



**2022**

# LEGISLATIVE SUMMARY

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INSURANCE COMMISSIONER



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## OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER  
COMMISSIONER

July 1, 2022

Dear Floridians,

I am pleased to present the *2022 Legislative Summary* prepared by the Florida Office of Insurance Regulation (OIR). This report provides an overview of insurance legislation passed by the Florida Legislature during the 2022 Regular Session and a summary of OIR's budget for Fiscal Year 2022-2023.

Additionally, this report includes an overview of legislation passed during the 2022 Special Session D, which saw the passage and implementation of the most robust property insurance reforms in decades. On April 26, 2022, Governor Ron DeSantis called for a special session to consider legislation related to property insurance. Governor DeSantis' proclamation for the 2022 Special Session D is available [here](#). The legislation passed during Special Session, Senate Bill 2D, enacts pro-consumer measures to help alleviate rising insurance costs, increases insurance claim transparency, and addresses frivolous lawsuits. Senate Bill 2D also provides short-term and long-term relief to Floridians through the \$2 billion Reinsurance to Assist Policyholders program and the \$150 million My Safe Florida Home Program. Additional information regarding the 2022 Regular Session and 2022 Special Session D can be found online at [www.leg.state.fl.us](http://www.leg.state.fl.us).

I encourage you to review this report and visit our website for more information about OIR's role in promoting a stable and competitive insurance market.

Sincerely,

A handwritten signature in blue ink that reads "David Altmaier".

David Altmaier

## TABLE OF CONTENTS

<b>Budget</b>	
General Appropriations Act ( <a href="#">HB 5001</a> by Appropriations)	<b>4</b>
Appropriations Provisos for the Office, Fiscal Year 2022-23	
<b>General Insurance</b>	<b>6</b>
Loss Run Statements ( <a href="#">SB 156</a> by Broxton)	
Hurricane Loss Mitigation Program ( <a href="#">HB 837</a> by Wilhite)	
<b>Life and Health Insurance</b>	<b>7</b>
Pharmacies and Pharmacy Benefit Managers ( <a href="#">HB 357 by Toledo</a> )	
Step-therapy Protocols ( <a href="#">HB 459 by Wilhite</a> )	
Living Organ Donors in Insurance Policies ( <a href="#">HB 1099</a> by Latvala)	
<b>Property and Casualty Insurance</b>	
Department of Financial Services ( <a href="#">HB 959</a> by LaMarca)	<b>8</b>
Insolvent Insurers ( <a href="#">HB 1023</a> by Fabricio)	
Property Insurer Reimbursements ( <a href="#">SB 1058</a> by Hutson)	
<b>Special Session - Property Insurance</b>	<b>10</b>
Property Insurance ( <a href="#">SB 2D</a> by Boyd)	
Building Safety ( <a href="#">SB 4D</a> by Boyd)	

**Summary of Insurance, Administrative, and Budget-Related Legislation  
Enacted by the Florida Legislature during the 2022 Regular Session**

**BUDGET**

**General Appropriations Act (HB 5001 by Appropriations Committee)**

Action by Governor: Approved by the Governor (Chapter No. 2022-156)

Effective Date: July 1, 2022

The Legislature approved the FY 2022-23 General Appropriations Act on March 14, 2022, during Regular Session. The Governor signed the budget into law on June 17, 2022. Funds appropriated to OIR from the Insurance Regulatory Trust Fund are shown in Table 1.

<b>Table 1. Appropriations Overview Fiscal Year 2022-2: Office of Insurance Regulation</b>			
<b>Positions</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>Over/(Under)</b>
Full-time equivalent (FTE) positions	279	282	3 FTE
<b>Funding (By Budget Category)</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>Over/(Under)</b>
Salaries and Benefits	\$22,102,869	\$22,777,674	\$674,805
Other Personal Services	\$429,106	\$533,537	\$104,431
Expenses	\$2,418,973	\$2,429,835	\$10,862
Operation Capital Outlay	\$1,000	\$1,000	\$0
Contracted Services	\$1,780,726	\$1,780,726	\$0
Financial Examination Contracts*	\$5,151,763	\$5,901,763	\$750,000
Florida Public Hurricane Model (Enhancements)	\$969,689	\$1,031,689	\$62,000
Lease or Lease-Purchase of Equipment	\$47,603	\$47,603	\$0
Risk Management Insurance	\$89,428	\$80,813	(\$8,615)
DMS Human Resources Contract	\$90,616	\$83,957	(\$6,659)
<b>TOTAL</b>	<b>\$33,081,773</b>	<b>\$34,668,597</b>	<b>\$1,586,824</b>
<i>*Budget authority for financial examinations of Property and Casualty insurance companies 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.</i>			

## Appropriations Proviso for the Office, Fiscal Year 2022-23

### **Line #2540 – New Proviso (Pharmacy Benefit Managers) \$100,000**

Funds in Specific Appropriation 2540, \$100,000 in nonrecurring funds is contingent on [HB 357](#) or similar legislation that transfers regulatory oversight of pharmacy benefit managers and pharmacy audits to the Office of Insurance Regulation, becoming a law.

