

INSURANCE *Insights*

DIVISION OF AGENT AND AGENCY SERVICES

Volume 4, No. 12 - December 2015

A New Year Brings Renewed Financial Focus

Dear friends,

As 2015 comes to a close, I am sure many of you are looking back at the past 12 months, just as I am. It's important to examine the past for multiple reasons: to reflect on the highs and lows and the special moments with loved ones, to make plans to grow our successful endeavors even further and to study our histories so that we may not be doomed to repeat mistakes. Each of these actions serve important purposes in our lives.

As you reflect, I encourage you to take stock of where you stand financially. There is always room to improve, which is why it is important to see if you are where you want to be when it comes to your savings, credit goals and investments.

If your focus for 2016 is to build your savings, have a plan and make saving a



priority. Decide what it is you're saving for, create a timeline for when you want to have the specified amount saved, create a budget to match that timeline and stick to it vigilantly. Setting a tangible goal and writing it down will help you keep your eyes on the prize. Visit our [Your Money Matter\\$](#) page to learn more about [saving](#), compound interest, savings accounts and to review helpful tools.

Another worthy goal for the New Year is to overcome bad credit. Credit can be a positive tool in your financial tool belt and can be used to work for you. Remember the three C's of credit when considering your options: character, capital and capacity. These factors determine your credit score, which signals your ability to repay credit. You can learn more about the three C's and using your credit wisely [here](#).

Savings and credit are affected by our ability to [budget](#). Our [Your Money Matter\\$ website](#) has many calculators to assist with budgeting that I encourage you to try. It is my hope that all Floridians take their finances seriously, as our finances have a lifelong impact on us and our loved ones. Remember this as you go into the New Year.

Carole and I hope your New Year is full of happiness, health and, of course, financial wellness! Here's to a wonderful 2016! safeguard Florida's future and to make sure everyone knows that we're the very best

**VERIFY
BEFORE
YOU SELL**

Agents should routinely verify the licensure of the companies for which they're selling. If you suspect an entity is not authorized or licensed to transact insurance in Florida, from Florida or with residents of Florida, please notify our office. Report suspected unlicensed activity. Call 877-MY-FL-CFO (1-877-693-5236).
[Read more >>](#)

place to live, work and call home.

Sincerely,



Jeff Atwater
Chief Financial Officer
State of Florida



News You Can Use

- Updating you on what's going on

Jacksonville Title Agent Defrauds Clients of Nearly \$400,000 While Operating Unlicensed Real Estate Title Agency

Florida's Department of Financial Services (DFS) Division of Insurance Fraud (DIF) announced the arrest of Kristine Ann Spahr, 41, after her alleged intentional misappropriation of nearly \$400,000 in real estate escrow funds as an effort to gain personal monetary profit while she was illegally operating her Nassau and Duval county-based insurance company, Signature Title and Trust LLC.

In January of 2015, DIF received a complaint that alleged Spahr's title agency, Signature Title and Trust, had closed a real estate transaction that listed Chicago Title Insurance Company as the policy evaluator. After looking further into the complaint, DIF established that neither Spahr nor her company had been appointed to represent or sell policies on behalf of Chicago Title.

At that time DIF, in conjunction with DFS' Division of Agents and Agency Services' Bureau of Investigation, moved forward with their investigation revealing that in 2014 Spahr had forfeited her title agency license as a condition to work as an agent for another title insurance company, Grace Title. While working for Grace Title, Spahr continued to illegally operate her previous company, Signature Title and Trust LLC, without the required licensing.

DIF's investigation later revealed that on at least seven separate occasions, while illegally operating her previous company, Spahr defrauded her clients by keeping their real estate escrow funds and failing to provide her clients with the title insurance they had paid for. Of the seven fraudulent transactions, two victim's homes had prior mortgages that were not paid off from the escrow accounts and were facing foreclosure. Unpaid federal and county tax liens were not paid off in several of the other victim's real estate closings. In total, funds in excess of \$391,000 were found to have allegedly been stolen by Spahr.

Kristine Spahr was booked into the Nassau County Jail and has been charged with one count of organized scheme to defraud, a felony of the first degree. This case will be prosecuted by the Assistant State Attorney Stephen Siegel of the State Attorney's Office for the Fourth Judicial Circuit, and if convicted, Spahr faces up to 15 years in prison.

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

Florida Announces Two Multi-Agency, Multi-State Life Claim Settlement Agreements Totaling More than \$5.5 Million

The Florida Office of Insurance Regulation (Office), Florida Department of Financial Services (DFS), and the Florida Office of the Attorney General (AG) announced national life claim settlement agreements have been signed with Jackson National for \$2.5 million and AXA for \$3.28 million.

These settlement agreements focus on the one-sided use of the Social Security Administration's Death Master File (DMF) to stop paying a deceased person's annuity, but not using the same information to find and begin paying the deceased's family or other beneficiaries for life insurance policies.

In its fifth year, this multi-state national effort has resulted in the successful return of more than \$5 billion in unknown or lost policy proceeds to beneficiaries directly by the companies and over \$2.4 billion delivered to the states' unclaimed property programs, which continue efforts to locate and pay beneficiaries

To date, state insurance regulators have either reached settlements or concluded the investigation of 22 of the top 40 companies constituting 73% of the total market. Efforts continue to be focused on the examination of the remaining 18 insurers.

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

South Florida Mail Man Arrested in Alleged Investment Scam

The Office of Financial Regulation (OFR) announced the arrest of Lawyer Stanley Jr. by the Hallandale Beach Police Department for his role in an alleged gold and diamond investment scam. Stanley is charged with one count of organized scheme to defraud, one count of first-degree grand theft and one count of third-degree grand theft. He was booked into Broward County Jail where he is currently being held on a \$50,000 bond.

