund the purchase of a new life insurance or annuity contract, the agent must provide the consumer with information about the contract being surrendered. This section will also apply to any others performing the insurance agent activities pursuant to an exemption provided in this part, such as an unaffiliated insurance agent. The information to be provided will be specified in a rule adopted by the department and will include at a minimum:
  - Amount of surrender charge.
  - Loss of interest rate guarantees.
  - Tax consequences of the transaction.
  - Amount of any forfeited death benefits.
  - Value of any other investment performance guarantees being lost.
- Provides that the department will deny an application, suspend or revoke a certification of a neutral evaluator if one or more of the following exist:
  - Lack of a required qualification.
  - Material misstatement, misrepresentation, or fraud in obtaining the certification.
  - Demonstrating a lack of fitness or trustworthiness to act as a neutral evaluator.
  - Fraudulent or dishonest practices in the conduct of an evaluation or in the financial services business.
  - Violating any part of the insurance code, or aiding, instructing or encouraging another to do so.
- Provides that a mediator must possess an active certification as a Florida Supreme Court certified circuit court mediator, or be a department mediator as of July 1, 2014 and have conducted at least one mediation on the department's behalf. The department will deny an application, suspend or revoke its approval if one or more of the following exist:
  - Lack of a required qualification.
  - Material misstatement, misrepresentation, or fraud in obtaining the certification.
  - Demonstrating a lack of fitness or trustworthiness to act as a mediator.
  - Fraudulent or dishonest practices in the conduct of an evaluation or in the financial services business.
  - Violating any part of the insurance code, violation of the Florida Rules of Certified and Court Appointed Mediators, or aiding, instructing or encouraging another to do so.
- Further clarifies that a neutral evaluator is an engineer licensed under chapter 471 who is experienced in sinkhole activity and other causes of structural damage, who has completed a course in alternative dispute resolution, and who is eligible for certification.
- Authorizes DFS to investigate improper conduct of mediators, neutral evaluators, and

- navigators and permits DFS to share investigative information with any regulatory agency.
- Eliminates the examination requirement for nonresident surplus lines agent license applicants for those residents of states which require an equivalent surplus lines examination. Otherwise, the applicant must still take the Florida exam ([click here to see which home states require an exam](#)). The past requirement of coursework (pre-licensing education) or experience for nonresident surplus lines agent license applicants will no longer be required.
  - Adds the requirement that the risk retention nonresident agent placing surplus lines business must be licensed and appointed as a nonresident surplus lines agent in this state.
  - No more limited customer representative licenses will be issued.
  - Authorizes additional methods for service of process in certain administrative actions.
  - Deletes requirement that applicants who take a licensure examination in Spanish must pay all associated costs.
  - Licenses issued to businesses that rent vehicles will cover the office, branch office, employee, or authorized representative located at the location.

***Insurance Agencies*** - Effective January 1, 2015.

- An insurance agency that is owned and operated by a single licensed agent (sole proprietor) conducting business in his/her individual name only, is exempt from requiring the office location to be licensed as an agency. If there is more than one licensee at the location, it must be licensed as an insurance agency. Having administrative staff that are not licensed would not require the agent to obtain an agency license.
- Applications for insurance agency licensure must be signed by a listed member of the agency required to be disclosed on the application. These include the agency owner, partner, officer, director, president, senior vice president, secretary, treasurer, and limited liability member who directs or participates in the management or control of the agency. The agency application must also provide the physical address of each location of the agency, along with the e-mail address, phone number; date the location began transacting insurance business, as well as the name of the licensed and appointed agent who will be the agent in charge of the location. The application process will include obtaining the fingerprints of each individual listed on the application and any other person who participates in the management or control of the agency unless they are exempt from the fingerprinting requirement (e.g. currently licensed and appointed agents).
- Allows third parties to sign agency applications for licensure. The insurance agency is responsible for ensuring that the information on the application is true and correct and is accountable for any misstatements or misrepresentations.
- Branch locations of insurance agencies are not required to each be licensed as an insurance agency as long as the branch locations:
  - Transact insurance under the same name and federal identification number as the main or parent location;
  - Notify the Department of the address and phone number of the location via the parent location's MyProfile account, and;
  - An agent in charge has been properly designated for each location via the agency's MyProfile account.
- Branch agency locations will not have to submit fingerprints for owners and officers when adding new locations as long as the ones listed for the parent agency location remain as the current ones. If there are new owners and officers of an agency, then the agency must notify

the Department and submit those fingerprints as it has been under current law.

