

1 A bill to be entitled
2 An act relating to the Office of Insurance Regulation;
3 amending s. 20.121, F.S.; providing that the Office of
4 Insurance Regulation is responsible for all activities
5 concerning entities under its jurisdiction; amending
6 s. 501.171, F.S.; requiring covered entities under the
7 office's jurisdiction to copy the office on certain
8 notices and provide certain information, upon request,
9 to the office; amending s. 624.310, F.S.; authorizing
10 the Department of Financial Services and the office to
11 issue and deliver cease and desist orders for certain
12 activities; authorizing the department and the office
13 to seek an injunction for enforcement of such order;
14 amending s. 624.316, F.S.; removing a provision
15 authorizing the Financial Services Commission to adopt
16 the Market Conduct Examiners Handbook; amending s.
17 624.3161, F.S.; requiring the office to examine
18 administrators under certain circumstances;
19 authorizing the commission to adopt by rule the Market
20 Conduct Examiners Handbook; creating s. 624.341, F.S.;
21 providing legislative findings and intent; requiring
22 the Department of Law Enforcement to accept and
23 process fingerprints taken of certain persons;
24 specifying procedures for fingerprinting; authorizing
25 the Department of Law Enforcement to exchange certain

26 records with the office; specifying that fingerprints
27 must be submitted in accordance with certain rules;
28 requiring the Department of Law Enforcement and the
29 Federal Bureau of Investigation to conduct certain
30 background checks; requiring that certain fingerprints
31 be submitted and entered into a specified system;
32 requiring the office to inform the Department of Law
33 Enforcement of any person whose fingerprints no longer
34 need to be retained; specifying who bears the costs of
35 fingerprint processing; requiring the office to review
36 criminal history background checks and make certain
37 determinations; specifying that certain criminal
38 records be used by the office for certain purposes;
39 amending s. 627.062, F.S.; revising the factors that
40 the office must consider in determining if insurance
41 rates are excessive, inadequate, or discriminatory;
42 amending s. 627.0628, F.S.; requiring private
43 passenger automobile insurance to be adequately
44 projected; amending s. 627.0629, F.S.; requiring the
45 office to determine minimum rate differentials for
46 windstorm damage mitigation techniques that meet or
47 exceed the minimum requirements of the Florida
48 Building Code; authorizing insurers to seek additional
49 rate differentials; amending s. 627.0645, F.S.;
50 revising requirements of rate filing with the office

51 for certain insurers; amending s. 627.711, F.S.;
52 requiring that certain discount notification forms for
53 personal lines residential property insurance policies
54 be sent to insureds at the time of policy issuance and
55 renewal; requiring the office to contract with a state
56 university to design, operate, upgrade, and maintain a
57 specified database; requiring property insurers to
58 file certain policyholder forms within a specified
59 timeframe in the database beginning on a specified
60 date; requiring the commission to adopt rules;
61 amending s. 627.7152, F.S.; removing a provision
62 requiring insurers to report on residential and
63 commercial property insurance claims paid in a certain
64 year; amending s. 627.915, F.S.; requiring private
65 passenger automobile insurers to file specified
66 monthly reports beginning on a specified date;
67 requiring the commission to adopt rules; removing the
68 requirement for certain insurers to submit such
69 report; removing an exemption for certain insurers;
70 creating s. 628.8011, F.S.; providing definitions;
71 requiring certain persons to file a group capital
72 calculation report annually by a specified date;
73 providing requirements for such report; exempting
74 certain insurance holding company systems from filing
75 such report; requiring certain non-United States-based

insurance holding company systems to file a group capital calculation report; authorizing the office to exempt certain persons from filing such report under certain circumstances; authorizing the filing of a limited group capital filing instead of the group capital calculation report under certain circumstances; authorizing the office to require certain insurance holding company systems to file such report despite qualifying for an exemption under certain circumstances; requiring the office to establish certain criteria and publish certain information on its website; authorizing the commission to adopt certain rules; creating s. 628.8012, F.S.; providing definitions; requiring certain persons to annually file results of a liquidity stress test in compliance with specified instructions; providing an exemption; authorizing the office to adopt rules; creating s. 628.8013, F.S.; providing that a certain report and test are for specified purposes; prohibiting certain representations or statements by certain persons; authorizing an insurer to rebut certain information in a written publication under certain circumstances; creating s. 629.53, F.S.; requiring attorneys in fact of reciprocal insurers to obtain a registration; providing requirements for the

101 application of such registration; prohibiting fees for
102 registration and registration application; requiring
103 the office to investigate applicants; authorizing the
104 office to issue registrations to applicants under
105 certain circumstances; creating s. 629.54, F.S.;
106 providing for automatic renewal of the registration of
107 an attorney in fact; creating s. 629.55, F.S.;
108 authorizing the office to deny, suspend, revoke, or
109 refuse to renew the registration of an attorney in
110 fact under certain circumstances; creating s. 629.56,
111 F.S.; providing for when an order of suspension or
112 revocation of a registration is effected; authorizing
113 the office to publish certain notice in newspapers of
114 general circulation; creating s. 629.57, F.S.;
115 providing a limitation on the period of suspension of
116 an attorney in fact registration; providing that a
117 registration is automatically reinstated after the
118 suspension ends; creating s. 629.58, F.S.; authorizing
119 the office to issue administrative fines in lieu of
120 suspension or revocation; prohibiting a fine from
121 being borne by an insurer; amending ss. 634.141,
122 634.314, and 634.416, F.S.; conforming cross-
123 references; providing an effective date.

124
125 Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (a) of subsection (3) of section 20.121, Florida Statutes, is amended to read:

20.121 Department of Financial Services.—There is created a Department of Financial Services.

(3) FINANCIAL SERVICES COMMISSION.—Effective January 7, 2003, there is created within the Department of Financial Services the Financial Services Commission, composed of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture, which shall for purposes of this section be referred to as the commission. Commission members shall serve as agency head of the Financial Services Commission. The commission shall be a separate budget entity and shall be exempt from the provisions of s. 20.052. Commission action shall be by majority vote consisting of at least three affirmative votes. The commission shall not be subject to control, supervision, or direction by the Department of Financial Services in any manner, including purchasing, transactions involving real or personal property, personnel, or budgetary matters.

