

## FAIA Blogs Posts:

7/23/25 By Greg Thomas

### Virtual Assistants Are Here to Help Agents. Make Sure You Know the Law!

Virtual Assistants (VA) are the talk of the industry at the moment. VAs offer relief from burdensome duties that are nonrevenue generating, freeing up time for other things agencies feel are more important. Given the difficult task of recruiting and retaining great team members, VAs offer relief from the constant grind of trying to find and keep talent.

What can VAs do for your agency? That is a broad question with a variety of answers. VA companies can offer a wide range of services, like issuing certificates of insurance, mortgagee changes, updating records in the agency management system, adding and removing vehicles or drivers, policy endorsements, completing applications, compiling x-dates, handling premium payments, and the list goes on. If VAs can do all of this while saving you time and money, then it seems like a no-brainer, doesn't it?

Unfortunately, it is not a no-brainer; it requires lots of brains. Why? Because VAs are people, and where they are located can matter. Why should the location of the actual VA assisting you matter? The answer to that question depends on what the VA is doing for your agency, because some of the things they do may require a license.

What do you need to know when deciding if a VA is right for your agency and, if so, which VA best meets your needs? The first thing on the list is figuring out which duties you might want a VA to perform for your agency. Knowing what it is you want the VA to do for you will help you determine what license type they need, if any. Finally, you will need to know where the VA staff is located, as it will affect their ability to be properly licensed.

One of your first considerations in shopping for a VA is the duties you think you want them to perform for your agency. Are these duties considered transacting insurance under Florida law? This is important because Florida law says in [§626.112\(10\)](#), F.S., that "Any person who knowingly transacts insurance or otherwise engages in insurance activities in this state without a license in violation of this section or who knowingly aids or abets an unlicensed person in transacting insurance or otherwise engaging in insurance activities in this state without a license commits a felony of the third degree..." In other words, if you allow an unlicensed person or VA to perform duties that require an insurance license, you could end up in very hot water.

Now that we know how important it is to make sure only licensed individuals transact insurance for your agency, what exactly is considered "transacting insurance?" The list of what constitutes transacting is long, and can be found in [§626.7315](#), F.S. Without copying the statute in its entirety, let's look at a few actions that are considered transacting according to the law.

- Soliciting insurance
- Procuring applications
- Receiving money on account of or for any insurer
- Issuing a receipt for money on account of or for any insurer
- Collecting or forwarding any insurance premium
- Soliciting an insurance contract, renewal, or endorsement
- Negotiating an insurance contract, renewal, or endorsement

- Effecting an insurance contract, renewal, or endorsement
- Procuring an insurance contract, renewal, or endorsement
- Receiving an insurance contract, renewal, or endorsement
- Delivering an insurance contract, renewal, or endorsement
- Forwarding an insurance contract, renewal, or endorsement
- Analyzing or abstracting insurance policies for any form of compensation
- Insurance counseling for compensation
- Advising relative to insurance or insurance contracts for compensation
- Giving opinions about insurance or insurance contracts for compensation
- Attempting or causing to be made any contract of insurance for an insurer
- Receiving or transmitting applications for suretyship
- Receiving or transmitting bonds
- Procuring suretyship to be effected by a surety insurer

There are exceptions to the list above, and this regulation is primarily focused on Florida people, entities, or risks. That said, this should give you a good idea of just how broad the limitations are for those who are unlicensed. You might also take away from this list that much of what you would like a VA to do for you requires them to be licensed. Assuming you decide to work with a VA that will be transacting insurance according to the law, what kind of license do they need?

The answer to the license question depends on what products the VA is assisting with. Just like you need a 2-20 General Lines Agent, 20-44 Personal Lines Agent, or 2-15 Life & Health Agent license, so will the VA who assists your office. For personal lines property & casualty insurance, they can hold either a 2-20 or a 20-44 license. For commercial lines, they would need a 2-20 license. The non-resident versions of these licenses are also acceptable if the VA is based in another state. One final note on this topic—individuals residing outside of the United States or its territories cannot obtain a Florida license of any type, which means they cannot perform VA services for your agency that would require a license.