"It is important to always be on guard when investing your money, even if someone seems trustworthy," said OFR Commissioner Drew J. Breakspear. "The OFR urges all consumers to verify the license of the company or individual before doing financial business with them."

"Thank you to our partners in the Hallandale Beach Police Department and the Miami-Dade County State Attorney's Office for their diligent work in this case," said OFR Acting Chief of Financial Investigations Alex Toledo. "I am proud of our investigative team who work tirelessly to bring financial criminals to justice."

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

Information Sought on String of Jacksonville Arsons

The Florida State Fire Marshal's Office is looking for information about a string of arsons that occurred early the morning of December 8th, 2015, in Jacksonville, Florida. Around 3:00 a.m., a porch

surveillance camera captured images of the suspect, which are attached along with the original video.

The first incident was a palm tree that was set on fire at the corner of Valencia Road and Van Wert Avenue shortly before 3:00 a.m. The suspect proceeded to check the door handles of multiple vehicles along Valencia Road before vandalizing a pick-up truck. After moving to Dancy Street, the suspect broke into a truck, stole papers from inside the cab, and placed them in the gas tank before attempting to ignite them. The suspect then made his way to Boone Park Avenue, where he detached a wooden plank from a fence and proceeded back to Dancy Street where he set a vehicle on fire which resulted in a total loss. His final fire occurred at an occupied residence on Oak Street. The fire was started on the porch at the front door, and then spread to the attic.

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

Commissioner McCarty Receives LAAIA’s “Insurance Man of the Year” Award

Florida Insurance Commissioner Kevin M. McCarty was honored with the Latin American Association of Insurance Agencies (LAAIA) “Insurance Man of the Year” Award on Friday, December 4, 2015. This award was presented to Commissioner McCarty in recognition of his many years of service and contributions to the insurance industry, including for technological innovations to enhance the regulatory process, efforts on Personal Injury Protection (PIP) reform, the recovery of more than \$110 million over the last two years for Florida policyholders as a result of life insurance claim settlements, and the depopulation of Citizens Property Insurance Corporation.

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

Office Approves Removal of Up to 75,115 Policies from Citizens for February 2016 Take-Out

The Florida Office of Insurance Regulation (Office) has approved the removal of up to 72,534 personal residential policies and 2,581 commercial residential policies from Citizens Property Insurance Corporation (Citizens). The following three companies have been approved to participate:

- Avatar Property & Casualty Insurance Company – approved to remove up to 1,081 commercial residential policies (Commercial Lines Account)
- Heritage Property & Casualty Insurance Company – approved to remove up to 55,000 personal residential policies (35,000 Personal Lines Account and 20,000 Coastal Account) and up to 1,500 commercial residential policies (1,300 Commercial Lines Account and 200 Coastal Account)
- National Specialty Insurance Company – approved to remove up to 17,534 personal residential policies (Coastal Account)

Citizen’s Personal Lines and Commercial Lines Accounts are primarily non-coastal properties and the Coastal Account is coastal properties. The take-out periods are February 23, 2016 for personal

residential impacting both the Personal Lines/Coastal Account policies and February 16, 2016 for commercial residential impacting both the Commercial Lines/Coastal Account policies. This is part of the state's ongoing depopulation effort to reduce the number of policies in the state-created Citizens and transfer them to the private insurance market.

[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 that licensees routinely check their [MyProfile](#) account(s) for messages from the Department. We send an email notification when a message has been sent 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 domains **dfs.state.fl.us** and 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.

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In The Know

- Keeping you informed is what it's all about

Restrictions on Agency Names

When choosing a name for your insurance agency, please note that the Department may disapprove the use of any true or fictitious name, other than the bona fide name of an individual, if it violates certain guidelines. The name cannot:

- mislead the public in any respect,
- interfere with or be too similar to another name already being used by another agency or insurance company,
- state or imply the agency is an insurer, motor club, hospital service plan, state or federal agency, charitable organization, or entity that primarily provides advice and counsel rather than selling or soliciting insurance, or is entitled to engage in insurance activities not permitted under the license you hold or have applied for.

The provisions above do not prohibit you from using the word “state” or “states” in the name of your agency as those terms do not, in and of themselves, imply that the agency is a state agency. Please see [s.626.602](#), F.S.

Agent in Charge - Requirements, Changes and Responsibilities

Each person operating an insurance agency and each location of a multiple location agency must designate a licensed and appointed agent in charge for each location.

An agent in charge (AIC) is defined as the licensed and appointed agent responsible for the supervision of all individuals within an insurance agency.

Requirements

Each business location established by an agent or insurance agency must be in the active full-time charge of a licensed and appointed agent holding the required licenses for the lines of insurance transacted at the location. The AIC of an insurance agency may be the AIC of additional branch locations if: (1) insurance activities requiring licensure as an insurance agent do not occur at the location(s) when either the AIC or an appropriately licensed agent is not physically present and (2) unlicensed employees at the location(s) do not engage in insurance activities that require licensure as an insurance agent or

customer representative.

Each insurance agency and branch office is required to designate an AIC and to file the agent's name, license number, and physical address of the insurance agency location with DFS at the DFS website. Adding and removing an AIC can be done by going to www.MyFloridaCFO.com/Division/Agents and logging in to the agency's account in [MyProfile](#).

Changes

A change of the designated AIC must be reported to DFS within 30 days, and becomes effective upon notification to DFS. An insurance agency location is precluded from conducting the business of insurance unless an AIC is designated by, and providing services to, the agency at all times. When the agent in charge ends her/his affiliation with the agency, the agency must designate another AIC within 30 days. If the agency fails to make such designation within 90 days after the designated agent has ended their affiliation with the agency, the agency license will automatically expire.

