



GENERAL APPROPRIATIONS BILL

SB1500

<u>Committee</u> AGG	<u>Amendment</u> 25
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Senator(s) **Smith** moved the following amendment:

<p>Section: 06</p> <p>On Page: 295</p> <p>Spec App:</p>	<p><u>EXPLANATION:</u></p> <p>Requires the Office of Insurance Regulation to study, hold hearings, and issue a report by December 31, 2013, regarding the unfair and deceptive business practices in the secondary life insurance market.</p>
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<u>NET IMPACT ON:</u>	<u>Total Funds</u>	<u>General Revenue</u>	<u>Trust Funds</u>
Recurring -	0	0	0
Non-Recurring -	0	0	0

Positions & Amount	Positions & Amount
DELETE	INSERT

FINANCIAL SERVICES, DEPARTMENT OF
 Program: Financial Services Commission
 Office Of Insurance Regulation
 Compliance And Enforcement - Insurance 43900110

In Section 06 On Page 295

In Section 06, on Page 295, DELETE the following:

The Office of Insurance Regulation shall investigate unfair and deceptive business practices in the secondary life insurance market, including but not limited to: the failure to advise policy owners that a policy has an insurance interest; denied benefits on life insurance policies after the two year contestability period; illegal increases in the insurance rate; and refusing to return premiums to life insurance policy owners after a policy is rescinded or determined to be invalid. The Office of Insurance Regulation shall issue a report on the findings by September 30, 2013.

AND INSERT:

The Office of Insurance Regulation shall study and hold hearings regarding the unfair and deceptive business practices in the secondary life insurance market in Florida, including but not limited to: the failure to advise policy owners that a policy has an insurable interest; denied benefits on life insurance policies after the two year

contestability period; illegal increases in the insurance rate; failure to return premiums to policyholders after a policy is rescinded or determined to be invalid; the use of multiple life insurance trusts to disguise the true owner of the policy; the use of non-recourse premium financing to purchase the policy; the level of due diligence exercised by a secondary purchaser/investor; whether the secondary purchaser/investor required warranties in the sales agreements for protection against policies issued without an insurable interest and without fraud; whether the secondary purchaser/investor has sought reimbursement from the seller of the policies; and knowledge of a secondary purchaser/investor that stranger originated life insurance policies were or may be included in the portfolio of policies purchased. The Office of Insurance Regulation shall issue a report on the findings by December 31, 2013.

Line item amendments are accepted as part of the amendatory process. However, due to the necessity of using computerized systems this may entail a different placement within a budget entity or the renumbering of the specific appropriation items.