

1989

## Session Law 89-210

Florida Senate & House of Representatives

Follow this and additional works at: <https://ir.law.fsu.edu/staff-analysis>



Part of the Legislation Commons

---

### Recommended Citation

House of Representatives, Florida Senate &, "Session Law 89-210" (1989). *Staff Analysis*. 908.  
<https://ir.law.fsu.edu/staff-analysis/908>

This Article is brought to you for free and open access by the Florida Legislative Documents at Scholarship Repository. It has been accepted for inclusion in Staff Analysis by an authorized administrator of Scholarship Repository. For more information, please contact [efarrell@law.fsu.edu](mailto:efarrell@law.fsu.edu).

B  
I  
L  
L  
  
H  
I  
S  
T  
O  
R  
Y

**H 1396 GENERAL BILL/CS/1ST ENG by Insurance; Ascherl; Deutsch  
(Similar CS/S 1374)**

Health & Life Ins./Licensees' Educ.; establishes requirements & standards for continuing education courses for persons licensed to sell or solicit insurance; provides for application, exceptions & education requirements; provides for compliance & penalties; creates continuing education advisory board appointed by Insurance Commissioner & Treasurer; provides for review & repeal. Creates 626.2815. Appropriation: \$191,000. Effective Date: 07/01/89.

03/24/89 HOUSE Prefiled  
03/28/89 HOUSE Referred to Insurance; Appropriations  
04/03/89 HOUSE Subreferred to Subcommittee on Insurance Sunset  
04/04/89 HOUSE Introduced, referred to Insurance; Appropriations  
-HJ 133; Subreferred to Subcommittee on Insurance Sunset; On Committee agenda—Insurance, 04/05/89, 11:15 am, 317-C—For ratification to subcommittee  
04/13/89 HOUSE On subcommittee agenda—Insurance, 04/17/89, 9:30 am, 16-HOB  
04/17/89 HOUSE Subcommittee Recommendation: Favorable as a proposed CS  
04/20/89 HOUSE On Committee agenda—Insurance, 04/24/89, 2:00 pm, 317-C  
04/24/89 HOUSE Preliminary Committee Action by Insurance: Favorable as a CS  
05/08/89 HOUSE Comm. Report: CS by Insurance -HJ 416; CS read first time -HJ 413; Now in Appropriations -HJ 416  
05/12/89 HOUSE On Committee agenda—Appropriations, 05/16/89, 8:00 am, 21-HOB  
05/16/89 HOUSE Preliminary Committee Action by Appropriations: Favorable with 2 amendments  
05/23/89 HOUSE Comm. Report: Favorable with 2 amendment(s) by Appropriations, placed on Calendar -HJ 598  
05/24/89 HOUSE Placed on Special Order Calendar  
05/30/89 HOUSE Read second time; Amendments adopted; Read third time; CS passed as amended; YEAS 109 NAYS 0 -HJ 786  
05/30/89 SENATE In Messages; Received -SJ 567; Substituted for CS/SB 1374; CS passed; YEAS 37 NAYS 0 -SJ 599  
05/30/89 Ordered enrolled  
06/13/89 Signed by Officers and presented to Governor  
06/28/89 Approved by Governor; Chapter No. 89-210

**NOTES:** Above bill history from Division of Legislative Information's *FINAL LEGISLATIVE BILL INFORMATION, 1989 SESSIONS*. Staff Analyses for bills amended beyond final committee action may not be in accordance with the enacted law. Journal page numbers (HJ & SJ) refer to daily Journals and may not be the same as final bound Journals.