### **Line 2543 – Existing Proviso (Public Hurricane Model Maintenance) \$1,031,689**

Funds in Specific Appropriation 2543 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 (OIR) shall have the ability to accurately calculate hurricane risk and project catastrophic losses, and nothing shall interfere with or supersede the OIR's authority to enter into agreements with Florida International University.

## GENERAL INSURANCE

### **Loss Run Statements ([SB 156](#) by Senator Broxton)**

Action by Governor: Approved by Governor (Chapter No. 2022- 207)

Statute(s) Affected: 626.9202, 627.444, 627.6647

Effective Date: June 24, 2022

Reduces from five years to three years the claims history that must be included within a loss run statement; requires an admitted and non-admitted personal lines insurer to provide loss run statements within 15 days of an insured's request after first providing information on how to obtain a loss run statement from a consumer reporting agency; excludes admitted and non-admitted life insurers from the requirement to provide loss run statements.

For a copy of the final House staff analysis, please [click here](#).

### **Hurricane Loss Mitigation Program (CS/CS/[HB 837](#) by Representative Wilhite)**

Action by Governor: Approved by Governor (Chapter No. 2022-137)

Statute(s) Affected: 215.559

Effective Date: July 1, 2022

Revises use of certain funds from Florida Hurricane Catastrophe Fund to include construction of certain facilities; requires Manufactured Housing & Mobile Home Mitigation & Enhancement Program to be operated by Gulf Coast State College; removes construction related to Citizens Property Insurance Corporation coverage rates.

For a copy of the final House staff analysis, please [click here](#).

## LIFE AND HEALTH INSURANCE

### **Pharmacies and Pharmacy Benefit Managers ([HB 357](#) by Toledo)**

Action by Governor: Approved by Governor (Chapter 2022-200)

Statute(s) Affected: 465.1885, 624.49, 624.491

Effective Date: July 1, 2022

Transfers the oversight of Pharmacy Audits from S. 464.1885, F.S. (Florida Department of Health) to the OIR under newly created S. 624.491, F.S.; institutes a \$10,000 fine for a Pharmacy Benefit Manager that fails to register with OIR.

For a copy of the final House staff analysis, please [click here](#).

### **Step-therapy Protocols ([HB 459](#) by Wilhite)**

Action by Governor: Approved by Governor (Chapter No. 2022-47)

Statute(s) Affected: 627.42393, 641.31

Effective Date: July 1, 2022

Requires an insurer or Health Maintenance Organization (HMO) to publish on its website, and provide to an insured in writing, a procedure for an insured patient and health care provider to request a protocol exemption; requires an insurer or HMO granting a protocol exemption to specify the prescription drug, medical procedure, or course of treatment approved; requires an insurer or HMO denying a protocol exemption request must provide a written explanation of the denial, including the clinical rationale supporting the denial.

For a copy of the final House staff analysis, please [click here](#).

### **Living Organ Donors in Insurance Policies ([HB 1099](#) by Latvala)**

Action by Governor: Approved by Governor (Chapter No. 2022-59)

Statute(s) Affected: 626.97075

Effective Date: July 1, 2022

Prohibits insurers of life insurance policies, industrial life insurance policies, group life insurance policies, credit life and credit disability insurance policies, and long-term care insurance policies from discriminating against living organ donors, or prospective donors, in coverage or eligibility solely on their status as a living organ donor.

For a copy of the final House staff analysis, please [click here](#).

## PROPERTY AND CASUALTY INSURANCE

### **Department of Financial Services ([HB 959](#) by LaMarca)**

Action by Governor: Approved by Governor (Chapter No. 2022-138)

Statute(s) Affected: 17.0315; 48.151; 110.123; 110.131; 215.34; 215.93; 215.94; 216.102; 218.32; 395.1061; 440.02; 440.05; 440.107; 440.185; 440.381; 497.277; 497.369; 497.372; 497.374; 554.108; 554.111; 554.114; 624.307; 624.422; 624.423; 624.61; 626.015; 626.171; 626.172; 626.173; 626.201; 626.202; 626.221; 626.311; 626.321; 626.601; 626.8411; 626.8412; 626.8417; 626.8421; 626.843; 626.8433; 626.8447; 626.854; 626.8561; 626.865; 626.8651; 626.8696; 626.8732; 626.8734; 626.906; 626.912; 626.937; 626.9953; 633.135; 633.216; 633.336; 633.408; 633.414; 648.34; 648.355; 648.46; 766.105; 945.6041; 985.6441

Effective Date: July 1, 2022

Makes employees of the Division of Rehabilitation and Liquidation part of the State Group Insurance Program; reduces penalties and creates educational tools within the Division of Workers' Compensation; makes process served upon the Chief Financial Officer (CFO) binding on an insurer when DFS notifies the insurer that process is available on a secure online portal; amends laws of the Division of Insurance Agent and Agency Services; transfers the Florida Patient's Compensation Fund to the CFO until dissolution by December 31, 2023.