- Insurance agencies will no longer be able to obtain a registration in lieu of a license. Also, all agency registrations will be converted to licenses by October 1, 2015.
- Eliminates the three-year expiration period for agency licenses. Agency licenses will be perpetual as long as there is a designated agent in charge.
- Provides for agency licenses to automatically expire if the agency does not designate a new agent in charge with the DFS within 90 days after the agent in charge on record has left the agency or no longer is qualified to act as an agent in charge (i.e. their license is suspended or revoked).
- Specifies that an employee or an authorized representative of an agent or agency may not bind insurance coverage, initiate contact for the purpose of soliciting insurance unless licensed and appointed as an agent or customer representative. Each place of business must be in the active full-time charge of an agent who is licensed and appointed to transact the lines of business being handled at that location. A person designated as the agent in charge of one location may also be designated as the agent in charge of other locations as long as no insurance is transacted at any of the locations when there is not a licensed and appointed agent physically present at that location. The agent in charge of an agency is designated by the agency within 30 days of any change through the agency's MyProfile account. The agent in charge is responsible for the supervision of all individuals within an insurance agency location. The agent in charge is accountable for misconduct or violations of the insurance code committed by anyone at the agency, however, this does not mean the agent in charge will automatically be held criminally liable for an act unless he/she knew or should have known of the act and the facts surrounding the criminal activity. An insurance agency may not conduct insurance business unless an agent in charge is designated for that location. Changes to the agent in charge must be made by the insurance agency within 30 days of the change.

[See Chapter [2014-123](#), Laws of Florida]

## **CS/CS/SB 708 - Insurance Claims**

CS/CS/SB 708 revises the law relating to property insurance claims. The bill gives the Department of Financial Services (DFS) the ability to investigate mediators and neutral evaluators in a manner similar to how it investigates agents and agencies. It allows the DFS and the Office of Insurance Regulation (OIR) to share information with other regulatory bodies while any investigation is ongoing. The bill gives the DFS increased power to take disciplinary action against mediators and neutral evaluators.

The bill prohibits insurers from denying claims or canceling an insurance policy or contract based on credit information available in the public record if the insurance policy or contract has been in effect for more than 90 days.

Insurance contracts often contain an appraisal provision allowing parties who agree that there is a covered loss to use an umpire to determine the amount of the loss. This bill allows parties to disqualify an umpire for specified conflicts of interest such as where the umpire is related to one of the parties or has been employed by one of the parties.

The bill creates a "Homeowner Claim Bill of Rights," describing some of the rights held by insurance



policyholders and requires the insurer to provide a copy to the policyholder within 14 days of a claim. It does not create a new civil cause of action.

This bill creates new requirements for agreements between insureds and providers of services needed to mitigate the damage caused by fire, water, or catastrophic events.

The effective date of this bill is July 1, 2014, except as otherwise provided.

[See Chapter [2014-86](#), Laws of Florida]

## **CS/CS/SB 1672 - Property Insurance**

CS/CS/SB 1672 enacts the following changes to property insurance laws, primarily relating to Citizens Property Insurance Corporation (Citizens). The bill:

- Prohibits an insurance agent, managing general agent, adjuster, customer or service representative from directly or indirectly accepting any compensation, inducement, or reward from an inspector for the referral of the owner of the inspected property to the inspector or inspection company. This prohibition applies to an inspection intended for submission to an insurer in order to obtain property insurance coverage or establish the applicable property insurance premium.
- Prohibits a public adjuster, apprentice or associate from accepting a power of attorney that vests to the right to select the person that will perform repairs on an adjusted property.
- Prohibits Citizens Property Insurance Corporation (Citizens) from writing new commercial residential multi-peril policies in the Coastal Account as of July 1, 2014; however, current commercial-residential multi-peril policies will be allowed to be renewed going forward. Citizens will continue to offer new, separate commercial residential wind-only and all-other perils policies in the Coastal Account.
- Requires all procurement protests within Citizens to be decided by the Division of Administrative Hearings.
- Requires Citizens to issue an annual report of its estimated bonding capacity, estimated claims paying capacity, and estimated year-end cash balance.
- Prohibits an authorized mitigation inspector from paying any referral fees or other forms of compensation to an insurance agent, insurance agency, customer representative, or insurance agency employee that recommends the inspector's services to an insured.
- Prohibits an insurance agent, insurance agency, customer representative, or insurance agency employee from accepting any referral fees or other forms of compensation from an authorized mitigation inspector.
- Allows an insurer to exempt from independent verification, a uniform mitigation verification form completed by an authorized mitigation inspector that has a quality assurance program approved by the insurer.
- Provides that a uniform mitigation verification form provided to Citizens and completed by an authorized mitigation inspector with a quality assurance program approved by Citizens is not subject to independent verification or re-inspection if there has been no material changes to the structure.
- Prohibits contractors, or persons acting on behalf of a contractor, from paying, waiving, or rebating all or part of an insurance deductible applicable to payment to the contractor for

repairs to property covered by a property insurance policy, making such acts a 3rd degree felony.

The effective date of this bill is July 1, 2014, except as otherwise provided.

[See Chapter [2014-104](#), Laws of Florida]

## **CS/CS/CS/SB 542 - Flood Insurance**

CS/CS/SB 542 creates laws governing the sale of private flood insurance policies, contracts, and endorsements by authorized insurers with the exception of commercial lines risks policies that provide coverage in excess of an underlying policy.