**\*\*AS PASSED BY THE 1989 LEGISLATURE\*\***

**STORAGE NAME:** H1396-f.inv  
**DATE:** June 30, 1989

**HOUSE OF REPRESENTATIVES  
INSURANCE COMMITTEE  
FINAL STAFF ANALYSIS & ECONOMIC IMPACT STATEMENT**

**BILL #:** CS/HB 1396

**RELATING TO:** Continuing Education

**SPONSOR(S):** Committee on Insurance and Representatives Ascherl & Deutsch

**EFFECTIVE DATE:** July 1, 1989

**DATE BECAME LAW:** June 28, 1989

**CHAPTER #:** 89-210, Laws of Florida

**COMPANION BILL(S):** CS/SB 1374

**OTHER COMMITTEES OF REFERENCE:** (1) Appropriations  
(2)

\*\*\*\*\*

**I. SUMMARY:**

CS/HB 1396 requires continuing education (CE) for agents licensed to sell insurance in Florida. It provides for the Department of Insurance (Department) to suspend the licenses of agents who fail to comply with the CE requirements. An advisory board is created to advise the Department in implementing the law. Six positions and funding is also provided.

**A. PRESENT SITUATION:**

Presently, there are no CE requirements prescribed by law for insurance agents.

**B. EFFECT OF PROPOSED CHANGES:**

This bill requires insurance agents to complete 16 hours of Department-approved continuing education per year, or 32 hours over a two-year period, as a prerequisite for license renewal beginning in 1992. Agents are required to complete the CE courses in their line of insurance. Agents licensed to sell both health and life, and property and casualty are required to complete one-half the required hours per year in both areas. The Department may grant an extension up to one year for satisfaction of CE requirements.

The bill provides that additional hours accumulated during any one-year period may be carried forward to the next year. A nonresident agent may complete continuing education requirements in his/her home state if the agent's home state recognizes reciprocity with Florida's continuing education requirements. Otherwise, the nonresident agent must meet

Florida's requirements.

The bill specifies the number of classroom hours and the providers that shall be approved for CE credit:

- 1) Any part of Life Underwriter Training Council Life Course Curriculum (32 hours); Health Course Curriculum (16 hours);
- 2) Any part of American College "CLU" diploma curriculum (32 hours);
- 3) Any part of Insurance Institute of America's program in general insurance (16 hours);
- 4) Any part of American Institute for Property and Liability Underwriters' (CPCU) program (32 hours);
- 5) Any part of the Certified Insurance Counselor program (24 hours);
- 6) Any part of the Accredited Advisor in Insurance (24 hours);
- 7) College or university courses approved by the Department (16 hours per credit hour);
- 8) Other courses developed and/or sponsored by any authorized insurer, recognized agents association or insurance trade association and approved by the Department (hours of credit determined by the Department).

The bill allows an instructor to receive the same number of CE credits as the course which he is teaching.

The bill creates a nine-member CE advisory board, appointed by the Insurance Commissioner, to assist the Department in developing rules for implementation of the act. The board is composed of:

- o five members representing agents, of which at least one must be from the Florida Association of Insurance Agents, one from the Florida Association of Life Underwriters, and one from the Professional Insurance Agents of Florida;
- o three members representing insurance companies, with at least one representing a Florida Domestic Company; and
- o one member from the general public who is not directly employed by the insurance industry.

The bill provides for the board to be abolished June 30, 1992. It has a repeal date of October 1, 2000, and it takes effect October 1, 1989, or upon becoming law, whichever is later.

C. SECTION-BY-SECTION ANALYSIS:

None

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring or First Year Start-Up Effects:

	<u>FY 89-90</u>	<u>FY 89-90</u>
EXPENDITURES:		
Department of Insurance		
Operating Capital Outlay	\$ 30,415	

2. Recurring or Annualized Continuation Effects:

EXPENDITURES:		
Department of Insurance		
Salaries and Benefits	111,655	111,655
Expenses	48,930	48,930

3. Long Run Effects Other Than Normal Growth:

None

4. Appropriations Consequences:

EXPENDITURES:		
Department of Insurance		
Insurance Commissioner's		
Regulatory Trust Fund	191,000	160,585

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring or First Year Start-Up Effects:

None

2. Recurring or Annualized Continuation Effects:

None

3. Long Run Effects Other Than Normal Growth:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

Insurance agents would have to pay for continuing education courses each year.

2. Direct Private Sector Benefits:

Consumers would be served by more qualified insurance agents.

3. Effects on Competition, Private Enterprise, and Employment Markets:

Instructors would be needed to teach the continuing education courses.

