

Amendment No.6

COMMITTEE/SUBCOMMITTEE ACTION

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|-----------------------|-------|-------|
| 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| WITHDRAWN | _____ | (Y/N) |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: Commerce Committee
 2 Representative Cassel offered the following:

Amendment (with title amendment)

Remove lines 3019-3054 and insert:

Section 23. Subsection (3) of section 631.398, Florida Statutes, is amended to read:

631.389 Prevention of insolvencies.-To aid in the detection and prevention of insurer insolvencies or impairments:

(3)(a) The department shall, no later than the conclusion of any domestic insurer insolvency proceeding, prepare a summary report containing such information as is in its possession relating to the history and causes of such insolvency, including a statement of the business practices of such insurer which led to such insolvency.

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17 (b) For an insolvency involving a domestic property
18 insurer, the department shall:

19 1. Begin an analysis of the history and causes of the
20 insolvency once the department is appointed by the court as
21 receiver.

22 2. Submit an initial report analyzing the history and
23 causes of the insolvency to the Governor, the President of the
24 Senate, the Speaker of the House of Representatives, and the
25 office. The initial report must be submitted no later than 4
26 months after the department is appointed as receiver. The
27 initial report shall be updated at least annually until the
28 submission of the final report. The report may not be used as
29 evidence in any proceeding brought by the department or others
30 to recover assets on behalf of the receivership estate as part
31 of its duties under s. 631.141(8). The submission of a report
32 under this subparagraph shall not be considered a waiver of any
33 evidentiary privilege the department may assert under state or
34 federal law. The department shall publish the initial report
35 and all updated reports on its website within 10 days of being
36 submitted to the Governor.

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38 . Provide a special report to the Governor, the President of
39 the Senate, the Speaker of the House of Representatives, and the
40 office, within 10 days upon identifying any condition or

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41 practice that may lead to insolvency in the property insurance
42 marketplace.

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44 . Submit a final report analyzing the history and causes of the
45 insolvency and the review of the Office of Insurance
46 Regulation's regulatory oversight of the insurer to the
47 Governor, the President of the Senate, the Speaker of the House
48 of Representatives, and the office within 30 days of the
49 conclusion of the insolvency proceeding. The department shall
50 publish the final report on its website within 10 days of being
51 submitted to the Governor.

52 Section 24. Subsection (3) of section 631.252, Florida
53 Statutes, is amended to read:

54 631.252 Continuation of coverage.—

55 (3) The 30-day coverage continuation period provided in
56 paragraph (1)(a) may not in no event be extended unless the
57 office determines, based on a reasonable belief, that market
58 conditions are such that policies of residential property
59 insurance coverage cannot be placed with an authorized insurer
60 within 30 days and that an additional 15 days is needed to place
61 such coverage; and failure of actual notice to the policyholder
62 of the insolvency of the insurer, of commencement of a
63 delinquency proceeding, or of expiration of the extension period
64 does not affect such expiration.

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65 Section 25. Present subsections (6) through (8) of section
66 768.79, Florida Statutes, are redesignated as subsections (7)
67 through (9), respectively, and a new subsection (6) is added to
68 that section, to read:

69 768.79 Offer of judgment and demand for judgment.—

70 (6) For a breach of contract action, a property insurer
71 may make a joint offer of judgment or settlement that is
72 conditioned on the mutual acceptance of all the joint offerees.

73 Section 26. For the 2022-2023 fiscal year, the sum of
74 \$1,757,982 in recurring funds is appropriated from the Insurance
75 Regulatory Trust Fund to the Office of Insurance Regulation with
76 associated salary rate of 844,464. From these funds, \$1,356,615
77 is appropriated in the Salaries and Benefits appropriation
78 category, \$400,000 is appropriated in the Other Personal
79 Services appropriation category, and \$1,367 is appropriated in
80 the Transfer to Department of Management Services - Human
81 Resources Services Purchased Per Statewide Contract
82 appropriation category. The funds shall be utilized for the
83 recruitment and retention of personnel within the office to
84 ensure the ongoing monitoring of insurance company products and
85 services, as well as the financial condition of licensed
86 insurance companies. The funds shall be used to implement this
87 act.

88 Section 27. The Office of Program Policy Analysis and
89 Government Accountability shall conduct an analysis of all

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90 residential property insurance companies operating in this state
91 to determine the financial performance, including the
92 underwriting and investment profit and loss, of each company. At
93 a minimum, the analysis must include consideration of moneys
94 paid to managing general agents or other third parties
95 contracted to perform regular operations for the company and
96 amounts in loss reserves, specifically as a percentage of total
97 assets. The office must submit a report of its findings to the
98 Governor, the President of the Senate, and the Speaker of the
99 House of Representatives by January 1, 2024.

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

104 Remove lines 143-149office under specified circumstances;
105 amending s. 631.398; requiring the department to post certain
106 reports to its website within a certain time; amending s.
107 768.79, F.S.; authorizing a property insurer in a breach of
108 contract action to make a joint offer of judgment or settlement
109 that is conditioned on the mutual acceptance of all joint
110 offerees; providing an appropriation; requiring the Office of
111 Program Policy Analysis and Government Accountability to conduct
112 a residential property insurance analysis; providing an
113 effective date.
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