

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 requiring the Department of Law Enforcement to accept  
22 and process fingerprints taken of certain persons;  
23 providing applicability; specifying procedures for  
24 fingerprinting; authorizing the Department of Law  
25 Enforcement to exchange certain records with the

26 office; specifying that fingerprints must be submitted  
27 in accordance with certain rules; requiring the  
28 Department of Law Enforcement and the Federal Bureau  
29 of Investigation to conduct certain background checks;  
30 requiring that certain fingerprints be submitted and  
31 entered into a specified system; requiring the office  
32 to inform the Department of Law Enforcement of any  
33 person whose fingerprints no longer need to be  
34 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

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

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.

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

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**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

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)~~.

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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

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 Department of Law Enforcement must accept  
339 fingerprints from key managerial personnel with the ultimate  
340 authority of the financial and operational decisions of the  
341 entities licensed, certified, registered, or holding a  
342 certificate of authority under the Florida Insurance Code. This  
343 section applies to the following persons as required by the  
344 office:

345 (a) Incorporators, stockholders, and attorneys in fact  
346 under ss. 624.404(3)(c), 629.091(2), 632.638(3), and  
347 641.22(6)(c).

348 (b) Individuals responsible for the management of and the  
349 conduct of the management of an arrangement, including all  
350 trustees, officers, and directors under s. 624.439(2).

351 (c) Individuals employed or retained by an administrator  
352 who are responsible for the conduct of the affairs of the  
353 administrator, including members of the board of directors,  
354 board of trustees, executive committee, or other governing board  
355 or committee, and the principal officers in the case of a  
356 corporation or the partners or members in the case of a  
357 partnership or association of the administrator under s.  
358 626.8805(2)(c).

359 (d) Individuals who are responsible for a viatical  
360 settlement provider's affairs, including, but not limited to,  
361 any member of the viatical settlement provider's board of  
362 directors, board of trustees, executive committee, or other  
363 governing board or committee, and any other person or entity  
364 owning or having the right to acquire 10 percent or more of the  
365 voting securities of the viatical settlement provider under s.  
366 626.9912(3)(d).

367 (e) Managers of a company under ss. 627.829(1) and  
368 627.832(1)(g) and (j).

369 (f) Directors, officers, trustees, or other natural  
370 persons performing duties similar to those of a director,  
371 officer, or trustee for the corporation, association, or trust  
372 under s. 628.461(3)(a).

373 (g) Directors, officers, trustees, partners, owners,  
374 managers, or joint venturers, or others performing functions  
375 similar to those of a director, officer, or trustee under s.

376 628.4615(5)(a)7.

377 (h) Managers of a company under ss. 634.041(2),  
378 634.304(2), and 634.404(2).

379 (i) Members of the board of directors, board of trustees,  
380 executive committee, or other governing board or committee;  
381 officers; contracted management company personnel; and any other  
382 person or entity owning or having the right to acquire 10  
383 percent or more of the voting securities under ss. 636.008(3)  
384 and 636.204(2)(c).

385 (j) Persons who are to be responsible for the conduct of  
386 the affairs of a clinic, including all members of the governing  
387 body, the officers and directors in the case of a corporation,  
388 and the partners or associates in the case of a partnership or  
389 association under s. 641.405(2)(c).

390 (k) All natural persons who are directors and officers,  
391 and each shareholder who owns or controls 10 percent or more of  
392 the shares of the corporation under ss. 642.021 and 642.032.

393 (l) Members, shareholders, and persons in charge of  
394 providing care under a certificate of authority subject to s.  
395 651.022(2)(c).

396 (2) The Department of Law Enforcement shall accept and  
397 process fingerprints of individuals identified by the office  
398 under subsection (1).

399 (3) Each person required to submit fingerprints to the  
400 office must provide a full set of fingerprints to the office or

401 to a vendor, an entity, or an agency authorized under s.  
402 943.053(13). The office, vendor, entity, or agency shall forward  
403 the fingerprints to the Department of Law Enforcement for state  
404 processing, and the Department of Law Enforcement shall forward  
405 the fingerprints to the Federal Bureau of Investigation for  
406 national processing. Fees for state and federal fingerprint  
407 processing must be borne by the person submitting the  
408 fingerprints. The state cost for fingerprint processing is as  
409 provided in s. 943.053(3)(e).

