

## Financial Preparations for a Hurricane Season Checklist

Dear friends,

As we draw closer to the beginning of hurricane season on June 1, now is an important time to make sure that your clients are financially prepared should a natural disaster strike. Most Floridians are aware of the damage that storms can inflict and have taken steps to minimize a storm's physical impact. But financial preparedness is an often overlooked part of hurricane season preparation that can make recovering from a storm more manageable for your clients and their family.

Some financial tips we recommend to make your clients' storm recovery more manageable include having cash on hand in case ATMs are out of service, having a credit card and keeping receipts to document repair transactions. In anticipation of a storm, they should also make sure their bill payments are current to avoid potential late fees.

Following a storm, they should also be aware of the potential for scams that attempt to take advantage of storm victims. When hiring a contractor or working with a public adjuster, we encourage consumers to make sure that he or she is appropriately licensed. It is also important to research contractors to ensure they carry adequate insurance coverage and to keep logs of all telephone conversations and copies of all documents signed.

A little research and preparation can go a long way to protect consumers and their families from the many costly hardships that can come with a storm. My office is always available to assist consumers with their questions. They can call my Consumer Helpline at 877-MY-FL-CFO (877-693-5236) for more information. Should a tropical storm or hurricane take aim at our state, we will activate a special consumer helpline, 800-22-STORM, to assist victims with insurance matters.

For more disaster preparedness tips, as well as videos, brochures and other information resources, please visit our [Division of Consumer Services' website](#). We must be vigilant before and throughout hurricane season.

**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, please notify our office. Report suspected unlicensed activity. Call 877-MY-FL-CFO (1-877-693-5236).

[Read more >>](#)



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



## News You Can Use

- Updating you on what's going on

### **Notice of Proposed Rule - Suitability and Disclosure in Annuity Investments-Forms Required**

The Florida Department of Financial Services, Division of Agent & Agency Services, provided Notice of Proposed Rule for Rule 69B-162.011, Florida Administrative Code, relating to suitability and disclosure in annuity investments-forms required. The notice was filed with the Florida Department of State and officially published in the *Florida Administrative Register* on May 21, 2014.

The proposed rule is amended to conform with revisions to s. 627.4554, F.S., as enacted by SB 166 (Chapter 2013-163, Laws of Florida). SB 166 substantially revised Florida consumer protection laws relating to the sales of annuities by incorporating the 2010 National Association of Insurance Commissioners ("NAIC") Suitability in Annuity Transactions Model Regulation. Forms DFS-H1-1980 and DFS-H1-1981 are revised to reflect the standards, procedures and guidelines of the 2010 NAIC Annuity Suitability Model Regulation, and s. 627.4554, F.S. The proposed rule's title is revised to better reflect its scope of regulation; the proposed rule's website address is also revised.

If requested, a rule hearing will be held on Tuesday, June 17, 2014, at 10:30 a.m. in Room 116 of the J. Edwin Larson Building, 200 E. Gaines Street, Tallahassee, FL 32399.

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

### **CFO Atwater Announces Arrest of Insurance Agent for Fraud**

Florida Chief Financial Officer Jeff Atwater announced the arrest of Booker T. Wade, 56, an insurance agent accused of stealing insurance premium payments from an elderly client. If convicted, he faces up to five years in prison and will be permanently barred from the insurance industry.

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

### **CFO Atwater Announces Arrest of Miami-Dade Clinic Owner for PIP Fraud**

Florida CFO Atwater announced the arrest of Aurora Hernandez on charges of organizing and billing for a staged accident, commonly known as Personal Injury Protection (PIP) fraud. Hernandez's arrest is the

latest in a string of arrests resulting from Operation No-Med Services, which dates back to May 2013 and involves four accident clinics in Miami-Dade County.

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

## **CFO Atwater Announces Sentencing of Tampa Clinic Owner for Insurance Fraud**

Florida CFO Atwater announced that Dailin Rojas Perez, 30, has entered a plea agreement and been sentenced to 24 months house arrest because of her involvement in a major insurance fraud scheme at a Tampa accident clinic. Perez is also required to pay \$350,000 in restitution to victim insurance carriers and nearly \$40,000 in investigative costs. She was charged in September with racketeering and money laundering involving more than \$340,000 in fraudulent proceeds.

