FINANCIAL SERVICES COMMISSION
Office of Insurance Regulation
Materials Available on the Web at:
http://www.floir.com/Sections/GovAffairs/FSC.aspx

September 22, 2020

MEMBERS
Governor Ron DeSantis
Attorney General Ashley Moody
Chief Financial Officer Jimmy Patronis
Commissioner Nicole "Nikki" Fried

Contact: **Allison Sitte**
(850-413-5005)

9:00 A.M.
LL-03, The Capitol
Tallahassee, Florida

ITEM	SUBJECT	RECOMMENDATION

1. Request for Approval of Minutes of the Financial Services Commission for February 4, 2020.

   (ATTACHMENT 1) **FOR APPROVAL**

2. Request for Approval for Publication and Final Adoption of Rules 69O-143.0465; .0466; Group-wide Supervision of Internationally Active Insurance Groups; Contents of Corporate Governance Annual Disclosure.

   Rule 69O-143.0465, Florida Administrative Code ("F.A.C."), is created to implement the National Association of Insurance Commissioners ("NAIC") Holding Company System Regulatory Act #440. Rule 69O-143.0466, F.A.C., is created to implement the NAIC Corporate Governance Annual Disclosure Model Act #305 and the NAIC Corporate Governance Annual Disclosure Model Regulation #306.

   (ATTACHMENT 2) APPROVAL FOR PUBLICATION OF PROPOSED RULE AND FOR FINAL ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.

3. Request for Approval for Publication and Final Adoption of Rule 69O-149.006; Actuarial Memorandum.

   The manner in which an insurer can increase or decrease the target loss ratio for an individual or group policy form is amended. An insurer may increase the target loss ratio for an individual or group policy form if it can justify the proposed change. An insurer may reduce the target loss ratio of an individual or group policy form upon demonstration and justification of an increase in administrative costs, but the reduction must comply with maximum amounts stated in the rule.

   (ATTACHMENT 3) APPROVAL FOR PUBLICATION OF PROPOSED RULE AND FOR FINAL ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE

HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.

4. Request for Approval for Publication and Final Adoption of Rule 69O-171.010; Insurer Assignment Agreement Reporting – Calendar Year Experience.

   Chapter 2019-57, Laws of Florida, created section 627.7152, F.S., which requires the Financial Services Commission to file a description of the program on a form and requires insurers to submit certain information to the Office. Rule 69O-171.010, F.A.C., is created to implement section 627.7152, F.S. Form OIR-B1-2221 is incorporated by reference and contains information insurers must report to the Office pursuant to the statute.

   (ATTACHMENT 4) APPROVAL FOR PUBLICATION OF PROPOSED RULE AND FOR FINAL ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.

5. Request for Approval for Publication and Final Adoption of Rule 69O-191.055; Actuarial Memorandum and Definitions.

   The manner in which a health maintenance organization ("HMO") can increase or decrease the target loss ratio for an individual or group policy form is amended. An HMO may increase the target loss ratio for an individual or group policy form if it can justify the proposed change. An HMO may reduce the target loss ratio of an individual or group policy form upon demonstration and justification of an increase in administrative costs, but the reduction must comply with maximum amounts stated in the rule.

   (ATTACHMENT 5) APPROVAL FOR PUBLICATION OF PROPOSED RULE AND FOR FINAL ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.

6. Request for Approval for Publication and Final Adoption of Rule 69O-137.008; Filing of Statistical and Quarterly Reports for Individually Rated Risks and Excess Rates.

   The Office is updating the delivery method of the data in Form OIR-B1-588 for a more effective method of collecting and analyzing the information. Form OIR-B1-588 is the individual risk rating (IRR)/consent to rate (CTR) form. It obtains information on the number of policies and premium for policies that utilize IRR and/or CTR. The Office is updating the delivery method of the data in Form OIR-B1-588 from a hard copy form to being delivered in the Office's IRFS system.

   (ATTACHMENT 6) APPROVAL FOR PUBLICATION OF PROPOSED RULE AND FOR FINAL ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.

7. Request for Approval for Publication and Final Adoption of Rule 69O-142.015; Standardized Requirements Applicable to Insurers After Hurricanes or Natural Disasters.

The rule is amended to change the manner in which insurers report certain information to the Office of Insurance Regulation as a consequence of a hurricane or other natural disaster, as well as create separate subsections covering contracts of insurance entered into by property and casualty insurers and health and life insurers.

(ATTACHMENT 7) APPROVAL FOR PUBLICATION OF PROPOSED RULE AND FOR FINAL ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.

OFFICE OF INSURANCE REGULATION

GOVERNOR DESANTIS: Commissioner Altmaier. There you are. Okay. Welcome.

COMMISSIONER ALTMAIER: Thank you, Governor. Good morning, Cabinet.

Our first agenda item this morning is approval of our December the 3rd minutes of the FSC meeting. We'd respectfully request your approval of those.

GOVERNOR DESANTIS: I move to approve.

Is there a second?

ATTORNEY GENERAL MOODY: Second.

GOVERNOR DESANTIS: No objection, the motion carries.

Item 2.

COMMISSIONER ALTMAIER: Thank you.

Our last agenda item is request for approval for republication of a rule and, if no comments are received, final adoption.

GOVERNOR DESANTIS: All right. Move to approve.

Is there a second?

ATTORNEY GENERAL MOODY: Second.

GOVERNOR DESANTIS: Any objections?

(NO RESPONSE).

GOVERNOR DESANTIS: Hearing none, the motion carries.

Thank you.

COMMISSIONER ALTMAIER: Thank you.

* * * *

M E M O R A N D U M

DATE: May 27, 2020

TO: David Altmaier, Commissioner, Office of Insurance Regulation

THROUGH: Anoush Brangaccio, General Counsel

FROM: Michael Lawrence, Jr., Assistant General Counsel

SUBJECT: Cabinet Agenda for June 16, 2020
Request for Approval to Publish and the Final Approval to Adopt Amendments to Rules 690-143.0465; .0466
Assignment # 260935-20

The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before June 10, 2020, and to the Financial Services Commission on June 16, 2020, with a request for Final Approval to Adopt the proposed rules and for final adoption if no member of the public timely requests a rule hearing or if a hearing is requested and no notice of change is needed.

The notice of proposed rules was published on May 6, 2020 in Volume 46, No. 89, of the *Register*. A workshop was not requested.

Rule 69O-143.0465, F.A.C., is created to implement the National Association of Insurance Commissioners ("NAIC") Holding Company System Regulatory Act #440.

Rule 69O-143.0466, F.A.C., is created to implement the NAIC Corporate Governance Annual Disclosure Model Act #305 and the NAIC Corporate Governance Annual Disclosure Model Regulation #306.

Sections 624.307, 624.308, 628.801, 628.804, and 628.8015, F.S., are the rulemaking authority and laws implemented for this rule.

Attached is the proposed rule.