Responsibilities

The AIC of an insurance agency is accountable for misconduct or violations committed by the licensee or agent or by any person under her or his supervision acting on behalf of the agency. However, the AIC is not criminally liable for the misconduct unless she or he personally committed the act or knew or should have known of the acts and of the facts that constitute the violation.

For complete information on the duties and responsibilities of the AIC, see [s.626.0428](#), F.S.

Sale of a Licensed Agency

If you sell your insurance agency you can arrange for the business name, assets, liabilities, building and equipment to transfer to the new owner as part of the sale, however, neither your license nor appointment is transferable. A license or appointment issued under the Florida Insurance Code is valid only to the person or entity named and is not transferable to another person. Please see [s.626.441](#), F.S.

Accepting Referral Fees from Property Inspectors or Inspection Companies is Prohibited

An insurance agent, insurance agency, customer representative, or insurance agency employee is prohibited 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. [See [s.626.621\(15\)](#), F.S.]

The Florida Statutes Are Available Online

The Florida Statutes can be viewed at [Online Sunshine - Title XXXVII Insurance](#).

Education Central





- Things to know about your continuing education

Five-Hour Law & Ethics Update vs. Electives

Have you ever taken a course and thought you have now completed your CE hours to be compliant with the current cycle only to find out the CE hours you earned were credited towards your elective hours and now you still need a 5 Hour Law & Ethics Course?

Many of us have! The best way to make sure you are compliant is to check your [MyProfile](#) account to determine your individual continuing education compliance requirements and status.

Below is an example of what could happen when you take an elective course that you may have thought was a 5 hour Update course and you thought it would fulfill your CE requirements.

		Hours Required	Hours Completed	Hours Needed
	5 Hours Update What is this?	5	0	5
	 Elective What is this?	15	15	0
	88119 ESTATE PLANNING: WORTH ANOTHER LOOK		11/02/2015	2
	76368 LEGACY PLANNING		10/27/2015	7
	94025 FLORIDA 5-HOUR LAW AND ETHICS UPDATE: GENERAL LINES, 2ND EDITION		10/26/2015	5
	75425 PLANNING WITH SOCIAL SECURITY AND MEDICARE		10/29/2012	1 Carry Over
Total		20	15	5

This course 88119 was an elective course therefore a 5 hour Update course is still needed.

This was a 7 hour "Elective" course, 2 hours applied to the Elective requirement and the additional 5 hours will carry over to next compliance cycle since the 15 hours have already been completed.

Total 5 Hours Update still needed.

What is an elective?

You are invited to a dinner party. In front of you, the table is arrayed with a wide variety of food. Your eyes are immediately drawn to the center of the table. There, the main entrée, a golden brown turkey, is sitting. It appears to be glistening. To the left, there are two salad choices, collard greens, green beans, corn and fruit, all fresh and inviting. To the right, the savory delights, sweet potato casserole with golden brown marshmallows oozing over the top, mashed potatoes and gravy, cole slaw, potato salad, fresh baked rolls and corn bread. Every side dish you can imagine is in front of you! Your mouth begins to water just thinking of the wide variety of choices available for you to make the perfect meal.

Similar to the dinner party, compliance cycles ending October 31, 2014 and later rolled out new continuing education requirements for Florida licensees. The main entrée being served in the new compliance cycle is the 5 hour Law and Ethics course. Florida licensees are required to complete a 5-hour Law and Ethics course applicable to their license type. Please note title insurance agents are not included in the 5-hour course requirement and therefore must complete courses that are approved in the line of title insurance.

What about all of those sides? The sides that you choose to fill your plate are the elective credits in the new compliance cycle. An elective course is any approved continuing education course. Public adjusters are required to complete elective courses designed specifically with them in mind. For all other licensee types, the elective courses can be chosen from any topic that interests you, the licensee.

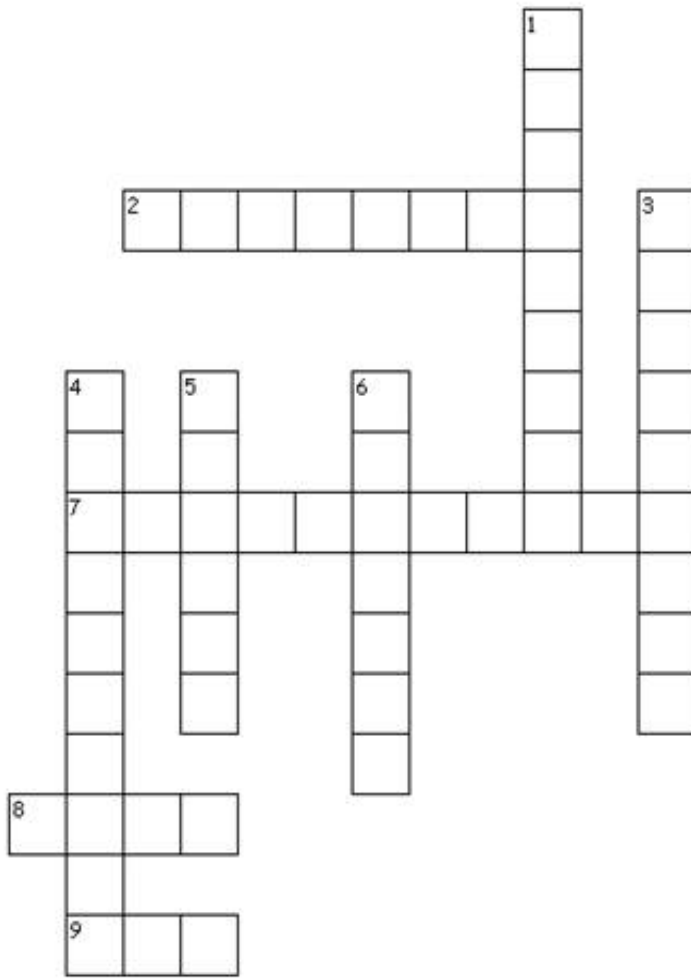
The Department's new guidelines allow you to learn more about topics that interest you. Some examples of subjects that you can learn more about include risk management, disaster preparedness, ethics, policy contracts, current case law and much more!