410 (4) The Department of Law Enforcement may, to the extent  
411 provided by federal law, exchange any state or national criminal  
412 history records with the office for the purpose of issuance or  
413 continuation of a certificate of authority, certification,  
414 registration, or license to operate in this state.

415 (5) Fingerprints must be submitted in accordance with  
416 rules adopted by the commission.

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

419 (b) The Department of Law Enforcement shall conduct the  
420 state criminal history background check, and a federal criminal  
421 history background check shall be conducted through the Federal  
422 Bureau of Investigation.

423 (c) All fingerprints submitted to the Department of Law  
424 Enforcement must be submitted and entered into the statewide  
425 automated biometric identification system established in s.

426 943.05(2)(b) and available for use in accordance with s.  
427 943.05(2)(g) and (h).

428 (d) The costs of fingerprint processing, including the  
429 cost of retaining the fingerprints, must be borne by the person  
430 subject to the background checks.

431 (e) The office shall review the results of the state and  
432 federal criminal history background checks and determine whether  
433 the applicant meets the requirements for the certificate of  
434 authority, certification, registration, or license to operate in  
435 this state.

436 (6) Statewide criminal records obtained through the  
437 Department of Law Enforcement, federal criminal records obtained  
438 through the Federal Bureau of Investigation, and local criminal  
439 records obtained through local law enforcement agencies must be  
440 used by the office for the purpose of issuance, denial,  
441 suspension, or revocation of certificates of authority,  
442 certifications, registrations, or licenses issued to operate in  
443 this state.

444 **Section 7. Paragraph (b) of subsection (2) of section**  
445 **627.062, Florida Statutes, is amended to read:**

446 627.062 Rate standards.—

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

448 (b) Upon receiving a rate filing, the office shall review  
449 the filing to determine if a rate is excessive, inadequate, or  
450 unfairly discriminatory. In making that determination, the

451 office shall, in accordance with generally accepted and  
452 reasonable actuarial techniques, consider the following factors:

453 1. Past and prospective loss experience within and without  
454 this state.

455 2. Past and prospective expenses.

456 3. The degree of competition among insurers for the risk  
457 insured.

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

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

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

476 | this state.

477 |       7. The adequacy of loss reserves.

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

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

484 |       10. Conflagration and catastrophe hazards, if applicable.

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

489 |       12. Projected flood losses for personal residential  
490 | property insurance, if applicable, which must ~~may~~ be estimated  
491 | using a model or method, or a straight average of model results  
492 | or output ranges, independently found to be acceptable or  
493 | reliable by the Florida Commission on Hurricane Loss Projection  
494 | Methodology and as further provided in s. 627.0628 for filings  
495 | submitted to the office after January 1, 2027.

496 |       13. For filings submitted to the office after January 1,  
497 | 2027, projected comprehensive losses, if applicable, used to  
498 | determine a hurricane catastrophe load for private passenger  
499 | automobile insurance, which must be estimated using a model or  
500 | method found to be acceptable or reliable by the Florida

501 Commission on Hurricane Loss Projection Methodology under s.  
 502 627.0628.

503 ~~14.13.~~ A reasonable margin for underwriting profit and  
 504 contingencies.

505 ~~15.14.~~ The cost of medical services, if applicable.

506 ~~16.15.~~ Other relevant factors that affect the frequency or  
 507 severity of claims or expenses.

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509 The provisions of this subsection do not apply to workers'  
 510 compensation, employer's liability insurance, and motor vehicle  
 511 insurance.

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

515 627.0628 Florida Commission on Hurricane Loss Projection  
 516 Methodology; public records exemption; public meetings  
 517 exemption.—

518 (1) LEGISLATIVE FINDINGS AND INTENT.—

519 (a) Reliable projections of hurricane losses are necessary  
 520 in order to ensure ~~assure~~ that rates for residential property  
 521 insurance and private passenger automobile insurance meet the  
 522 statutory requirement that rates be neither excessive nor  
 523 inadequate. The ability to accurately project hurricane losses  
 524 has been enhanced greatly in recent years through the use of  
 525 computer modeling. It is the public policy of this state to

526 encourage the use of the most sophisticated actuarial methods to  
527 ensure ~~assure~~ that consumers are charged lawful rates for  
528 residential property insurance and private passenger automobile  
529 insurance coverage.