Approved for signature:

Anoush Arakalian Brangaccio
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services Commission:

David Altmaier
_____
David Altmaier, Commissioner
Office of Insurance Regulation

69O-143.0465 Group-wide Supervision of Internationally Active Insurance Groups

(1) For the purposes of this rule, “internationally active insurance group” means an insurance holding company system that:

(a) Includes an insurer registered under Rule 143.046, F.A.C.; and

(b) Meets the following criteria:

1. Premiums written in at least three countries;

2. The percentage of gross premiums written outside the United States is at least ten percent (10%) of the insurance holding company system’s total gross written premiums; and

3. Based on a three- year rolling average, the total assets of the insurance holding company system are at least fifty billion dollars ($50,000,000,000) or the total gross written premiums of the insurance holding company system are at least ten billion dollars ($10,000,000,000).

(2)(a) The Office is authorized to act as the group-wide supervisor for any internationally active insurance group in accordance with Rule 69O-143.046, F.A.C., and s. 628.804, F.S. However, the Office may otherwise acknowledge another regulatory official as the group-wide supervisor where the internationally active insurance group:

1. Does not have substantial insurance operations in the United States;

2. Has substantial insurance operations in the United States, but not in this state; or

3. Has substantial insurance operations in the United States and this state, but the Office has determined pursuant to the factors set forth in subsections (3) and (7) that the other regulatory official is the appropriate group-wide supervisor.

(b) An insurance holding company system that does not otherwise qualify as an internationally active insurance group may request that the Office make a determination or acknowledgment as to a group-wide supervisor pursuant to this subsection.

(3)(a) In cooperation with other state, federal and international regulatory agencies, the Office will identify a single group-wide supervisor for an internationally active insurance group. The Office may determine that the Office is the appropriate group-wide supervisor for an internationally active insurance group that conducts substantial insurance operations concentrated in this state. However, the Office may acknowledge that a regulatory official from another jurisdiction is the appropriate group-wide supervisor for the internationally active insurance group. The Office shall consider the following factors when making a determination or acknowledgment under this subsection:

1. The place of domicile of the insurers within the internationally active insurance group that hold the largest share of the group’s written premiums, assets or liabilities;

2. The place of domicile of the top-tiered insurer(s) in the insurance holding company system of the internationally active insurance group;

3. The location of the executive offices or largest operational offices of the internationally active insurance group;

4. Whether another regulatory official is acting or is seeking to act as the group-wide supervisor under a regulatory system that the Office determines to be:

a. Substantially similar to the system of regulation provided under the laws of this state, or

b. Otherwise sufficient in terms of providing for group-wide supervision, enterprise risk analysis, and cooperation with other regulatory officials; and

5. Whether another regulatory official acting or seeking to act as the group-wide supervisor provides the Office with reasonably reciprocal recognition and cooperation.

(b) However, a regulatory official identified under this rule as the group-wide supervisor may determine that it is appropriate to acknowledge another supervisor to serve as the group-wide supervisor. The acknowledgment of the group-wide supervisor shall be made after consideration of the factors listed in subparagraphs (a)1. through (a)5. above, and shall be made in cooperation with and subject to the acknowledgment of other regulatory officials involved with supervision of members of the internationally active insurance group, and in consultation with the internationally active insurance group.

(4) Notwithstanding any other provision of law, when another regulatory official is acting as the group-wide supervisor of an internationally active insurance group, the Office shall acknowledge that regulatory official as the group-wide supervisor. However, in the event of a material change in the internationally active insurance group that results in:

(a) The internationally active insurance group’s insurers domiciled in this state holding the largest share of the group’s premiums, assets or liabilities; or

(b) This state being the place of domicile of the top-tiered insurer(s) in the insurance holding company system of the internationally active insurance group, the Office shall make a determination or acknowledgment as to the appropriate group-wide supervisor for such an internationally active insurance group pursuant to subsection (3).

(5) Pursuant to s. 628.801(3), F.S., the Office is authorized to collect from any insurer registered pursuant to Rule 143.046, F.A.C., all information necessary to determine whether the Office may act as the group-wide supervisor of an internationally active insurance group or if the Office may acknowledge another regulatory official to act as the group-wide supervisor. Prior to issuing a determination that an internationally active insurance group is subject to group-wide supervision by the Office, the Office shall notify the insurer registered pursuant to Rule 143.046, F.A.C., and the ultimate controlling person within the internationally active insurance group. The internationally active insurance group shall have not less than thirty (30) days to provide the Office with additional information pertinent to the pending determination. The Office shall publish the identity of internationally active insurance groups that the Office has determined are subject to group-wide supervision by the Office.

(6) If the Office is the group-wide supervisor for an internationally active insurance group, the Office is authorized to engage in any of the following group-wide supervision activities.

(a) Assess the enterprise risks within the internationally active insurance group to ensure that:

1. The material financial condition and liquidity risks to the members of the internationally active insurance group that are engaged in the business of insurance are identified by management; and

2. Reasonable and effective mitigation measures are in place.

(b) Request, from any member of an internationally active insurance group subject to the Office's supervision, information necessary and appropriate to assess enterprise risk, including, but not limited to, information about the members of the internationally active insurance group regarding:

1. Governance, risk assessment and management;

2. Capital adequacy; and

3. Material intercompany transactions.

(c) Coordinate and, through the authority of the regulatory officials of the jurisdictions where members of the internationally active insurance group are domiciled, compel development and implementation of reasonable measures designed to ensure that the internationally active insurance group is able to timely recognize and mitigate enterprise risks to members of such internationally active insurance group that are engaged in the business of insurance.

(d) Communicate with other state, federal and international regulatory agencies for members within the internationally active insurance group and share relevant information subject to the confidentiality provisions of s. 628.801(4), F.S., through supervisory colleges as set forth in s. 628.805, F.S., or otherwise.

(e) Enter into agreements with or obtain documentation from any insurer registered under Rule 69O-143.046, F.A.C., any member of the internationally active insurance group, and any other state, federal and international regulatory agencies for members of the internationally active insurance group, providing the basis for or otherwise clarifying the Office's role as group-wide supervisor, including provisions for resolving disputes with other regulatory officials. Such agreements or documentation shall not serve as evidence in any proceeding that any insurer or person within an insurance holding company system not domiciled or incorporated in this state is doing business in this state or is otherwise subject to jurisdiction in this state.

(f) Other group-wide supervision activities, consistent with the authorities and purposes enumerated above, as considered necessary by the Office.

(7) If the Office acknowledges that another regulatory official from a jurisdiction that is not accredited by the NAIC is the group-wide supervisor, the Office is authorized to reasonably cooperate, through supervisory colleges or otherwise, with group-wide supervision undertaken by the group-wide supervisor, provided that:

(a) The Office's cooperation is in compliance with the laws of this state; and

(b) The regulatory official acknowledged as the group-wide supervisor also recognizes and cooperates with the Office's activities as a group-wide supervisor for other internationally active insurance groups where applicable. Where such recognition and cooperation is not reasonably reciprocal, the Office is authorized to refuse recognition and cooperation.

(8) The Office is authorized to enter into agreements with or obtain documentation from any insurer registered under Rule 69O-143.046, F.A.C., any affiliate of the insurer, and other state, federal and international regulatory agencies for members of the internationally active insurance group, that provide the basis for or otherwise clarify a regulatory official's role as group-wide supervisor.

Rulemaking Authority 624.308(1), 628.801(1), 628.804(4) FS. Law Implemented 624.307(1), 628.801, 628.804 FS. History-New _____.