Our online course search can easily help you search for continuing education courses approved by the Department. To use the online search:

1. Go to our website at 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. (This will pull up all the approved courses, even for different course authorities that you can take as an elective under your Course Authority.)
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.

We wish you well on your ever expanding pursuit of continuing education and look forward to continually providing you with your perfect plate.

Continuing Education Crossword Puzzle



Across

- 2. _____ Lines License Type Number 20-44
- 7. Florida Insurance Code requires that a licensee maintain at least one
- 8. _____ License Type Number 02-16 & 02-14
- 9. How many years to complete each CE requirement cycle

Down

- 1. The same CE course twice in a three-year period and not received credit
- 3. How many CE Exemption states are on the State of Florida All-lines
Adjuster reciprocity list
- 4. View your _____ for status of previous compliance cycles
- 5. If you have not held an appointment for 48 consecutive months your license
will automatically _____

(Answer key at **bottom** of the page)

“Raise Your Hand if You’re Sure”

Like the old deodorant commercials, many licensees are not able to raise their hands with confidence when it comes to CE compliance. Here are some things everyone should know about Continuing Education compliance:

In accordance with Florida Statutes: insurance agent and adjuster licenses are perpetual (no renewal required), provided that the licensee is properly appointed. Failure to complete Continuing Education requirements may result in termination of all appointments held, which could lead to termination of the license.

Licenses will expire if more than 48 months elapse without an appointment. You must re-qualify as a first-time applicant. Do you really want to start over?

What about the Signed Settlement Stipulation for Consent Order? Do you really want to pay a \$250.00 fine or lose your appointments if you don’t?

Be advised that no person may act as, advertise or hold himself or herself out to be an insurance agent, insurance adjuster, or customer representative unless he or she is currently licensed by the Department and appointed by an appropriate appointing entity or person. Yes, this means no work until you have completed all deficient CE requirements to date and obtain an appropriate appointment.

You see, there are many factors to consider when Continuing Education is not completed on time. You can always set a reminder on your calendar so that you won’t end up in one of these situations. Take the right steps necessary so that you can raise your hand in confidence when it comes to CE compliance.

Please be advised that you can also check your compliance and CE status by logging in your “MyProfile” account at https://dice.fldfs.com/public/pb_index.aspx and clicking on the blue “Click to check CE Status” button. This will open a new window that shows your current compliance period and hours needed.

Click the ‘expand all’ link and the plus (+) symbol next to each category to get detailed information on each topic of authority and courses taken. If you click on of the “What is this” link, you will be directed to <http://www.myfloridacfo.com/division/agents/Licensure/Education/CEReq.htm>. Here, you will be able to search for “Approved” CE courses.

We want you to be successful! Not out of compliance!

Are You Compliant with Your CE or Not?

To be CE compliant requires more than just taking CE courses. Below are a few 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.

- **Check prior 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.

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.

Crossword Puzzle Answer Key: Across: 2-personal, 7-appointment, 8-life, 9-two; Down: 1-duplicate, 3-17, 4-transcript, 5-expire, 6-general.

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Compliance Corner

This section has been created to assist you in keeping your insurance business in compliance. The items are intended as reminders only. Note: Division publications may include references to the [Florida Statutes](#) and/or the [Florida Administrative Code](#). The laws noted in our publications are/were in effect at the time of publication but may have been repealed, amended or replaced and new laws may have been enacted subsequently.

Compliance Topic of the Month: Frequently Investigated Allegations

Advertising Violation

Use of an advertisement, announcement, or statement containing any assertion, representation, or statement with respect to the business of insurance, which is untrue, deceptive, or misleading. Example: A life and health advertisement must have the prior approval of the benefiting insurance company before being disseminated. Any advertisements approved by the insurer should be used exactly as approved. Some licensees decide to be creative and make changes to pre-approved advertisements. We will verify with the benefitting insurer whether it approved the advertisement in question. If the advertisement does not have the approval of the benefiting insurer, the agent placing the advertisement is in violation. See rule [69B-150.013\(10\)](#), F.A.C., and paragraph [626.9541\(1\)\(b\)](#), F.S. In addition, advertising materials and other communications developed by insurers, or other risk bearing entities authorized under the Florida Insurance Code and approved by the Office of Insurance Regulation to do business in this state, must clearly indicate that the communication relates to insurance products. As an agent soliciting or selling insurance products you must clearly indicate to prospective insureds that you are acting as an insurance agent with regard to insurance products and identified insurers, or other risk bearing entities authorized under the Florida Insurance Code and approved to do business in this state by the "Office". See [s.626.9541\(1\)](#), F.S.

Aiding and Abetting an Unauthorized Insurer

Acting from offices or by personnel or facilities located in this state, or in any other state or country, directly or indirectly acts as agent for, or otherwise representing or aiding on behalf of another, any insurer not authorized to transact such insurance in this state. An example would be an agent representing an unauthorized company that offers health insurance coverage to residents of Florida and claims to have exemption from state regulation under the Federal ERISA ACT of 1974. See [s.626.901\(1\)\(a\)-\(h\)](#), F.S. (Note: this law does not apply to the transaction of surplus lines through

insurers approved to transact insurance business in Florida by the Office of Insurance Regulation. See [s.626.901\(4\)\(a-d\)](#), F.S.)

Aiding and Abetting an Unlicensed Individual

If an agent or other person licensed under the Florida Insurance Code knowingly authorizes, assists or allows an unlicensed person to transact insurance it is considered aiding and abetting that unlicensed individual to violate the insurance code. See [s.626.621\(12\)](#), F.S.