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

531 (a) The commission shall consider any actuarial methods,  
532 principles, standards, models, or output ranges that have the  
533 potential for improving the accuracy of or reliability of the  
534 hurricane loss projections used in residential property  
535 insurance and private passenger automobile insurance rate  
536 filings and flood loss projections used in rate filings for  
537 personal lines residential flood insurance coverage. The  
538 commission shall, from time to time, adopt findings as to the  
539 accuracy or reliability of particular methods, principles,  
540 standards, models, or output ranges.

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

543 627.0629 Residential property insurance; rate filings.—

544 (1) It is the intent of the Legislature that insurers  
545 provide savings to consumers who install or implement windstorm  
546 damage mitigation techniques, alterations, or solutions to their  
547 properties to prevent windstorm losses. A rate filing for  
548 residential property insurance must include actuarially  
549 reasonable discounts, credits, or other rate differentials, or  
550 appropriate reductions in deductibles, for properties on which

551 fixtures or construction techniques demonstrated to reduce the  
552 amount of loss in a windstorm have been installed or  
553 implemented. The fixtures or construction techniques must  
554 include, but are not limited to, fixtures or construction  
555 techniques that enhance wind uplift prevention, roof strength,  
556 roof covering performance, roof-to-wall strength, wall-to-floor-  
557 to-foundation strength, opening protection, and window, door,  
558 and skylight strength. Credits, discounts, or other rate  
559 differentials, or appropriate reductions in deductibles, for  
560 fixtures and construction techniques that meet or exceed the  
561 minimum requirements of the Florida Building Code must be  
562 included in the rate filing. The office shall determine the  
563 minimum discounts, credits, other rate differentials, and  
564 appropriate reductions in deductibles that reflect the full  
565 actuarial value of such fixtures and construction techniques.  
566 The office's determination may not prohibit an insurer from  
567 seeking additional actuarially justified credits, discounts or  
568 other rate differentials, or appropriate reductions in  
569 deductibles for fixtures and construction techniques that meet  
570 or exceed the minimum requirements of the Florida Building Code  
571 ~~reevaluation, which may be used by insurers in rate filings.~~  
572 Effective October 1, 2023, each insurer subject to the  
573 requirements of this section must provide information on the  
574 insurer's website describing the hurricane mitigation discounts  
575 available to policyholders. Such information must be accessible

576 on, or through a hyperlink located on, the home page of the  
 577 insurer's website or the primary page of the insurer's website  
 578 for property insurance policyholders or applicants for such  
 579 coverage in this state. On or before January 1, 2025, and every  
 580 5 years thereafter, the office shall reevaluate and update the  
 581 fixtures or construction techniques demonstrated to reduce the  
 582 amount of loss in a windstorm and the discounts, credits, other  
 583 rate differentials, and appropriate reductions in deductibles  
 584 that reflect the full actuarial value of such fixtures or  
 585 construction techniques. The office shall adopt rules and forms  
 586 necessitated by such reevaluation.

587 **Section 10. Paragraph (b) of subsection (3) of section**  
 588 **627.0645, Florida Statutes, is amended to read:**

589 627.0645 Annual filings.—

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

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

599 **Section 11. Subsection (1) of section 627.711, Florida**  
 600 **Statutes, is amended, and paragraphs (c), (d), and (e) are added**

601 **to subsection (2) of that section, to read:**

602 627.711 Notice of premium discounts for hurricane loss  
603 mitigation; uniform mitigation verification inspection form.—