69O-143.0466 Contents of Corporate Governance Annual Disclosure

The corporate governance annual disclosure filed in accordance with s. 628.8015, F.S., must describe:

(1) The insurer's or insurance group's corporate governance framework and structure including consideration of the following:

(a) The Board of Directors ("Board") and various committees thereof ultimately responsible for overseeing the insurer or insurance group and the level(s) at which that oversight occurs, including ultimate control level, intermediate holding company, and legal entity. The insurer or insurance group shall describe and discuss the rationale for the current Board size and structure; and

(b) The duties of the Board and each of its significant committees and how they are governed, including the bylaws, charters, and informal mandates, as well as how the Board's leadership is structured, including a discussion of the roles of Chief Executive Officer and Chairman of the Board within the organization.

(2) The policies and practices of the most senior governing entity and significant committees thereof, including a discussion of the following factors:

(a) How the qualifications, expertise and experience of each Board member meet the needs of the insurer or insurance group;

(b) How an appropriate amount of independence is maintained on the Board and its significant committees.;

(c) The number of meetings held by the Board and its significant committees over the past year as well as information on director attendance.; and

(d) How the insurer or insurance group identifies, nominates, and elects members to the Board and its committees. The discussion should include:

1. Whether a nomination committee is in place to identify and select individuals for consideration,

2. Whether term limits are placed on directors,

3. How the election and re-election processes function,

4. Whether a Board diversity policy is in place and if so, how it functions, and

5. The processes in place for the Board to evaluate its performance and the performance of its committees, as well as any recent measures taken to improve performance and any Board or committee training programs that have been put in place).

(3) The policies and practices for directing senior management, including a description of the following factors:

(a) Any processes or practices, including suitability standards, to determine whether officers and key persons in control functions have the appropriate background, experience and integrity to fulfill their prospective roles, including:

1. Identification of the specific positions for which suitability standards have been developed and a description of the standards employed, and

2. Any changes in an officer's or key person's suitability as outlined by the insurer's or insurance group's standards and procedures to monitor and evaluate such changes;

(b) The insurer's or insurance group's code of business conduct and ethics, the discussion of which considers:

1. Compliance with laws, rules, and regulations, and

2. Proactive reporting of any illegal or unethical behavior;

(c) The insurer's or insurance group's processes for performance evaluation, compensation and corrective action to ensure effective senior management throughout the organization, including a description of the general objectives of significant compensation programs and what the programs are designed to reward. The description shall include sufficient detail to allow the Office to understand how the organization ensures that compensation programs do not encourage and/or reward excessive risk taking. Elements to be discussed may include:

1. The Board's role in overseeing management compensation programs and practices,

2. The various elements of compensation awarded in the insurer's or insurance group's compensation programs and how the insurer or insurance group determines and calculates the amount of each element of compensation paid,

3. How compensation programs are related to both company and individual performance over time,

4. Whether compensation programs include risk adjustments and how those adjustments are incorporated into the programs for employees at different levels,

5. Any clawback provisions built into the programs to recover awards or payments if the performance measures upon which they are based are restated or otherwise adjusted, and

6. Any other factors relevant in understanding how the insurer or insurance group monitors its compensation policies to determine whether its risk management objectives are met by incentivizing its employees; and

(d) The insurer's or insurance group's plans for the Chief Executive Officer and senior management succession.

(4) The insurer or insurance group shall describe the processes by which the Board, its committees, and senior management ensure an appropriate amount of oversight to the critical risk areas impacting the insurer's business activities, including a discussion of:

(a) How oversight and management responsibilities are delegated between the Board, its committees and senior management;

(b) How the Board is kept informed of the insurer's strategic plans, the associated risks, and steps that senior management is taking to monitor and manage those risks;

(c) How reporting responsibilities are organized for each critical risk area. The description should allow the Office to understand the frequency at which information on each critical risk area is reported to and reviewed by senior management and the Board. This description may include the following critical risk areas of the insurer:

1. Risk management processes. An ORSA summary report filer may refer to its ORSA summary report,
2. Actuarial function,
3. Investment decision-making processes,
4. Reinsurance decision-making processes,
5. Business strategy/finance decision-making processes,
6. Compliance function,
7. Financial reporting/internal auditing, and
8. Market conduct decision-making processes.

Rulemaking Authority 624.308(1), 628.8015(6) FS. Law Implemented 624.307(1), 628.8015 FS. History-New _____.

M E M O R A N D U M

DATE: May 27, 2020

TO: David Altmaier, Commissioner, Office of Insurance Regulation

THROUGH: Anoush Brangaccio, General Counsel

FROM: Michael Lawrence, Jr., Assistant General Counsel

SUBJECT: Cabinet Agenda for June 16, 2020
Request for Approval to Publish and the Final Approval to Adopt Amendments to Rule 690-149.006
Assignment # 259027-20

The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before June 10, 2020, and to the Financial Services Commission on June 16, 2020, with a request for Final Approval to Adopt the proposed rules and for final adoption if no member of the public timely requests a rule hearing or if a hearing is requested and no notice of change is needed.

The notice of proposed rules was published on April 27, 2020 in Volume 46, No. 82, of the *Register*. A workshop was held on May 14, 2020. The Office did not receive any comments.

The manner in which an insurer can increase or decrease the target loss ratio for an individual or group policy form is amended. An insurer may increase the target loss ratio for an individual or group policy form if it can justify the proposed change. An insurer may reduce the target loss ratio of an individual or group policy form upon demonstration and justification of an increase in administrative costs, but the reduction must comply with maximum amounts stated in the rule.

Sections 624.308, 627.410, and 627.411, F.S., are the rulemaking authority and laws implemented for this rule.

Attached is the proposed rule.

Approved for signature:

Anoush Arakalian Brangaccio
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services Commission:

David Altmaier
David Altmaier, Commissioner
Office of Insurance Regulation

69O-149.006 Actuarial Memorandum.

(1) through (2) No change.

(3) Descriptions.

(a) No change.

(b) The descriptions, by item number, of the terms listed above in subsection (2), follow:

1. through 19. No change.

20. Anticipated Loss Ratio: This section shall provide the anticipated loss ratio and the interest rate(s) used in the determination of the value. The target loss ratio for an individual or group policy form may be increased through a justification of the proposed change. The target loss ratio for an individual or group policy form may be reduced upon demonstration and justification of an increase in administrative costs, but may not be reduced to less than the minimum required standard for the policy form in Rule 69O-149.005, F.A.C. The proposed decrease due to administrative costs cannot be more than 0.5% per year. ~~The target loss ratio for an annually rated group policy form may be reduced upon demonstration and justification of an increase in administrative costs, but not less than the minimum required standard for the policy form.~~

a. through b. No change.

21. through 28. No change.

Rulemaking Authority 624.308(1), 627.410(6)(b), (e) FS. Law Implemented 627.410(1), (2), (6), 627.411(1)(e) FS. History–New 7-1-85, Formerly 4-58.06, 4-58.006, Amended 4-18-94, 4-9-95, 11-20-02, 6-19-03, Formerly 4-149.006, Amended 5-18-04, 11-2-06, 10-1-08, 8-15-19-_____.

