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A bill to be entitled  
An act relating to the Office of Insurance Regulation; amending s. 20.121, F.S.; providing that the Office of Insurance Regulation is responsible for all activities concerning entities under its jurisdiction; amending s. 501.171, F.S.; requiring covered entities under the office's jurisdiction to copy the office on certain notices and provide certain information, upon request, to the office; amending s. 624.310, F.S.; authorizing the Department of Financial Services and the office to issue and deliver cease and desist orders for certain activities; authorizing the department and the office to seek an injunction for enforcement of such order; amending s. 624.316, F.S.; removing a provision authorizing the Financial Services Commission to adopt the Market Conduct Examiners Handbook; amending s. 624.3161, F.S.; requiring the office to examine administrators under certain circumstances; authorizing the commission to adopt by rule the Market Conduct Examiners Handbook; creating s. 624.341, F.S.; providing legislative findings and intent; requiring the Department of Law Enforcement to accept and process fingerprints taken of certain persons; specifying procedures for fingerprinting; authorizing the Department of Law Enforcement to exchange certain

records with the office; specifying that fingerprints must be submitted in accordance with certain rules; requiring the Department of Law Enforcement and the Federal Bureau of Investigation to conduct certain background checks; requiring that certain fingerprints be submitted and entered into a specified system; requiring the office to inform the Department of Law Enforcement of any person whose fingerprints no longer need to be retained; specifying who bears the costs of fingerprint processing; requiring the office to review criminal history background checks and make certain determinations; specifying that certain criminal records be used by the office for certain purposes; amending s. 627.062, F.S.; revising the factors that the office must consider in determining if insurance rates are excessive, inadequate, or discriminatory; amending s. 627.0628, F.S.; requiring private passenger automobile insurance to be adequately projected; amending s. 627.0629, F.S.; requiring the office to determine minimum rate differentials for windstorm damage mitigation techniques that meet or exceed the minimum requirements of the Florida Building Code; authorizing insurers to seek additional rate differentials; amending s. 627.0645, F.S.; 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

76 insurance holding company systems to file a group  
77 capital calculation report; authorizing the office to  
78 exempt certain persons from filing such report under  
79 certain circumstances; authorizing the filing of a  
80 limited group capital filing instead of the group  
81 capital calculation report under certain  
82 circumstances; authorizing the office to require  
83 certain insurance holding company systems to file such  
84 report despite qualifying for an exemption under  
85 certain circumstances; requiring the office to  
86 establish certain criteria and publish certain  
87 information on its website; authorizing the commission  
88 to adopt certain rules; creating s. 628.8012, F.S.;  
89 providing definitions; requiring certain persons to  
90 annually file results of a liquidity stress test in  
91 compliance with specified instructions; providing an  
92 exemption; authorizing the office to adopt rules;  
93 creating s. 628.8013, F.S.; providing that a certain  
94 report and test are for specified purposes;  
95 prohibiting certain representations or statements by  
96 certain persons; authorizing an insurer to rebut  
97 certain information in a written publication under  
98 certain circumstances; creating s. 629.53, F.S.;  
99 requiring attorneys in fact of reciprocal insurers to  
100 obtain a registration; providing requirements for the

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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:

126  
127       **Section 1. Paragraph (a) of subsection (3) of section**  
128       **20.121, Florida Statutes, is amended to read:**

129       20.121 Department of Financial Services.—There is created  
130       a Department of Financial Services.

131       (3) FINANCIAL SERVICES COMMISSION.—Effective January 7,  
132       2003, there is created within the Department of Financial  
133       Services the Financial Services Commission, composed of the  
134       Governor, the Attorney General, the Chief Financial Officer, and  
135       the Commissioner of Agriculture, which shall for purposes of  
136       this section be referred to as the commission. Commission  
137       members shall serve as agency head of the Financial Services  
138       Commission. The commission shall be a separate budget entity and  
139       shall be exempt from the provisions of s. 20.052. Commission  
140       action shall be by majority vote consisting of at least three  
141       affirmative votes. The commission shall not be subject to  
142       control, supervision, or direction by the Department of  
143       Financial Services in any manner, including purchasing,  
144       transactions involving real or personal property, personnel, or  
145       budgetary matters.

