Introduction: Reorganization of the Department

by Lisa Chuites

The Office of the General Counsel has, either by statutory review or by contacting the divisions and offices, confirmed the following titles of the Department’s divisions and offices. In all formal written communications please refer to these areas exactly as stated below. This list reflects, in part, the Department’s official organizational structure established pursuant to section 20.121, Florida Statutes (2016).

The Division of Accounting and Auditing
The Division of Administration
The Office of Cabinet Affairs
The Office of Communications
The Division of Consumer Services
The Office of the General Counsel (formerly the Division of Legal Services)
The Division of Information Systems
The Division of Insurance Agent and Agency Services
The Division of Investigative and Forensic Services (formerly the Division of Insurance Fraud)
The Office of Fiscal Integrity (formerly under the Division of Accounting & Auditing)
The Office of Inspector General
The Office of Insurance Consumer Advocate
The Office of Internal Affairs and Appointments
The Office of Legislative Affairs
The Office of Program Management

The Division of Public Assistance Fraud
The Division of Rehabilitation and Liquidation
The Office of Research and Planning
The Division of Risk Management
The Division of State Fire Marshal
The Division of Treasury
The Division of Unclaimed Property (formerly the Bureau of Unclaimed Property, under the Division of Accounting & Auditing)
The Division of Workers’ Compensation

Courses or advertisements that reference the Florida Department of Financial Services or one of it’s divisions or offices incorrectly will be requested to update the incorrect information prior to course approval.

Please see F.A.C. Rule 69B-228.080 for more information: CLICK HERE

5 hour courses expire one year from approval date. Course offerings must not exceed the one year term as credit will not be awarded to students after the expiration date of the course.

CE Rule, 69B-228, is currently in the rule-making process. View the rule notice to get familiar with the updates before they are adopted.

Contact the Education Unit: Education@MyFloridaCFO.com
Stay Out of the Penalty Box

by Heather Cleary

If you are an approved provider, the Education Unit issued you a "jersey number" also known as your approved provider ID number. However, do you know the rules you should follow to stay in the game and out of the penalty box?

Since the Education Unit must maintain the standard of approving fit and trustworthy providers you may find yourself sidelined for not following the requirements of the Florida Administrative Code. Recently we have had to make some calls due to violations of the rules. Below are some of the violation areas:

- Late course offering submittal. The deadline for course offering submittals is 30 days prior to the first day of the class or seminar and no more than one year in advance for CE courses and five days prior for PL courses.
- Advertising a course as approved, or pending approval, or soliciting attendance for any course that has not yet been approved.
- Instruction of a class by an individual not approved by the Education Unit.
- Instruction of a class for less than the approved course time.
- Submitting students on a roster who have not completed the entire approved CE course.
- Failure to maintain course completion and attendance records for five years following the completion date of each course offering.
- Falsification of any document, form, outline, or information in connection with any course.
- Late roster submittal. The deadline for roster submittals is 21 days after the course completion date.
- Certificate of Completions issued to students without the required information.

Are you playing by the rules?

Those above are only a few. For more details read the continuing education rule found in chapter 69B-228, F.A.C., and the pre-licensing rule found in chapter 69B-227, F.A.C.

You play a critical part in educating Florida insurance licensees on ethical and legal requirements. Setting a good example of compliance will keep you in the game and out of the penalty box.
John and Sue are husband and wife, who decide to go into the insurance business together. They both do their homework, spend a lot of time and hard earned money to become new insurance agents in the state of Florida.

They take the necessary pre-licensing course in order to qualify for a Florida insurance license. This course took a substantial amount of time, taking more than 200 hours of classroom and/or online training. John took his course through the Blue Company* provider while Sue took hers later through the Red Company* provider. They both spent about an equal amount of money and time on the courses and both passed their courses and applied for their licenses soon thereafter.

Even though Sue took her course later than John, her license was issued the very next day. They soon found out John’s license application had not yet been approved. They were set to begin working with an insurance agency within the week, but unfortunately his license application was held up and was now causing some serious problems, because they had bills to pay.

John frantically contacted the Department of Financial Services (DFS) in order to ascertain the problem with his application. To his surprise, DFS received only his Certificate of Completion for the pre-licensing course, and it was not complete. The certificate included the name of the course, his name, and even the date completed, but unfortunately no other information was on the certificate. This certificate was non-verifiable and therefore not valid. John spent another two weeks corresponding with DFS and the provider he used, in order to obtain a certificate of completion and roster credits to finally get his license issued.