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

## **Pensacola Chiropractor Sentenced for Racketeering and Grand Theft**

Florida CFO Atwater announced that Dr. Russell Dominick, a Pensacola chiropractor, has been sentenced to more than six years in prison and 10 years probation for racketeering and grand theft. Dr. Dominick was caught urging an undercover officer posing as a patient to exaggerate injuries in order to receive a large insurance settlement.

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

## **CFO Atwater Announces Arrest of Orlando Public Adjuster for Insurance Fraud**

Florida CFO Atwater announced the arrest of Robert Eugene Leverett II, an Orlando public adjuster, for insurance fraud after he overestimated a claim by more than \$500,000 in an effort to significantly increase the fee he was being paid.

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

## **Arrest Made in Suspected Tampa Area Investment Fraud Scheme**

The Florida Office of Financial Regulation announced the arrest of Floyd C. Raynard by the Pasco County Sheriff's Office. Raynard, of Trinity, Florida, is accused of operating an investment fraud scheme in the Tampa area. He has been charged with four counts of grand theft in relation to the scheme, which resulted in losses totaling \$90,000 to four out-of-state investors.

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

## **CFO Atwater Announces Six Arrests in Insurance Fraud Case Involving Tallahassee Towing Company**

CFO Atwater announced that six employees of a Tallahassee towing company have been arrested for

filing fraudulent insurance claims. The Department of Financial Services' Division of Insurance Fraud and the Leon County Sheriff's Office, in a joint investigation, discovered that Auto Doctor Towing Company employees filed fraudulent claims to eight insurance companies.

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

## Arrests Made in Orlando Investment Fraud Scheme

The Florida Office of Financial Regulation announced the arrests of Walter Cox Parsons, II, Donald (Jack) Jackson Smith, Jr., and Kenneth Ray Platter. Parsons was arrested March 18, 2014, by the Osceola County Sheriff's Office, Platter was arrested April 16, 2014, by the St. Cloud Police Department, and Smith turned himself in at the Sarasota County Sheriff's Office on April 24, 2014. These individuals are accused of making unauthorized sales of securities through investment offers marketed as "secure" and/or "no risk" ventures. Parsons, Smith, and Platter have each been charged with one count of grand theft, one count of scheme to defraud, one count of sale of unregistered securities, one count of sale of securities by an unregistered agent, and one count of securities fraud in connection with this scheme.

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

## Office Unveils an Expanded CHOICES Insurance Rate Comparison System for Consumers

The Florida Office of Insurance Regulation (Office) unveiled an expanded [CHOICES](#) system to give consumers one centralized location to search all four of the Office's insurance rate comparison systems. This includes rates for Homeowners, Automotive, Medicare Supplement and Small Group health insurance. The [CHOICES](#) system gives Floridians the ability to search different types of insurance products for the best value and coverage using a comparison of rates available for all Florida counties.

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

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## 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 Session Roundup

The legislative bills mentioned below were passed during this year's legislative session and have an impact on those that we regulate. These bills have not yet been sent to the Governor for his signature or veto. Many parts of these bills have an effective date of July 1, 2014. At this time we will briefly highlight parts of the bills and, upon being signed by the Governor, will cover them in more depth in next month's issue of this newsletter. The summaries below are not intended to be comprehensive. We encourage you to read the enrolled bill text for a comprehensive understanding of the legislation.