Annuity Suitability

The failure of an agent to follow mandated guidelines requiring that a determination be made about the suitability of an annuity sale. The law also requires certain disclosures and an objective comparison of annuity contracts when recommending the exchange or replacement of an annuity. See [s.627.4554](#), F.S.

Criminal Proceedings

ALL LICENSEES

If you, as a licensee, have pled guilty or nolo contendere (no contest) to or been found guilty of, a felony or a crime punishable by imprisonment of 1 year or more under the laws of the United States of America or of any state thereof or under the law of any other country, without regard to whether a judgment of conviction has been entered by the court having jurisdiction of such cases, you must report it to the Department. Failure to inform the Department in writing within 30 days after pleading guilty or nolo contendere to, or being convicted or found guilty of, any felony or a crime punishable by imprisonment of 1 year or more under the law of the United States or of any state thereof would be a violation of the insurance code and a reason for BOI to conduct an investigation. See [s.626.611\(14\)](#) and [626.621\(8\)\(11\)](#), F.S.

Note: The Department shall, upon receipt of information or an indictment, immediately temporarily suspend a license or appointment issued under this chapter when the licensee is charged with a felony enumerated in section [626.207\(3\)](#), F.S. Such suspension shall continue if the licensee is found guilty of, or pleads guilty or nolo contendere to, the crime, regardless of whether a judgment or conviction is entered during a pending appeal. A person may not transact insurance business after suspension of his or her license or appointment. See [s.626.611\(2\)](#), F.S.

BAIL BOND AGENTS

If you are a bail bond agent, the Department shall, upon receipt of an information or indictment, immediately temporarily suspend any license or appointment issued under this chapter when the licensee has been charged with a felony or a crime involving moral turpitude or a crime punishable by imprisonment of 1 year or more under the law of any state, territory, or country. Such suspension shall continue if the licensee has been found guilty of, or has pleaded guilty or no contest to, the crime, whether or not a judgment or conviction has been entered, during a pending appeal. A person may not effect any additional bail bonds after suspension of his or her license or appointment. However, he or she may discharge any liability on bonds effected prior to such suspension. See [s.648.45\(1\)](#), F.S.

Failure to Pay Title Surcharge

Subsection [624.501\(27\)\(e\)2](#), Florida Statutes, requires any title insurance agency licensed in Florida on January 1 of each year to remit an administrative surcharge of \$200 to the Florida Department of Financial Services. Failure to pay the surcharge on or before January 30 of each year will result in administrative action and/or a fine, in addition to the original surcharge.

Fraudulent and Deceptive Practices

Performing a fraudulent or dishonest practice in the conduct of business under your license and appointments. See [s.626.611\(9\)](#), F.S.

Illegal Dealings in Premium

Knowingly collecting as a premium or charge for insurance any sum in excess of or less than the premium or charge applicable to such insurance. See [s.626.9541\(1\)\(o\)](#), F.S.

Inadequate Knowledge and Technical Competence

Actions by a licensee that demonstrate a lack of reasonably adequate knowledge and technical competence to engage in the transactions authorized by their license or appointment. An example would be an agent submitting an application with an insurance company wherein the risk was not eligible and it was clearly stated in the field underwriting guidelines, but the agent failed to study those guidelines or consult them when submitting the risk.

See [s.626.611\(7\)](#), F.S.

Licensing Violation

An example of this allegation would be transacting insurance without an appointment or failing to provide your current address, including e-mail, to the Department. See [s.626.112\(1\)](#), F.S. and [626.551](#), F.S.

Misappropriation of Funds

Misappropriation, conversion, or unlawful withholding of moneys belonging to insurers or insureds or beneficiaries or to others and received in conduct of business under the license or appointment. See [s.626.611\(1\)\(j\)](#), F.S.

Misrepresentation

A misrepresentation can be defined in several ways: (1) a person or agent knowingly makes a material misrepresentation on an application for insurance; (2) an agent induces the purchase of insurance by any form of dissemination of deceptive information or advertising. (3) a person does not disclose criminal history on an application for an insurance license (certain criminal history can prevent an applicant from obtaining licensure).

See [s.626.9541\(1\)\(a\)](#), F.S.

Twisting

Knowingly making any misleading representations or incomplete or fraudulent comparisons or fraudulent material omissions of or with respect to any insurance policies or insurers for the purpose of inducing, or tending to induce, any person to lapse, forfeit, surrender, terminate, retain, pledge, assign, borrow on, or convert any insurance policy or to take out a policy of insurance in another insurer. See [s.626.9541\(1\)\(l\)](#), F.S.

Unlicensed Activity

Transacting insurance without a license, without the proper license or while your license is lapsed, suspended or revoked. See [s.626.112\(10\)\(a\)](#), F.S.

Violation of Escrowed Funds

Funds required to be maintained in escrow trust accounts pursuant to this section shall not be subject to any debts of the title insurance agent and shall be used only in accordance with the terms of the individual, escrow, settlement, or closing instructions under which the funds were accepted. See [s.626.8473\(4\)](#), F.S.

Old Bail Bond Scam Resurfaces

We have learned of an old scam being reborn that involves the consumer being told the bail bond agent, or agency, needs additional funds to allow the defendant to remain out on bail. However, the caller is not from the bail bond agency and the funds are not needed for the defendant to remain free on bail. This is what we have learned...

A defendant arranges to be released from jail by contracting with a bail bond agent to post the required bail. Sometime later, the defendant, or the indemnitor is contacted by someone claiming to be the bail bond agent who just executed the bail bond.

The imposter bail bond agent advises the consumer that additional money is needed because the court decided to increase the amount of bail required, or because additional charges were filed that would require an additional bail bond to be posted.