For a copy of the final House staff analysis, please [click here](#).

### **Insolvent Insurers (CS/[HB 1023](#) by Fabricio)**

Action by Governor: Approved by Governor (Chapter No. 2022-139)

Statute(s) Affected: 627.072, 631.57, 631.914

Effective Date: July 1, 2022

Makes minor changes to procedures of the Florida Insurance Guaranty Association (FIGA) and Florida Workers' Compensation Insurance Guaranty Association (FWCIGA); requires that claims data from insolvent insurers be used in the ratemaking process for workers' compensation insurance; adds the impact of missing claims data from insolvent insurers to a list of factors that are used in the determination of workers' compensation rates.

For a copy of the final House staff analysis, please [click here](#).

### **Property Insurer Reimbursements ([SB 1058](#) by Hutson)**

Action by Governor: Approved by Governor (Chapter No. 2022-132)

Statute(s) Affected: 215.555

Effective Date: July 1, 2022

Defines the term “unsound insurer”; authorizes the State Board of Administration to provide Florida Hurricane Catastrophe Fund (Cat Fund) coverage to authorized insurers or Citizens Property Insurance Corporation (Citizens) for the policies of unsound insurers that Citizens or the authorized insurer assumes or otherwise provides coverage. The authorized insurer or Citizens may obtain Cat Fund coverage for such policies either through the authorized insurer’s or Citizens’ reimbursement contract with the Cat Fund or by accepting an assignment of the unsound insurer’s contract with the Fund.

For a copy of the final Senate staff analysis, please [click here](#).

## SPECIAL SESSION - PROPERTY INSURANCE

### **Property Insurance ([SB 2D](#) by Boyd)**

Action by Governor: Approved by Governor (Chapter No. 2022-268)

Statute(s) Affected: 215.5551, 215.5586, 489.147, 624.1551, 624.307, 624.1551, 624.307, 624.313, 624.315, 624.424, 626.9373, 627.428, 627.701, 627.7011, 627.70131, 627.70152, 627.7142, 527.7152, 627.7154, 631.031, 631.398

Effective Date: May 26, 2022, except as otherwise provided

**Pro-Consumer Measures:** Creates the Reinsurance to Assist Policyholders (RAP) program to be administered by the State Board of Administration; requiring certain property insurers to obtain coverage under the program and specifies that insurers must reduce rates to reflect cost savings; appropriates \$150 million from the General Revenue Fund to the Department of Financial Services' My Safe Florida Home Program to provide hurricane mitigation inspections and revising homeowner eligibility criteria for mitigation grants allows property insurers to include a separate roof deductible of up to two percent of the Coverage A limit of the policy or 50 percent of the cost to replace the roof; prohibits an insurer from refusing to issue or refusing to renew a homeowner's insurance policy insuring a residential structure with a roof that is less than 15 years old solely because of the age of the roof.

**Anti-Fraud and Legal Reforms:** Prohibits assignment of the right to obtain attorney fees in suits arising out of a property insurance policy to persons other than a named or omnibus insured or a named beneficiary under the policy; creates a new standard for the award of an attorney fee multiplier in property insurance litigation; requiring claimants to establish that property insurers have breached the insurance contract to prevail in certain claims for damages.

**Regulation of Insurers and Insurer Transparency:** Creates a Property Insurance Stability Unit within the Office of Insurance Regulation (OIR) to aid in the detection and prevention of insurer insolvencies in the homeowners' and condominium unit owners' insurance market; Requires OIR to aggregate on a statewide basis and make publicly available certain data submitted by insurers and insurer groups; Requires that the OIR include within its annual report additional data regarding property insurers against which delinquency or similar proceedings were instituted, a concise statement of the circumstances that led to each insurer's delinquency; Directs the OIR to make data publicly available detailing the statewide number of policies, amount of premium, number of cancellations, and other data for each property insurer and specifies such information is not a trade secret.

For a copy of the final Senate staff analysis, please [click here](#).

**Building Safety ([SB 4D](#) by Boyd)**

Action by Governor: Approved by Governor (SJ 39)

Statute(s) Affected: 468.4334, 553.844, 553.899, 718.103, 718.111, 718.112, 718.116, 718.117, 718.301, 718.501, 718.503, 718.504, 719.103, 719.104, 719.106, 719.301, 719.501, 719.503, 719.504, 720.303, 720.311, 721.15

Effective Date: May 26, 2022

Providing that the entire roofing system or roof section of certain existing buildings or structures does not have to be repaired, replaced, or recovered in accordance with the Florida Building Code under certain circumstances; changing statutes related to condominium associations and building inspections as a response to the tragic Surfside building collapse.

For a copy of the final Senate analysis, please [click here](#).