M E M O R A N D U M

DATE: May 27, 2020

TO: David Altmaier, Commissioner, Office of Insurance Regulation

THROUGH: Anoush Brangaccio, General Counsel

FROM: Michael Lawrence, Jr., Assistant General Counsel

SUBJECT: Cabinet Agenda for June 16, 2020
Request for Approval to Publish and the Final Approval to Adopt Amendments to Rule 690-171.010
Assignment # 257734-20

The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before June 10, 2020, and to the Financial Services Commission on June 16, 2020, with a request for Final Approval to Adopt the proposed rules and for final adoption if no member of the public timely requests a rule hearing or if a hearing is requested and no notice of change is needed.

The notice of proposed rules was published on March 12, 2020 in Volume 46, No. 50, of the *Register*. A workshop was not requested.

Chapter 2019-57, Laws of Florida, created section 627.7152, F.S., which requires the Financial Services Commission to file a description of the program on a form and requires insurers to submit certain information to the Office. Rule 69O-171.010, F.A.C., is created to implement section 627.7152, F.S. Form OIR-B1-2221 is incorporated by reference and contains information insurers must report to the Office pursuant to the statute.

Sections 624.308, 624.424, 627.307, and 627.7152, F.S., are the rulemaking authority and laws implemented for this rule.

Attached is the proposed rule and Form OIR-B1-2221, which is incorporated by reference.

Approved for signature:

Anoush Arakalian Brangaccio
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services Commission:

David Altmaier
_____
David Altmaier, Commissioner
Office of Insurance Regulation

69O-171.010 Insurer Assignment Agreement Reporting – Calendar Year Experience.

(1) Any insurer authorized to transact residential property or commercial property insurance shall report, for each such line of insurance, the information required by section 627.7152(12), F.S., or required by rule, on and pursuant to the instructions in Form OIR-B1-2221, "Assignment of Benefits (AOB) Experience Reporting Form," effective 3/20, hereby incorporated by reference and available at www.flrules.org/XXXXX.

(2) For purposes of this rule, "residential property and commercial property insurance" includes the following lines of business:

(a) Allied Lines, excluding Time Element;
(b) Commercial Multiple Peril;
(c) Earthquake;
(d) Farmowners Multiple Peril;
(e) Glass;
(f) Homeowners Multiple Peril;
(g) Industrial Extended Coverage;
(h) Industrial Fire;
(i) Mobile Homeowners Multiple Peril;
(j) Mobile Homeowners Physical Damage Only; and
(k) Property (Fire).

(3) The following data elements are to be included in the data reporting form:

(a) NAIC Company Code
(b) Company Name
(c) Unique Claim ID
(d) Type of Policy
(e) County of Loss
(f) Building Replacement Cost
(g) Peril
(h) Date of Loss/Incident
(i) Date Reported to Insurer
(j) Date of First Claim Payment
(k) Date of Most Recent Payment on Claim
(l) Date Closed
(m) Number of AOBs?
(n) Date Earliest AOB was Executed
(o) Date Earliest AOB was Reported to Insurer
(p) Assignee's Presuit Settlement Demand
(q) Insurer's Presuit Settlement Offer
(r) Judgment Obtained by Assignee
(s) Litigation on Claim (Y/N)
(t) Reasonable Attorney Fees Awarded Under s. 627.7152(10), F.S. to the Insurer
(u) Reasonable Attorney Fees Awarded Under s. 627.7152(10), F.S. to the Assignee
(v) Total Indemnity Amount Paid by Insurer
(w) Total Allocated Loss Adjustment Expenses (ALAE) Paid by Insurer
(x) Re-opened Claim (Y/N)
(y) If Claim was Previously Reported in a Prior AOB Experience Reporting Form, Most Recent Year Reported
(z) If Claim was Previously Reported in a Prior AOB Experience Reporting Form, Claim ID for that Report

(4) The first report will be due on January 30, 2022, for claims paid in Calendar Year 2021. Reports for the preceding calendar year are due on or before January 30 of each year and shall be filed electronically at http://www.floir.com/iportal.

Rulemaking Authority 624.308(1), 624.424(1)(c), 627.7152(12) FS. Law Implemented 624.307(1), 624.424, 627.7152 FS. History–New _____.

Assignment of Benefits (AOB) Experience Reporting Form

pursuant to section 627.7152, Florida Statutes

If you need any assistance during the filing process, please contact OIR at

AOBinfo@floir.com

FLORIDA OFFICE OF INSURANCE REGULATION

Filing Due by January 30, 20__=1

FORM OIR-B1-2221

Effective 3/20

69O-171.010

VERSION

20.01.A

Assignment of Benefits (AOB) Experience Reporting Form

WHAT: Information related to each residential property and commercial property claims paid in the prior calendar year under an assignment agreement, pursuant to section 627.7152(12), Florida Statutes, in Florida between January 1, 20__ and December 31, 20__.

WHO: This AOB data call must be completed by insurers licensed in Florida for the following lines of business:

- Allied Lines
- Commercial Multi-Peril
- Earthquake
- Farmowners Multi-Peril
- Homeowners Multi-Peril
- Industrial Extended Coverage
- Industrial Fire
- Mobile Homeowners Multi-Peril
- Mobile Homeowners Physical Damage Only

NO DATA: A "No data" option may only be used by insurers with no claims paid under an assignment agreement between January 1, 20__ and December 31, 20__ for the lines of business listed above.

MANDATORY FIELDS: The following columns of the data call are mandatory fields for insurers with paid claims under an assgnment within the referenced timeline for the lines of business listed above: NAIC Company Code; Company Name; Unique Claim ID; Type of Policy; County of Loss; Peril; Date of Loss/Incident; Date Reported to Insurer; Litigation?; Total Amount Paid by Insurer - Indemnity and ALAE; and Re-opened Claim?.

OPTIONAL FIELDS: Please provide the remaining data fields if you are able to do so without a utilizing a manual claim search.

NO GROUP SUBMISSIONS: Data must be submitted on an individual company basis only.

TRADE SECRET SUBMISSIONS: An affidavit must accompany a filing that is submitted as a trade secret per section 624.4213, Florida Statutes. Refer to the Contacts tab for additonal information.

DUE DATE: 5 PM ET, January 30, 20__+1

Responses to the data call are required to be submitted to OIR no later than the due date using the Insurance Regulation Filing System (IRFS) located at:
https://irfs.fldfs.com
Failure to respond to the data call may result in administrative action.
HELP: Contact IRFS Support at 850-415-3147 or by email at:

AOBinfo@floir.com
Instructions for using the IRFS Filing System are found at
https://floir.com/sitedocuments/IRFSFilingInstructions.pdf

Definitions and Additional Guidance:

Date of AOB - The date of the AOB is the effective date of the agreement, not the date that the insurer received the AOB.

Multiple Assignees - If there are multiple assignees, only list the claim once. Provide the earliest AOB date in column M and provide the combined dollar amounts for the demand/offer/judgment information in columns N, O, and P.

"Judgment Obtained," "Presuit Settlement Demand," and "Presuit Settlement Offer" are defined in section 627.7152(1), Florida Statutes.