The bill also:

- Allows authorized insurers to sell four different types of flood insurance products:
  1. Standard coverage, which covers only losses from the peril of flood as defined in the bill, which is the definition used by the National Flood Insurance Program (NFIP). The policy must be the same as coverage offered from the NFIP regarding the definition of flood, coverage, deductibles, and loss adjustment.
  2. Preferred coverage, which includes the same coverage as standard flood insurance and also must cover flood losses caused by water intrusion from outside the structure that are not otherwise covered under the definition of flood in the bill.
  3. Customized coverage, which is coverage that is broader than standard flood coverage.
  4. Supplemental coverage, which supplements an NFIP flood policy or a standard or preferred policy from a private market insurer. Supplemental coverage may provide coverage for jewelry, art, deductibles, and additional living expenses. It does not include excess flood coverage over other flood policies.
- Requires insurance agents that receive a flood insurance application to obtain a signed acknowledgement from the applicant stating that the full risk rate for flood insurance may apply to the property if flood insurance is later obtained under the NFIP.
- Creates s. 627.715, F.S., governing the sale of personal lines, residential flood insurance.
- Allows surplus lines agents to export flood insurance without making a diligent effort to seek coverage from three or more authorized insurers. (Expires July 1, 2017.)
- Allows flood rates filed before October 1, 2019, to be established through a rate filing with the Office of Insurance Regulation (OIR) that is not required to be reviewed by the OIR before implementation of the rate ("file and use" review) or shortly after implementation of the rate ("use and file" review).
- Allows projected flood losses for personal residential property insurance to be a rating factor. Flood losses may be estimated using a model or straight average of models found reliable by the Florida Commission on Hurricane Loss Projection Methodology.
- Requires prominent notice on the policy declarations or face page of deductibles and any other limitations on flood coverage or policy limits.
- Insurers that write flood coverage must notify the OIR at least 30 days before doing so in this state and file a plan of operation, financial projections, and revisions with the OIR.
- Provides that the provisions of section 627.715, Florida Statutes, supersede any conflicting provisions in the insurance code.

- Specifies that the OIR commissioner may provide a certification required by federal law or federal rule as a condition of qualifying for private flood insurance or disaster relief. The certification is not subject to review under ch. 120, F.S.
- Citizens Property Insurance Corporation is prohibited from providing flood insurance.
- The Florida Hurricane Catastrophe Fund is prohibited from reimbursing flood losses.

The bill became law on June 13, 2014.

[See Chapter [2014-80](#), Laws of Florida]

## **CS/CS/HB 1089 - Citizens Property Insurance Corporation**

The bill provides changes to Citizens Property Insurance Corporation (Citizens).

Citizens Property Insurance Corporation (Citizens) is a state-created, not-for-profit, tax-exempt governmental entity whose public purpose is to provide property insurance coverage to those unable to find affordable coverage in the voluntary admitted market. It is not a private insurance company. Current law provides an eligibility restriction for insurance in Citizens based on the location of the property. Major structures for which a building permit for new construction is applied for on or after July 1, 2014 or for which a building permit for a substantial improvement of the structure is applied for on or after July 1, 2014, and which is located seaward of the coastal construction control line or within the Coastal Barrier Resources System (CBRS) are ineligible for insurance in Citizens.

The bill delays implementation of the current law for Citizens' eligibility based on location of the property for one year. Thus, major structures for which a building permit for new construction is applied for on or after July 1, 2015, rather than July 1, 2014, or for which a building permit for a substantial improvement of the structure is applied for on or after July 1, 2015, rather than July 1, 2014, and which is located seaward of the coastal construction control line or within the CBRS will be ineligible for insurance in Citizens.

Starting July 1, 2014, the bill also prohibits residential condominium associations from obtaining commercial residential property insurance from Citizens that covers damage only from wind if 50 percent or more of the condominiums in the association are rented more than eight times a year for a period of less than 30 days. These condominium associations are still able to obtain property insurance from Citizens that covers damage from multiple perils, including wind.

Owners of structures in certain coastal areas will be able to obtain or keep insurance in Citizens if they substantially improve their structure or build new construction before July 1, 2015.

The effective date of this bill is July 1, 2014.

[See Chapter [2014-140](#), Laws of Florida]

## Education Central

- Things to know about your continuing education

### Five Minutes on the Five-Hour Course

The 5-hour law and ethics update course is a new CE requirement for all license types except Title. The goal of the course is to make our Florida licensees more aware of existing law, recent legislative changes and to standardize the delivery of this content. The new requirement replaces the Ethics, Law and Policy, Premium Discount Mitigation and Senior Suitability requirements. Every licensee (except Title) with a CE compliance cycle that ends this October or later must complete an appropriate 5-hour course each compliance cycle. Once October rolls around, the old requirements will no longer exist.