Because John wasn’t licensed right away and unemployed, the two failed to pay all of their bills, which subsequently cost them even more money and time. Blue Company* provider explained to John that they didn’t think the rule or laws governing providers were up-to-date, and they were going to fight DFS on this. However, John was only concerned about getting his license and paying his bills, and not excuses. Because “*Blue Company” provider certificates are not complete, the fact is, they just can’t compete.

There is, however, a happy ending to this story. Once the two became licensed and began to sell insurance, John and Sue were able to pay all bills and move forward to profits. Being conscientious, they were able to warn other potential agents about Blue Company* provider and promote the services of the Red Company* provider, who not only met their pre-licensing education needs, but provided the certificates correctly and allowed the applicants to get licensed without any hassle. The truth is; anyone can get on a computer and create a certificate of completion, and put their name and a date on it. In fact, anyone can look up the names of pre-licensing courses online and put the name on a certificate and then submit it to DFS. This is why Florida Law requires more specific information. DFS cannot process an application unless specific information, which is directed by Florida regulations, is contained on the Certificate of Completion.

This form is found on the DFS website, and under the “Forms” section, Certification of Completion (DFS-H2-1668). Most Florida pre-licensing and CE providers know the requirements and submit them correctly. They want to provide the best service they can for their customers while maintaining their integrity and trust within the insurance industry. Does your provider do this?

*This story, all names, characters, and incidents portrayed in this production are fictitious. No identification with actual persons (living or deceased), places, buildings, and products is intended or should be inferred. Blue and Red Company providers are strictly
Did you know

Course Audits

by Earnest Fryson and Shelley Werts

In June, many providers received a course audit notification from the Education Unit. Several providers have never experienced an audit before and perhaps wondered why they were selected to be audited.

The audit was conducted to ensure Florida’s licensees are provided quality education which contributes directly to their professionalism, ethics and/or competence. The decision was made to audit all active courses that were approved prior to 2008.

There were more than 2,500 courses audited, which included requests for additional documentation. Along with these requests, providers were allowed the opportunity to close any course no longer utilized. As a result, more than 1,000 courses were closed. In an effort to ensure approved courses remain in compliance with current Florida rules and statutes, audit notifications were sent via email to providers whose courses showed a need for updates. Numerous laws have been changed or enacted over time, which require updates to outdated content. Within the audit, providers were instructed to submit updated content for outdated courses so those courses may continue to be used in accordance with applicable current Florida laws. A 30-day period from the date of the email, is afforded providers to submit the necessary updates for outdated courses pending approval, or they have the option of responding with a request for closure of such course(s). Non-responses to the audit review notifications warranted disapproval.

Currently, the Education Unit is actively reviewing the received course documents. Providers will be informed of each course audit completed. If a course does not meet the guidelines found in statute or rule, we will work with each provider to determine if the course should be updated or closed.

Should a provider need further assistance with their audit results, please email us.

Are You Reviewing Your Courses Every Year for Updates?

by Lisa Chuites

In life, changes occur by the minute. This is why it is important to think about industry updates that may occur and are relevant to your courses.

Did you know, it is your responsibility as a provider, to teach up-to-date and accurate information? That means, when you are submitting your course applications or submitting course offerings for approved courses, you should be reviewing your course materials and updating them according to the current Florida regulations and industry-wide changes or updates.

Did you know, the Department of Financial Services had organizational updates in 2016? Find out more in the Department Reorganization article.

Did you know, you will need to review the updated Exam Content Outlines for pre-licensing courses since both the Exam Content Outlines and the Study Manuals for 2017 were made available November 1, 2016? You will also need to review your already approved pre-licensing courses to incorporate the Exam Content Outline and Study Manual updates. Save time and countless DFS requests by updating your courses with the most current information!

Another important reminder: 5-Hour Law and Ethics Update and seminar courses expire after one year. This means that you will need to submit a new course application with your updated course materials prior to course expiration if you do not wish to experience a lapse in your course offering schedule.

Compliance Tip!

Courses are required to be taught for the entire time listed on the approved course application.
A Matter of Qualifications

by Matt Wester

As it relates to instructor qualifications to instruct agents, customer representatives and adjusters; the rules for CE (69B-228.060, F.A.C.) and pre-licensing (69B-227.160, F.A.C.) describe the required qualifications. However, intent can be lost in translation.