Contact Information Please provide company and individual contact information on this w
Report Date (Date Completed)
Please provide the name of the individual who completed this form.
What is this individual's email address?
What is the best number where this individual can be reached?
What is the Company's name?
What is the Company's NAIC Code? (Enter five zeroes if none)
What is the Company's Florida Company Code?
What is the Company's FEIN?
What is the Company's NAIC group code? ("0000" if no NAIC group code exists)
Is this filing being submitted as trade secret? If yes, once this spreadsheet is uploaded, you must upload the affidavit as required by section 624.4213, Florida Statutes.
Comments regarding information in the data call. If you do not have any comments, type N/A.

orksheet	VALIDATION CHECKS
	Required Data Field Complete?
	FALSE
	FALSE
	FALSE
	FALSE
	FALSE
	FALSE
	FALSE
	FALSE
	FALSE
	FALSE
	FALSE

NAIC Company Code	Company Name
Mandatory	Mandatory

Unique Claim ID	Type of Policy (See Valid Responses)	County of Loss (See Valid Responses)
Mandatory	Mandatory	Mandatory

DETAILED CLAIM INFORMATION FOR

Building Replacement Cost ($)	Peril (See Valid Responses)
Optional	Mandatory

ASSIGNMENT OF BEN

EACH RESIDENTIAL PROPERTY AND COMMERCIAL

Date				
Of Loss/Incident	Reported to Insurer	Of First Claim Payment	Of Most Recent Payment on Claim	Closed (if applicable)
Mandatory	Mandatory	Optional	Optional	Optional

NEFITS (AOB) EXPERIENCE REPORTING

L PROPERTY CLAIM PAID UNDER AN ASSIGNMENT

Number of AOBs?	Date Earliest AOB was Executed	Date Earliest AOB was Reported to Insurer	Assignee's Presuit Settlement Demand ($)	Insurer's Presuit Settlement Offer ($)
Optional	Optional	Optional	Optional	Optional

FORM

AGREEMENT BETWEEN JANUARY 1, 20__ AND

Judgment Obtained by Assignee ($)	Litigation? (Y/N/Unk)	Reasonable Attorney Fees Awarded Under s. 627.7152(10), F.S.:		Total Amount I
		To the Insurer (if applicable)	To the Assignee (if applicable)	Indemnity ($)
Optional	Mandatory	Optional	Optional	Mandatory

DECEMBER 31, 20__

Paid by Insurer	Re-opened Claim? (Y/N/Unk)	If Claim was Previously Reported in a Prior AOB Experience Reporting Form:	
ALAE ($)		Most Recent Year Reported (if applicable)	Claim ID for that Report (if applicable)
Mandatory	Mandatory	Optional	Optional

		VALIDATION CHECKS?
Row Complete?	Required Data Field Complete?	Required Data Matches Policy Type?
TRUE	TRUE	TRUE
TRUE	TRUE	TRUE
TRUE	TRUE	TRUE
TRUE	TRUE	TRUE
TRUE	TRUE	TRUE
TRUE	TRUE	TRUE
TRUE	TRUE	TRUE
TRUE	TRUE	TRUE
TRUE	TRUE	TRUE
TRUE	TRUE	TRUE
TRUE	TRUE	TRUE
TRUE	TRUE	TRUE
TRUE	TRUE	TRUE

Required Data Matches County?	Required Data Matches Peril?
TRUE	TRUE
TRUE	TRUE
TRUE	TRUE
TRUE	TRUE
TRUE	TRUE
TRUE	TRUE
TRUE	TRUE
TRUE	TRUE
TRUE	TRUE
TRUE	TRUE
TRUE	TRUE
TRUE	TRUE
TRUE	TRUE

M E M O R A N D U M

DATE: May 27, 2020

TO: David Altmaier, Commissioner, Office of Insurance Regulation

THROUGH: Anoush Brangaccio, General Counsel

FROM: Michael Lawrence, Jr., Assistant General Counsel

SUBJECT: Cabinet Agenda for June 16, 2020
Request for Approval to Publish and the Final Approval to Adopt Amendments to Rule 690-191.055
Assignment # 261621-20

The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before June 10, 2020, and to the Financial Services Commission on June 16, 2020, with a request for Final Approval to Adopt the proposed rules and for final adoption if no member of the public timely requests a rule hearing or if a hearing is requested and no notice of change is needed.

The notice of proposed rules was published on March 26, 2020 in Volume 46, No. 60, of the *Register*. A workshop was held on May 14, 2020. The Office did not receive any comments.

The manner in which a health maintenance organization ("HMO") can increase or decrease the target loss ratio for an individual or group policy form is amended. An HMO may increase the target loss ratio for an individual or group policy form if it can justify the proposed change. An HMO may reduce the target loss ratio of an individual or group policy form upon demonstration and justification of an increase in administrative costs, but the reduction must comply with maximum amounts stated in the rule.

Sections 641.22, 641.31 and 641.36, F.S., are the rulemaking authority and laws implemented for this rule.

Attached is the proposed rule.

Approved for signature:

Anoush Arakalian Brangaccio
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services Commission:

David Altmaier
_____
David Altmaier, Commissioner
Office of Insurance Regulation

69O-191.055 Actuarial Memorandum and Definitions.

(1) through (2) No change.

(3) Descriptions.

(a) No change.

(b) The descriptions, by item number, of the terms listed above in subsection (2), follow:

1. through 9. No change.

10. Anticipated Loss Ratio for the Form:

a. through b. No change.

c. The anticipated loss ratio may not be reduced from the loss ratio in the prior approved filing without approval. The target loss ratio for an individual or group policy form may be increased through a justification of the proposed change. The target loss ratio for an individual or group policy form may be reduced upon demonstration and justification of an increase in administrative costs, but may not be reduced to less than the minimum required standard for the policy form in Rule 69O-149.005, F.A.C. The proposed decrease due to administrative costs cannot be more than 0.5% per year. ~~If the HMO proposes to reduce the anticipated loss ratio for the form from the approved anticipated loss ratio, this section shall provide justification for such change. This shall include detailed expense information and the areas and reasons for expense increases.~~

11. through 15. No change.

(4) No change.

Rulemaking Authority 641.31, 641.36 FS. Law Implemented 641.22(2), 641.31(2), (3) FS. History–New 10-8-96, Amended 4-20-98, 8-15-02, 1-19-03, Formerly 4-191.055.

M E M O R A N D U M

DATE: August 24, 2020

TO: David Altmaier, Commissioner, Office of Insurance Regulation

THROUGH: Anoush Brangaccio, General Counsel

FROM: Michael Lawrence, Jr., Assistant General Counsel

SUBJECT: Cabinet Agenda for September 22, 2020
Request for Approval to Publish and the Final Approval to Adopt Amendments to Rule 690-137.008
Assignment # 247757-19

The Office of Insurance Regulation ("Office") requests that these proposed rule amendments be presented to the Cabinet aides on or before September 16, 2020, and to the Financial Services Commission on September 22, 2020, with a request for Final Approval to Adopt the proposed rule and for final adoption if no member of the public timely requests a rule hearing or if a hearing is requested and no notice of change is needed.

The notice of proposed rules was published on July 28, 2020 in Volume 46, No. 146, of the *Register*. The Office did not receive a request to hold a workshop.