(a) Structure.—The major structural unit of the commission is the office. Each office shall be headed by a director. The following offices are established:

1. The Office of Insurance Regulation, which shall be responsible for all activities concerning insurers, and other

151 risk bearing entities, and other entities under its
152 jurisdiction, including licensing, rates, policy forms, market
153 conduct, claims, issuance of certificates of authority,
154 solvency, viatical settlements, premium financing, and
155 administrative supervision, as provided under the insurance code
156 or chapter 636. The head of the Office of Insurance Regulation
157 is the Director of the Office of Insurance Regulation, who may
158 also be known as the Commissioner of Insurance Regulation.

159 2. The Office of Financial Regulation, which shall be
160 responsible for all activities of the Financial Services
161 Commission relating to the regulation of banks, credit unions,
162 other financial institutions, finance companies, and the
163 securities industry. The head of the office is the Director of
164 the Office of Financial Regulation, who may also be known as the
165 Commissioner of Financial Regulation. The Office of Financial
166 Regulation shall include a Bureau of Financial Investigations,
167 which shall function as a criminal justice agency for purposes
168 of ss. 943.045-943.08 and shall have a separate budget. The
169 bureau may conduct investigations within or outside this state
170 as the bureau deems necessary to aid in the enforcement of this
171 section. If, during an investigation, the office has reason to
172 believe that any criminal law of this state has or may have been
173 violated, the office shall refer any records tending to show
174 such violation to state or federal law enforcement or
175 prosecutorial agencies and shall provide investigative

176 assistance to those agencies as required.

177 **Section 2. Paragraph (f) is added to subsection (3) of**
178 **section 501.171, Florida Statutes, to read:**

179 501.171 Security of confidential personal information.—

180 (3) NOTICE TO DEPARTMENT OF SECURITY BREACH.—

181 (f) If a covered entity is subject to the jurisdiction of
182 the Office of Insurance Regulation, the covered entity must copy
183 the office on the notice provided to the department. The covered
184 entity must provide any information listed in paragraph (c) to
185 the office upon its request.

186 **Section 3. Paragraph (g) is added to subsection (5) of**
187 **section 624.310, Florida Statutes, to read:**

188 624.310 Enforcement; cease and desist orders; removal of
189 certain persons; fines.—

190 (5) ADMINISTRATIVE FINES; ENFORCEMENT.—

191 (g) If the department or office has probable cause to
192 believe that a person is performing activities that require a
193 license, registration, certificate of authority, or any other
194 form of authorization from the department or office and the
195 person performing such activities does not hold the required
196 license, registration, certificate of authority, or other form
197 of authorization, the department or office may issue and deliver
198 to such person a notice to cease and desist from such violation
199 of the insurance code. In addition, the department or office may
200 issue and deliver a notice to cease and desist to any person who

aids and abets the person violating the insurance code. For the purpose of enforcing a cease and desist order under this paragraph, the department or office may file an action for a court proceeding in the name of this state seeking the issuance of an injunction against a person who violates any provision of the cease and desist order.

Section 4. Paragraph (c) of subsection (1) of section 624.316, Florida Statutes, is amended to read:

624.316 Examination of insurers.—

(1)

(c) The office shall examine each insurer according to accounting procedures designed to fulfill the requirements of generally accepted insurance accounting principles and practices and good internal control and in keeping with generally accepted accounting forms, accounts, records, methods, and practices relating to insurers. To facilitate uniformity in examinations, the commission may adopt, by rule, ~~the Market Conduct Examiners Handbook and~~ the Financial Condition Examiners Handbook of the National Association of Insurance Commissioners, 2002, and may adopt subsequent amendments thereto, if the examination methodology remains substantially consistent.

Section 5. Subsections (2) through (9) of section 624.3161, Florida Statutes, are renumbered as subsections (3) through (10), respectively, subsection (1), paragraph (e) of present subsection (8), and paragraph (a) of present subsection

226 **(9) are amended, and a new subsection (2) is added to that**
227 **section, to read:**

228 624.3161 Market conduct examinations.—

229 (1) As often as it deems necessary, the office shall
230 examine each licensed rating organization, ~~each~~ advisory
231 organization, administrator, ~~each~~ group, association, carrier,
232 as defined in s. 440.02, ~~or other~~ organization of insurers which
233 engages in joint underwriting or joint reinsurance, the attorney
234 in fact of each reciprocal insurer, and ~~each~~ authorized insurer
235 transacting in this state any class of insurance to which
236 chapter 627 is applicable. The examination must be for the
237 purpose of ascertaining compliance by the person examined with
238 the applicable provisions of this chapter and chapters 440, 626,
239 627, and 635.

240 (2) To facilitate uniformity in examinations, the
241 commission may adopt, by rule, the Market Conduct Examiners
242 Handbook of the National Association of Insurance Commissioners,
243 2024, and may adopt subsequent amendments thereto, if the
244 examination methodology remains substantially consistent.

245 (9)(8) The office shall create, and the commission shall
246 adopt by rule, a selection methodology for scheduling and
247 conducting market conduct examinations of insurers and other
248 entities regulated by the office. This requirement does not
249 restrict the authority of the office to conduct market conduct
250 examinations as often as it deems necessary. Such selection

methodology must prioritize market conduct examinations of insurers and other entities regulated by the office to whom any of the following conditions applies:

(e) The insurer meets the criteria in subsection (8) ~~(7)~~.

The office shall present the proposed rule required by this subsection to the commission no later than October 1, 2023. In addition to the methodology required by this subsection, the rule must provide criteria for how the office, in coordination with the department, will determine what constitutes a disproportionate number of claims-handling complaints described in paragraph (b).

(10) ~~(9)~~ If the office concludes through an examination pursuant to this section that an insurer providing liability coverage in this state exhibits a pattern or practice of violations of the Florida Insurance Code during any investigation or examination of the insurer, the office must review the insurer's claims-handling practices to determine if the insurer should be subject to the enhanced enforcement penalties of this subsection.

(a) A liability insurer may be subject to enhanced enforcement penalties if the office reviews the insurer's claims-handling practices and finds a pattern or practice of the insurer failing to do the following when responding to covered liability claims under an insurance policy, after receiving

276 actual notice of such claims:

277 1. Assign a licensed and appointed insurance adjuster to
278 investigate whether coverage is provided under the policy and
279 diligently attempt to resolve any questions concerning the
280 extent of the insured's coverage.

281 2. Evaluate the claim fairly, honestly, and with due
282 regard for the interests of the insured based on available
283 information.

284 3. Request from the insured or claimant additional
285 relevant information the insurer reasonably deems necessary to
286 evaluate whether to settle a claim.