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

CS/CS/HB 633 passed the House on March 27, 2014, and subsequently passed the Senate on April 25, 2014. The bill amends the insurance agency licensure law. Among other changes, the bill:

- Eliminates the insurance agency licensing requirement for agencies owned and operated by a single licensed agent under certain conditions;
- Allows third parties to sign agency applications;
- Specifies circumstances under which branch agencies do not have to be licensed;
- Repeals provision allowing insurance agencies to obtain a registration in lieu of a license and converts all agency registrations to licenses;
- Eliminates the three-year expiration period for agency licenses;
- Repeals current law governing branch agencies and creates s. 626.0428(4), F.S., to define agent in charge and specifies responsibilities;
- Provides for agency licenses to automatically expire if the agency does not designate a new agent in charge with the Department of Financial Services (DFS) within 90 days after the agent in charge on record has left the agency;
- Creates a new type of insurance agent, an unaffiliated insurance agent, and specifies the scope of the license;
- Requires DFS to immediately suspend the license or appointment of licensees charged with certain crimes;
- 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 specified licenses;

- Requires agents who recommend the surrender of an annuity or life insurance policy, for other than the purchase of another insurance policy, to provide financial information to the consumer;
- Amends eligibility requirements for mediators under alternative dispute resolution programs administered by DFS;
- Requires DFS to deny an application to be a mediator or neutral evaluator (sinkhole claims) or revoke or suspend a mediator or neutral evaluator in certain circumstances;
- Amends the definitions of neutral evaluator and professional engineer;
- Authorizes DFS to investigate improper conduct of mediators, neutral evaluators, and navigators and permits DFS to share investigative information with any regulatory agency;
- Amends requirements for licensure as a nonresident surplus lines agent;
- Bars issuance of any new limited customer representative license after September 30, 2014;
- Authorizes additional methods for service of process in certain administrative actions; and
- Deletes requirement that applicants who take a licensure examination in Spanish must pay all associated costs.

Subject to the Governor's veto powers, the effective date of this bill is July 1, 2014, except as otherwise provided.

[\[Click here to read the enrolled bill text.\]](#)

### **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.

Subject to the Governor's veto powers, the effective date of this bill is July 1, 2014, except as otherwise provided.

[\[Click here to read the enrolled bill text.\]](#)

## **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 accepting referral fees or compensation from an inspection or inspection company related to an inspection used to obtain insurance coverage or establish the 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 from providing deductible rebates to an insured, making such acts a 3rd degree felony.

Subject to the Governor's veto powers, the effective date of this bill is July 1, 2014, except as otherwise provided.

[\[Click here to read the enrolled bill text.\]](#)

## **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 may 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.

Subject to the Governor's veto powers, the bill is effective upon becoming law.

[\[Click here to read the enrolled bill text.\]](#)

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

CS/CS/HB 1089 passed the House on April 25, 2014, and subsequently passed the Senate on April 28, 2014. 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 less than 30 days. These condominium associations are still able to obtain property insurance from Citizens that covers damage from multiple perils, including wind.

The bill has no fiscal impact on state or local governments. 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.

Subject to the Governor's veto powers, the effective date of the bill is July 1, 2014.

[\[Click here to read the enrolled bill text.\]](#)

## Education Central

- Things to know about your continuing education

### Three Important Tips for Remaining CE Compliant

You're in the insurance business to help people protect their dreams, livelihood, and the well being of their loved ones. It took you time, energy, and money to qualify for the license allowing you to do that. You want to be sure that non-compliance with continuing education never denies you the right to continue on this journey.

Below are three tips to help you:

#### Tip #1: Review Your Transcript Regularly

Have you ever found you were denied credit for a course because you took it twice within a three year period? Have you ever questioned if an education provider reported your course completion to the Department? You may have even invested time and money forwarding certificates of completion to the Department just to make sure the course is reported.

We have news for you. You can save that time and money, erase those questions from your mind, and prevent possible credit denial by continually reviewing your transcript.

You can review your transcript by logging in to your [MyProfile](#) account and clicking the blue 'CE Status' button. The transcript is a running log of all the courses you have ever completed with related information pertaining to each one, including name and dates.

Before you sign up for a course, check to make sure you have not already taken the course within the last three years. After you complete a course, check your transcript to verify it has been reported. Education providers have 21 days from the date of completion to report the course; however, the majority are reported within 10 days. Keep the certificates of completion for your own records.