D. FISCAL COMMENTS:

The following amendments were adopted by the Appropriations Committee:

Amendment 1: Provides for an appropriation of \$191,000 and 6 positions to fund the act.

Amendment 2: Title amendment

III. LONG RANGE CONSEQUENCES:

This bill does not directly relate to and is not inconsistent with the goals and policies specified in the State Comprehensive Plan.

IV. COMMENTS:

The mission of the Insurance Committee is to construct insurance laws which will require payment of claims when due, promote the availability of affordable insurance, stabilize insurance rates, protect the solvency of insurance institutions, and expand the ability of companies to profit from wise investments. Although this bill does not relate to the specific mission of the Committee, it will help ensure that those who sell insurance are properly trained.


V. SIGNATURES:

SUBSTANTIVE COMMITTEE:

Prepared by:

  
\_\_\_\_\_  
H. Fred Varn

Staff Director:

  
\_\_\_\_\_  
John Guthrie

SECOND COMMITTEE OF REFERENCE:

Prepared by:

\_\_\_\_\_  
\_\_\_\_\_

Staff Director:

\_\_\_\_\_  
\_\_\_\_\_

APPROPRIATIONS:

Prepared by:

Frank Morgan

Staff Director:

James Zingale

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

<u>ANALYST</u>	<u>STAFF DIRECTOR</u>	<u>REFERENCE</u>	<u>ACTION</u>
1. <u>Stupski</u>	<u>Fort</u>	1. <u>INS</u>	<u>Fav/CS</u>
2. <u>Barrett</u>	<u>Smith</u>	2. <u>AP</u>	<u>Favorable</u>
3. _____	_____	3. _____	_____
4. _____	_____	4. _____	_____

SUBJECT:

Insurances Licenses/  
Continuing Education

BILL NO. AND SPONSOR:

CS/SB 1374 by  
Insurance and Senator  
Jennings

I. SUMMARY:

A. Present Situation:

Current law does not require licensed insurance agents to complete continuing education requirements in order to maintain a license to sell insurance.

Section 626.221, F.S., requires that most agents successfully pass exams in order to obtain a license to sell insurance. However, once the exam is passed, continuing education is not required for renewal.

B. Effect of Proposed Changes:

CS/SB 1374 requires all insurers that are required to take an exam for licensure complete continuing education requirements. The bill requires 16 hours of annual continuing education or 32 hours every 2 years. The committee substitute provides for continuing education requirements to begin on license renewal in 1992.

CS/SB 1374 provides that persons having a license to sell life or health insurance and a license to sell property, casualty, surety or surplus lines insurance must complete continuing education requirements for 1/2 the required continuing education hours in each area of insurance.

The committee substitute provides that continuing education courses must meet the approval of the Department of Insurance.

CS/SB 1374 provides that teachers of continuing education courses qualify for the same number of hours as persons completing the course.

The committee substitute provides that excess classroom hours accumulated in 1 year may be carried forward to the next year in order to complete the continuing education requirements.

In addition, the committee substitute provides authority for the Department of Insurance to grant an extension for up to 1 year to meet the continuing education requirements.

Nonresidents may use credits required in their state to fulfill Florida's continuing education requirements.

The committee substitute provides for the completion of enumerated and approved coursework to satisfy the completion of continuing legal education requirements.

The committee substitute creates a nine-member advisory board to advise the department on the necessary rules to implement continuing education requirements. The committee substitute

requires one member of the board to be from the Florida Association of Insurance Agents, one member from the Florida Association of Life Underwriters, one member from the Professional Insurance Agents, three members representing insurance companies, and one member from the general public. The committee substitute abolishes the board on June 30, 1992.

II. ECONOMIC IMPACT AND FISCAL NOTE:

A. Public:

Insurers or their licensed agents will incur the cost of completing continuing education courses.

B. Government:

The Department of Insurance states a need for 6 positions and \$191,000 from the Insurance Commissioner's Regulatory Trust Fund to administer this bill.

III. COMMENTS:

Neither this bill nor the Senate or the House versions of the General Appropriations Act contain funding to administer this program.

IV. AMENDMENTS:

None.