The caller knows the name of the defendant, the original amount of the bail bond(s) posted and the name of the executing bail bond agent. The consumer has no reason to think the call is not genuine and they agree to pay the additional amount.

The caller instructs the consumer to wire the funds to the agency immediately using the account number provided by the caller. The caller may also tell the consumer that they can pay the amount needed now and they will be billed for any additional charges the bail bond agency incurred to get the wired funds into the proper account.

In one case, the indemnitor told the caller he would bring the money to the bail bond agency instead of wiring the money. When the caller refused to accept the money in this manner, the indemnitor became suspicious and ended the call.

We suggest advising your customers of this scam and telling them to verify any requests for more money by contacting you directly. Any consumer receiving such a call should also contact their local law enforcement agency to file a formal report about the incident. The Florida Sheriffs' Association has alerted its members to this scam.

Title Agencies: Invoices for 2016 Administrative Surcharge Coming Soon

Subsection [624.501\(27\)\(e\)2](#), F.S., requires any title insurance agency licensed in Florida on January 1 of each year to remit an administrative surcharge of \$200 to the Florida Department of Financial Services. Therefore, we are [reminding](#) all title agencies that the 2016 administrative surcharge due date will soon be approaching.

NOTE: This surcharge is not related to the one imposed on each new policy written due to the receiverships of National Title Insurance Company and K.E.L. Title Insurance Group, Inc.

Any title insurance agency licensed in Florida on January 1, 2016, will be emailed a reminder a few days afterward to the agency's email address on file with the Department. To ensure you receive the invoice and avoid failing to pay by the January 30 due date, please log in to the [MyProfile](#) account for your title agency and make sure the correct email address is on file. While doing so, we also recommend you do the same for your individual [MyProfile](#) account.

To pay the title surcharge, please go into the MyProfile account for your title insurance agency and click where the arrow is pointing and it says, "Title Surcharge Payment"

JEFF ATWATER, CHIEF FINANCIAL OFFICER
FLORIDA DEPARTMENT OF FINANCIAL SERVICES

Help | FAQ | Logout | [Business Entity]

My Profile
USER: Title Agency Name

Click here to View Accepted Applications

LICENSES, REGISTRATIONS OR CERTIFICATIONS Number: X123456

▶ **Active**

0412 - TITLE INS AGENCY - CORP OR FIRM

Current Contact Information

Agency street address
City State Zip Code
eMail@webaddress.com
UserName: LOGINNAME
Click here to view Complete Information

APPOINTMENTS

▶ Click here to review a list of your active appointments

PRINT LICENSES

▶ Please click below on the size of license you wish to download/print.

- Permanent Licenses - Size: Letter

Apply

- ▶ New License
- ▶ Address Change
- ▶ Login Information Change
- ▶ Email Address Change
- ▶ Letter of Certification
- ▶ Third Party Privileges
- ▶ Title Surcharge Payment
- ▶ Register to become an Appointing Entity

Links of Interest

- ▶ Our Home Page

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Occasionally we discover agencies that were not aware of the reminder because of the retirement or termination of the employee assigned to monitor the email address provided to the Department. Failure to open the email sent by the Department containing the administrative surcharge reminder does not release an agency from the January 30 deadline. Please verify your information soon so this does not happen to you. If you need our assistance, you may contact us at Title@MyFloridaCFO.com to assist you through the steps to update your information. Be proactive; do not procrastinate.

Failure to pay the surcharge on or before January 30, 2016 could result in administrative action which could include a fine **or a suspension of the agency's license**, in addition to the original surcharge. Payment must be made securely online via the title agency's [MyProfile account](#). Paper checks are not accepted.

Note: To make sure you receive email notices from us, add email addresses Title@dfs.state.fl.us and

Title@MyFloridaCFO.com to your email account's "Safe Senders" or other list.

Title Agency Data Call 2016

2016 marks the second year title insurance agencies are required to submit information to the Florida Office of Insurance Regulation (OIR) under the data call required by section [627.782\(8\)](#), Florida Statutes. Title agencies have until June 1, 2016 to make their submission to the OIR. The OIR will send an email to each licensed title agency in Florida to remind them of the new law with instructions on how to complete the process accurately.

The Title Agency Data Call is performed by the title agency by first downloading the template from the OIR website to complete offline. To do this, the agency will need to create an account and subscribe to your agency in the Data Collection and Analysis Modules (DCAM) used by the OIR, which is located at <https://apps.fldfs.com/DCAM/Logon.aspx>.

(The user's guide for DCAM is located at: <https://apps.fldfs.com/DCAM/Help/DCAMUserGuide.pdf>)

Once the agency's data template form is completed and the agency is ready to certify it is accurate, the agency must upload the form to the OIR before the deadline, **June 1, 2016**.

The data template has seven tabs or worksheets:

1. Version: includes the OIR contact information and reporting date reminder
2. Instructions: data template must be downloaded from DCAM for the purpose of reporting information
3. Report_Lines: Two columns extend down a series of questions and required responses (enter either text or numeric in the two columns, as shown)
4. **Schedule A:** Additional agency information
5. **Schedule B:** Agent activities
6. **Schedule C (Residential):** Title agent statistical information submission for 1-4 residential units
7. **Schedule C (Commercial):** Title agent statistical information submission for commercial units

Each agency's submission must contain a Filing Certification signed by an agency officer (electronic signature accepted), stating the information provided is accurate to the best of their knowledge and belief. A sample copy is available on the OIR's website at:

www.floir.com/siteDocuments/CertificationOfTitleDataSubmissionExample.pdf

The agency may include a cover letter, but this is an optional component for the filing.

Each agency is encouraged to include any additional or optional information that is deemed important to the overall submission. These optional items may be uploaded as PDF documents under the "Other Information/Documents" component.