Since I’m too old to care about my age, I’ll approximately give it away with a story from the past, to use as a segue.

During the Vietnam War the military held press conferences which were referred to as the “5 o’clock follies.” There was a popular “spoof” at the time called “what the Colonel really means.” Which, in a humorous way, put into laymen terms the military jargon used by the Colonel.

“Air strikes were initiated on suspected combatant staging areas” What the Colonel really means is that we spent several hundred thousand dollars bombing useless jungles...

So, in regards to instructor applications, what the rules really mean...

Experience: licensure or some other demonstrable experience in “the subject matter.” For example: an experienced engineer would be a great instructor for explaining structural damage to adjusters, but discussing underwriting, coverage interpretation and coverage options to agents, not so much...

Instructional Experience: To verify the teaching experience, we will need a teaching log. The log needs to include the subject of what was taught, dates and hours of instruction.

Professional Designation: Like experience, the designation needs to be germane to the subject matter. A recognized designation in fire forensics could work for an adjuster authority, but not for agents. There are quite a few recognized designations that could be applied to the various course authorities. Generally, these designations should have continuing education requirements of their own. The CPCU would be accepted for any General Lines or Adjuster authority and the CLU would be accepted for any Life authority.

A Degree: Generally, the degree must be an insurance related degree, such as, Risk Management and Insurance. As noted before, various degrees will lend themselves to adjuster education, but when it comes to agents; we are looking for a Risk Management and Insurance degree. The exception, legal eagles, a Juris Doctorate is accepted for all authorities as is the experience qualification. In lieu of the experience, 2 years as a member of the Florida Bar practicing in the subject matter will work.

It is important to keep in mind when applying as an instructor, that the course authority selected is broader than just a given course. Selecting an inappropriate course authority when the instructors experience does not translate, will not work. In other words, focus on the qualifications of the course authority selected in the instructor application. Not the course or anticipated audience.

Compliance Tip!

Any individual presenting to students is required to be listed as instructor on the course offering.
by Lisa Chuites

Have you recently submitted a 5-Hour Law and Ethics Update Course or do you plan on submitting one in the future? You may want to review your course outline as there has been a recent reorganization of the Department (as seen on page one) and you may need to revise the course outline as pertinent information may have changed.

The 5-Hour Law and Ethics courses expire after one year from the approval date. This would be a good time to make sure all pertinent information is current and up to date on your outline before the submission of a new course application.

When you submit your course application, do you panic when you see the message that comes back from the Department hoping it will not be a request for additional information? A tip to avoid receiving a request for additional information is to make sure the course documents that are submitted include accurate and up to date information. Skipping this important step could delay the processing of your application.

**Why not be proactive?** Read the Tips information below and update prior to your next course application submission.

**Tip #1:** Read and familiarize yourself with the rules and statutes pertinent to continuing education (69B-228) or pre-licensing (69B-227).

**Tip #2:** Review the current checklist provided on our [website](#).

**Tip #3:** Make sure all information on the outline and course content is accurate and up to date.

**Tip #4:** Do not rush to create an outline; more errors can occur creating unnecessary time delays.

**Tip #5:** Use the reorganization information listed previously on page 1-2 as a tool when updating your courses.

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**Compliance Tip!**

Entering inaccurate or invalid information on a roster or certificate of completion may be considered falsification.
Letters of Guidance

By Shelley Werts

Letters of Guidance are issued from the Department as direct feedback to providers on noted violations of the Florida Insurance Code such as late roster and course offerings. Other violations include certificate of completion violations, records audit violations, and course audit violations.

The following table lists the number of occurrences the Department has issued Letters of Guidance for late roster, late course offering submissions, and other violations during the past 12 months. One trend the Department is concerned with is the number of listed late roster occurrences. In 2016, occurrences for late roster submissions were reported on average 53 days after a course was completed. The industry standard for roster submissions is 3-5 business days; however, rosters are required to be submitted within 21 days. Any roster submitted after 21 days is considered late and is in violation of the Florida Administrative Code. Submitting a late roster can delay a licensing application or lead to penalties imposed on a licensee due to continuing education non-compliance. Ultimately, each provider is responsible for the information submitted to the Department.

It is important to note a handful of providers have committed the majority of late roster and late course offering occurrences listed below. The Department reviews trends as well as individual provider actions and addresses these on a case by case basis to determine if further action is warranted.

The following page contains instances in which providers 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.