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

149       1. The Office of Insurance Regulation, which shall be  
150       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

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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

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

207 **Section 4. Paragraph (c) of subsection (1) of section**  
208 **624.316, Florida Statutes, is amended to read:**

209 624.316 Examination of insurers.—

210 (1)

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

222 **Section 5. Subsections (2) through (9) of section**  
223 **624.3161, Florida Statutes, are renumbered as subsections (3)**  
224 **through (10), respectively, subsection (1), paragraph (e) of**  
225 **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

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

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

255  
256 The office shall present the proposed rule required by this  
257 subsection to the commission no later than October 1, 2023. In  
258 addition to the methodology required by this subsection, the  
259 rule must provide criteria for how the office, in coordination  
260 with the department, will determine what constitutes a  
261 disproportionate number of claims-handling complaints described  
262 in paragraph (b).

263 (10) ~~(9)~~ If the office concludes through an examination  
264 pursuant to this section that an insurer providing liability  
265 coverage in this state exhibits a pattern or practice of  
266 violations of the Florida Insurance Code during any  
267 investigation or examination of the insurer, the office must  
268 review the insurer's claims-handling practices to determine if  
269 the insurer should be subject to the enhanced enforcement  
270 penalties of this subsection.

271 (a) A liability insurer may be subject to enhanced  
272 enforcement penalties if the office reviews the insurer's  
273 claims-handling practices and finds a pattern or practice of the  
274 insurer failing to do the following when responding to covered  
275 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

301 claim which are not privileged as to the insured.

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

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

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

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

312 c. The possibility of an excess judgment.

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

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

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

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

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

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

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

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

331 14. Comply with the Unfair Insurance Trade Practices Act.

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

334 624.341 Authority of Department of Law Enforcement to  
335 accept fingerprints of, and exchange criminal history records  
336 with respect to, certain persons applying to the Office of  
337 Insurance Regulation.—

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

349 (2) The Department of Law Enforcement shall accept and  
350 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

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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,

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

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

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

444 7. The adequacy of loss reserves.

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

449 9. Trend factors, including trends in actual losses per  
450 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.

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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

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

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

510 627.0629 Residential property insurance; rate filings.—  
511 (1) It is the intent of the Legislature that insurers  
512 provide savings to consumers who install or implement windstorm  
513 damage mitigation techniques, alterations, or solutions to their  
514 properties to prevent windstorm losses. A rate filing for  
515 residential property insurance must include actuarially  
516 reasonable discounts, credits, or other rate differentials, or  
517 appropriate reductions in deductibles, for properties on which  
518 fixtures or construction techniques demonstrated to reduce the  
519 amount of loss in a windstorm have been installed or  
520 implemented. The fixtures or construction techniques must  
521 include, but are not limited to, fixtures or construction  
522 techniques that enhance wind uplift prevention, roof strength,  
523 roof covering performance, roof-to-wall strength, wall-to-floor-  
524 to-foundation strength, opening protection, and window, door,  
525 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

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

554 **Section 10. Paragraph (b) of subsection (3) of section**  
555 **627.0645, Florida Statutes, is amended to read:**

556 627.0645 Annual filings.—

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

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

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

569 627.711 Notice of premium discounts for hurricane loss  
570 mitigation; uniform mitigation verification inspection form.—

571 (1) Using a form prescribed by the Office of Insurance  
572 Regulation, the insurer shall clearly notify the applicant or  
573 policyholder of any personal lines residential property  
574 insurance policy, at the time of the issuance of the policy and  
575 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

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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

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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.

651 (b) Direct premiums earned.

652 (c) Loss reserves for all known claims:

653 1. At beginning of the year.

654 2. At end of the year.

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

656 1. At beginning of the year.

657 2. At end of the year.

658 (e) Allocated loss adjustment expense:

659 1. Reserve at beginning of the year.

660 2. Reserve at end of the year.

661 3. Paid during the year.

662 (f) Unallocated loss adjustment expense:

663 1. Reserve at beginning of the year.

664 2. Reserve at end of the year.

665 3. Paid during the year.

666 (g) Direct losses paid.