604 (1) Using a form prescribed by the Office of Insurance  
605 Regulation, the insurer shall clearly notify the applicant or  
606 policyholder of any personal lines residential property  
607 insurance policy, at the time of the issuance of the policy and  
608 at each renewal, of the availability and the range of each  
609 premium discount, credit, other rate differential, or reduction  
610 in deductibles, and combinations of discounts, credits, rate  
611 differentials, or reductions in deductibles, for properties on  
612 which fixtures or construction techniques demonstrated to reduce  
613 the amount of loss in a windstorm can be or have been installed  
614 or implemented. The prescribed form shall describe generally  
615 what actions the policyholders may be able to take to reduce  
616 their windstorm premium. The prescribed form and a list of such  
617 ranges approved by the office for each insurer licensed in the  
618 state and providing such discounts, credits, other rate  
619 differentials, or reductions in deductibles for properties  
620 described in this subsection shall be available for electronic  
621 viewing and download from the Department of Financial Services'  
622 or the Office of Insurance Regulation's Internet website. The  
623 prescribed form must also notify the applicant or policyholder  
624 if the insurer offers an enhanced discount for a roof system  
625 that uses a secondary water resistance, and the form must

626 generally list the amount of discount by type of secondary water  
 627 resistance. The Financial Services Commission may adopt rules to  
 628 implement this subsection.

629 (2)

630 (c) The office shall contract with a state university to  
 631 design, operate, upgrade, and maintain a statewide database for  
 632 uniform mitigation verification inspection forms. This database  
 633 must be managed by the office to collect and evaluate mitigation  
 634 features of residential properties within this state.

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

640 (e) The Financial Services Commission shall adopt rules to  
 641 implement this subsection.

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

644 627.7152 Assignment agreements.—

645 ~~(12) The office shall require each insurer to report by~~  
 646 ~~January 30, 2022, and each year thereafter data on each~~  
 647 ~~residential and commercial property insurance claim paid in the~~  
 648 ~~prior calendar year under an assignment agreement. The Financial~~  
 649 ~~Services Commission shall adopt by rule a list of the data~~  
 650 ~~required, which must include specific data about claims~~

651 ~~adjustment and settlement timeframes and trends, grouped by~~  
652 ~~whether litigated or not litigated and by loss adjustment~~  
653 ~~expenses.~~

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

656 627.915 Insurer experience reporting.—

657 (2) (a) Beginning January 1, 2027, each insurer transacting  
658 private passenger automobile insurance in this state must file  
659 monthly with the office a report addressing all of the following  
660 areas:

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

663 2. The type, location, and limits of writings in this  
664 state.

665 3. Claims reporting requirements.

666 4. Any other information deemed necessary by the  
667 commission to provide the office with the ability to track  
668 trends occurring in the private passenger automobile insurance  
669 market.

670 (b) The commission shall adopt rules specifying the  
671 information required to be reported under this subsection and  
672 the format required for the reports ~~fire, homeowner's multiple~~  
673 ~~peril, commercial multiple peril, medical malpractice, products~~  
674 ~~liability, workers' compensation, private passenger automobile~~  
675 ~~liability, commercial automobile liability, private passenger~~

676 ~~automobile physical damage, commercial automobile physical~~  
677 ~~damage, officers' and directors' liability insurance, or other~~  
678 ~~liability insurance shall report, for each such line of~~  
679 ~~insurance, the information specified in this subsection to the~~  
680 ~~office. The information shall be reported for direct Florida~~  
681 ~~business only and shall be reported on a calendar year basis~~  
682 ~~annually by April 1 for the preceding calendar year:~~

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

684 ~~(b) Direct premiums earned.~~

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

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

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

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

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

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

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

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

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

694 ~~3. Paid during the year.~~

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

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

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

698 ~~3. Paid during the year.~~

699 ~~(g) Direct losses paid.~~

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

701 ~~(i) Commissions and brokerage fees.~~  
 702 ~~(j) Taxes, licenses, and fees.~~  
 703 ~~(k) Other acquisition costs.~~  
 704 ~~(l) General expenses.~~  
 705 ~~(m) Policyholder dividends.~~  
 706 ~~(n) Net investment gain or loss and other income gain or~~  
 707 ~~loss allocated pro rata by earned premium to Florida business~~  
 708 ~~utilizing the investment allocation formula contained in the~~  
 709 ~~National Association of Insurance Commissioner's Profitability~~  
 710 ~~Report by line by state.~~

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

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

720 628.8011 Group capital calculation reports.—

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

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

726 consistent.