The Office is updating the delivery method of the data in Form OIR-B1-588 for a more effective method of collecting and analyzing the information. Form OIR-B1-588 is the individual risk rating (IRR)/consent to rate (CTR) form. It obtains information on the number of policies and premium for policies that utilize IRR and/or CTR. The Office is updating the delivery method of the data in Form OIR-B1-588 from a hard copy form to being delivered in the Office's IRFS system.

Sections 624.307(1), 624.308(1) 624.418, 624.4211, 624.424(6), 627.062, 627.171, and 627.331, F.S., are the rulemaking authority and laws implemented for this rule.

Attached is the proposed rule.

Approved for signature:

Anoush Arakalian Brangaccio
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services Commission:

David Altmaier
_____
David Altmaier, Commissioner
Office of Insurance Regulation

69O-137.008 Filing of Statistical and Quarterly Reports for Individually Rated Risks and Excess Rates.

(1) Purpose and Scope. The purpose of this rule is to provide procedures for filing statistical reports for individually rated risks pursuant to section 627.062(3)(a), F.S., and for excess rates pursuant to section 627.171, F.S., since they are not rated in accordance with the insurer's rates, rating schedules, rating manuals, and underwriting rules which have been filed with the Office. Every insurer in this state which is authorized to transact any of the lines of insurance subject to part II of chapter 627, F.S., and which rates risks on an individual or excess basis shall be subject to this rule. Reports for individually rated risks and excess rates shall be received by the Office on a quarterly basis for each company. The information shall be reported within 45 days of the close of each quarter on Form OIR-B1-588, http://www.flrules.org/Gateway/reference.asp?No=Ref-08272, "Office of Insurance Regulation/Property & Casualty – Quarterly Report/Individually Rated Risks and Excess Rates," rev. 7/03, which is hereby adopted and incorporated by reference. A quarterly report need not be filed if no individually rated risks or risks subject to excess rates have been written during the quarter for which the report would otherwise be due. However, if an insurer does not file Form OIR-B1-588 because of not having written such business for four consecutive quarters, then for the quarter after the fourth consecutive quarter for which no business was written, the insurer shall file Form OIR-B1-588 and check the box thereon indicating that the insurer has not been subject to filing for the past four consecutive quarters. The form may be obtained from http://www.floir.com/iportal. A separate report must be completed for each quarter. The reports are due 45 days after the close of each quarter.

(2) Submitting the Report. Forms shall be filed electronically at https://www.floir.com/iportal. ~~may be submitted by mailing a completed electronic version via email to OIRB1588@floir.com or by mailing a copy to Property and Casualty Product Review Unit, Office of Insurance Regulation, 200 E. Gaines St., Tallahassee, FL 32399-0330.~~

Rulemaking Authority 624.308(1), 627.331(1) FS. Law Implemented 624.307(1), 624.418, 624.4211, 624.424(6), 627.062, 627.171, 627.331 FS. History–New 6-9-93, Amended 9-19-94, Formerly 4-137.008, Amended 7-30-17, _____.

M E M O R A N D U M

DATE: August 24, 2020

TO: David Altmaier, Commissioner, Office of Insurance Regulation

THROUGH: Anoush Brangaccio, General Counsel

FROM: Michael Lawrence, Jr., Assistant General Counsel

SUBJECT: Cabinet Agenda for September 22, 2020
Request for Approval to Publish and the Final Approval to Adopt Amendments to Rule 690-142.015
Assignment # 235333-18

The Office of Insurance Regulation ("Office") requests that these proposed rule amendments be presented to the Cabinet aides on or before September 16, 2020, and to the Financial Services Commission on September 22, 2020, with a request for Final Approval to Adopt the proposed rule and for final adoption if no member of the public timely requests a rule hearing or if a hearing is requested and no notice of change is needed.

The notice of proposed rules was published on July 17, 2020 in Volume 46, No. 139, of the *Register*. The Office did not receive a request to hold a workshop.

The rule is amended to change the manner in which insurers report certain information to the Office of Insurance Regulation as a consequence of a hurricane or other natural disaster, as well as create separate subsections covering contracts of insurance entered into by property and casualty insurers and health and life insurers.

Sections 624.307(1), 624.308, 624.319, 624.424, and 627.7019, F.S., are the rulemaking authority and laws implemented for this rule.

Attached is the proposed rule.

Approved for signature:

Anoush Arakalian Brangaccio
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services Commission:

David Altmaier
_____
David Altmaier, Commissioner
Office of Insurance Regulation

69O-142.015 Standardized Requirements Applicable to Insurers After Hurricanes or Natural Disasters.
This rule adopts standardized requirements that may be applied to insurers as a consequence of a hurricane or other natural disaster. The Office is authorized to issue an Order or Orders deemed necessary to protect the health, safety and welfare, activating the requirements herein, in whole or in part. An Order may be amended as deemed necessary to accommodate the particular circumstances of the specified hurricane or natural disaster. The following standardized provisions may be activated as provided herein:

(1) Claims Reporting Requirements.

(a) All entities having direct premiums written in Florida and authorized, approved or otherwise eligible to provide the coverages indicated below in subparagraphs (1)(a)1. and 2., shall report the requested information to the Office ~~required by Form OIR-DO-1681, "Catastrophic Event Data Reporting and Analysis", providing loss and associated exposure data within this state~~. The reporting shall be submitted with such frequency and for such areas as set forth in the Order ~~activating this subsection and may be revised to reflect the phases of reporting necessary as set forth in form OIR-DO-1681~~. The applicable coverages are:

1. Those coverages as defined in sections 627.4025(1) and 215.555(2)(c), F.S.

2. Other property coverages where loss is not specifically excluded in the policy's outline of coverage such as:

a. Private Passenger Auto Physical Damage;

b. Commercial Auto Physical Damage;

c. Commercial Property, including Fire and Allied Lines;

d. Commercial Multiple Peril;

e. Farmowners Multiple Peril;

f. Ocean Marine;

g. Inland Marine;

h. Aircraft; and,

i. Boiler and Machinery.

(b) ~~The following form is hereby adopted and incorporated by reference:~~

1. Insurers shall electronically submit the data required for each reporting event. Required data may include but is not limited to: ~~OIR-DO-1681 (revised 05/2007) "Catastrophic Event Data Reporting and Analysis" and is available from the Office's website: http://www.floir.com/iportal.~~

a. Policies in force;

b. Total insured value of policies in force;

c. Number of claims reported;

d. Claims closed with payment;

e. Claims closed without payment;

f. Number of open claims;

g. Percent of claims closed;

h. Paid loss excluding loss adjustment expense;

i. Paid allocated loss adjustment expense;

j. Case incurred loss excluding loss adjustment expense; and,

k. Case allocated loss adjustment expense.

2. All information shall be submitted electronically through https://www.floir.com/iportal.

(2) Grace Periods and Temporary Postponement of Cancellations or Non-renewals. ~~Other property coverages where loss is not specifically excluded in the policy's outline of coverage such as:~~

(a) Subsection (2) of this rule, applies to all contracts of property and casualty insurance and other contracts that are subject to regulation under the Florida Insurance Code and not governed by subsection (3) of this rule, including:

1. All policies referenced in chapters 440, 624, 626 and 627, F.S.; and

2. ~~All policies or contracts issued pursuant to chapters 636, 641 and 651, F.S.;~~

~~3. Contracts issued by Multiple Employer Welfare Arrangements and Commercial Self-Insurance Trusts; and,~~

4. ~~.~~ Premium Finance Company contracts. ~~;~~

References herein to "policy" or "contract of insurance" includes all agreements regulated under the Insurance

Code.