287 4. Conduct all oral and written communications with the
288 insured with honesty and candor.

289 5. Make reasonable efforts to explain to persons not
290 represented by counsel matters requiring expertise beyond the
291 level normally expected of a layperson with no training in
292 insurance or claims-handling issues.

293 6. Retain all written and recorded communications and
294 create and retain a summary of all verbal communications in a
295 reasonable manner for a period of not less than 2 years after
296 the later of the entry of a final judgment against the insured
297 in excess of policy limits or, if an extracontractual claim is
298 made, the conclusion of that claim and any related appeals.

299 7. Within 30 days after a request, provide the insured
300 with all communications related to the insurer's handling of the

claim which are not privileged as to the insured.

8. Provide, upon request and at the insurer's expense, reasonable accommodations necessary to communicate effectively with an insured covered under the Americans with Disabilities Act.

9. When handling a third-party claim, communicate each of the following to the insured:

a. The identity of any other person or entity the insurer has reason to believe may be liable.

b. The insurer's final and completed estimate of the claim.

c. The possibility of an excess judgment.

d. The insured's right to secure personal counsel at his or her own expense.

e. That the insured should cooperate with the insurer, including providing information required by the insurer because of a settlement opportunity or in accordance with the policy.

f. Any formal settlement demands or offers to settle by the claimant and any offers to settle on behalf of the insured.

10. Respond to any request for insurance information in compliance with s. 626.9372 or s. 627.4137, as applicable.

11. Seek to obtain a general release of each insured in making any settlement offer to a third-party claimant.

12. Take reasonable measures to preserve any documentary, photographic, and forensic evidence as needed for the defense of

the liability claim if it appears likely that the insured's liability exposure is greater than policy limits and the insurer fails to secure a general release in favor of the insured.

13. Comply with subsections (1) and (3) ~~(2)~~, if applicable.

14. Comply with the Unfair Insurance Trade Practices Act.

Section 6. Section 624.341, Florida Statutes, is created to read:

624.341 Authority of Department of Law Enforcement to accept fingerprints of, and exchange criminal history records with respect to, certain persons applying to the Office of Insurance Regulation.—

(1) The Legislature finds that criminal activity of insurers poses a particular danger to the residents of this state. Floridians rely, in good faith, on the honest conduct of those who issue and manage insurance policies and other insurance instruments in this state. To safeguard the residents of this state, the Legislature finds it necessary to ensure that organizers, incorporators, officers, employees, contractors, stockholders, directors, owners, managers, or volunteers involved in the organization, operation, or management of any insurer authorized to sell insurance do not have a criminal record.

(2) The Department of Law Enforcement shall accept and process fingerprints taken of organizers, incorporators,

351 officers, employees, contractors, stockholders, directors,
352 owners, managers, or volunteers involved, directly or
353 indirectly, in the organization, operation, or management of
354 any:

355 (a) Insurer or proposed insurer transacting or proposing
356 to transact insurance in this state.

357 (b) Other entity that is examined or investigated, or is
358 eligible to be examined or investigated, under the office's
359 jurisdiction.

360 (c) Other person or entity subject to licensure under the
361 office's jurisdiction.

362 (3) A full set of fingerprints of persons or entities
363 described in subsection (2) must be submitted to the office or
364 to a vendor, an entity, or an agency authorized under s.
365 943.053(13). The office, vendor, entity, or agency shall forward
366 the fingerprints to the Department of Law Enforcement for state
367 processing, and the Department of Law Enforcement shall forward
368 the fingerprints to the Federal Bureau of Investigation for
369 national processing pursuant to s. 624.34(5). Fees for state and
370 federal fingerprint processing must be borne by the person
371 submitting them. The state cost for fingerprint processing is as
372 provided in s. 943.053(3)(e).

373 (4) The Department of Law Enforcement may, to the extent
374 authorized by federal law, exchange state, multistate, and
375 federal criminal history records with the office for the purpose

376 of the issuance, denial, suspension, or revocation of a
377 certificate of authority, certification, registration, or
378 license to operate in this state.

379 (5) Fingerprints for each person or entity described in
380 subsection (2) must be submitted in accordance with rules
381 adopted by the commission.

382 (a) Fingerprints may be submitted through a third-party
383 vendor authorized by the Department of Law Enforcement.

384 (b) The Department of Law Enforcement shall conduct the
385 state criminal history background check and a federal criminal
386 history background check must be conducted through the Federal
387 Bureau of Investigation.

388 (c) All fingerprints submitted to the Department of Law
389 Enforcement must be submitted and entered into the statewide
390 automated biometric identification system established in s.
391 943.05(2)(b) and be available for use in accordance with s.
392 943.05(2)(g) and (h). The office shall inform the Department of
393 Law Enforcement the name of any person whose fingerprints no
394 longer need to be retained.

395 (d) The costs of fingerprint processing, including the
396 cost of retaining the fingerprints, must be borne by the person
397 subject to the background check.

398 (e) The office shall review the results of the state and
399 federal criminal history background checks and determine whether
400 the applicant meets the requirements for a certificate of

401 authority, certification, registration, or license to operate in
402 this state.

403 (6) Statewide criminal records obtained through the
404 Department of Law Enforcement, federal criminal records obtained
405 through the Federal Bureau of Investigation, and local criminal
406 records obtained through local law enforcement agencies must be
407 used by the office for the purpose of issuance, denial,
408 suspension, or revocation of certificates of authority,
409 certifications, registrations, or licenses required to operate
410 in this state.

411 **Section 7. Paragraph (b) of subsection (2) of section**
412 **627.062, Florida Statutes, is amended to read:**

413 627.062 Rate standards.—

414 (2) As to all such classes of insurance:

415 (b) Upon receiving a rate filing, the office shall review
416 the filing to determine if a rate is excessive, inadequate, or
417 unfairly discriminatory. In making that determination, the
418 office shall, in accordance with generally accepted and
419 reasonable actuarial techniques, consider the following factors:

420 1. Past and prospective loss experience within and without
421 this state.

422 2. Past and prospective expenses.

423 3. The degree of competition among insurers for the risk
424 insured.