Each licensee must complete a 5-hour course specific to their license type. When two or more licenses are held, the licensee must complete one 5-hour course specific to at least one license type held. Below you will find a list of available course authorities for the 5-hour course and how the requirement corresponds to each license type. You'll need to pay close attention to the course authority when scheduling a course to make sure the course will apply to your CE requirements. Contact the course provider if you're unsure about a specific course offering.

#	5-hour Course Authority	Corresponding License Type
5-215	Life, Health and Annuity 5-hour course	Life including variable annuity and health, or life and health agents. (e.g. 2-15 or 2-18)
5-214	Life and Annuity 5-hour course	Life and/or annuity agents. (e.g. 2-14 or 2-16)
5-240	Health 5-hour course	Health agents (e.g. 2-40)

5-220	General Lines 5-hour course	General lines or personal lines agents, customer representatives, or limited customer representatives, and industrial fire and burglary agents. (e.g. 2-20, 20-44, 4-40, 4-42, 2-33)
5-620	Adjuster 5-hour course	Adjusters, except public adjusters. (e.g. 5-20, 6-20)
5-320	Public Adjuster 5-hour course	Public adjusters. (e.g. 3-20)
5-237	Bail Bond 5-hour course	Bail bond agents (e.g. 2-34)

So, what can you expect when it comes to the actual content of a 5-hour course? The high-level topics required for each course are kept broad so that the regulated course outline needn't be changed annually. While the required outline topics are identical for each course, you can expect actual content to vary widely from course to course since the amount of time spent on each section is not standardized. This provides a fair amount of flexibility for course providers to tailor unique curriculum. You can expect legislative topics to change constantly as laws are changing, new court decisions are being made, policies are being revised and new enforcement actions are being taken. If you'd like a better idea of the structure and specific content for a particular course or seminar, get in touch with the course provider.

In addition to the 5-hour course requirement changes, all remaining hours for each compliance cycle can be fulfilled by taking electives. With the exception of Title licensees and Public Adjusters, licensees can take any approved CE course to fulfill remaining elective hours. Title licensees and Public Adjusters are required to complete courses specific to their license, and Title licensees have an Ethics, Rules and Compliance set of CE requirements instead of the 5-hour course.

For questions about Florida CE requirements, please email [Education@MyFloridaCFO.com](mailto:Education@MyFloridaCFO.com) or go to our website at [www.MyFloridaCFO.com/Division/Agents](http://www.MyFloridaCFO.com/Division/Agents).

## Are You Compliant with Your CE or Not?

If you have ever felt confused about what it means to be continuing education (CE) compliant, you are not alone. That's why we are continuously finding and implementing ways to help you with this. To be CE compliant requires more than just taking CE courses. Below are a few often overlooked suggestions for remaining CE compliant.

- CE requirements change. You should regularly review your CE status through your [MyProfile](#) account. Your total hours have specific allocation requirements that must be met. Be sure to take all the right categories of CE courses.

- Check for late hours. Hours taken after your due date will still post on your compliance evaluation screen, but they will be noted as "Late". Though your hours requirement may have been met, late completion of your continuing education requirement will result in penalties. The statutory penalty for failure to complete CE is the cancellation of all your appointments, however you may be given the option of paying a \$250 fine instead. Regardless of the penalty assessed, you are still required to complete past due CE requirements.
- Check past evaluation periods. Always check previous compliance periods to make sure you are not delinquent for a prior period. Be sure to click on **VIEW ENFORCEMENT NOTICE** just below the **Not Compliant** text to check for any outstanding fines.
- Check your transcript. The **same course** cannot be taken with the **same provider** within a three-year period and receive credit. This is noted on your transcript as a duplicate course. You will need to take a different course to meet your CE requirement.

We wish you success in completing your hours to remain knowledgeable in an ever-changing insurance market. And remember, your CE compliance date is your **DUE** date, not your **DO** date.

## How to Search for Approved CE Courses

Looking for continuing education (CE) courses to be sure you get all your hours completed? Our online course search can easily help you by listing those courses approved by the Department.

1. Go to our website at [www.MyFloridaCFO.com/Division/Agents](http://www.MyFloridaCFO.com/Division/Agents).
2. Click on **MyProfile** on the left panel and log in to your account.
3. Once in your MyProfile inbox, click on **Locate** at the top left. Then click on **Future Course Offerings**.
4. Select the **Course Authority** for the type of license held or course you need to take.
5. You can also make other choices, like **Study Method** and **Location**, to narrow your search results.
6. If you click on **Perform an Advanced Search**, you will have additional options to narrow your search results, such as **Course Date** and **Course Level**.

Because many factors may affect your continuing education requirement (e.g. licenses held, number of years licensed, etc.), we encourage you to periodically check your [MyProfile](#) account to determine your individual continuing education compliance requirements and status. You will also be able to find more approved CE courses after logging in to your [MyProfile](#) account versus the [public search option](#), which limits the results to the first 100 course offerings.