727 (b) "Groupwide supervisor" means the regulatory official  
728 authorized to engage in conducting and coordinating groupwide  
729 supervision activities who is determined or acknowledged by the  
730 commissioner to have sufficient contacts with an internationally  
731 active insurance group. As used in this paragraph, the term  
732 "internationally active insurance group" means an insurance  
733 holding company system that includes an insurer registered under  
734 s. 628.801(1) and that meets all of the following criteria:

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

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

740 3. Based on a 3-year rolling average, the total assets of  
741 the insurance holding company system are at least \$50 billion or  
742 the total gross written premiums of the insurance holding  
743 company system are at least \$10 billion.

744 (2) Except as provided in paragraph (a), the ultimate  
745 controlling person of every insurer subject to registration  
746 under s. 628.801 must concurrently file with the registration an  
747 annual group capital calculation report on or before April 1.  
748 The report must be completed in accordance with the group  
749 capital calculation instructions, which permit the office to  
750 allow a controlling person who is not the ultimate controlling

751 person to file the group capital calculation report. The report  
752 must be filed with the lead state regulator of the insurance  
753 holding company system as determined by the office in accordance  
754 with the procedures within the Financial Analysis Handbook  
755 adopted by the NAIC.

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

758 1. An insurance holding company system that has only one  
759 insurer within its holding company structure, is licensed and  
760 writing business only in its domestic state, and does not assume  
761 business from any other insurer.

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

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

775 4. An insurance holding company system that meets the

776 following criteria:

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

784 b. A non-United States groupwide supervisor of the  
785 insurance holding company system who is not in a reciprocal  
786 jurisdiction recognizes and accepts, as specified by the office  
787 in regulation, the group capital calculation as the worldwide  
788 group capital assessment for United States insurance groups that  
789 operate in such jurisdiction.

790 (b) Notwithstanding subparagraphs (a)3. and (a)4., the  
791 office shall require the group capital calculation report for  
792 United States operations of any non-United States-based  
793 insurance holding company system in which, after any necessary  
794 consultation with other supervisors or officials, it is deemed  
795 appropriate by the office for prudential oversight and solvency  
796 monitoring purposes or for ensuring the competitiveness of the  
797 insurance marketplace.

798 (c) Notwithstanding the exemptions provided in  
799 subparagraphs (a)1.-4., the office may exempt the ultimate  
800 controlling person from filing the annual group capital

801 calculation report or may accept a group capital filing or  
802 report in accordance with criteria as specified in paragraphs  
803 (e) and (f).

804 (d) If the office determines that an insurance holding  
805 company system no longer meets one or more of the requirements  
806 for an exemption from filing the group capital calculation  
807 report under subsection (a), the ultimate controlling person  
808 must file the group capital calculation report at the next  
809 annual filing date unless the office provides an extension based  
810 on reasonable grounds shown.

811 (e) If an insurance holding company system has previously  
812 filed the annual group capital calculation report at least once,  
813 the office may exempt the ultimate controlling person from  
814 filing the annual group capital calculation report if the office  
815 determines based upon the previous filing that the insurance  
816 holding company system meets all of the following criteria:

817 1. It has annual direct and unaffiliated assumed premium,  
818 including international direct and assumed premium, of less than  
819 \$1 billion. For purposes of this subparagraph, premiums  
820 reinsured with the Federal Crop Insurance Corporation and  
821 Federal Flood Program are excluded from the annual direct and  
822 unaffiliated assumed premium.

823 2. It does not have insurers within its holding company  
824 structure which are domiciled outside of the United States or  
825 one of its territories.

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

829       4. It attests that there are no material changes in the  
830 transactions between insurers and noninsurers in the group which  
831 have occurred since the last filing of the annual group capital  
832 calculation report.

833       5. The noninsurers within the insurance holding company  
834 system do not pose a material financial risk to the insurer's  
835 ability to honor policyholder obligations.