It is important to know that the agency's submission is not considered to be complete until the agency receives an email receipt showing the agency's file log number.

If you have any questions regarding this filing process, please contact the OIR's Market Data Collections Unit at 850-413-3147 or via email: TitleAgencyReporting@floir.com.

Compliance Information

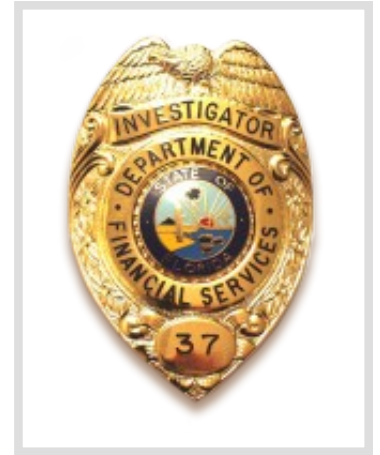
Department licensees and consumers can access compliance information at the Division's web page [Compliance Information](#). Additional information is available by type of license at our [Frequently Asked Questions](#) web page.

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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 case originated when investigators learned of an indictment of a health agent by the Securities and Exchange Commission (SEC) indicating the agent allegedly made false and misleading statements to clients and prospective clients concerning the amount of assets under management and his experience as an investment advisor. It was further alleged that he wrongfully charged and then deducted fees from client accounts without the authorization of the clients. Additionally, the agent was improperly registered with the SEC, failed to maintain required books and records, and published a purported client testimonial that concerned the advice and other services rendered by the agent. The SEC barred the agent from registration.



Disposition: License revoked.

Case: Investigations into the activities of a life, health and annuity agent and his business partner, an unlicensed person, were opened after three senior consumers filed complaints about misrepresentations made to them during annuity sales. In each case, the consumers attended seminars presented by the unlicensed person. The consumers said surrender penalties were not disclosed, and one consumer was not told that the death benefits would be annuitized and not paid in a lump sum to the designated beneficiary. The licensed agent signed the applications, but his unlicensed partner actually discussed the terms and benefits of the annuities and sold them. The unlicensed person obtained his license before the consumers complained to the Department..

Disposition: The licensed agent was fined \$15,000. The previously unlicensed agent was fined \$50,000.

Case: For a couple of years, a general lines agent employed a "creative" method to get premium discounts for his clients. He devised a scheme to defraud the insurer by falsifying vehicle garaging zip codes and bank account numbers for his clients. The clients had no knowledge of his actions because the agent submitted the erroneous information to the insurer electronically. This scheme to provide cheaper premiums than his competitors gave the agent an unfair competitive advantage, and placed the insurance company and the consumers at risk.

Disposition: Suspended for one year, fined \$3,500.

Case: Staff received notice a life and annuity agent had been barred by the Financial Industry Regulatory Authority (FINRA) for investing in illiquid securities for a fund he managed and was part

owner of. The agent misrepresented the value of the customer's interest and inflated the values by several *hundred* percent, and also misrepresented the value in soliciting additional investors.

Disposition: Permanently revoked and barred.

Case: Investigators learned that a Final Judgment was entered against a bail bond agent in county court due to the forfeiture of a bond he executed. The judgment was not satisfied in a timely manner. Investigator review of documentation from the involved surety company revealed the agent continued to execute bail bonds while the judgment remained unpaid for more than 35 days. The agent also failed to provide the Department with access to his records or to maintain a location open and accessible to the public during reasonable business hours.

Disposition: Fined \$2,500 and placed on probation for one year; agent was subsequently suspended for 60 days for failure to pay the fine on a timely basis.

Case: During the course of a revocation follow up on a revoked bail bond agent, investigators determined another bail bond agent was aiding and abetting the revoked agent, allowing him to illegally continue to work in the bail bond business. The bail bond agent was working at the revoked agent's agency at the time the revoked agent was permanently barred from the bail bond industry. Business continued as usual at the agency and the only change that was made was changing the agency name and the appointment of the licensed bail bond agent as the new primary bail bond agent for the new agency. Investigation revealed the primary bail bond agent had no ownership in the agency, was not on the checking account and worked at the direction of the revoked agent. All financial transactions of the agency were in the revoked agent's name. The bail bond agent told the Department that only a couple of months after the set up of the new agency, he had a falling out with the revoked agent and realized what he was doing was illegal. He said he walked away from the agency, setting up at another location under the same name, as the actual owner of the new agency in all respects.

Disposition: License suspended for six months.

Case: The investigation was opened after a consumer complained that a bail bond agent failed to return collateral. The agent was fined \$3,900 and placed on probation for one year. Investigators subsequently learned the agent had been arrested on multiple federal charges related to identity theft and pled guilty, resulting in a two year prison sentence.

Disposition: License revoked.

Case: Investigators arrived at a bail bond agency to conduct a routine agency audit and found the bail bond agency closed when by law, it should have been open. A sign on the door provided a telephone number to call for services. The agent was contacted and asked to come to the agency and allow access to the records. As a result of the agency audit, the agent was charged with failing to maintain records containing information for bail bonds she had executed or countersigned, and for failing to include the agency address on an advertisement.

Disposition: Fined \$3,000 and placed on probation for one year.

INSURANCE *Insights*

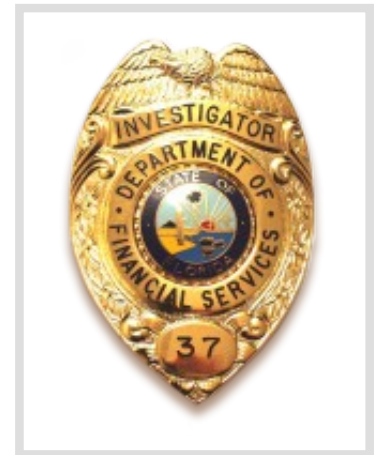
DIVISION OF AGENT AND AGENCY SERVICES

Volume 4, No. 12 - December 2015

Enforcement Actions

- November 2015

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 before making a decision based upon this listing. This listing does not reflect pending appeals or requests for hearings. The license or registration status may have changed since the filing of these orders. We suggest that you search the [Licensee Search](#) or make a [public records request](#) to verify the current status of any license or registration.