## Education Providers: Five Tips to Avoid Roster Submission Errors

You probably find yourself beyond frustrated when you are in the throes of yet another busy day at work and you actually take a moment to stop so that you can quickly submit a roster to the Department for the most recent course that was offered, only to receive an error message. Ugh! What was supposed to only take a few minutes turns into an hour of heated computer bashing. Next time you go to submit a roster, run through this list of the most common roster submission errors to avoid becoming a computer basher.

- 1. Check your file size.** If the size of the file is more than 5MB, you will get an error message every time.  
Solution: Create multiple files, each less than 5MB, to upload each individually. You can submit as many documents for one roster as needed.
- 2. Check the file extension.** If the extension following your filename ends with an x, such as .xlsx, again, you will get an error message every time.  
Solution: Go back and open the original file. Click "Save As", then click on the drop down box below the filename labeled "Save As Type" and choose "Excel 97-2003 Workbook". The newly saved .xls document should upload like a charm.
- 3. Check your records.** If the student is licensed, they will need to report their name exactly as it appears on their license. If you attempt to submit a name that does not match what appears on the Department issued license, you will receive an error.  
Solution: As a provider you can utilize the "[Licensee Search](#)" found under Quick Links on the Agent & Agency Services webpage. Just type in the student's license number and click "Search".
- 4. Check compatibility settings.** If you are unable to view the navigation tabs that typically appear at the top of your MyProfile account you may be experiencing a compatibility issue.  
Solution: If you are using Internet Explorer (version 8 or earlier), login to your provider [MyProfile](#) account. Click on Tools, and then click Compatibility View Settings. A pop up box will appear with the DFS website already populated in the field labeled "Add this website", click Add. You will see the web address move to the box below titled "Websites you've added to Compatibility View". Click Close, then refresh the page or logout and log back in to your [MyProfile](#) account. You should now be able to view the navigation tabs and move through the provider account normally. If you are not using Internet Explorer, you will need to contact your IT department to determine the best way to handle the compatibility issue.
- 5. Check course/offering approval status.** Have you received approval on your course and course offering? In order to submit a roster you first need to have an offering ID number. To have an offering ID number, you must have an approved course and an approved course offering. If you have not received the Department approval for your course and course offering applications and the course has already been presented to students you are in a bit of a pickle. The students that attended this course will not receive Florida CE credit and you will be the bearer of bad news for these students. By holding a course for Florida CE credit that is not yet approved by the Department, you are in violation of the Florida Administrative Code and will receive a notice of violation. This scenario is not where you want to find yourself and can easily be avoided.  
Solution: Always submit your course offering application at least 30 days in advance to be in compliance with Florida Administrative Code. The Department's system will not allow you to submit a course offering application for a course that has not yet been approved so this process is a safeguard to keep you from presenting an unapproved course. If the system does not allow you to submit a course offering application, more than likely your course has not yet been approved.

If you know the missteps others have taken ahead of time, you can use this knowledge to avoid these mistakes altogether. As always, if you are experiencing issues and cannot determine a resolution, contact the Education Unit by emailing [Education@MyFloridaCFO.com](mailto:Education@MyFloridaCFO.com).

## Compliance Corner

This section has been created to assist you in keeping your insurance business in compliance. The items are intended as reminders only and are not necessarily the exact text of the [Florida Statutes](#) or [Florida Administrative Code](#). The legal cites have been provided for your further reference.

### License and Appointment Requirement

You **must** be licensed **and** appointed in Florida to work as an insurance agent, customer representative, adjuster, viatical broker, or bail bond agent. Soliciting or transacting insurance business or adjusting claims of any type without a current license and appointment for that line of insurance business is a violation of the Florida Insurance Code.

Any person acting as an insurance agent, customer representative, or adjuster without being appointed for that line of business may be found to have violated the Florida Statutes, which could result in a suspension of their license for three (3) months. In addition, anyone providing supplies or assisting a person who is not appointed to transact insurance or adjust claims could also have their license suspended for three (3) months.

Adjusters who solicit business or negotiate claims without an appointment are also subject to a suspension of their adjuster's license for three (3) months.

Persons acting in the capacity of a bail bond agent without an appointment is considered to be a felony of the third degree. Anyone working with a bail bond agent who is not appointed may also be found to have violated the Florida Statutes and it could also be a felony crime, too.

We continue to see a large number of customer representatives and public adjuster apprentices who are not appointed.

[See subsections [626.112\(2\)\(3\)](#), [626.342\(2\)](#), and [648.30\(1\)](#), Florida Statutes]

### Adjusting Firms: Designate a Primary Adjuster

The primary adjuster law states that each person operating an adjusting firm and each location of a multiple location adjusting firm must designate a primary adjuster for each such firm or location. The statute also defines a primary adjuster as 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 as defined in s. [626.854](#), or an independent adjuster as defined in s. [626.855](#). An adjuster may be designated as a primary adjuster for **only one** adjusting firm location.