425 4. Investment income reasonably expected by the insurer,

consistent with the insurer's investment practices, from investable premiums anticipated in the filing, plus any other expected income from currently invested assets representing the amount expected on unearned premium reserves and loss reserves. The commission may adopt rules using reasonable techniques of actuarial science and economics to specify the manner in which insurers calculate investment income attributable to classes of insurance written in this state and the manner in which investment income is used to calculate insurance rates. Such manner must contemplate allowances for an underwriting profit factor and full consideration of investment income that produces a reasonable rate of return; however, investment income from invested surplus may not be considered.

5. The reasonableness of the judgment reflected in the filing.

6. Dividends, savings, or unabsorbed premium deposits allowed or returned to policyholders, members, or subscribers in this state.

7. The adequacy of loss reserves.

8. The cost of reinsurance. The office may not disapprove a rate as excessive solely due to the insurer having obtained catastrophic reinsurance to cover the insurer's estimated 250-year probable maximum loss or any lower level of loss.

9. Trend factors, including trends in actual losses per insured unit for the insurer making the filing.

451 10. Conflagration and catastrophe hazards, if applicable.

452 11. Projected hurricane losses, if applicable, which must
453 be estimated using a model or method found to be acceptable or
454 reliable by the Florida Commission on Hurricane Loss Projection
455 Methodology, and as further provided in s. 627.0628.

456 12. Projected flood losses for personal residential
457 property insurance, if applicable, which must ~~may~~ be estimated
458 using a model or method, or a straight average of model results
459 or output ranges, independently found to be acceptable or
460 reliable by the Florida Commission on Hurricane Loss Projection
461 Methodology and as further provided in s. 627.0628 for filings
462 submitted to the office after January 1, 2027.

463 13. For filings submitted to the office after January 1,
464 2027, projected comprehensive losses, if applicable, used to
465 determine a hurricane catastrophe load for private passenger
466 automobile insurance, which must be estimated using a model or
467 method found to be acceptable or reliable by the Florida
468 Commission on Hurricane Loss Projection Methodology under s.
469 627.0628.

470 14.13. A reasonable margin for underwriting profit and
471 contingencies.

472 15.14. The cost of medical services, if applicable.

473 16.15. Other relevant factors that affect the frequency or
474 severity of claims or expenses.

476 The provisions of this subsection do not apply to workers'
477 compensation, employer's liability insurance, and motor vehicle
478 insurance.

479 **Section 8. Paragraph (a) of subsection (1) and paragraph**
480 **(a) of subsection (3) of section 627.0628, Florida Statutes, are**
481 **amended to read:**

482 627.0628 Florida Commission on Hurricane Loss Projection
483 Methodology; public records exemption; public meetings
484 exemption.—

485 (1) LEGISLATIVE FINDINGS AND INTENT.—

486 (a) Reliable projections of hurricane losses are necessary
487 in order to ensure ~~assure~~ that rates for residential property
488 insurance and private passenger automobile insurance meet the
489 statutory requirement that rates be neither excessive nor
490 inadequate. The ability to accurately project hurricane losses
491 has been enhanced greatly in recent years through the use of
492 computer modeling. It is the public policy of this state to
493 encourage the use of the most sophisticated actuarial methods to
494 ensure ~~assure~~ that consumers are charged lawful rates for
495 residential property insurance and private passenger automobile
496 insurance coverage.

497 (3) ADOPTION AND EFFECT OF STANDARDS AND GUIDELINES.—

498 (a) The commission shall consider any actuarial methods,
499 principles, standards, models, or output ranges that have the
500 potential for improving the accuracy of or reliability of the

hurricane loss projections used in residential property insurance and private passenger automobile insurance rate filings and flood loss projections used in rate filings for personal lines residential flood insurance coverage. The commission shall, from time to time, adopt findings as to the accuracy or reliability of particular methods, principles, standards, models, or output ranges.

Section 9. Subsection (1) of section 627.0629, Florida Statutes, is amended to read:

627.0629 Residential property insurance; rate filings.—

(1) It is the intent of the Legislature that insurers provide savings to consumers who install or implement windstorm damage mitigation techniques, alterations, or solutions to their properties to prevent windstorm losses. A rate filing for residential property insurance must include actuarially reasonable discounts, credits, or other rate differentials, or appropriate reductions in deductibles, for properties on which fixtures or construction techniques demonstrated to reduce the amount of loss in a windstorm have been installed or implemented. The fixtures or construction techniques must include, but are not limited to, fixtures or construction techniques that enhance wind uplift prevention, roof strength, roof covering performance, roof-to-wall strength, wall-to-floor-to-foundation strength, opening protection, and window, door, and skylight strength. Credits, discounts, or other rate

526 differentials, or appropriate reductions in deductibles, for
527 fixtures and construction techniques that meet or exceed the
528 minimum requirements of the Florida Building Code must be
529 included in the rate filing. The office shall determine the
530 minimum discounts, credits, other rate differentials, and
531 appropriate reductions in deductibles that reflect the full
532 actuarial value of such fixtures and construction techniques.
533 The office's determination may not prohibit an insurer from
534 seeking additional actuarially justified credits, discounts or
535 other rate differentials, or appropriate reductions in
536 deductibles for fixtures and construction techniques that meet
537 or exceed the minimum requirements of the Florida Building Code
538 ~~reevaluation, which may be used by insurers in rate filings.~~
539 Effective October 1, 2023, each insurer subject to the
540 requirements of this section must provide information on the
541 insurer's website describing the hurricane mitigation discounts
542 available to policyholders. Such information must be accessible
543 on, or through a hyperlink located on, the home page of the
544 insurer's website or the primary page of the insurer's website
545 for property insurance policyholders or applicants for such
546 coverage in this state. On or before January 1, 2025, and every
547 5 years thereafter, the office shall reevaluate and update the
548 fixtures or construction techniques demonstrated to reduce the
549 amount of loss in a windstorm and the discounts, credits, other
550 rate differentials, and appropriate reductions in deductibles

that reflect the full actuarial value of such fixtures or construction techniques. The office shall adopt rules and forms necessitated by such reevaluation.

Section 10. Paragraph (b) of subsection (3) of section 627.0645, Florida Statutes, is amended to read:

627.0645 Annual filings.—

(3) The filing requirements of this section shall be satisfied by one of the following methods:

(b) If no rate change is proposed, a filing which consists of a certification by an actuary that the existing rate level produces rates which are actuarially sound and which are not inadequate, as defined in s. 627.062. However, for residential property and private passenger automobile insurers, a full rate filing is required after 2 consecutive years of certification under this paragraph.

