

By the Committee on Banking and Insurance; and Senator Gaetz

597-2326-07

1 A bill to be entitled
2 An act relating to insurer financial
3 statements; amending s. 626.89, F.S.; revising
4 certain requirements for annual statements;
5 amending s. 626.9913, F.S.; revising certain
6 requirements for an annual audited financial
7 statement; providing an effective date.

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9 Be It Enacted by the Legislature of the State of Florida:

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11 Section 1. Subsection (2) of section 626.89, Florida
12 Statutes, is amended to read:

13 626.89 Annual financial statement and filing fee;
14 notice of change of ownership.--

15 (2) Each authorized administrator shall also file an
16 audited financial statement performed by an independent
17 certified public accountant. The audited financial statement
18 shall be filed with the office on or before June 1 for the
19 preceding calendar year ending December 31. An administrator
20 with an established fiscal year of July 1 through June 30
21 whose sole stockholder is an association representing health
22 care providers which is not an affiliate of an insurer may
23 submit the preceding fiscal year's audited financial statement
24 on or before December 31. An audited financial statement
25 prepared on a consolidated basis must include a columnar
26 consolidating or combining worksheet that must be filed with
27 the statement and must comply with the following:

- 28 (a) Amounts shown on the consolidated audited
29 financial statement must be shown on the worksheet;
30 (b) Amounts for each entity must be stated separately;
31 and

1 (c) Explanations of consolidating and eliminating
2 entries must be included.

3 Section 2. Subsection (2) of section 626.9913, Florida
4 Statutes, is amended to read:

5 626.9913 Viatical settlement provider license
6 continuance; annual report; fees; deposit.--

7 (2) Annually, on or before March 1, the viatical
8 settlement provider licensee shall file a statement containing
9 information the commission requires and shall pay to the
10 office a license fee in the amount of \$500. After December 31,
11 2007, the annual statement shall include an annual audited
12 financial statement of the viatical settlement provider
13 ~~statements~~ prepared in accordance with generally accepted
14 accounting principles by an independent certified public
15 accountant covering a 12-month period ending on a day falling
16 during ~~as of~~ the last 6 months ~~day~~ of the preceding calendar
17 year. If the audited financial statement has not been
18 completed, however, the licensee shall include in its annual
19 statement an unaudited financial statement for the preceding
20 calendar year and an affidavit from an officer of the licensee
21 stating that the audit has not been completed. In this event,
22 the licensee shall submit the audited statement on or before
23 June 1. The annual statement, due on or before March 1 each
24 year, shall also provide the office with a report of all life
25 expectancy providers who have provided life expectancies
26 directly or indirectly to the viatical settlement provider for
27 use in connection with a viatical settlement contract or a
28 viatical settlement investment. A viatical settlement provider
29 shall include in all statements filed with the office all
30 information requested by the office regarding a related
31 provider trust established by the viatical settlement

1 provider. The office may require more frequent reporting.
2 Failure to timely file the annual statement or the audited
3 financial statement or to timely pay the license fee is
4 grounds for immediate suspension of the license. The
5 commission may by rule require all or part of the statements
6 or filings required under this section to be submitted by
7 electronic means in a computer-readable form compatible with
8 the electronic data format specified by the commission.

9 Section 3. This act shall take effect July 1, 2007.

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11 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
12 COMMITTEE SUBSTITUTE FOR
13 Senate Bill 2198

14 The committee substitute makes the following changes:

- 15 1. Allows certain insurance administrators to submit audited
16 financial statements to the Office of Insurance
Regulation (OIR) on a fiscal year basis.
- 17 2. Provides that a viatical settlement provider file its
18 annual audited financial statement with the OIR covering
19 a 12-month period ending on a day falling during the last
20 6 months of the preceding calendar year.