



FLORIDA OFFICE OF INSURANCE REGULATION

LEGISLATIVE SUMMARY

2017

DAVID ALTMAIER
INSURANCE COMMISSIONER

HB 543 H
HB 465 HB 221
HB 359
HB 421 HB 805
HB 911 H
HB 1107
SB 80 H
4 SB 506
009 HB 837
HB 543 H
5 HB 221
HB 359
I HB 805
HB 911 H
HB 1107
SB 80 H
4 SB 506
009 HB 837
HB 543 H
465 HB 221
HB 359
B 421 HB 805
HB 911 H
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SB 504 SB 506
HB 1009 HB 837
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OFFICE OF INSURANCE REGULATION

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DAVID ALTMAIER
COMMISSIONER

September 2017

Dear Floridians,

I am pleased to present the *2017 Legislative Summary* prepared by the Florida Office of Insurance Regulation (Office). This report provides a brief overview of insurance legislation passed by the Florida Legislature during the 2017 Regular Session with action taken by the Governor. It also includes a summary of the Office budget for Fiscal Year 2017-18. Additional information and legislative materials pertaining to these bills or any others can be found online at www.leg.state.fl.us.

I encourage you to review this report and visit our website for more information about the Office's role in promoting a stable and competitive insurance market that allows reliable insurance products to be available to Florida consumers at affordable prices.

Sincerely,

David Altmaier

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**Summary of Insurance, Administrative, and Budget-Related Legislation
Enacted by the Florida Legislature during the 2017 Regular Session**

BUDGET

General Appropriations Act (SB 2500 by Appropriations)

Action by Governor: Approved (Chapter No. 2017-70, Laws of Florida)

Effective Date: July 1, 2017

The Legislature approved the Fiscal Year 2017-18 General Appropriations Act on May 8, 2017, during Regular Session. The Governor signed it into law on June 2, 2017. Funds appropriated to the Office of Insurance Regulation (Office) from the Insurance Regulatory Trust Fund are shown in Table 1.

Table 1. Appropriations Overview Fiscal Year 2017-18: Office of Insurance Regulation (Office)

Positions	FY 2016-17	FY 2017-18	Over/(Under)
Full-time equivalent (FTE) positions	292	289	(3)
Funding (By Budget Category)	FY 2016-17	FY 2017-18	Over/(Under)
Salaries and Benefits	\$19,959,767	\$20,261,606	\$301,839
Other Personal Services*	\$290,169	\$290,169	\$0
Expenses	\$2,481,072	\$2,482,072	\$1,000
Operation Capital Outlay	\$98,000	\$98,000	\$0
Contracted Services	\$1,430,726	\$1,430,726	\$0
Financial Examination Contracts*	\$4,926,763	\$4,926,763	\$0
Florida Public Hurricane Model (Maintenance)**	\$632,639	\$0	(\$632,639)
Florida Public Hurricane Model (Enhancements)**	\$850,000	\$969,689	\$119,689
Lease or Lease-Purchase of Equipment	\$27,403	\$27,403	\$0
Risk Management Insurance	\$112,446	\$128,297	\$15,851
DMS Human Resources Contract	\$97,856	\$94,266	(\$3,590)
TOTAL	\$30,906,841	\$30,708,991	(\$197,850)

*Budget authority for financial examinations of Property and Casualty, and Life and Health Insurance companies. Insurance companies reimburse the Insurance Regulatory Trust Fund for examination costs. The Trust Fund acts as a pass through. The transaction is revenue neutral.

**Funds are nonrecurring and disbursed directly to Florida International University (FIU).

Appropriations Proviso for the Office, Fiscal Year 2017-18

From the funds provided in Specific Appropriations 2489 through 2504, the Office of Insurance Regulation shall submit quarterly reports on all travel related to training, seminars, workshops, conferences, or similarly purposed travel that was completed by senior management employees and division or program directors. Each quarterly report shall include the following information: (a) employee name, (b) position title, (c) purpose of travel, (d) dates and location of travel, (e) confirmation of agency head authorization if required by SB 2502, and (f) total travel cost. The report shall be submitted to the chair of the Senate Appropriations Committee, the chair of the House of Representatives Appropriations Committee, and the Executive Office of the Governor’s Office of Policy and Budget. The first report shall be submitted on July 14, 2017, for the period of April 1, 2017, through June 30, 2017, and quarterly thereafter.

