

Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u> </u>	(Y/N)
ADOPTED AS AMENDED	<u> </u>	(Y/N)
ADOPTED W/O OBJECTION	<u> </u>	(Y/N)
FAILED TO ADOPT	<u> </u>	(Y/N)
WITHDRAWN	<u> </u>	(Y/N)
OTHER	<u> </u>	

1 Committee/Subcommittee hearing bill: Insurance & Banking
2 Subcommittee

3 Representative Hooper offered the following:

4
5 **Amendment (with title amendment)**

6 Remove everything after the enacting clause and insert:

7 Section 1. Subsection (8) of section 624.402, Florida
8 Statutes, is amended, and subsection (9) is added to that
9 section, to read:

10 624.402 Exceptions, certificate of authority required.—A
11 certificate of authority shall not be required of an insurer
12 with respect to:

13 (8) (a) An insurer domiciled outside the United States
14 covering only persons who, at the time of issuance or renewal,
15 are nonresidents of the United States if:

16 1. The insurer ~~or any affiliated person as defined in s.~~
17 ~~624.04 under common ownership or control with the insurer~~ does
18 not solicit, sell, or accept application for any insurance

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19 policy or contract to be delivered or issued for delivery to any
20 person in any state;

21 2. The insurer registers with the office via a letter of
22 notification upon commencing business from this state;

23 3. The insurer provides the following information, in
24 English, to the office annually by March 1:

25 a. The name of the insurer; the country of domicile; the
26 address of the insurer's principal office and office in this
27 state; the names of the owners of the insurer and their
28 percentage of ownership; the names of the officers and directors
29 of the insurer; the name, e-mail, and telephone number of a
30 contact person for the insurer; and the number of individuals
31 who are employed by the insurer or its affiliates in this state;

32 b. The lines of insurance and types of products offered by
33 the insurer;

34 c. A statement from the applicable regulatory body of the
35 insurer's domicile certifying that the insurer is licensed or
36 registered for those lines of insurance and types of products in
37 that domicile; and

38 d. A copy of the filings required by the applicable
39 regulatory body of the insurer's country of domicile in that
40 country's official language or in English, if available;

41 4. All certificates, policies, or contracts issued in this
42 state showing coverage under the insurer's policy include the
43 following statement in a contrasting color and at least 10-point
44 type: "The policy providing your coverage and the insurer
45 providing this policy have not been approved by the Florida
46 Office of Insurance Regulation"; and

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47 5. In the event the insurer ceases to do business from
48 this state, the insurer will provide written notification to the
49 office within 30 days after cessation.

50 (b) For purposes of this subsection, "nonresident" means
51 either a trust or other entity organized and domiciled under the
52 laws of a country other than the United States or a person who
53 resides in and maintains a physical place of domicile in a
54 country other than the United States, which he or she recognizes
55 as and intends to maintain as his or her permanent home. A
56 nonresident does not include an unauthorized immigrant present
57 in the United States. Notwithstanding any other provision of
58 law, it is conclusively presumed, for purposes of this
59 subsection, that a person is a resident of the United States if
60 such person has:

61 1. Had his or her principal place of domicile in the
62 United States for 180 days or more in the 365 days prior to
63 issuance or renewal of the policy;

64 2. Registered to vote in any state;

65 3. Made a statement of domicile in any state; or

66 4. Filed for homestead tax exemption on property in any
67 state.

68 (c) Subject to the limitations provided in this
69 subsection, services, including those listed in s. 624.10, may
70 be provided by the insurer or an affiliated person as defined in
71 s. 624.04 under common ownership or control with the insurer.

72 (d) An alien insurer transacting insurance in this state
73 without complying with this subsection shall be in violation of
74 this chapter and subject to the penalties provided in s. 624.15.

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75 (9) (a) Life insurance policies or annuity contracts
76 solicited, sold or issued in this state by an insurer domiciled
77 outside the United States, covering only persons who, at the
78 time of issuance, are nonresidents of the United States,
79 provided

80 1. The insurer must currently be an authorized insurer in
81 its country of domicile as to the kind or kinds of insurance
82 proposed to be offered and must have been such an insurer for
83 not fewer than the immediately preceding 3 years, or must be the
84 wholly owned subsidiary of such authorized insurer or must be
85 the wholly owned subsidiary of an already eligible authorized
86 insurer as to the kind or kinds of insurance proposed for a
87 period of not fewer than the immediately preceding 3 years.
88 However, the office may waive the 3-year requirement if the
89 insurer has operated successfully for a period of at least the
90 immediately preceding year and has capital and surplus of not
91 less than \$25 million.

92 2. Before the office may grant eligibility, the requesting
93 insurer shall furnish the office with a duly authenticated copy
94 of its current annual financial statement, in English, and with
95 all monetary values therein expressed in United States dollars,
96 at an exchange rate then-current and shown in the statement, in
97 the case of statements originally made in the currencies of
98 other countries, and with such additional information relative
99 to the insurer as the office may request.

100 3. The insurer must have and maintain surplus as to
101 policyholders of not less than \$15 million. Any such surplus as
102 to policyholders shall be represented by investments consisting

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103 of eligible investments for like funds of like domestic insurers
104 under part II of chapter 625; however, any such surplus as to
105 policyholders may be represented by investments permitted by the
106 domestic regulator of such alien insurance company if such
107 investments are substantially similar in terms of quality,
108 liquidity, and security to eligible investments for like funds
109 of like domestic insurers under part II of chapter 625.