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

840       1. The insurance holding company system has annual direct  
841 written and unaffiliated assumed premium, including  
842 international direct and assumed premium, of less than \$1  
843 billion. For purposes of this subparagraph, premiums reinsured  
844 with the Federal Crop Insurance Corporation and Federal Flood  
845 Program are excluded.

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

849       3. The insurance holding company system does not include a  
850 banking, depository, or other financial entity that is subject

851 to an identified regulatory capital framework.

852 4. The insurance holding company system attests that there  
853 are no material changes in transactions between insurers and  
854 noninsurers in the group which have occurred since the last  
855 filing of the report to the office and the noninsurers within  
856 the holding company system do not pose a material financial risk  
857 to the insurer's ability to honor policyholder obligations.

858 (g) If an insurance holding company system that has  
859 previously had an exemption with respect to the group capital  
860 calculation report under paragraph (e) or paragraph (f), the  
861 office may require at any time the ultimate controlling person  
862 to file an annual group capital calculation report, completed in  
863 accordance with the group capital calculation instructions, if  
864 any of the following criteria are met:

865 1. An insurer within the insurance holding company system  
866 is in a risk-based capital action level event as set forth in s.  
867 624.4085 or a similar standard for a non-United States insurer.

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

871 3. An insurer within the insurance holding company system  
872 otherwise exhibits qualities of a troubled insurer as determined  
873 by the office based on unique circumstances including, but not  
874 limited to, the type and volume of business written, ownership  
875 and organizational structure, federal agency requests, and

876 international supervisor requests.

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

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

883 (j) The commission may adopt rules for filing the annual  
 884 group capital calculation report in accordance with the  
 885 Insurance Holding Company System Regulatory Act of the NAIC and  
 886 the Insurance Holding Company System Model Regulation of the  
 887 NAIC, as adopted in December 2020.

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

890 628.8012 Liquidity Stress Test Framework.-

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

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

899 (b) "Scope criteria" means the designated exposure bases  
 900 along with minimum magnitudes thereof for the specified data

901 year used to establish a preliminary list of insurers considered  
902 scoped into the Liquidity Stress Test Framework, and as amended  
903 if the methodology remains substantially consistent, for that  
904 data year.

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

908 (2) (a) The ultimate controlling person of every insurer  
909 subject to registration and also scoped into the Liquidity  
910 Stress Test Framework shall annually file the results of a  
911 specific year's liquidity stress test on or before April 1. The  
912 results must be filed with the office as the lead state  
913 regulator of the insurance holding company system as determined  
914 by the procedures within the Financial Analysis Handbook adopted  
915 by the NAIC.

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

921 (c) The performance of, and filing of the results from, a  
922 specific year's liquidity stress test must comply with the  
923 Liquidity Stress Test Framework's instructions and reporting  
924 templates for that year and any office determinations, in  
925 conjunction with the NAIC Financial Stability Task Force or its

926 successor, provided within the Liquidity Stress Test Framework.

927 (d) The office may adopt rules for filing the results of  
928 the liquidity stress test in accordance with the Insurance  
929 Holding Company System Regulatory Act of the NAIC and the  
930 Insurance Holding Company System Model Regulation of the NAIC,  
931 as adopted in December 2020.

932 **Section 16. Section 628.8013, Florida Statutes, is created**  
933 **to read:**

934 628.8013 Rebuttal of materially false statements.—

935 (1) The group capital calculation report and resulting  
936 group capital ratio and the liquidity stress test, as provided  
937 in s. 628.8012, along with its results and supporting  
938 disclosures required under this section are regulatory tools for  
939 assessing group risks and capital adequacy and group liquidity  
940 risks, respectively, and are not intended as a means to rank  
941 insurers or insurance holding company systems generally.

942 (2) Any representation or statement by any insurer,  
943 broker, or other person engaged in any manner in the business of  
944 insurance is prohibited with regard to an insurer's or insurer's  
945 group's:

946 (a) Group capital calculation report.

947 (b) Group capital ratio.

948 (c) Liquidity stress test results.

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

950 (e) Any component derived in the group capital

951 calculation.