Line #2493 – Existing Proviso (Public Hurricane Model – Enhancements) \$969,689

Funds in Specific Appropriation 2493 shall be transferred to Florida International University and utilized to promote and enhance collaborative research among state universities. The Florida Public Hurricane Loss Model located at Florida International University may consult with the private sector and the Florida Catastrophic Storm Risk Management Center located at The Florida State University to enhance the marketability, viability, and applications of the Florida Public Hurricane Loss Model. The Office of Insurance Regulation (Office) shall have the ability to accurately calculate hurricane risk and project catastrophic losses, and nothing shall interfere with or supersede the Office’s authority to enter into agreements with Florida International University.

GENERAL INSURANCE

Florida Statutes (SB 502 by Benacquisto)

Action by Governor: Approved (Chapter No. 2017-003, Laws of Florida)

Statute(s) Affected: 102.031, 106.24, 120.595, 190.046, 212.08, 215.555, 215.619, 215.985, 253.034, 288.9936, 316.003, 316.545, 316.613, 320.08, 322.121, 373.042, 373.414, 373.4592, 373.707, 376.3071, 393.18, 393.501, 394.461, 400.925, 402.3025, 409.9201, 413.207, 413.402, 440.185, 459.022, 491.0046, 497.458, 499.015, 499.036, 499.83, 553.79, 571.24, 625.111, 627.0629, 627.42392, 627.6562, 627.7074, 633.216, 655.96, 744.20041, 790.065, 832.07, 893.0356, 893.13, 921.0022, 932.7055, 1002.385, 1003.42, 1006.195, 1012.796, 1013.4

Effective Date: 7/7/2017

The bill deletes provisions that have expired, have become obsolete, have had their effect, have served their purpose, or have been impliedly repealed or superseded.

Specifically, lines 1677 to 1694 eliminate the required adjustment to reinsurance cost for residential property in 627.0629(5) to not reflect variable expense and profit for the private reinsurance to replace the full TICL, which is currently required in I-File in Indications Workbook.

Insurer Anti-Fraud Efforts (HB 1007 by Raschein)

Action by Governor: Approved (Chapter No. 2017-178, Laws of Florida)

Statute(s) Affected: 626.9891, 626.9896, 641.221, 641.3915, 626.9911, 626.9924, 626.99245, 626.99275, 626.99287, 626.99289, 626.99291, 626.99292, 627.744

Effective Date: 9/1/2017

The bill requires every insurer to designate at least one primary anti-fraud employee. The bill requires certain insurers to adopt an anti-fraud plan. The bill revises insurer requirements in providing anti-fraud information to the Department of Financial Services (DFS). The bill requires anti-fraud plans and statistics to be filed annually with department. The bill revises information to be provided by insurers who write workers' compensation insurance. The bill requires insurers to provide annual anti-fraud training. The bill requires insurers who submit an application after a specified date to comply with the act. The bill requires certain state's attorneys to submit data. The bill requires DFS to provide an annual report to the Executive Office of the Governor and Legislature. The bill provides penalties for failure to submit an annual anti-fraud statistical report.

Pub. Rec./Insurance Fraud Information/DFS (HB 1009 by Raschein)

Action by Governor: Approved (Chapter No. 2017-179, Laws of Florida)

Statute(s) Affected: 626.9891

Effective Date: 9/1/2017

The bill provides exemption from public records requirements for reports, documents, or other information relating to investigation and tracking of insurance fraud submitted by insurers to the Department of Financial Services. The bill provides finding of public necessity.

INSURER SOLVENCY AND FINANCIAL OVERSIGHT

Insurer Insolvency (HB 837 by Raburn)

Action by Governor: Approved (Chapter No. 2017-143, Laws of Florida)

Statute(s) Affected: 631.015, 631.021, 631.031, 631.041, 631.141, 631.152, 631.1521, 631.1522, 631.181, 631.191, 631.192, 631.271, 631.391, 631.395, 631.397

Effective Date: 7/1/2017

The bill revises the Insurers Rehabilitation & Liquidation Act. The bill revises notice requirements, court jurisdiction, filing requirements, procedures, & defenses of delinquency proceedings. The bill authorizes the receiver and Department of Financial Services, as domiciliary receiver, to perform certain functions. The bill provides delinquency procedures for specified large deductible claims under certain workers' compensation policies. The bill provides certain persons of insolvent insurers are discharged and have no further authority over affairs or assets of insurer. The bill revises priority of claims.

