



102538

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/22/2013	.	
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The Committee on Rules (Simmons) recommended the following:

Senate Amendment

Delete lines 117 - 177
and insert:
insurer that writes accident and health insurance only.
Effective January 1, 2015, the term also includes a health
maintenance organization that is authorized in this state and
one or more other states, jurisdictions, or countries; and a
prepaid limited health service organization that is authorized
in this state and one or more other states, jurisdictions, or
countries.

(3) (a) A company action level event includes:

1. The filing of a risk-based capital report by an insurer



14 which indicates that:

15 a. The insurer's total adjusted capital is greater than or
16 equal to its regulatory action level risk-based capital but less
17 than its company action level risk-based capital; ~~or~~

18 b. If a life and health insurer that reports using the life
19 and health annual statement instructions, the insurer has total
20 adjusted capital that is greater than or equal to its company
21 action level risk-based capital, but is less than the product of
22 its authorized control level risk-based capital and 3.0 ~~2.5~~, and
23 has a negative trend;

24 c. Effective January, 1, 2015, if a life and health or
25 property and casualty insurer that reports using the health
26 annual statement instructions, the insurer or organization has
27 total adjusted capital that is greater than or equal to its
28 company action level risk-based capital, but is less than the
29 product of its authorized control level risk-based capital and
30 3.0, and triggers the trend test determined in accordance with
31 the trend test calculation included in the Risk-Based Capital
32 Forecasting and Instructions, Health, updated annually by the
33 National Association of Insurance Commissioners; or

34 d. If a property and casualty insurer that reports using
35 the property and casualty annual statement instructions, the
36 insurer has total adjusted capital that is greater than or equal
37 to its company action level risk-based capital, but is less than
38 the product of its authorized control level risk-based capital
39 and 3.0, and triggers the trend test determined in accordance
40 with the trend test calculation included in the Risk-Based
41 Capital Forecasting and Instructions, Property/Casualty, updated
42 annually by the National Association of Insurance Commissioners;



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43 2. The notification by the office to the insurer of an
44 adjusted risk-based capital report that indicates an event in
45 subparagraph 1., unless the insurer challenges the adjusted
46 risk-based capital report under subsection (7); or

47 3. If, under subsection (7), an insurer challenges an
48 adjusted risk-based capital report that indicates an event in
49 subparagraph 1., the notification by the office to the insurer
50 that the office has, after a hearing, rejected the insurer's
51 challenge.

52 (6)

53 (b) If a mandatory control level event occurs:

54 1. With respect to a life and health insurer, the office
55 shall, after due consideration of s. 624.408, and effective
56 January 1, 2015, ss. 641.225 and 636.045, take any action
57 necessary to place the insurer under regulatory control,
58 including any remedy available under chapter 631. A mandatory
59 control level event is sufficient ground for the department to
60 be appointed as receiver as provided in chapter 631. The office
61 may forego taking action for up to 90 days after the mandatory
62 control level event if the office finds there is a reasonable
63 expectation that the ~~mandatory control level~~ event may be
64 eliminated within the 90-day period.

65 2. With respect to a property and casualty insurer, the
66 office shall, after due consideration of s. 624.408, take any
67 action