

By Senator Simmons

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1                   A bill to be entitled  
 2           An act relating to public records; amending s.  
 3           624.4212, F.S.; providing an exemption from public  
 4           records requirements for certain reports and documents  
 5           submitted to the Office of Insurance Regulation  
 6           related to an own-risk and solvency assessment by an  
 7           insurer or insurance group; providing an exemption  
 8           from public records requirements for a corporate  
 9           governance annual disclosure and supporting documents  
 10          submitted to the office; revising the actuarial board  
 11          to which the office may disclose certain information;  
 12          providing for and revising future legislative review  
 13          and repeal; providing a statement of public necessity;  
 14          providing a contingent effective date.

15  
 16 Be It Enacted by the Legislature of the State of Florida:

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 18           Section 1. Present subsections (3), (4), and (5) of section  
 19           624.4212, Florida Statutes, are redesignated as subsections (4),  
 20           (5), and (6), respectively, and amended, and a new subsection  
 21           (3) is added to that section, to read:

22           624.4212 Confidentiality of proprietary business and other  
 23           information.—

24           (3) The following information held by the office is  
 25           confidential and exempt from s. 119.07(1) and s. 24(a), Art. I  
 26           of the State Constitution:

27           (a) An ORSA summary report, a substantially similar ORSA  
 28           report, and supporting documents submitted pursuant to s.  
 29           628.8015.

30           (b) A corporate governance annual disclosure and supporting  
 31           documents submitted pursuant to s. 628.8015.

32           (4)~~(3)~~ Information received from the NAIC, a ~~or another~~

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33 governmental entity in this or another state, the Federal  
34 Government, or a government of another nation which is  
35 confidential or exempt if held by that entity and which is held  
36 by the office for use in the ~~office's~~ performance of its duties  
37 relating to insurer valuation and solvency is confidential and  
38 exempt from s. 119.07(1) and s. 24(a), Art. I of the State  
39 Constitution.

40 (5)~~(4)~~ The office may disclose information made  
41 confidential and exempt under this section:

42 (a) If the insurer to which it pertains gives prior written  
43 consent;

44 (b) Pursuant to a court order;

45 (c) To the Actuarial Board for Counseling and Discipline  
46 ~~American Academy of Actuaries~~ upon a request stating that the  
47 information is for the purpose of professional disciplinary  
48 proceedings and specifying procedures satisfactory to the office  
49 for preserving the confidentiality of the information;

50 (d) To other states, federal and international agencies,  
51 the National Association of Insurance Commissioners and its  
52 affiliates and subsidiaries, and state, federal, and  
53 international law enforcement authorities, including members of  
54 a supervisory college described in s. 628.805 if the recipient  
55 agrees in writing to maintain the confidential and exempt status  
56 of the document, material, or other information and has  
57 certified in writing its legal authority to maintain such  
58 confidentiality; or

59 (e) For the purpose of aggregating information on an  
60 industrywide basis and disclosing the information to the public  
61 only if the specific identities of the insurers, or persons or

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62 affiliated persons, are not revealed.

63 ~~(6)~~<sup>(5)</sup> This section is subject to the Open Government  
64 Sunset Review Act in accordance with s. 119.15 and is repealed  
65 on October 2, 2021 ~~2019~~, unless reviewed and saved from repeal  
66 through reenactment by the Legislature.

67 Section 2. (1) The Legislature finds that it is a public  
68 necessity that the own-risk and solvency assessment (ORSA)  
69 summary report, a substantially similar ORSA report, and  
70 supporting documents submitted to and held by the Office of  
71 Insurance Regulation pursuant to s. 628.8015, Florida Statutes,  
72 be exempt from public records requirements. In conducting this  
73 required internal assessment, an insurer or insurance group  
74 identifies and evaluates the material and relevant risks to the  
75 insurer or insurance group and the adequacy of capital resources  
76 to support these risks. The ORSA summary report, substantially  
77 similar ORSA report, and supporting documents contain highly  
78 sensitive and strategic financial information about an insurer  
79 or insurer group. Having a comprehensive and unbiased assessment  
80 will provide the office with an effective early warning  
81 mechanism for preventing insolvencies and protecting  
82 policyholders and promote a stable insurance market. Divulging  
83 the ORSA summary report, substantially similar ORSA summary  
84 report, and supporting documents will injure the insurer or  
85 insurance group by providing competitors with detailed insight  
86 into their financial position, risk management strategies,  
87 business plans, pricing and marketing strategies, management  
88 systems, and operational protocols.

89 (2) The Legislature finds that it is a public necessity  
90 that the corporate governance annual disclosure and supporting

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91 documents submitted to and held by the office be exempt from  
92 public records requirements. The corporate governance annual  
93 disclosure describes an insurer's governance structure and the  
94 internal practices and procedures used in conducting the  
95 business affairs of the company, making strategic operational  
96 decisions affecting its competitive position, and managing its  
97 financial condition. Broad disclosure will give state regulators  
98 a thorough understanding of the corporate governance structure  
99 and internal policies and practices used by insurers and promote  
100 market integrity. Effective governance mechanisms will enable  
101 insurers to take any necessary corrective actions and achieve  
102 strategic goals.

103 Section 3. This act shall take effect on the same date that  
104 SB \_\_\_\_ or similar legislation takes effect, if such legislation  
105 is adopted in the same legislative session or an extension  
106 thereof and becomes a law.