(b) Reinsurance contracts are not subject to this rule, however, ceding insurers shall, within ten (10) days, notify the Office, of the cancellation or nonrenewal of any reinsurance contract reinsuring property risks located in the state ~~State~~. All filings shall be submitted electronically to https://www.floir.com/iportal.

(c) ~~Any free look period in a variable life policy or variable annuity contract is not extended by this rule.~~

~~(d)~~ As to any policy provision, notice, correspondence, or law that ~~which~~ imposes a time limit upon an insured to perform any act, including transmitting ~~or transmit~~ information or funds with respect to a contract of insurance, which act was to have been performed on or after the date specified in the Order of the Office, the time limit shall be extended to a date specified in the Order.

1. This extension of time shall not relieve a policyholder who has a claim resulting from the designated hurricane or natural disaster from compliance with their obligations to provide information and cooperate in the claim adjustment process relative to their property damage claim.

2. This extension of time shall also not apply to new policies effective on or after the date specified in the Order.

No interest, penalties, or other charges, shall accrue or be assessed, as the result of the extensions required herein. Interest that is owed pursuant to premium financing plans with premium finance companies or insurers or their affiliates may be assessed.

(d)~~(e)~~ During the dates specified in the Order, no insurer or other entity regulated under the Insurance Code ~~insurance code~~ shall cancel or non-renew, ~~a policy or contract of insurance~~ or issue a notice of cancellation or nonrenewal of a policy or contract of insurance covering a ~~, covering a person,~~ property or risk in the referenced areas as specified in the Order, except at the written request or written concurrence of the policyholder ~~policy holder~~.

(e)~~(f)~~ All notices of cancellation issued or mailed within ten (10) calendar days preceding the date specified in the Order and , affecting the referenced ~~specified~~ areas, shall be withdrawn and reissued to insureds on or after the date specified in the Order.

(f)~~(g)~~ A cancellation or nonrenewal may occur prior to the expiration date specified in the Order, at the written request or written concurrence of the policyholder.

(g)~~(h)~~ Except as provided in paragraphs (2)(d) and (e) ~~(2)(e) and (f)~~, with respect to a notice of cancellation or nonrenewal that ~~which~~, but for this rule, would have taken effect during the dates specified in the Order, such notice is not made invalid by this rule; however;

1. The insurer shall extend the coverage to and including the date specified in the Order, or a later date specified by the insurer; and

2. The premium for the extended term of coverage shall be the appropriate pro rata portion of the premium for the entire term of the policy.

(h)~~(i)~~ An insurer or other regulated entity that was unable to cancel or non-renew a policy due to the operation of this rule, may upon proper notice, cancel or non-renew such policy, effective on the date the policy would have otherwise been cancelled or non-renewed, in the event the insured has not filed a claim under the policy and not paid outstanding premium due.

(i)~~(j)~~ No policy shall be cancelled or non-renewed solely because of a claim resulting from a hurricane or natural disaster.

(j)~~(k)~~ An insurer's offer of replacement coverage, that ~~which~~ is voluntarily accepted by an insured or applicant in an affiliated company, or made pursuant to a depopulation program, assumption or other arrangement approved by the Office does not constitute a nonrenewal or cancellation for purposes of this rule.

(k)~~(l)~~ Any insurer who receives a claim from an insured owing premium may offset the premium due to the insurer or a premium finance company from any claim payment made under the policy.

(l)~~(m)~~ Nothing in this rule shall be construed to exempt or excuse an insured from liability for premiums otherwise due for actual coverage provided.

(m)~~(n)~~ This rule shall not apply to new policies effective on or after the initial activation date specified in the

Order.

(n)~~(o)~~ If the contract of insurance was financed by a premium finance company for risks located in the referenced ~~specified~~ areas, the following provisions apply:

1. Premium finance companies may issue advisory 10-day notices of intent to cancel and cancellation notices in accordance with the terms of the premium finance agreement signed by the insured. In addition, each such advisory notice shall prominently contain the following statement:

"If you have been displaced through the loss of your home or damage to your home which has caused you to reside elsewhere on a temporary basis, or if you have temporarily become unemployed due to the destruction caused by Hurricane [name of hurricane or natural disaster], please contact this office at once.

Victims of Hurricane [name of hurricane or natural disaster] will receive an automatic extension of time to and including [date specified in the Order], to bring their accounts up to date and no late charges will be applied to any late payments received which were due on their accounts during the period of the dates specified in the Order.

Therefore, if you are a victim of Hurricane [name of hurricane or natural disaster], please contact us at once at the number provided at the bottom of this notice so that we may advise you of the status of your account.

If you decide that you no longer need or desire to keep the coverage provided by the insurance policy financed by your contract with us, please contact us at once so that we may instruct you on how to effect cancellation with your insurer."

2. If a premium finance loan is in default at the end of the grace period, a premium finance company shall give proper notice by:

a. Issuing a 10 day notice of intent to cancel to the insured by the means provided under section 627.848(1)(a)1., F.S., and applicable regulations; and,

b. If the insured does not bring their loan current within the time provided in the notice of intent, a premium finance company may mail the insurer a request for cancellation as provided in section 627.848(1)(a)2., F.S.

3. Upon receipt of a request for cancellation from a premium finance company after the grace period specified in an Emergency Order expires, the insurer will process the cancellation in accordance with paragraph (2)(h) ~~(i)~~.

4. Any insurer who is unable to cancel because it has received a claim under a policy for which it receives a notice of cancellation from a premium finance company will offset the balance owed the premium finance company, as disclosed in the notice of cancellation, from the first claim payments made under the policy.

5. No late charges shall be assessed for any insured who qualifies for protection under this rule.

(o)~~(p)~~ Subsection (2) of this rule, shall not apply to policies for the following kinds of insurance issued by authorized insurers that ~~which~~ cover a business that is domiciled or maintains its primary place of business outside of ~~the State of~~ Florida: Surety insurance as defined in section 624.606, F.S.; Fidelity insurance as defined in section 624.6065, F.S.; Marine insurance, wet marine and transportation insurance and inland marine insurance as defined in section 624.607, F.S.; Title insurance as defined in Section 624.607, F.S.; Collateral Protection insurance as defined in section 624.6085, F.S.; Workers' Compensation insurance as defined in section 624.605, F.S.; Casualty insurance as defined in section 624.605, F.S., but limited to coverage of commercial risks other than residential or personal property; and property insurance as defined in section 624.604, F.S., but limited to coverage of commercial risks other than residential or personal property. Additionally, this rule shall not apply to life insurance policies or annuity contracts that are owned by a person other than the insured or the annuitant or where the premium payer under such policy is a person other than the insured or annuitant and such owner or premium payer does not reside in the referenced areas.

(p)~~(q)~~ Any insurer that becomes impaired or insolvent due to a hurricane or natural disaster or the operation of subsequent rules and orders has a duty to report the resulting financial condition to the Office as soon as possible. Notwithstanding any other provisions contained herein, an insurer may file a petition pursuant to section 120.542, F.S. if compliance with this rule may be reasonably expected to result in such insurer being subject to financial regulatory action levels by the Office.