Section 11. Subsection (1) of section 627.711, Florida Statutes, is amended, and paragraphs (c), (d), and (e) are added to subsection (2) of that section, to read:

627.711 Notice of premium discounts for hurricane loss mitigation; uniform mitigation verification inspection form.—

(1) Using a form prescribed by the Office of Insurance Regulation, the insurer shall clearly notify the applicant or policyholder of any personal lines residential property insurance policy, at the time of the issuance of the policy and at each renewal, of the availability and the range of each

576 premium discount, credit, other rate differential, or reduction
577 in deductibles, and combinations of discounts, credits, rate
578 differentials, or reductions in deductibles, for properties on
579 which fixtures or construction techniques demonstrated to reduce
580 the amount of loss in a windstorm can be or have been installed
581 or implemented. The prescribed form shall describe generally
582 what actions the policyholders may be able to take to reduce
583 their windstorm premium. The prescribed form and a list of such
584 ranges approved by the office for each insurer licensed in the
585 state and providing such discounts, credits, other rate
586 differentials, or reductions in deductibles for properties
587 described in this subsection shall be available for electronic
588 viewing and download from the Department of Financial Services'
589 or the Office of Insurance Regulation's Internet website. The
590 prescribed form must also notify the applicant or policyholder
591 if the insurer offers an enhanced discount for a roof system
592 that uses a secondary water resistance, and the form must
593 generally list the amount of discount by type of secondary water
594 resistance. The Financial Services Commission may adopt rules to
595 implement this subsection.

596 (2)

597 (c) The office shall contract with a state university to
598 design, operate, upgrade, and maintain a statewide database for
599 uniform mitigation verification inspection forms. This database
600 must be managed by the office to collect and evaluate mitigation

601 features of residential properties within this state.

602 (d) Beginning January 1, 2027, each insurer must
603 electronically file within 15 business days after receipt a copy
604 of each uniform mitigation inspection form submitted by a
605 policyholder in the database created under paragraph (c) using
606 the electronic format prescribed by the office.

607 (e) The Financial Services Commission shall adopt rules to
608 implement this subsection.

609 **Section 12. Subsection (12) of section 627.7152, Florida**
610 **Statutes, is amended, to read:**

611 627.7152 Assignment agreements.—

612 ~~(12) The office shall require each insurer to report by~~
613 ~~January 30, 2022, and each year thereafter data on each~~
614 ~~residential and commercial property insurance claim paid in the~~
615 ~~prior calendar year under an assignment agreement. The Financial~~
616 ~~Services Commission shall adopt by rule a list of the data~~
617 ~~required, which must include specific data about claims~~
618 ~~adjustment and settlement timeframes and trends, grouped by~~
619 ~~whether litigated or not litigated and by loss adjustment~~
620 ~~expenses.~~

621 **Section 13. Subsections (2) and (5) of section 627.915,**
622 **Florida Statutes, are amended to read:**

623 627.915 Insurer experience reporting.—

624 (2)(a) Beginning January 1, 2027, each insurer transacting
625 private passenger automobile insurance in this state must file

626 monthly with the office a report addressing all of the following
627 areas:

628 1. Policy coverage categories, including policies in force
629 and total direct premiums earned and written.

630 2. The type, location, and limits of writings in this
631 state.

632 3. Claims reporting requirements.

633 4. Any other information deemed necessary by the
634 commission to provide the office with the ability to track
635 trends occurring in the private passenger automobile insurance
636 market.

637 (b) The commission shall adopt rules specifying the
638 information required to be reported under this subsection and
639 the format required for the reports ~~fire, homeowner's multiple~~
640 ~~peril, commercial multiple peril, medical malpractice, products~~
641 ~~liability, workers' compensation, private passenger automobile~~
642 ~~liability, commercial automobile liability, private passenger~~
643 ~~automobile physical damage, commercial automobile physical~~
644 ~~damage, officers' and directors' liability insurance, or other~~
645 ~~liability insurance shall report, for each such line of~~
646 ~~insurance, the information specified in this subsection to the~~
647 ~~office. The information shall be reported for direct Florida~~
648 ~~business only and shall be reported on a calendar year basis~~
649 ~~annually by April 1 for the preceding calendar year:~~

650 ~~(a) Direct premiums written.~~

~~(b) Direct premiums earned.~~

~~(c) Loss reserves for all known claims:~~

~~1. At beginning of the year.~~

~~2. At end of the year.~~

~~(d) Reserves for losses incurred but not reported:~~

~~1. At beginning of the year.~~

~~2. At end of the year.~~

~~(e) Allocated loss adjustment expense:~~

~~1. Reserve at beginning of the year.~~

~~2. Reserve at end of the year.~~

~~3. Paid during the year.~~

~~(f) Unallocated loss adjustment expense:~~

~~1. Reserve at beginning of the year.~~

~~2. Reserve at end of the year.~~

~~3. Paid during the year.~~

~~(g) Direct losses paid.~~

~~(h) Underwriting income or loss.~~

~~(i) Commissions and brokerage fees.~~

~~(j) Taxes, licenses, and fees.~~

~~(k) Other acquisition costs.~~

~~(l) General expenses.~~

~~(m) Policyholder dividends.~~

~~(n) Net investment gain or loss and other income gain or loss allocated pro rata by earned premium to Florida business utilizing the investment allocation formula contained in the~~

~~National Association of Insurance Commissioner's Profitability
Report by line by state.~~

~~(5) Any insurer or insurer group which does not write at
least 0.5 percent of the Florida market based on premiums
written shall not have to file any report required by subsection
(2) other than a report indicating its percentage of the market
share. That percentage shall be calculated by dividing the
current premiums written by the preceding year's total premiums
written in the state for that line of insurance.~~

**Section 14. Section 628.8011, Florida Statutes, is created
to read:**

628.8011 Group capital calculation reports.—

(1) As used in this section, the term:

(a) "Group capital calculation instructions" means the
group capital calculation instructions adopted by the NAIC, as
amended from time to time, in accordance with the procedures
adopted by the NAIC if the methodology remains substantially
consistent.

(b) "Groupwide supervisor" means the regulatory official
authorized to engage in conducting and coordinating groupwide
supervision activities who is determined or acknowledged by the
commissioner to have sufficient contacts with an internationally
active insurance group. As used in this paragraph, the term
"internationally active insurance group" means an insurance
holding company system that includes an insurer registered under

701 s. 628.801(1) and that meets all of the following criteria:

702 1. An insurer within the insurance holding company system
703 writes premiums in at least three countries.