LIFE AND HEALTH INSURANCE

Florida Life and Health Insurance Guaranty Association (HB 307 by Drake)

Action by Governor: Approved (Chapter No. 2017-131, Laws of Florida)

Statute(s) Affected: 631.713, 631.717

Effective Date: 7/1/2017

The bill revises applicability of the Florida Life & Health Insurance Guaranty Association Act as to specified annuity contracts. The bill specifies maximum liability of the association for certain health insurance policies. The bill increases the Class A assessment amount for member insurers.

Discount Plan Organizations (HB 577 by Pigman)

Action by Governor: Approved (Chapter No. 2017-112, Laws of Florida)

Statute(s) Affected: 636.202, 636.204, 636.206, 636.208, 636.212, 636.214, 636.216, 636.228, 636.23, 636.232, 408.9091, 408.91, 627.64731, 636.003, 636.205, 636.207, 636.21, 636.218, 636.22, 636.222, 636.223, 636.224, 636.226, 636.234, 636.236, 636.238, 636.24, 636.244

Effective Date: 6/14/2017

The bill provides record keeping and disclosure requirements for discount plan organizations (DPO). The bill revises conditions for a member to receive reimbursement of certain charges after cancelling membership in such organization. The bill authorizes discount plan organizations to delegate functions to its marketers. The bill revises authority for the Financial Services Commission (FSC) to adopt rules.

Additionally, the bill creates further consumer protections by establishing new requirements for cancellation and reimbursement after cancellation of Discount Plans. Under these new requirements, DPOs must maintain an accurate record of each member in a form accessible to the Office of Insurance Regulation for the duration of the agreement and for 5 years thereafter, to include membership materials provided, the discount plan issued, and charges billed and paid.

Medication Synchronization (SB 800 by Broxson)

Action by Governor: Approved (Chapter No. 2017-094, Laws of Florida)

Statute(s) Affected: 627.64196, 641.31

Effective Date: 1/1/2018

The bill requires health insurers and health maintenance organizations, respectively, which issue or deliver certain policies or contracts to offer medication synchronization to allow insureds and subscribers to align refill dates for certain drugs at least once in a plan year. The bill requires such insurers and health maintenance organizations to implement a process for aligning such dates, etc.

PROPERTY AND CASUALTY INSURANCE

Transportation Network Companies (HB 221 by Sprowls)

Action by Governor: Approved (Chapter No. 2017-012, Laws of Florida)

Statute(s) Affected: 627.748

Effective Date: 7/1/2017

The bill provides that a transportation network company (TNC) driver is not required to register certain vehicles as commercial motor vehicles or for-hire vehicles. The bill requires a TNC to designate and maintain an agent for service of process in this state. The bill provides fare requirements. The bill provides that TNC drivers are independent contractors if specified conditions are met. The bill requires a TNC to implement a zero-tolerance policy for drug or alcohol use, subject to certain requirements. The bill requires a TNC to conduct a certain background check for a TNC driver after a specified period. The bill requires TNC drivers to comply with the nondiscrimination policy and certain applicable laws regarding nondiscrimination and accommodation of service animals, etc.

Motor Vehicle Service Agreement Companies (HB 339 by White)

Action by Governor: Approved (Chapter No. 2017-099, Laws of Florida)

Statute(s) Affected: 634.041, 634.121

Effective Date: 7/1/2017

The bill revises qualifications for a motor vehicle service agreement company to obtain and maintain a license. The bill allows certain entities to cancel service agreements in certain circumstances. The bill provides such cancellations are only valid if authorized.