#### Tip #2: Monitor Your CE Compliance Evaluation Screen

Now that you know where all your completed courses are recorded, find out how they are applying to your requirements for continuing education. In your [MyProfile](#) CE Status page you should see the option to view your current and previous cycles of continuing education requirements.

This screen will give you a breakdown of the total hours due and the specific breakdown of those requirements. Depending on your license and the specific cycle(s) you need to satisfy, you may have to take

an ethics, mitigation, suitability or even a 5-hour Law and Ethics Update course.

You will also see which requirements you have satisfied and which are still deficient. If you are deficient in any area, be sure to take courses that will satisfy that specific requirement. Lastly, check that date showing just above the requirement table to know when you must complete your courses. The date usually reflects the last day of your birth month.

### Tip #3: Ask Questions

You are now educated on what you have completed, what you still need to complete, and the deadline. Go take those courses. To make sure you take the right ones, ask questions!

Unfortunately, there are people who do not have your best interest at heart and may try to offer you a course that is not approved by the Department (see below on how to find those). Therefore get necessary information from anyone advertising courses that will satisfy your CE requirement.

Here are some good questions to ask:

Are you an approved CE provider and what is your approved number with the State of Florida?

Is this course approved and what is the approved course number with the State of Florida?

Will I get credit for this course?

How many hours is the course approved for? Are those hours split between multiple requirements?

Will this course apply to the specific requirements I need?

## 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: Important Notice Regarding Course Offering Applications

In an effort to reduce the use of instructors' social security numbers, the Department amended what information is required on a course offering application. Course offering applications no longer require the entry of an instructor's social security number, but instead require the instructor's state-issued Instructor ID. This change occurred on Wednesday, May 21. Each instructor is now provided his or her Instructor ID at the time of their approval with the Department. You can find the Instructor ID for all instructors that are affiliated with your provider by logging into the [MyProfile](#) system. Once logged in, click the 'Instructor List' found under the 'Maintenance' menu. For instructors that are unaffiliated or independent, you may request the Instructor ID from the instructor directly, or you may search all currently approved instructors using the list found at

<http://www.MyFloridaCFO.com/Division/Agents/Licensure/Education/Providers/documents/AllInstructorsID5-13-2014.xlsx>.

## 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.

### Charging Consumers for Motor Vehicle Reports (MVRs)

An agent/agency may charge a consumer the **actual cost** of the MVR for each licensed driver. However, you may not include subscription or access fees associated with obtaining the MVR in the cost to the consumer.

[See subsection [627.7295\(5\)\(b\)](#), Florida Statutes]

### Assessing Credit Card Fees to Consumers

If a credit card company charges a fee for payments of policies/premiums, neither an agent nor an agency can charge the consumer that fee for reimbursement. Pursuant to Section 501.0117, F.S., a seller in a sales transaction may not impose a surcharge on the buyer for electing to use a credit card in lieu of payment by cash, check, or similar means, if the seller accepts payment by credit card.

[See section [501.0117](#), Florida Statutes]

### Public Adjusters: Declaration of Emergency in North Florida

On April 30, 2014, Governor Rick Scott signed Executive Order 14-144, declaring a state of emergency for the following Florida counties: Escambia, Santa Rosa, Okaloosa, Walton, Holmes, Washington, Bay, Jackson, Calhoun, Gulf, Liberty, Franklin, Gadsden, Leon, Wakulla, Jefferson, Madison, Taylor, Hamilton, Suwannee, Lafayette, Dixie, Columbia, Gilchrist, Levy, and Alachua. A copy of the executive order can be found here: [Executive Order 14-144 - Emergency Management-Severe Weather and Flash Flooding](#).

The Division of Agent and Agency Services' Bureau of Investigation reminds public adjuster licensees of the following important laws related to adjusting claims located in the counties named in the Executive Order during a state of emergency declared by the Governor:

- Section [626.854](#), Florida Statutes, provides specific direction regarding fees and the insured's right of cancellation of a public adjusting contract.