IMPORTANT NOTE: Actions taken before July 1, 2015 are located at [FLDFS Final Orders](#). 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 licensee to gain an unfair competitive advantage over any person named herein. Any licensee who does do so is in violation of Section 626.9541(1)(c), Florida Statutes.

LAST/BUSINESS NAME	FIRST NAME	LICENSE#	LICENSE TYPE	DISPOSITION	FINE / COSTS	RESTITUTION	DOCUMENT
Abrahams	Zenova	W153530	Life, Health, Variable Annuity	License Revoked			Order of Revocation
Adams	Gregory	P221681	Life, Health, Variable Annuity, General Lines	License Suspended 9 Months			Consent Order
Alicea	Anthony	E036158	Bail Bond	License Suspended 3 Months			Consent Order
Apollo Land Title Company LLC		P179036	Title Agency	License Suspended 6 Months			Consent Order

ATG American Title Group LLC		W209542	Title Agency	License Surrendered			Consent Order
Bermejo	Dolores	P198105	Customer Representative	Probation and Fine	\$3,500		Search
Best Title Company		A020980	Title Agency	Fined	\$2,500		Consent Order
Bledsoe	Joshua	W038149	Life, Health, Variable Annuity	License Suspended 1 Year			Order of Suspension
Capstone Title Services LLC		W037164	Title Agency	License Suspended 6 Months			Search
Casal	Alina	A042596	Bail Bond	License Suspended Indefinitely			Notice of Temporary Suspension
Classic Title & Abstract Inc		E158887	Title Agency	License Surrendered			Consent Order
Crowell	Susan	W158810	Health	License Revoked			Search
Czarasty Jr	Richard	W131422	Life, Health, Variable Annuity	License Revoked			Search
DeRosa	Peter	A066537	Life, Health, Variable Annuity	Fined	\$5,000		Search
Diaz	Anthony	E153147	Life, Health, Variable Annuity	License Revoked			Consent Order
Diaz	Jorge	E168286	Managing General Agent, Bail Bond	Fined and Restitution Ordered	\$2,500	\$7,364.72	Consent Order
Ewing	Jerrod	P159640	Life, Health, Variable Annuity	Probation, Fine and 5 Hours C.E.	\$3,500		Search
Exantus	Carven	P163365	Legal Expense	License Revoked			Order of Revocation
Figuroa	Karla	W266123	Customer Representative	License Suspended Indefinitely			
Garcia	Efrain	W191775	Bail Bond	License Revoked			Order of Revocation
Goode	Henry	D028153	Life, Health, Variable Annuity	Probation and Fine	\$1,500		Search

Goodman	Mark	A100598	Bail Bond	Probation and Fine	\$6,500		Search
Helios Title Group LLC		W112676	Title Agency	License Surrendered			Consent Order
Key International Title and Escrow Corp		P078733	Title Agency	License Suspended 6 Months			Consent Order
Levorchick	David	P080799	Life, Health, Variable Annuity	License Surrendered			Consent Order
McClinton	Rick	W182464	Service Representative	License Revoked			Search
Mendiola	Miguel	P199334	Public Adjuster	License Suspended 3 Months			Order of Suspension
Mercado	Elizabeth	W085964	General Lines	Probation and Fine	\$3,500		Search
Michel	Tania	E025012	Customer Representative	Permanently Barred			Consent Order
Moraga	Robert	W032060	Life, Health, Variable Annuity	License Revoked			Order of Revocation
Pasadena Title Company LLC		E138568	Title Agency	Fined	\$2,500		Search
Pearson	William	A202828	Life, Health, Variable Annuity	License Suspended 15 Months			Search
Pinnacle Land And Title		W101100	Title Agency	Fined	\$2,500		Consent Order
Prince	Ricky	W038832	Life, Health, Variable Annuity, Industrial Fire or Burglary	License Suspended 1 Year			Consent Order
Reyes	Gerardo	A218559	Life, Health, Variable Annuity	License Revoked			Order of Revocation
Rodefild	Mark	P204597	General Lines	License Suspended Indefinitely			Search
Sam	Warren	P063962	Life, Health, Variable Annuity, General Lines	License Suspended 1 Year	\$3,500		Search

Seward	Michael	W148373	Life, Variable Annuity	License Revoked			Order of Revocation
Simon	Hurduise	W167987	All Lines Adjuster	License Revoked			Order of Revocation
Southern Premier Title LLC		W036526	Title Agency	Fined	\$2,500		Consent Order
Thompson	Warren	A264746	Life, Variable Annuity	Probation and Fine	\$2,500		Search
Verwey	Janis	W107893	Life, Health, Variable Annuity	License Suspended 1 Year			Order of Suspension
Viale Barcelli	Carlos	W138884	Public Adjuster	Probation and Fine	\$2,500		Search
Vista Title Insurance & Guaranty LLC		P224660	Title Agency	Fined	\$2,500		Search

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Contact Us

- We're always here for you

Bureau of Licensing

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

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
Larson Building, Room 419
Tallahassee, FL 32399-0319*

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:

askDFS@MyFloridaCFO.com -

*200 East Gaines Street
Larson Building, Room 412
Tallahassee, FL 32399-0320*

Title Insurance Data Call

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

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

***Insurance Insights* Editor/Publisher**

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