704 2. The percentage of gross premiums written outside of the
705 United States is at least 10 percent of the insurance holding
706 company system's total gross written premiums.

707 3. Based on a 3-year rolling average, the total assets of
708 the insurance holding company system are at least \$50 billion or
709 the total gross written premiums of the insurance holding
710 company system are at least \$10 billion.

711 (2) Except as provided in paragraph (a), the ultimate
712 controlling person of every insurer subject to registration
713 under s. 628.801 must concurrently file with the registration an
714 annual group capital calculation report on or before April 1.
715 The report must be completed in accordance with the group
716 capital calculation instructions, which permit the office to
717 allow a controlling person who is not the ultimate controlling
718 person to file the group capital calculation report. The report
719 must be filed with the lead state regulator of the insurance
720 holding company system as determined by the office in accordance
721 with the procedures within the Financial Analysis Handbook
722 adopted by the NAIC.

723 (a) The following insurance holding company systems are
724 exempt from filing a group capital calculation report:

725 1. An insurance holding company system that has only one

insurer within its holding company structure, is licensed and writing business only in its domestic state, and does not assume business from any other insurer.

2. An insurance holding company system that is required to perform a group capital calculation specified by the United States Federal Reserve Board. The office shall request the calculation from the Federal Reserve Board under the terms of information sharing agreements in effect. If the Federal Reserve Board cannot share the calculation with the office, the exemption under this paragraph does not apply to the insurance holding company system.

3. An insurance holding company system in which a non-United States groupwide supervisor is located within a reciprocal jurisdiction as described in s. 624.610(4)(a) which recognizes the United States state regulatory approach to group supervision and group capital.

4. An insurance holding company system that meets the following criteria:

a. It provides information to the lead state that meets the requirements for accreditation under the NAIC financial standards and accreditation program, either directly or indirectly, through the groupwide supervisor who has determined such information is satisfactory to allow the lead state to comply with the NAIC group supervision approach, as detailed in the Financial Analysis Handbook adopted by the NAIC.

751 b. A non-United States groupwide supervisor of the
752 insurance holding company system who is not in a reciprocal
753 jurisdiction recognizes and accepts, as specified by the office
754 in regulation, the group capital calculation as the worldwide
755 group capital assessment for United States insurance groups that
756 operate in such jurisdiction.

757 (b) Notwithstanding subparagraphs (a)3. and (a)4., the
758 office shall require the group capital calculation report for
759 United States operations of any non-United States-based
760 insurance holding company system in which, after any necessary
761 consultation with other supervisors or officials, it is deemed
762 appropriate by the office for prudential oversight and solvency
763 monitoring purposes or for ensuring the competitiveness of the
764 insurance marketplace.

765 (c) Notwithstanding the exemptions provided in
766 subparagraphs (a)1.-4., the office may exempt the ultimate
767 controlling person from filing the annual group capital
768 calculation report or may accept a group capital filing or
769 report in accordance with criteria as specified in paragraphs
770 (e) and (f).

771 (d) If the office determines that an insurance holding
772 company system no longer meets one or more of the requirements
773 for an exemption from filing the group capital calculation
774 report under subsection (a), the ultimate controlling person
775 must file the group capital calculation report at the next

776 annual filing date unless the office provides an extension based
777 on reasonable grounds shown.

778 (e) If an insurance holding company system has previously
779 filed the annual group capital calculation report at least once,
780 the office may exempt the ultimate controlling person from
781 filing the annual group capital calculation report if the office
782 determines based upon the previous filing that the insurance
783 holding company system meets all of the following criteria:

784 1. It has annual direct and unaffiliated assumed premium,
785 including international direct and assumed premium, of less than
786 \$1 billion. For purposes of this subparagraph, premiums
787 reinsured with the Federal Crop Insurance Corporation and
788 Federal Flood Program are excluded from the annual direct and
789 unaffiliated assumed premium.

790 2. It does not have insurers within its holding company
791 structure which are domiciled outside of the United States or
792 one of its territories.

793 3. It does not have a banking, depository or other
794 financial entity that is subject to an identified regulatory
795 capital framework within its holding company structure.

796 4. It attests that there are no material changes in the
797 transactions between insurers and noninsurers in the group which
798 have occurred since the last filing of the annual group capital
799 calculation report.

800 5. The noninsurers within the insurance holding company

801 system do not pose a material financial risk to the insurer's
802 ability to honor policyholder obligations.

803 (f) If an insurance holding company system has previously
804 filed the annual group capital calculation report at least once,
805 the office may accept a limited group capital filing in lieu of
806 the annual group capital calculation report if:

807 1. The insurance holding company system has annual direct
808 written and unaffiliated assumed premium, including
809 international direct and assumed premium, of less than \$1
810 billion. For purposes of this subparagraph, premiums reinsured
811 with the Federal Crop Insurance Corporation and Federal Flood
812 Program are excluded.

813 2. The insurance holding company system does not have
814 insurers within its holding company structure who are domiciled
815 outside of the United States or one of its territories.

816 3. The insurance holding company system does not include a
817 banking, depository, or other financial entity that is subject
818 to an identified regulatory capital framework.

819 4. The insurance holding company system attests that there
820 are no material changes in transactions between insurers and
821 noninsurers in the group which have occurred since the last
822 filing of the report to the office and the noninsurers within
823 the holding company system do not pose a material financial risk
824 to the insurer's ability to honor policyholder obligations.

825 (g) If an insurance holding company system that has

826 previously had an exemption with respect to the group capital
827 calculation report under paragraph (e) or paragraph (f), the
828 office may require at any time the ultimate controlling person
829 to file an annual group capital calculation report, completed in
830 accordance with the group capital calculation instructions, if
831 any of the following criteria are met:

832 1. An insurer within the insurance holding company system
833 is in a risk-based capital action level event as set forth in s.
834 624.4085 or a similar standard for a non-United States insurer.

835 2. An insurer within the insurance holding company system
836 meets one or more of the standards of an insurer deemed to be in
837 a hazardous financial condition as provided in s. 624.805.

838 3. An insurer within the insurance holding company system
839 otherwise exhibits qualities of a troubled insurer as determined
840 by the office based on unique circumstances including, but not
841 limited to, the type and volume of business written, ownership
842 and organizational structure, federal agency requests, and
843 international supervisor requests.

844 (h) The office shall establish by rule criteria for
845 satisfying when a non-United States jurisdiction is considered
846 to "recognize and accept" the group capital calculation report.