- Subsection (7) provides that during any state of emergency as declared by the Governor and for one year after the date of loss, the insured or claimant has five business days after the date on which the contract is executed to cancel a contract for public adjusting services. The five day cancellation period applies to only those contracts related to damages from this recent heavy weather event.
- Subparagraph (11)(b)1 states that a public adjuster may not charge, agree to, or accept any compensation, payment, commission, fee, or other thing of value in excess of ten percent of the amount of insurance claim payments made by the insurer for claims based on events that are the subject of a declaration of a state of emergency by the Governor. This provision applies to claims made during the year after the declaration of emergency.
- Section [626.8796](#), Florida Statutes, provides additional information regarding public adjusting contracts:
  - Subsection (2) states in part: "An unaltered copy of the executed contract must be remitted to the insurer within 30 days after execution."  
 Note: The requirement to provide the insurer with an unaltered copy of the contract is also a requirement for non-emergency claims.

Please govern yourself accordingly.

You may direct any questions you have regarding this to [askDFS@MyFloridaCFO.com](mailto:askDFS@MyFloridaCFO.com).

[See sections [626.854](#) and [626.8796](#), Florida Statutes]

## Appointments and the Easy Way to Do Them Online

Appointments must be completed online (except bail bond agents). Depending on the type of license and appointment, the steps to complete the appointment may be different. Please view the appropriate category below for instructions:

- **Customer Representative:** Customer representatives (4-40) and limited customer representatives (4-42) must be appointed through the [MyProfile](#) account of the supervising general lines agent (2-20) **OR** the licensed/registered insurance agency where the customer representative works. To do this:
  1. Go to [MyProfile](#) and log in to the supervising general lines agent's or the agency's account.
  2. Select the "Access eAppoint" link under "Apply". If you have never used eAppoint, you must first register and will need to select "Register to become an appointing entity".
  3. Once in the eAppoint Workbench, select the required tab (New Appointment, Renew Appointment, or Terminate Appointment) and follow the instructions on the page. You will need to remit the appropriate appointment fee(s). Appointments must be renewed every 24 months during the birth month of the appointee.
- **Self-Appointing Surplus Lines Agent, Viatical Settlement Broker, Public or All-Lines Adjuster:** Self-appointing surplus lines agents, viatical settlement brokers, public or all-lines adjusters must log in to their own [MyProfile](#) account and complete an appointment. To do this:
  1. Go to [MyProfile](#) and log in to your account.
  2. Select the "Access eAppoint" button under "Apply". If you have never used eAppoint, you must first register and will need to select "Register to become an appointing entity".
  3. Once in the eAppoint Workbench, select the required tab (New Appointment, Renew

Appointment, or Terminate Appointment) and follow the instructions on the page. You will need to remit the appropriate appointment fee(s). Appointments must be renewed every 24 months during the birth month of the appointee.

- **Adjusting Firm Appointing a Public or All-lines Adjuster:** Adjusting firms that are attempting to appoint a public or all-lines adjuster must use eAppoint by logging in with an email address and password. To do this:
  1. Go to eAppoint at <https://iportal.fldfs.com/eappoint>. If you are having a problem logging in, try clicking the "Retrieve lost password" link on the left side of the screen. If this does not resolve the issue, please email us at [AgentLicensing@MyFloridaCFO.com](mailto:AgentLicensing@MyFloridaCFO.com).
  2. Once in the eAppoint Workbench, select the required tab (New Appointment, Renew Appointment, or Terminate Appointment) and follow the instructions on the page. You will need to remit the appropriate appointment fee(s). Appointments must be renewed every 24 months during the birth month of the appointee.
- **Insurance Companies and All Other Entities:** Insurance companies and all other entities must use eAppoint and will log in using an email address and password. To do this:
  1. Go to eAppoint at <https://iportal.fldfs.com/eappoint>. If you are having a problem logging in, try clicking the "Retrieve lost password" link on the left side of the screen. If this does not resolve the issue, please email us at [AgentLicensing@MyFloridaCFO.com](mailto:AgentLicensing@MyFloridaCFO.com).
  2. Once in the eAppoint Workbench, select the required tab (New Appointment, Renew Appointment, or Terminate Appointment) and follow the instructions on the page. You will need to remit the appropriate appointment fee(s). Appointments must be renewed every 24 months during the birth month of the appointee.