A couple of other notes on this topic before we leave. You might notice I left off the 4-40 Customer Representative license from the list above. This is because a 4-40 cannot work outside your office, pursuant to [§626.7352](#), F.S. In a future blog, we will delve into the details of the 4-40 license type. We also did not cover incidental insurance duties performed by unlicensed staff, because those laws only allow for your full-time staff to perform incidental duties, not part-time staff and not VAs. You can learn more about incidental duties in [§626.0428](#), F.S. and [§69B-222](#), F.A.C.

8/4/25 By Greg Thomas

## What Can an Unlicensed Person Do in Your Office? (Part 1)

Unlicensed staff offer support to agencies and free time for agents to build relationships with clients and to sell and service insurance. These staff members are a valuable part of agency operations, but you must be careful about assigning certain tasks to them. There are many things they can do to help, but it is important to avoid assigning duties that are considered transacting insurance.

In my last blog, we covered Virtual Assistants (VAs). This blog will focus on the individuals you hire to support your office who do not hold an insurance license. These individuals may perform many different duties; however, there are different rules for full-time and part-time employees. We will start our dive into this topic looking at duties anyone can perform. This applies to individuals who are licensed or unlicensed, and full-time or part-time. The guidance for this is found in the Florida Administrative Code (F.A.C.), in [69B-222.040](#).

*69B-222.040. Lawful Activity by Unlicensed Insurance Agency Personnel*

*The following actions are allowable by unlicensed personnel at any time:*

- (1) Serving in the capacity of switchboard operator, receptionist, or secretary, when merely taking incoming calls and visitors and routing them to licensed staff or taking messages.*
- (2) Explaining claims procedures or advising claimants as to the procedural status of claims, so long as same merely requires the unlicensed staffer to read from agency records and files and does not require application of judgment or interpretation.*
- (3) Answering incoming calls from existing clients as to purely administrative matters, so long as same merely requires the unlicensed staffer to read from agency records and files and does not require application of judgment or interpretation, such as "Do your files show receipt of my June premium?" or "What do your files show as the current expiration date on my homeowners policy?"*
- (4) At the direction of the agent, solicitor or customer representative:*
  - (a) Calling back a specific person who had called the agent or customer representative or solicitor and setting up a solicitation meeting between the person and the agent or customer representative or solicitor.*
  - (b) Conveying information to existing clients or claimants, such as "Agent Smith wanted me to call you and tell you he received your paperwork on your new car and it is covered under your existing policy effective immediately" or "Agent Smith asked me to let you know your claim has been allowed in full and you should get your check within 30 days."*

The language found in 69B-222.040 does a decent job of covering what anyone can do to support your agency's operations. However, I need to backtrack a bit. I say this because "anyone" does not really mean anyone. We should say "most anyone" instead.

I say this because there is one group of people who cannot perform even the functions that do not require a license. These are individuals who have had their license suspended or revoked by the Department of Financial Services. These individuals are excluded from the group of "anyone."

[Subsection 626.641\(4\), Florida Statute \(F.S.\)](#) says, "During the period of suspension or revocation of a license or appointment, and until the license is reinstated or, if revoked, a new license issued, the former licensee or appointee may not engage in or attempt or profess to engage in any transaction or business for which a license or appointment is

*required under this code or directly or indirectly own, control, or be employed in any manner by an agent, agency, adjuster, or adjusting firm.”*

So, even with functions that do not require a license, make sure the person you are employing does not have a revoked or suspended license. If you employ someone who has had their license suspended or revoked, it could cost you your license, financial penalties, and embarrassment. If you go far enough in employing them to allow them to transact insurance, it could even lead to you being charged with a felony crime.

Subsection 626.112(10), F.S. says, “Any person who knowingly transacts insurance or otherwise engages in insurance activities in this state without a license in violation of this section or who knowingly aids or abets an unlicensed person in transacting insurance or otherwise engaging in insurance activities in this state without a license commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.”

In my next blog, we will continue our review of unlicensed staff. Sure enough, just when you thought we had all this figured out, there is yet another group of unlicensed staff who can transact insurance. We will look at the details of that group and learn more about what they can and cannot do for your agency.