667 (h) Underwriting income or loss.

668 (i) Commissions and brokerage fees.

669 (j) Taxes, licenses, and fees.

670 (k) Other acquisition costs.

671 (l) General expenses.

672 (m) Policyholder dividends.

673 (n) Net investment gain or loss and other income gain or

674 loss allocated pro rata by earned premium to Florida business

675 utilizing the investment allocation formula contained in the

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

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

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

687 628.8011 Group capital calculation reports.—

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

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

694 (b) "Groupwide supervisor" means the regulatory official  
695 authorized to engage in conducting and coordinating groupwide  
696 supervision activities who is determined or acknowledged by the  
697 commissioner to have sufficient contacts with an internationally  
698 active insurance group. As used in this paragraph, the term  
699 "internationally active insurance group" means an insurance  
700 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

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

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

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

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

744 a. It provides information to the lead state that meets  
745 the requirements for accreditation under the NAIC financial  
746 standards and accreditation program, either directly or  
747 indirectly, through the groupwide supervisor who has determined  
748 such information is satisfactory to allow the lead state to  
749 comply with the NAIC group supervision approach, as detailed in  
750 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 filings 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

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

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

857 628.8012 Liquidity Stress Test Framework.—  
858 (1) As used in this section, the term:  
859 (a) "Liquidity Stress Test Framework" means the NAIC  
860 Liquidity Stress Test Framework for Life Insurers Meeting the  
861 Scope Criteria, the scope criteria applicable for a specific  
862 data year, and the liquidity stress test instructions and  
863 reporting templates for a specific data year. The term includes  
864 amended versions of these documents if the methodology remains  
865 substantially consistent.

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

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

875 (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

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1026 attorney in fact is effected by order of the office when such  
1027 order is mailed to the attorney in fact by registered or  
1028 certified mail and sent electronically to the e-mail address  
1029 maintained by the attorney in fact with the office for such  
1030 purpose.

1031 (2) The office may publish notice of any such revocation  
1032 or suspension in one or more newspapers of general circulation  
1033 published in this state.

1034 **Section 21. Section 629.57, Florida Statutes, is created**  
1035 **to read:**

1036 629.57 Period of suspension; obligations during  
1037 suspension; reinstatement.—

1038 (1) The registration of an attorney in fact is suspended  
1039 for the time period provided in the order of suspension, which  
1040 may not exceed 1 year, unless such suspension or the order upon  
1041 which the suspension is based is modified, rescinded, or  
1042 reversed.

1043 (2) Upon expiration of the suspension period, the  
1044 registration is automatically reinstated as long as the  
1045 registration has not otherwise terminated, unless the reasons  
1046 for the suspension have not been remedied.

1047 **Section 22. Section 629.58, Florida Statutes, is created**  
1048 **to read:**

1049 629.58 Administrative fine in lieu of suspension,  
1050 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

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1101 examination conducted pursuant to this section may cover a  
1102 period of only the most recent 5 years. The costs of  
1103 examinations conducted pursuant to ss. 624.316(2)(e) and  
1104 624.3161(4) ~~ss. 624.316(2)(e) and 624.3161(3)~~ may not exceed 10  
1105 percent of the companies' reported net income for the prior  
1106 year.

1107 **Section 25. Subsection (1) of section 634.416, Florida  
1108 Statutes, is amended to read:**

1109 634.416 Examination of associations.—

1110 (1) Service warranty associations licensed under this part  
1111 may be subject to periodic examination by the office, in the  
1112 same manner and subject to the same terms and conditions that  
1113 apply to insurers under part II of chapter 624. The office is  
1114 not required to conduct periodic examinations pursuant to this  
1115 section, but may examine a service warranty company at its  
1116 discretion. An examination conducted pursuant to this section  
1117 may cover a period of only the most recent 5 years. The costs of  
1118 examinations conducted pursuant to ss. 624.316(2)(e) and  
1119 624.3161(4) ~~ss. 624.316(2)(e) and 624.3161(3)~~ may not exceed 10  
1120 percent of the companies' reported net income for the prior  
1121 year.

1122 **Section 26.** This act shall take effect July 1, 2026.