847 (i) The office must publish on its website a list of non-
848 United States jurisdictions that "recognize and accept" the
849 group capital calculation report.

850 (j) The commission may adopt rules for filing the annual

group capital calculation report in accordance with the
Insurance Holding Company System Regulatory Act of the NAIC and
the Insurance Holding Company System Model Regulation of the
NAIC, as adopted in December 2020.

**Section 15. Section 628.8012, Florida Statutes, is created
to read:**

628.8012 Liquidity Stress Test Framework.—

(1) As used in this section, the term:

(a) "Liquidity Stress Test Framework" means the NAIC
Liquidity Stress Test Framework for Life Insurers Meeting the
Scope Criteria, the scope criteria applicable for a specific
data year, and the liquidity stress test instructions and
reporting templates for a specific data year. The term includes
amended versions of these documents if the methodology remains
substantially consistent.

(b) "Scope criteria" means the designated exposure bases
along with minimum magnitudes thereof for the specified data
year used to establish a preliminary list of insurers considered
scoped into the Liquidity Stress Test Framework, and as amended
if the methodology remains substantially consistent, for that
data year.

(c) "Scoped" means meeting at least one threshold of the
scope criteria and being subject to the requirements of the
Liquidity Stress Test Framework.

(2) (a) The ultimate controlling person of every insurer

876 subject to registration and also scoped into the Liquidity
877 Stress Test Framework shall annually file the results of a
878 specific year's liquidity stress test on or before April 1. The
879 results must be filed with the office as the lead state
880 regulator of the insurance holding company system as determined
881 by the procedures within the Financial Analysis Handbook adopted
882 by the NAIC.

883 (b) Scoped insurers are exempt from the requirement under
884 paragraph (a) if the office, in consultation with the NAIC
885 Financial Stability Task Force or its successor, determines the
886 insurer should not be scoped into the Liquidity Stress Test
887 Framework for that data year.

888 (c) The performance of, and filing of the results from, a
889 specific year's liquidity stress test must comply with the
890 Liquidity Stress Test Framework's instructions and reporting
891 templates for that year and any office determinations, in
892 conjunction with the NAIC Financial Stability Task Force or its
893 successor, provided within the Liquidity Stress Test Framework.

894 (d) The office may adopt rules for filing the results of
895 the liquidity stress test in accordance with the Insurance
896 Holding Company System Regulatory Act of the NAIC and the
897 Insurance Holding Company System Model Regulation of the NAIC,
898 as adopted in December 2020.

899 **Section 16. Section 628.8013, Florida Statutes, is created**
900 **to read:**

901 628.8013 Rebuttal of materially false statements.—

902 (1) The group capital calculation report and resulting
903 group capital ratio and the liquidity stress test, as provided
904 in s. 628.8012, along with its results and supporting
905 disclosures required under this section are regulatory tools for
906 assessing group risks and capital adequacy and group liquidity
907 risks, respectively, and are not intended as a means to rank
908 insurers or insurance holding company systems generally.

909 (2) Any representation or statement by any insurer,
910 broker, or other person engaged in any manner in the business of
911 insurance is prohibited with regard to an insurer's or insurer's
912 group's:

913 (a) Group capital calculation report.

914 (b) Group capital ratio.

915 (c) Liquidity stress test results.

916 (d) Supporting disclosures for the liquidity stress test.

917 (e) Any component derived in the group capital
918 calculation.

919 (3) If a representation or statement prohibited under
920 subsection (2) is published in a written publication and if the
921 insurer can demonstrate to the office with substantial proof the
922 falsity or inappropriateness, as the case may be, of such
923 representation or statement, the insurer may publish
924 announcements in a written publication if the sole purpose of
925 the announcement is to rebut the materially false representation

926 or statement.

927 **Section 17. Section 629.53, Florida Statutes, is created**
928 **to read:**

929 629.53 Application for registration to operate as an
930 attorney in fact.—

931 (1) It is unlawful for any person to operate as an
932 attorney in fact of a reciprocal insurer without first having
933 obtained a registration from the office.

934 (2) The application for an attorney in fact registration
935 must be made, under oath, to the office by the applicant on a
936 form prescribed by the commission. The office may not require an
937 applicant to pay a fee for the registration or for filing an
938 application for such registration.

939 (3) In the application, the applicant must provide all of
940 the following information:

941 (a) All basic organizational documents, and any amendments
942 to such documents, of the applicant dated within the last year
943 and appropriately certified.

944 (b) The bylaws, rules, and regulations or similar
945 documents regulating the conduct of the internal affairs of the
946 applicant, other applicable documents, and all amendments to
947 those documents, dated within the last year and appropriately
948 certified.

949 (c) A copy of the most recent financial statement of the
950 applicant, verified under oath by at least two of the

951 applicant's principal officers.

952 (d) A detailed plan of operation.

953 (e) An e-mail address at which the applicant agrees to
954 accept electronic service from the office.

955 (f) The background information specified in s. 629.227 for
956 each individual who is responsible for the conduct of the
957 applicant's affairs, including, but not limited to, any manager,
958 member, member of a board of directors, board of trustees,
959 executive committee, or other governing board or committee and
960 any other person or entity owning or having the right to acquire
961 10 percent or more of the voting securities or ownership
962 interest of the applicant.

963 (g) Any other information as the office reasonably
964 requires.

965 (4) Upon the filing of a sworn application, the office
966 must investigate each applicant and may issue the applicant a
967 registration if the office finds that the applicant:

968 (a) Is competent and trustworthy and intends to act in
969 good faith in the business authorized by the registration for
970 which the applicant applied.

971 (b) Has management that has a good business reputation and
972 has had experience, training, or education that qualifies the
973 applicant to conduct the business authorized by the registration
974 for which the applicant applied.

975 (c) Has a business plan that is consistent with the

976 interests of potential insureds and the public.

977 **Section 18. Section 629.54, Florida Statutes, is created**
978 **to read:**

979 629.54 Registration expiration; renewal.—Each registration
980 for an attorney in fact issued under this chapter automatically
981 renews on March 1 of each year, provided the attorney in fact
982 remains qualified under this chapter. The office may not require
983 an attorney in fact to pay a fee for the renewal of the
984 registration.