Primary adjusters must be designated by submitting a properly completed [form DFS-H2-6364](#) to the Department. There is no cost to designate a primary adjuster but it could cost you disciplinary action including a fine for failing to do so.

[See Section [626.8695](#), Florida Statutes]

## Bail Bonds Agents at the Jail

As the weather gets nicer and the vacation season gets into full swing, we thought this would be a good time to remind everyone that a bail bond agent is prohibited from soliciting business on the grounds of the jail or any area where prisoners are confined. This includes temporary holding areas established by the local authorities to house people arrested at festivals, concerts or other events. Solicitation includes but is not limited to:

- Distributing business cards of the licensee.
- Handing out flyers advertising a bail bond agent, or a bail bond agency's services.
- Posting flyers, handbills, posters, or other signs on the grounds of the jail, courthouse or temporary holding area.
- Approaching people to use the services of a bail bond agent or bail bond agency.
- Posting a bail bond at the jail without being asked to do so by the defendant, the defendant's family or friends.
- Using inmates to ask others to use a particular bail bond agent or agency.

The Florida Statutes also prohibit a bail bond agent from doing business with anyone other than the defendant on the grounds of the jail or courthouse. This would include meeting with friends or family members of a defendant to complete the paperwork required to execute a bail bond at the jail.

Bail bond agents found to be in violation of these sections of the Florida Statutes may be suspended for three months for the first violation and 12 to 24 months for subsequent violations.

[See paragraph [648.44\(1\)\(b\)](#), Florida Statutes]

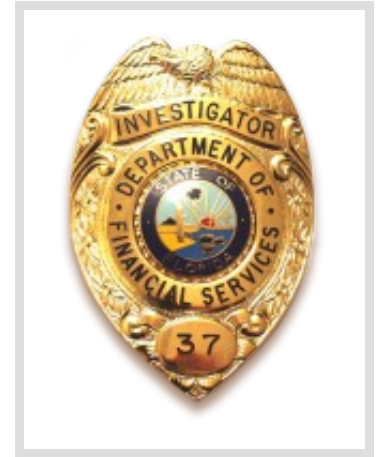
## New Website with Compliance Information

We recently launched a new [section on our website](#) dedicated to compliance information. The new section also provides consumers and licensees with an overview of the investigative process and many functions performed by our Bureau of Investigation. We encourage you to visit this new section to our website and come back often as we update and add more information to it. You can visit the new compliance site at [www.MyFloridaCFO.com/Division/Agents/Compliance](http://www.MyFloridaCFO.com/Division/Agents/Compliance).

## Case Notes

The following are instances in which licensees or other persons violated the Florida Insurance Code and the administrative action the Department has taken against them. Note: All administrative investigations are subject to referral to the [Division of Insurance Fraud](#) for criminal investigation.

**Case:** The Department received notification from an insurance carrier that it had terminated a life & health agent for cause. The termination stemmed from allegations that the agent represented himself as various applicants during verification calls on electronic applications, which were submitted by him. He also posed as applicants to move their policy effective dates and request cancellations as though he was the insured. The investigation showed that these persons did not exist.



A former employee of the agent contacted the carrier and questioned why her bank account had been drafted when she didn't even have a policy with them. Further, the unauthorized draft was done with the same bank account that the agent used to direct deposit her pay when she worked for him. It was this call that prompted the insurance carrier to perform its internal investigation.

It was determined that there were six fraudulent applications placed using the phone or work phone of the agent. On three applications he used the banking information of previous applicants. The policies that were mailed to proposed insureds were returned by the post office as undeliverable.

**Disposition:** License revoked.

**Case:** The Department received notification that a nonresident life & health agent had an action filed against him by the Financial Industry Regulatory Authority (FINRA). The agent was barred from associating with any FINRA member in any capacity. FINRA stated the agent made materially false and misleading statements in recommending the purchase of variable annuity products to at least nine consumers. In addition, the agent failed to inform the Department of this action within 30 days of the final disposition and failed to notify the Department of a change in contact information.

**Disposition:** License revoked.

**Case:** The Bureau of Investigation received notification from the Division of Rehabilitation and Liquidation stating a final judgment was issued against an insurance agency for unearned commissions due to the receivership of Northern Capital Insurance Company (Northern). The Receiver was due \$682.76 plus pre-judgment interest of \$35.19 and post-judgment interest. The general lines agent and president of the insurance agency was held responsible for the monies and/or unearned commissions owed by the agency to Northern.

**Disposition:** License revoked.

**Case:** The Department received notification that a nonresident life agent had an action filed against him by the Financial Industry Regulatory Authority (FINRA) wherein the agent was suspended from association with any FINRA member for five months and fined \$30,000. The action was taken based on the agent's participation in selling unregistered securities in the form of life settlements. According to department records the agent had also not licensed his agency. During the investigation it was determined that the subject's business, mailing and email addresses were invalid. The agent also failed to inform the Department of this action within 30 days of the final disposition.