Contact the Education Unit: Education@MyFloridaCFO.com

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Case Notes and Enforcement Actions

Case: An investigation was conducted into the activities of a continuing education provider after the provider notified the Department of a course completion date reporting error for a licensee. A review of the provider’s records revealed the falsification of a course completion record.
Disposition: Fined $1,000

Case: An investigation was conducted into the activities of a continuing education provider due to multiple occurrences of falsification or misrepresentation of materials, documents, or records in connection with continuing education courses.
Disposition: Fined $6,250

Case: An investigation was conducted into the activities of a pre-licensing provider for failure to conduct a course, falsification of course records and failure to respond to a direct order from the Department.
Disposition: Suspension – 1 year

Case: An investigation was conducted into the activities of a pre-licensing provider for certificate of completion violations, non-response to a Department records audit and failure to respond to a direct order from the Department.
Disposition: Suspension – 1 year

Case: An investigation was conducted into the activities of a continuing education provider after a licensee notified the Department they were credited hours for courses they did not complete.
Disposition: Fined $2,500 and Administrative Cost $10,000

Enforcement Actions

Some of the following enforcement actions were resolved through a settlement process resulting in an order for discipline. Notification of enforcement actions is in the public interest. While every effort is made to provide correct information, our readers are cautioned to check with the Department for complete details. This listing does not reflect pending appeals or requests for hearings. The status may have changed since the filing of these orders.

IMPORTANT NOTE: Actions taken after July 1, 2015, can be searched for at the Florida Division of Administrative Hearings' (DOAH) website. For further information, you may make a public records request via email or contact the Public Records Unit.
Warning: No part of this listing may be used by a provider, school official, instructor, licensee or other individual or entity to gain an unfair competitive advantage over any person or entity named herein. Any provider, school official, instructor, licensee or other individual or entity who does so is in violation of Section 626.9541(1)(c), Florida Statutes.

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<th>BUSINESS NAME</th>
<th>SCHOOL OFFICIAL NAME</th>
<th>PROVIDER ID#</th>
<th>PROVIDER TYPE</th>
<th>DISPOSITION</th>
<th>FINE/ COST</th>
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<td>Order of Suspension – 1 Year</td>
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</tr>
</tbody>
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Contact the Education Unit: Education@MyFloridaCFO.com
Test Your Knowledge

Across

4. _______ of authority is a type or class of insurance an agent is authorized to transact.
5. _______ is a licensee who resides in the State of Florida.
6. _______ agent is a someone who is licensed to solely transact medical related policies.
7. _______ a type of licensee that handles claims.

Down

1. _______ lines agent is an agent who is limited to transacting business related to property and casualty insurance sold to individuals and families for noncommercial purposes.
2. _______ representative is an individual appointed by a general lines agent or agency to assist that agent or agency in transacting the business of insurance from the office of that agent or agency.
3. _______ lines agent is an agent transacting any one or more of the following lines of insurance: property and casualty, commercial liability, health.
4. A _______ issued by the Department of Financial Services authorizes a person to be appointed to transact insurance or adjust claims for a specific line of insurance.
6. _______ state is any state or territory of the United States in which an agent or adjuster maintains his or her principal place of residence or principal place of business and is licensed to act as an insurance agent or adjuster.

Contact the Education Unit: Education@MyFloridaCFO.com

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Education Unit

Education@MyFloridaCFO.com - For education-related questions (pre-licensing, continuing education, providers, etc.)

MyProfile - Check up on any of the Provider applications you may have pending, 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. Providers are reminded to update any change in their school officials, addresses (including email) or phone numbers by logging in to their MyProfile account.

Bureau of Licensing

AgentLicensing@MyFloridaCFO.com - For general inquiries about licensing.

Education@MyFloridaCFO.com - For education-related questions (pre-licensing, 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.

Bureau of Investigation

Compliance issues, licensees and insurers only:

Title@MyFloridaCFO.com - For title insurance matters

BailBond@MyFloridaCFO.com - For bail bond matters

Adjusters@MyFloridaCFO.com - For adjuster matters

For all other matters not related to licensing or education please email: askDFS@MyFloridaCFO.com

Or send mail to: 200 East Gaines Street
Larson Building, Room 412
Tallahassee, FL 32399-0320

Title Insurance Data Call

TitleAgencyReporting@floir.com - For questions about the filing process

TitleDataCall@floir.com - For all other questions about the data call

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We welcome suggestions and inquiries concerning Provider Insights. Please direct them to Clay Tidwell.

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