

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 1165 (2016)

Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION

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WITHDRAWN _____ (Y/N)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

1 Committee/Subcommittee hearing bill: State Affairs Committee
2 Representative Hager offered the following:

3
4 **Amendment**

5 Remove lines 73-103 and insert:

6 be confidential and exempt from s. 119.07(1), Florida Statutes,
7 and s. 24(a), Art. I of the State Constitution. In conducting
8 this required internal assessment, an insurer or insurance group
9 identifies and evaluates the material and relevant risks to the
10 insurer or insurance group and the adequacy of capital resources
11 to support these risks. The ORSA summary report, substantially
12 similar ORSA report, and supporting documents contain highly
13 sensitive and strategic financial information about an insurer
14 or insurer group. Having a comprehensive and unbiased assessment
15 will provide the office with an effective early warning
16 mechanism for preventing insolvencies and protecting
17 policyholders and promote a stable insurance market. Divulging

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18 the ORSA summary report, substantially similar ORSA summary
19 report, and supporting documents will injure the insurer or
20 insurance group by providing competitors with detailed insight
21 into their financial position, risk management strategies,
22 business plans, pricing and marketing strategies, management
23 systems, and operational protocols.

24 (2) The Legislature finds that it is a public necessity
25 that the corporate governance annual disclosure and supporting
26 documents submitted to and held by the office be confidential
27 and exempt from s. 119.07(1), Florida Statutes, and s. 24(a),
28 Art. I of the State Constitution. The corporate governance
29 annual disclosure describes an insurer's governance structure
30 and the internal practices and procedures used in conducting the
31 business affairs of the company, making strategic operational
32 decisions affecting its competitive position, and managing its
33 financial condition. Release of the corporate governance annual
34 disclosure and supporting documents will injure the insurer or
35 insurance group in the marketplace by providing competitors with
36 the insurer's or the insurance group's confidential business
37 information. Broad disclosure will give state regulators a
38 thorough understanding of the corporate governance structure and
39 internal policies and practices used by insurers and promote
40 market integrity. Effective governance mechanisms will enable
41 insurers to take any necessary corrective actions and achieve
42 strategic goals while allowing the office to perform its
43 regulatory duties effectively and efficiently.

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