**Disposition:** License surrendered and cannot re-apply for two years.

**Case:** An investigation revealed that a limited customer representative wrote three commercial lines policies using forged signatures, falsified banking information to complete the applications, and submitted them without the consumers' knowledge or consent. It appeared the customer representative was trying to achieve a production goal sponsored by one of the companies the agency did business with. The agency fired the customer representative as soon as it found out about the improper activity.

**Disposition:** License suspended 18 months.

**Case:** A referral was received from an insurance company indicating that a general lines agent submitted 26 automobile insurance applications with incorrect garaging addresses, causing the policies to be issued with a lower premium. Once the 26 policies were endorsed with the correct garaging addresses, this resulted in additional premiums of more than \$6,000 being owed to the insurance company. The agent was terminated by the company and the additional premiums are being deducted from his commissions earned until the debt is paid in full.

**Disposition:** License suspended for 18 months. If approved for reinstatement following the suspension, his license will be placed on probation for one year.

**Case:** The Department received notification from an insurance company that a general lines agent forged a consumer's signature on a change of coverage form for his homeowner's policy. The Department conducted an investigation and alleged the agent submitted an insurance-related document to the insurer with false signatures and failed to update her contact information with the Department.

**Disposition:** License suspended for one year.

**Case:** An investigation of a life & health agent revealed a struggle to complete the sale of an annuity. The agent decided to move forward without consulting his client. The agent proceeded to forge the consumer's name to a form that transferred nearly \$10,000 from her life policy to the annuity. The Department successfully intervened and reversed the funds transfer for the consumer and nullified the transaction.

**Disposition:** License suspended for six months.

**Case:** An investigation revealed a bail bond agent executed bail bonds while a judgment remained unpaid for more than 35 days. The agent was ordered to pay an administrative penalty of \$2,000, which he failed to pay the administrative fine within the specific time limit.

**Disposition:** License suspended for 60 days.

**Case:** An investigation revealed a surety company premium was collected by a bail bond agent, but in this case, the agent failed to transmit the monies in compliance with their contractual agreement. The surety company was owed and although the agent stated to the investigator that he hoped to set up a payment plan, no written confirmation of any arrangement was ever received. Through the Department's efforts, restitution was made in the amount of \$10,515.90.

**Disposition:** Fined \$2,500 and placed on probation for one year.

**Case:** The Department received notification from an insurance company that a public adjuster had no current appointments. The public adjuster was given a courtesy call by the Department and advised he needed to log onto his MyProfile account and self-appoint, as he was currently not in compliance with Florida law requiring a proper appointment. The public adjuster was advised he was in violation for conducting business without an appointment and was advised he could not transact public adjusting business without one. A follow-up revealed he was still adjusting without an appointment.

**Disposition:** Fined \$1,500, placed on one year probation, and required to secure an appointment.

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## Enforcement Actions

- May 2014

Some of the following disciplinary actions were resolved through a settlement process resulting in an order for discipline. Notification of disciplinary actions is in the public interest. While 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.

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

**IMPORTANT NOTE:** Copies of enforcement action documents can be located by searching the [Division of Legal Services' database](#). After clicking the **Locate** link below and the database opens, click on **Final Orders** on the left, followed by **Dept of Financial Services**, then **Agent and Agency Services**, then **Final Orders 2014**. You will then be able to locate the document by the first letter of the individual's last name or business name. For further information, you may make a public records request via [email](#) or contact the [Public Records Unit](#).



LAST/BUSINESS NAME	FIRST NAME	LICENSE#	LICENSE TYPE	DISPOSITION	FINE	RESTITUTION	CITY, STATE	DOCUMENT
A Auto Express Insurance, Inc.		L055182	Insurance Agency	License Revoked			Hollywood, FL	<a href="#">Locate</a>
Benitez	Emily	W075715	Customer Representative	Probation and Fined	\$2,500		Hialeah, FL	<a href="#">Locate</a>
Blanding	Alto	A297247	Bail Bond	License Suspended 6 Months			Tampa, FL	<a href="#">Locate</a>
Borci	Michael	P177990	Life, Variable Annuity	License Suspended 1 Year			Tampa, FL	<a href="#">Locate</a>
Bormar Agency Corp.		R046128	Insurance Agency	Registration Surrendered		\$277.39	Hollywood, FL	<a href="#">Locate</a>
Burnett	Don	E027571	Life, Health, Variable Annuity	License Revoked			Palatka, FL	<a href="#">Locate</a>
Cendejas	Frances	P195918	Customer Representative	License Revoked			Ft. Pierce, FL	<a href="#">Locate</a>