985 **Section 19. Section 629.55, Florida Statutes, is created**
986 **to read:**

987 629.55 Grounds for denial, suspension, or revocation of
988 registration.—The office may deny, suspend, revoke, or refuse to
989 renew the registration of an attorney in fact if the office
990 determines that the attorney in fact:

991 (1) Has violated any lawful rule or order of the
992 commission or office or any applicable provision of the
993 insurance code.

994 (2) Has used or is using methods or practices in the
995 conduct of its business which render its further transaction of
996 business in this state hazardous or injurious to insured persons
997 or the public.

998 (3) Has refused to be examined or to produce its accounts,
999 records, and files for examination, or if any of its officers,
1000 or persons in similar positions, have refused to give

1001 information with respect to its affairs or has refused to
1002 perform any other legal obligation as to such examination when
1003 required by the office.

1004 (4) Is or was affiliated with and under the same general
1005 management or interlocking directorate or ownership as another
1006 attorney in fact who transacts business in this state without
1007 having a registration required by this chapter.

1008 (5) At any time fails to meet any qualification for which
1009 issuance of the registration could have been refused had such
1010 failure then existed and been known to the office.

1011 (6) Is under suspension or revocation in this or any other
1012 state for any license relating to the business of insurance
1013 which the attorney in fact holds.

1014 (7) A proceeding for receivership, conservatorship,
1015 rehabilitation, or other delinquency proceeding regarding the
1016 attorney in fact, or an insurer with which the attorney in fact
1017 has a contractual relationship, has been commenced in any state.

1018 (8) The financial condition or business practices of the
1019 attorney in fact otherwise pose an imminent threat to the
1020 health, safety, or welfare of the residents of this state.

1021 **Section 20. Section 629.56, Florida Statutes, is created**
1022 **to read:**

1023 629.56 Order of suspension or revocation of registration;
1024 notice.—

1025 (1) The suspension or revocation of a registration of an

attorney in fact is effected by order of the office when such order is mailed to the attorney in fact by registered or certified mail and sent electronically to the e-mail address maintained by the attorney in fact with the office for such purpose.

(2) The office may publish notice of any such revocation or suspension in one or more newspapers of general circulation published in this state.

Section 21. Section 629.57, Florida Statutes, is created to read:

629.57 Period of suspension; obligations during suspension; reinstatement.—

(1) The registration of an attorney in fact is suspended for the time period provided in the order of suspension, which may not exceed 1 year, unless such suspension or the order upon which the suspension is based is modified, rescinded, or reversed.

(2) Upon expiration of the suspension period, the registration is automatically reinstated as long as the registration has not otherwise terminated, unless the reasons for the suspension have not been remedied.

Section 22. Section 629.58, Florida Statutes, is created to read:

629.58 Administrative fine in lieu of suspension, revocation, or nonrenewal.—

1051 (1) If the office finds that one or more grounds exist for
1052 the suspension, revocation, or nonrenewal of the registration of
1053 an attorney in fact issued under this chapter, the office may,
1054 in lieu of suspension or revocation, impose a fine upon the
1055 attorney in fact.

1056 (2) With respect to any nonwillful violation, the office
1057 may impose a fine upon the attorney in fact in an amount up to
1058 \$5,000 for each violation. However, a fine may not exceed an
1059 aggregate amount of \$50,000 for all nonwillful violations
1060 arising out of the same action.

1061 (3) With respect to any knowing and willful violation, the
1062 office may impose a fine upon the attorney in fact in an amount
1063 up to \$25,000 for each violation. However, a fine may not exceed
1064 an aggregate amount of \$250,000 for all knowing and willful
1065 violations arising out of the same action.

1066 (4) With respect to a knowing and willful violation of a
1067 lawful order or rule of the office or commission or of a
1068 provision of this code during a period in which the Governor
1069 declared a state of emergency pursuant to s. 252.36, the office
1070 may impose a \$200,000 fine upon an attorney in fact for each
1071 violation, up to an aggregate amount of \$1 million for all
1072 knowing and willful violations arising out of the same action
1073 relating to a covered loss or claim caused by the emergency.

1074 (5) A fine imposed by the office on the attorney in fact
1075 may not be borne by the insurer.

1076 **Section 23. Subsection (1) of section 634.141, Florida**
1077 **Statutes, is amended to read:**

1078 634.141 Examination of companies.—

1079 (1) Motor vehicle service agreement companies licensed
1080 under this part may be subject to periodic examination by the
1081 office in the same manner and subject to the same terms and
1082 conditions as apply to insurers under part II of chapter 624.
1083 The office is not required to conduct periodic examinations
1084 pursuant to this section, but may examine a service agreement
1085 company at its discretion. An examination conducted pursuant to
1086 this section may cover a period of only the most recent 5 years.
1087 The costs of examinations conducted pursuant to ss.

1088 624.316(2)(e) and 624.3161(4) ~~ss. 624.316(2)(e) and 624.3161(3)~~
1089 may not exceed 10 percent of the companies' reported net income
1090 for the prior year. The commission may by rule establish
1091 provisions whereby a company may be exempted from examination.

1092 **Section 24. Section 634.314, Florida Statutes, is amended**
1093 **to read:**

1094 634.314 Examination of associations.—Home warranty
1095 associations licensed under this part may be subject to periodic
1096 examinations by the office, in the same manner and subject to
1097 the same terms and conditions as apply to insurers under part II
1098 of chapter 624 of the insurance code. The office is not required
1099 to conduct periodic examinations pursuant to this section, but
1100 may examine a home warranty company at its discretion. An

examination conducted pursuant to this section may cover a period of only the most recent 5 years. The costs of examinations conducted pursuant to ss. 624.316(2)(e) and 624.3161(4) ~~ss. 624.316(2)(e) and 624.3161(3)~~ may not exceed 10 percent of the companies' reported net income for the prior year.

Section 25. Subsection (1) of section 634.416, Florida Statutes, is amended to read:

634.416 Examination of associations.—

(1) Service warranty associations licensed under this part may be subject to periodic examination by the office, in the same manner and subject to the same terms and conditions that apply to insurers under part II of chapter 624. The office is not required to conduct periodic examinations pursuant to this section, but may examine a service warranty company at its discretion. An examination conducted pursuant to this section may cover a period of only the most recent 5 years. The costs of examinations conducted pursuant to ss. 624.316(2)(e) and 624.3161(4) ~~ss. 624.316(2)(e) and 624.3161(3)~~ may not exceed 10 percent of the companies' reported net income for the prior year.

Section 26. This act shall take effect July 1, 2026.