110 4. The insurer must be of good reputation as to the
111 providing of service to its policyholders and the payment of
112 losses and claims.

113 5. To maintain eligibility, the insurer shall furnish the
114 office within the time period specified in s. 624.424(1) (a) a
115 duly authenticated copy of its current annual and quarterly
116 financial statements, in English, and with all monetary values
117 therein expressed in United States dollars, at an exchange rate
118 then-current and shown in the statement, in the case of
119 statements originally made in the currencies of other countries,
120 and with such additional information relative to the insurer as
121 the office may request.

122 6. An insurer receiving eligibility under this subsection
123 shall agree to make its books and records pertaining to its
124 operations in this state available for inspection during normal
125 business hours upon request of the office.

126 7. The insurer shall notify the applicant in clear and
127 conspicuous language:

128
129 a. The date of organization of the insurer.

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130 b. The identity of and rating assigned by each recognized
131 insurance company rating organization that has rated the insurer
132 or, if applicable, that the insurer is unrated.

133 c. That the insurer does not hold a certificate of
134 authority issued in this state and that the office does not
135 exercise regulatory oversight over the insurer.

136 d. The identity and address of the regulatory authority
137 exercising oversight of the insurer.

138
139 This paragraph does not impose upon the office any duty or
140 responsibility to determine the actual financial condition or
141 claims practices of any unauthorized insurer, and the status of
142 eligibility, if granted by the office, indicates only that the
143 insurer appears to be financially sound and to have satisfactory
144 claims practices and that the office has no credible evidence to
145 the contrary.

146
147 (b) If at any time the office has reason to believe that an
148 insurer issuing policies or contracts pursuant to this
149 subsection is insolvent or is in unsound financial condition,
150 does not make reasonable prompt payment of benefits, or is no
151 longer eligible under the conditions specified in this
152 subsection, the office may conduct an examination or
153 investigation in accordance with s. 624.316, s. 624.3161, or s.
154 624.320 and, if the findings of such examination or
155 investigation warrant, may withdraw the eligibility of the
156 insurer to issue policies or contracts pursuant to this

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157 subsection without having a certificate of authority issued by
158 the office.

159 (c) This subsection does not provide an exception to the
160 agent licensure requirements of chapter 626. Any insurer issuing
161 policies or contracts pursuant to this subsection shall appoint
162 the agents that the insurer uses to sell such policies or
163 contracts as provided in chapter 626.

164 (d) An insurer issuing policies or contracts pursuant to
165 this subsection is subject to part IX of chapter 626, Unfair
166 Insurance Trade Practices, and the office may take such actions
167 against the insurer for a violation as are provided in that
168 part.

169 (e) Policies and contracts issued pursuant to this
170 subsection are not subject to the premium tax specified in s.
171 624.509.

172 (f) Applications for life insurance coverage offered under
173 this subsection must contain, in contrasting color and not less
174 than 12-point type, the following statement on the same page as
175 the applicant's signature:

176 This policy is primarily governed by the laws of a
177 foreign country. As a result, all of the rating and
178 underwriting laws applicable to policies filed in
179 this state do not apply to this coverage, which may
180 result in your premiums being higher than would be
181 permissible under a Florida-approved policy. Any
182 purchase of individual life insurance should be
183 considered carefully, as future medical conditions
184 may make it impossible to qualify for another

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185 individual life policy. If the insurer issuing your
186 policy becomes insolvent, this policy is not covered
187 by the Florida Life and Health Insurance Guaranty
188 Association. For information concerning individual
189 life coverage under a Florida-approved policy,
190 consult your agent or the Florida Department of
191 Financial Services.

192 (g) All life insurance policies and annuity contracts
193 issued pursuant to this subsection must contain on the first
194 page of the policy or contract, in contrasting color and not
195 less than 10-point type, the following statement:

196 The benefits of the policy providing your coverage
197 are governed primarily by the law of a country
198 other than the United States.

199 (h) All single-premium life insurance policies and single-
200 premium annuity contracts issued to persons who are not
201 residents of the United States and are not nonresidents
202 illegally residing in the United States pursuant to this
203 subsection shall be subject to the provisions of chapter 896.

204 (i) For purposes of this subsection, "nonresident" means a
205 trust or other entity or person as defined in subsection
206 624.402 (8) (b) .

207 (j) An alien insurer transacting insurance in this state
208 without complying with this subsection shall be in violation of
209 this chapter and subject to the penalties provided in s. 624.15.

210 Section 2. This act shall take effect upon becoming a law.

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T I T L E A M E N D M E N T

Remove the entire title and insert:

A bill to be entitled

An act relating to alien insurers; amending s. 624.402, F.S.;
revising a provision exempting alien insurers from being
required to obtain a certificate of authority; deleting insurers
ownership of or control over affiliated persons as
disqualification for exemptions; revising the definition of the
term "nonresident"; exempting alien life or annuity insurers
from obtaining a certificate of authority based upon certain
requirements; establishing conditions; providing requirements to
maintain exemptions; authorizing the Office of Insurance
Regulation to conduct examinations or investigations; exempting
eligible insurers from payment of premium taxes; providing for
violations and penalties; providing an effective date.