Cerenord	Betty	P238296	Life, Variable Annuity	License Revoked			Miami, FL	<a href="#">Locate</a>
Chester Insurance Services, Inc.		L006894	Insurance Agency	Probation and Fined	\$2,500		Deerfield Beach, FL	<a href="#">Locate</a>
City Title, LLC		D049415	Title Agency	License Revoked			West Palm Beach, FL	<a href="#">Locate</a>
Delacova	Joaquin	A064917	General Lines	License Suspended 3 Months and Fined	\$3,750	\$74,039.73	Boca Raton, FL	<a href="#">Locate</a>
Deseme, Sr.	Guillaume	W170522	Service Warranty	License Revoked			Kissimmee, FL	<a href="#">Locate</a>
Foster	Paul	P224133	Bail Bond	License Suspended 2 Months			Jacksonville, FL	<a href="#">Locate</a>
Garcia	Leonard	E070971	General Lines	Probation and Fined	\$3,000		Miami Lakes, FL	<a href="#">Locate</a>
Gilles	Abel	A097148	General Lines	Fined	\$1,000		Miami Gardens, FL	<a href="#">Locate</a>
Gonzalez	Joanne	E082500	Customer Representative	License Revoked			Cheswick, FL	<a href="#">Locate</a>
Greenland	Ann	E171795	Title Agent	Fined	\$2,500		Plantation, FL	<a href="#">Locate</a>
Gundy	Nekeda	P231820	Life, Health, Variable Annuity, Industrial Fire or Burglary	License Suspended 1 Year			Jacksonville, FL	<a href="#">Locate</a>
Jackson	Leslie	A225161	General Lines	Permanently Barred			Jacksonville, FL	<a href="#">Locate</a>
Kazinec	Aaron	A137788	Life, Health, Variable Annuity	Permanently Barred			Fort Lauderdale, FL	<a href="#">Locate</a>
LG Insurance Corp.		L002198	Insurance Agency	Probation and Fined	\$3,000		Miami Lakes, FL	<a href="#">Locate</a>
Martin	Michael	E096758	General Lines	License Suspended 9 Months, Restitution Ordered		\$88,800	Tampa, FL	<a href="#">Locate</a>
Moore	Corine	E130241	Bail Bond	License Suspended 3 Months			Jacksonville, FL	<a href="#">Locate</a>
Murray	Timothy	P110171	Public Adjuster	License Suspended 3 Months and Fined	\$2,500		Fort Lauderdale, FL	<a href="#">Locate</a>

Perez Novoa	Daisy	P033150	Customer Representative	Cease & Desist and Fined	\$5,000		Coral Gables, FL	<a href="#">Locate</a>
Progressive Title Insurance Agency, Inc.		E181293	Title Agency	Fined	\$500		Plantation, FL	<a href="#">Locate</a>
Ray	James	A215724	Bail Bond	Probation and Fined	\$2,500		Lutz, FL	<a href="#">Locate</a>
Riut	Emma	P090752	Life, Health, Variable Annuity	License Suspended 1 Year			Doral, FL	<a href="#">Locate</a>
Royal Title & Escrow Company, Inc.		A227506	Title Agency	License Suspended 6 Months			Miami, FL	<a href="#">Locate</a>
Sacks	William	P155837	General Lines	License Surrendered; Cannot Reapply for 5 Years		\$1,241.37	Northbrook, IL	<a href="#">Locate</a>
Sharp	Christopher	E175371	Bail Bond	Probation and Fined	\$2,500	\$10,515.90	Tampa, FL	<a href="#">Locate</a>
Spickelmier	Jonathan	P081586	General Lines	Probation and Fined	\$6,000		Jacksonville, FL	<a href="#">Locate</a>
Springer	Tonya	W016962	Life, Variable Annuity	License Suspended 6 Months			Los Angeles, CA	<a href="#">Locate</a>
Vassallo	Jeffrey	P207386	Bail Bond	Probation and Fined	\$3,000		Cape Coral, FL	<a href="#">Locate</a>
Zorrilla	Erasmus	P204387	Public Adjuster	Fined	\$2,500		Cutler Bay, FL	<a href="#">Locate</a>



# Contact Us

- We're always here for you

## Bureau of Licensing

[AgentLicensing@MyFloridaCFO.com](mailto:AgentLicensing@MyFloridaCFO.com) - For general inquiries about licensing.

[Education@MyFloridaCFO.com](mailto:Education@MyFloridaCFO.com) - For education-related questions (prelicensing, continuing education, providers, etc.)

[MyProfile](#) - Check your up-to-the-minute application status, education information, and more.

Licensees are reminded to update any change in their name, addresses (including email) or phone numbers by logging in to their [MyProfile](#) account. If you also have an agency license, don't forget to log in to your agency's MyProfile account and update it as well.

200 East Gaines Street  
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## Bureau of Investigation

[Title@MyFloridaCFO.com](mailto:Title@MyFloridaCFO.com) - For title insurance matters

[BailBond@MyFloridaCFO.com](mailto:BailBond@MyFloridaCFO.com) - For bail bond matters

[askDFS@MyFloridaCFO.com](mailto:askDFS@MyFloridaCFO.com) - For all other matters not related to licensing or education

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