(q)~~(r)~~ The provisions of this rule shall be liberally construed to effectuate the intent and purposes expressed therein and to afford maximum consumer protection.

(3) Grace Periods and Temporary Postponement of Cancellations or Non-renewals.

(a) This subsection applies to all life and health contracts of insurance subject to regulation under the Florida Insurance Code including:

1. All policies referenced in chapters 624, 626, 627, 636, 641, and 651, F.S.;

2. Contracts issued by Multiple Employer Welfare Arrangements and Commercial Self-Insurance Trusts; and

3. Premium Finance Company contracts associated with life and health contracts.

References herein to "policy" or "contract of insurance" includes all life or health agreements regulated under the Insurance Code. References to "insurer" include all regulated entities issuing these agreements.

(b) Any free look period in a variable life policy or variable annuity contract is not extended by this rule.

(c) As to any policy provision, notice, correspondence, or law which imposes a time limit upon an insured to perform any act or transmit information or funds with respect to a contract of insurance, which act was to have been performed on or after the date specified in the Order of the Office, the time limit shall be extended to the date specified in the Order, except that:

1. This extension of time shall not relieve an insured who has a claim during this period from compliance with any obligation to provide information and cooperate in the claim adjustment process relative to their claim.

2. This extension of time shall not apply to new policies effective on or after the date specified in the Order.

No interest, penalties, or other charges shall accrue or be assessed as the result of the extensions required herein. However, interest that is owed pursuant to premium financing plans with premium finance companies or insurers or their affiliates may be assessed.

(d) During the dates specified in the Order, no insurer or other entity regulated under the insurance code shall cancel or non-renew a policy or contract of insurance or issue a notice of cancellation or nonrenewal on a contract of insurance covering a person in the referenced areas as specified in the Order, except at the written request or written concurrence of the policyholder.

(e) All notices of cancellation issued or mailed ten (10) calendar days preceding the date specified in the Order, affecting a person in the specified areas, shall be withdrawn and reissued to insureds on or after the date specified in the Order.

(f) A cancellation or nonrenewal may occur prior to the expiration date specified in the Order, at the written request or written concurrence of the policyholder. The application for and issuance of a replacement major medical health insurance policy which is subject to regulation by the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, may be regarded by the insurer as a written request for cancellation of the current major medical insurance policy by the applicant/policyholder, provided the date of cancellation is not effectuated prior to the date of the effectuation of the replacement policy 's coverage.

(g) Except as provided in paragraphs (3)(e) and (f), with respect to a notice of cancellation or nonrenewal which, but for this rule, would have taken effect during the dates specified in the Order, such notice is not made invalid by this rule; however;

1. The insurer shall extend the coverage to and including the date specified in the Order, or a later date specified by the insurer;

2. The premium for the extended term of coverage shall be the appropriate pro rata portion of the premium for the entire term of the policy.

(h) Retroactive cancellation due to non-payment of premium:

1. An insurer or other regulated entity that was unable to cancel or non-renew a policy due to the operation of this rule, may upon proper notice, cancel or non-renew such policy, effective on the date the policy would have otherwise been cancelled or non-renewed, in the event the insured has not paid the outstanding premium due.

2. Insurers or Health Maintenance Organizations subject to the notice provisions of sections 627.6645(5) and 641.3108(2), F.S., respectively, may issue notices of cancellation that comport with those sections that specify no cancellation shall take place prior to the date specified in the Order.

(i) No policy shall be cancelled or non-renewed solely because of a claim resulting from a hurricane or natural disaster.

(j) An insurer's offer of replacement coverage, which is voluntarily accepted by an insured or made pursuant to other arrangement approved by the Office does not constitute a nonrenewal or cancellation for purposes of this rule.

(k) Any insurer who receives a claim from an insured owing premium may offset the premium due to the insurer or a premium finance company from any claim payment made under the policy.

(l) Nothing in this rule shall be construed to exempt or excuse an insured from liability for premiums otherwise due for actual coverage provided.

(m) This rule shall not apply to new policies effective on or after the initial activation date specified in the Order.

(n) If the contract of insurance was financed by a premium finance company for persons located in the specified areas, the following provisions apply:

1. Premium finance companies may issue advisory 10-day notices of intent to cancel and cancellation notices in accordance with the terms of the premium finance agreement signed by the insured. In addition, each such advisory notice shall prominently contain the following statement:

"If you have been displaced through the loss of your home or damage to your home which has caused you to reside elsewhere on a temporary basis, or if you have temporarily become unemployed due to the destruction caused by Hurricane [name of hurricane or natural disaster], please contact this office at once.

Victims of Hurricane [name of hurricane or natural disaster] will receive an automatic extension of time to and including [date specified in the Order], to bring their accounts up to date and no late charges will be applied to any late payments received which were due on their accounts during the period of the dates specified in the Order.

Therefore, if you are a victim of Hurricane [name of hurricane or natural disaster], please contact us at once at the number provided at the bottom of this notice so that we may advise you of the status of your account.

If you decide that you no longer need or desire to keep the coverage provided by the insurance policy financed by your contract with us, please contact us at once so that we may instruct you on how to effect cancellation with your insurer."

2. If a premium finance loan is in default at the end of the grace period, a premium finance company shall give proper notice by:

a. Issuing a 10 day notice of intent to cancel to the insured by the means provided under section 627.848(1)(a)1., F.S., and applicable regulations; and,

b. If the insured does not bring their loan current within the time provided in the notice of intent, a premium finance company may mail the insurer a request for cancellation as provided in section 627.848(1)(a)2., F.S.

3. Upon receipt of a request for cancellation from a premium finance company after the grace period specified in an Emergency Order expires, the insurer will process the cancellation in accordance with paragraph (3)(h).

4. Any insurer who is unable to cancel because it has received a claim under a policy for which it receives a notice of cancellation from a premium finance company will offset the balance owed the premium finance company, as disclosed in the notice of cancellation, from the first claim payments made under the policy.

5. No late charges shall be assessed for any insured who qualifies for protection under this rule.

(o) This rule shall not apply to life insurance policies or annuity contracts that are owned by a person other than the insured or the annuitant or where the premium payer under such policy is a person other than the insured or annuitant and such owner or premium payer does not reside in the referenced areas.

(p) Any insurer that becomes impaired or insolvent due to a hurricane or natural disaster or the operation of subsequent rules and orders has a duty to report the resulting financial condition to the Office as soon as possible. Notwithstanding any other provisions contained herein, an insurer may file a petition pursuant to section 120.542, F.S. if compliance with this rule may be reasonably expected to result in such insurer being subject to financial regulatory action levels by the Office.

(q) The provisions of this rule shall be liberally construed to effectuate the intent and purposes expressed therein and to afford maximum consumer protection.

This subsection does not apply to major medical health insurance policies subject to regulation by the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, and regulations adopted pursuant to those acts, to the extent this requirement would result in a violation of federal law.

Rulemaking Authority 624.308, 627.7019 FS. Law Implemented 624.307(1), 624.319, 624.424, 627.7019 FS. History–New 6-12-07, Amended 7-30-17,_____.