## 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:** A referral received from the Division of Rehabilitation and Liquidation indicated that delinquency proceedings began against National Group Insurance Company as a result of the parent company, National Group, being placed in receivership in Puerto Rico. When the Division of Rehabilitation and Liquidation began their process with National Group Insurance Company they learned that a Miami-based insurance agency that was acting in the capacity of a Managing General Agent for National Group had a backlog of four months in issuing new business policies. In addition, the agency was refusing to submit the premiums due National Group which was more than \$1,000,000 because National Group was placed in rehabilitation in Puerto Rico. The Florida Department of Financial Services was appointed Receiver of National Group in Coral Gables for the purposes of rehabilitation. The Division of Rehabilitation and Liquidation informed our Bureau of Investigation that the agency had paid all of the monies owed to National Group except for a remaining balance of \$500,000, in premiums and unearned commissions. The agency entered into a settlement repayment agreement with the Division of Rehabilitation and Liquidation. Subsequently, legal counsel for a large insurance company notified the Department that they had met with the agency's president and co-owners of the agency who owed them \$376,317.14 in premiums. During their meeting, the president and co-owners informed the legal counsel that they had misappropriated premiums for other companies to pay the Department's Division of Rehabilitation and Liquidation the monies the agency owed the receiver. The President further stated that they owed \$570,000 in unearned commissions, which they had only been able to pay \$200,000 and another \$150,000 for unearned commissions for a separate month. The Department received two other referrals where this agency owed one insurance company \$315,000 in premiums and another insurance company \$210,000; all of these premiums were allegedly misappropriated as well. Furthermore, several premium finance companies were also affected for the agent's failure to return unearned premium. Lastly, the Department was notified by the Division of Rehabilitation and Liquidation as the receiver for National Group that the agency defaulted in payment and the Receiver made a demand for the unpaid balance of \$297,268.63.

**Disposition:** The co-owner/vice president/agent in charge of the agency and agency were permanently banned from the business of insurance in Florida. In addition, cease and desist orders were issued against the unlicensed agency's president, as well as the agency.





**Case:** A general lines agent falsified several wind mitigation forms, and submitted them to the respective insurance companies. In one instance, the agent included photos depicting storm shutters that did not belong to the homeowner. Even more egregious, the homeowners received premium discounts on their homeowners' insurance policies based on wind mitigation inspections that never took place.

**Disposition:** License suspended for one year. He was arrested and charged for insurance fraud.

**Case:** An investigation of a life, health and variable annuity agent revealed that she submitted two life insurance applications on individuals whom she had never met with prior to or during the sale to earn commissions. According to the documents provided by a company SIU investigator, the agent submitted the two applications with fraudulent applicant signatures, incorrect health information, and she also provided saliva samples that were not from the named insureds.

**Disposition:** License suspended for 12 months.

**Case:** A debit life agent used her personal check to pay her company \$742.56 for premiums she had collected from multiple consumers. Her check was returned for NSF and she was subsequently terminated. An audit of her book of business showed an additional \$413.19 of premiums she had collected and failed to report. The insurer made restitution to each of the consumers but was unable to get the agent to repay the monies. The agent said that she knew she had to make the deposit but had left the money at home so that was why she had used her personal check and said that she had taken a payday loan and was unaware that they had charged her account for monies she owed them.

**Disposition:** License revoked.

**Case:** A consumer filed a complaint with the Division of Insurance Fraud that a general lines agent failed to forward all premiums paid to him on to the company for an automobile policy. The consumer subsequently was involved in a not-at-fault accident, and found out that their policy had cancelled for nonpayment. Our investigation was able to prove that the agent received sufficient, timely payments from the consumer, resulting in what would have been coverage past the date of the accident. The final result was that the claim was honored with \$10,732.95 in funds paid out by the insurer.