Insurance (HB 359 by Santiago)

Action by Governor: Approved (Chapter No. 2017-132, Laws of Florida)

Statute(s) Affected: 177.041, 177.091, 197.502, 215.555, 624.407, 624.408, 624.424, 625.012, 627.062, 627.0645, 627.4035, 627.421, 627.7295, 627.7843

Effective Date: 6/23/2017

The bill removes the provision repealing exemption from emergency assessment for medical malpractice insurance premiums. The bill revises the definition of asset. The bill revises requirements for medical malpractice insurers to provide a rate filing. The bill permits insurers

to charge insufficient funds fees. The bill provides conditions under which an electronically delivered document meets formatting requirements. The bill authorizes an insurer to exclude certain individuals from private passenger motor vehicle insurance coverage under specified circumstances. The bill provides exceptions.

Limitations on Actions other than for the Recovery of Real Property (HB 377 by Leek)

Action by Governor: Approved (Chapter No. 2017-101, Laws of Florida)

Statute(s) Affected: 95.11, 627.441

Effective Date: 7/1/2017

The bill specifies date of completion for specified contracts for limitation of action purposes.

Public Housing Authority Insurance (HB 421 by Shaw)

Action by Governor: Approved (Chapter No. 2017-104, Laws of Florida)

Statute(s) Affected: 624.46226

Effective Date: 7/1/2017

The bill authorizes certain entities to join self-insurance funds participated in by public housing authorities for specified purpose. The bill authorizes reinsurance companies to issue coverage directly to certain entities. The bill requires contracts issued to such entities to receive the same tax treatment as contracts issued to insurance companies.

Insurance Policy Transfers (HB 805 by Ingoglia)

Action by Governor: Approved (Chapter No. 2017-019, Laws of Florida)

Statute(s) Affected: 627.4133

Effective Date: 7/1/2017

The bill authorizes an insurer to transfer a residential property insurance policy to another authorized insurer upon expiration of the policy term if specified conditions are met.

Flood Insurance (HB 813 by Lee Jr. (L))

Action by Governor: Approved (Chapter No. 2017-142, Laws of Florida)

Statute(s) Affected: 627.0628, 627.715

Effective Date: 7/1/2017

The bill revises the intervals at which specified standards and guidelines for projecting certain rate filings must be revised by the Florida Commission on Hurricane Loss Projection Methodology. The bill extends the last date of filing with the Office of Insurance Regulation of certain flood coverage rates that may be established and used by an insurer. The bill revises a notice requirement for agents before they place flood insurance coverage with an admitted or surplus lines insurer for properties receiving flood insurance under the National Flood Insurance Program, etc.

Public Records/Workers' Compensation (HB 1107 by Albritton)

Action by Governor: Approved (Chapter No. 2017-185, Laws of Florida)

Statute(s) Affected: 440.1851

Effective Date: 7/1/2017

The bill provides an exemption from public records requirements for the personal identifying information of an injured or deceased employee which is contained in reports, notices, records, or supporting documentation held by the Department of Financial Services pursuant to the Workers' Compensation Law. The bill provides a criminal penalty for willful and knowing disclosure of such information to an unauthorized person or entity. The bill provides for future review and repeal of the exemption. The bill provides a statement of public necessity, etc.

OFFICE ADMINISTRATION AND OPERATIONS

Agency Inspectors General (HB 207 by Plakon)

Action by Governor: Approved (Chapter No. 2017-049, Laws of Florida)

Statute(s) Affected: 20.055, 420.506

Effective Date: 6/2/2017

The bill prohibits an agency and Florida Housing Finance Corporation from offering a bonus on work performance in an inspector general contract or agreement.

Public Records (SB 80 by Steube)

Action by Governor: Approved (Chapter No. 2017-021, Laws of Florida)

Statute(s) Affected: 119.12

Effective Date: 5/23/2017

The bill revises the circumstances under which a court must assess and award the reasonable costs of enforcement against an agency in a civil action to enforce ch. 119, F.S.. The bill prohibits the assessment and award of the reasonable costs of enforcement to a complainant who acted with an improper purpose, etc.

A Review Under the Open Government Sunset Review Act (HB 7067 by Oversight, Transparency & Administration Subcommittee)

Action by Governor: Approved (Chapter No. 2017-034, Laws of Florida)

Statute(s) Affected: 626.84195

Effective Date: 10/1/2017

The bill revises the definition of the term "proprietary business information" as used in exemption from public record requirements relating to information provided by title insurance agencies and insurers to the Office of Insurance Regulation . The bill removes scheduled repeal of exemption.