**Disposition:** Fined \$10,000.

**Case:** An investigation of a public adjuster revealed that she failed to maintain a surety bond, as required for licensure as a public adjuster, failed to designate a primary adjuster, failed to put her name on a contract, and had not updated her address with the Department.

**Disposition:** Fined \$2,500 and placed on probation for six months.

**Case:** The Department was informed of an action taken against a life & annuity agent by the Financial Industry Regulatory Authority (FINRA). The agent failed to cooperate with FINRA during an investigation by not completing an on-the-record interview regarding a client. He failed to give testimony on whether he provided a client with documents overstating the client's account value. Therefore, FINRA barred him from associating with any FINRA member in any capacity. In addition, the agent failed to report this action to the Department within the 30 day requirement per Florida Statutes. The agent also failed to update his contact information with the Department within 30 days of it changing.

**Disposition:** License suspended for 12 months.

**Case:** The Bureau of Investigation was notified by the Division of Rehabilitation and Liquidation that a final judgment was issued against an insurance agency for unearned commissions due to the receivership of Northern Capital Insurance Company. The Receiver was due \$1,924.70 plus pre-judgment interest of \$99.19 and post judgment interest. The customer representative, who was listed as the only

officer and president of the agency, entered into a Settlement Stipulation for Consent Order and agreed to pay an administrative penalty of \$1,000. However, the customer representative failed to pay the penalty.

**Disposition:** License suspended for two months and must pay the \$1,000 penalty before the license can be reinstated.

**Case:** The Department was notified that a final judgment was entered against a bail bond agent by a Clerk of Court. The bail bond agent continued to execute bonds while the judgment remained outstanding for the forfeiture of a bond executed by him. The Department received further information that the agent had continued executing bonds with a second unpaid judgment. Because the agent executed multiple bail bonds while judgments remained unpaid for more than 35 days without depositing the amount of the judgment with the Clerk of the Court, he entered into a Settlement Stipulation for Consent Order and was placed on probation for one year and ordered to pay a \$1,500 administrative penalty. However, he failed to pay the Department the administrative penalty.

**Disposition:** License suspended for two months and must pay the \$1,500 penalty before the license can be reinstated.

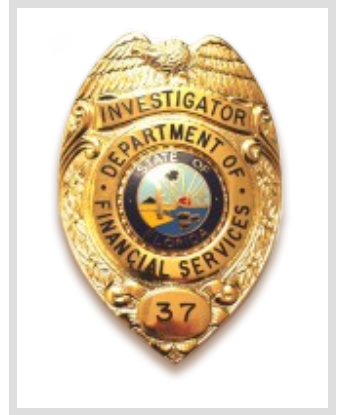
## Enforcement Actions

- April 2014

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.

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.

**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/COST	RESTITUTION	CITY, STATE	DOCUMENT
Abdo	Fouzi	W040148	Bail Bond	License Suspended Indefinitely			Jacksonville, FL	<a href="#">Locate</a>
Addington	Hannah	P222729	All Lines Adjuster	License Surrendered			Ponte Vedra, FL	<a href="#">Locate</a>
Adrien	Nicholson	W114943	Life, Health, Variable Annuity	License Revoked			Orlando, FL	<a href="#">Locate</a>
Allen	Jonathon	A004060	All Lines Adjuster	Permanently Barred			Lakeland, FL	<a href="#">Locate</a>
Barbosa	Jesus	W035716	Life, Variable Annuity, Legal Expense	License Revoked			Hialeah, FL	<a href="#">Locate</a>
Brognano	Amy	A030957	General Lines	Probation and Fined	\$9,000		Sebastian, FL	<a href="#">Locate</a>
Brown	Cash	A032709	School Official, Instructor	Fined, Cost, and Restitution	\$1,500/\$1,000	\$750	Boca Raton, FL	<a href="#">Locate</a>

Butler	Charlene	E136368	Public Adjuster	Fined	\$500		Miami, FL	<a href="#">Locate</a>
Caragiulo	Tiffany	P173833	Public Adjuster	License Suspended 3 Months			Oakland Park, FL	<a href="#">Locate</a>
Clark, Jr.	William	P067370	Bail Bond	Fined	\$1,500		Pensacola, FL	<a href="#">Locate</a>
Exler	Jerry	A080035	General Lines	License Revoked			North Port, FL	<a href="#">Locate</a>
Garcia	Alejandro	A092989	General Lines	Fined	\$3,500		Miami, FL	<a href="#">Locate</a>
Gonzalez	Steven	P004838	Public Adjuster	Fined	\$500		Miami, FL	<a href="#">Locate</a>
Great Florida Insurance of Venice, Inc.		R034306	Insurance Agency	Registration Revoked			Venice, FL	<a href="#">Locate</a>
Gulf Risk Services, Inc.		L029747	Insurance Agency	License Revoked, Restitution		\$1,751.50	Sarasota, FL	<a href="#">Locate</a>
Holley, Jr.	Merrel	E156661	Public Adjuster	License Suspended 3 Months			Morgan City, FL	<a href="#">Locate</a>
Irving	Mary	D084272	General Lines	Permanently Barred			Sarasota, FL	<a href="#">Locate</a>
Jenkins	Gerald	A130877	Bail Bond	License Suspended Indefinitely			Fort Myers, FL	<a href="#">Locate</a>
Klasek	Scott	P235323	Life, Health, Variable Annuity	License Suspended 1 Year			Lake Park, FL	<a href="#">Locate</a>
Kueser	Mary	E133315	Public Adjuster	License Surrendered			Davie, FL	<a href="#">Locate</a>
Lewis	Kevin	P239195	Life, Variable Annuity, Legal Expense	License Revoked			Kissimmee, FL	<a href="#">Locate</a>
Life & Health Solutions, LLC		L070185	Insurance Agency	Probation and Fined	\$1,500		Boca Raton, FL	<a href="#">Locate</a>
Miller	Daniel	P075801	General Lines	Probation and Fined	\$6,000		Jacksonville, FL	<a href="#">Locate</a>
Miller	Darren	P142645	Public Adjuster	License Suspended 3 Months			Boynton Beach, FL	<a href="#">Locate</a>
Mobley	Leon	E076836	General Lines	License Suspended 1 Year			West Palm Beach, FL	<a href="#">Locate</a>
Nathanson	Randolph	E023528	Life, Health, Variable Annuity	Fined	\$750		Farmingdale, NY	<a href="#">Locate</a>

Ocean Title Insurance Agency, LLC		P211757	Title Agency	Fined	\$500		Fort Myers, FL	<a href="#">Locate</a>
Rene	Nakens	P091284	Bail Bond	License Suspended 6 Months		\$4,482.16	Oakland Park, FL	<a href="#">Locate</a>
Rodriguez	Jose	P073767	Public Adjuster	License Suspended 3 Months			Miami, FL	<a href="#">Locate</a>
Salvato	Peter	W153709	Life, Health, Variable Annuity, Customer Representative	License Suspended 3 Months	\$500		Spring Hill, FL	<a href="#">Locate</a>
Santos	Omar	E191281	Public Adjuster	License Revoked			Miami, FL	<a href="#">Locate</a>
Seay	Robert	A237506	Customer Representative	Permanently Barred			Sarasota, FL	<a href="#">Locate</a>
Stephens	Rick	D037053	Life, Health, Variable Annuity	License Revoked			Lauderdale Lakes, FL	<a href="#">Locate</a>
Tretola	Joseph	W013402	Life, Health, Variable Annuity	Probation, Fined, and CE	\$1,500		Delray Beach, FL	<a href="#">Locate</a>
Tretola	Michael	W099378	Health	Probation and Fined	\$2,500		Deerfield Beach, FL	<a href="#">Locate</a>
Velilla	Gilbert	P102033	Public Adjuster	License Suspended 3 Months			Miami, FL	<a href="#">Locate</a>
Vindell	Edwin	P060497	Public Adjuster	Fined	\$500		Naples, FL	<a href="#">Locate</a>
Westfort	Jason	P046242	Life, Health, Variable Annuity	License Suspended 18 Months			Lake Worth, 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.

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

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