952 (3) If a representation or statement prohibited under  
953 subsection (2) is published in a written publication and if the  
954 insurer can demonstrate to the office with substantial proof the  
955 falsity or inappropriateness, as the case may be, of such  
956 representation or statement, the insurer may publish  
957 announcements in a written publication if the sole purpose of  
958 the announcement is to rebut the materially false representation  
959 or statement.

960 **Section 17. Section 629.53, Florida Statutes, is created**  
961 **to read:**

962 629.53 Application for registration to operate as an  
963 attorney in fact.—

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

967 (2) The application for an attorney in fact registration  
968 must be made, under oath, to the office by the applicant on a  
969 form prescribed by the commission. The office may not require an  
970 applicant to pay a fee for the registration or for filing an  
971 application for such registration.

972 (3) In the application, the applicant must provide all of  
973 the following information:

974 (a) All basic organizational documents, and any amendments  
975 to such documents, of the applicant dated within the last year

976 and appropriately certified.

977 (b) The bylaws, rules, and regulations or similar  
978 documents regulating the conduct of the internal affairs of the  
979 applicant, other applicable documents, and all amendments to  
980 those documents, dated within the last year and appropriately  
981 certified.

982 (c) A copy of the most recent financial statement of the  
983 applicant, verified under oath by at least two of the  
984 applicant's principal officers.

985 (d) A detailed plan of operation.

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

988 (f) The background information specified in s. 629.227 for  
989 each individual who is responsible for the conduct of the  
990 applicant's affairs, including, but not limited to, any manager,  
991 member, member of a board of directors, board of trustees,  
992 executive committee, or other governing board or committee and  
993 any other person or entity owning or having the right to acquire  
994 10 percent or more of the voting securities or ownership  
995 interest of the applicant.

996 (g) Any other information as the office reasonably  
997 requires.

998 (4) Upon the filing of a sworn application, the office  
999 must investigate each applicant and may issue the applicant a  
1000 registration if the office finds that the applicant:

1001           (a) Is competent and trustworthy and intends to act in  
 1002 good faith in the business authorized by the registration for  
 1003 which the applicant applied.

1004           (b) Has management that has a good business reputation and  
 1005 has had experience, training, or education that qualifies the  
 1006 applicant to conduct the business authorized by the registration  
 1007 for which the applicant applied.

1008           (c) Has a business plan that is consistent with the  
 1009 interests of potential insureds and the public.

1010           **Section 18. Section 629.54, Florida Statutes, is created**  
 1011 **to read:**

1012           629.54 Registration expiration; renewal.—Each registration  
 1013 for an attorney in fact issued under this chapter automatically  
 1014 renews on March 1 of each year, provided the attorney in fact  
 1015 remains qualified under this chapter. The office may not require  
 1016 an attorney in fact to pay a fee for the renewal of the  
 1017 registration.

1018           **Section 19. Section 629.55, Florida Statutes, is created**  
 1019 **to read:**

1020           629.55 Grounds for denial, suspension, or revocation of  
 1021 registration.—The office may deny, suspend, revoke, or refuse to  
 1022 renew the registration of an attorney in fact if the office  
 1023 determines that the attorney in fact:

1024           (1) Has violated any lawful rule or order of the  
 1025 commission or office or any applicable provision of the

1026 insurance code.

1027 (2) Has used or is using methods or practices in the  
1028 conduct of its business which render its further transaction of  
1029 business in this state hazardous or injurious to insured persons  
1030 or the public.

1031 (3) Has refused to be examined or to produce its accounts,  
1032 records, and files for examination, or if any of its officers,  
1033 or persons in similar positions, have refused to give  
1034 information with respect to its affairs or has refused to  
1035 perform any other legal obligation as to such examination when  
1036 required by the office.

1037 (4) Is or was affiliated with and under the same general  
1038 management or interlocking directorate or ownership as another  
1039 attorney in fact who transacts business in this state without  
1040 having a registration required by this chapter.

1041 (5) At any time fails to meet any qualification for which  
1042 issuance of the registration could have been refused had such  
1043 failure then existed and been known to the office.

1044 (6) Is under suspension or revocation in this or any other  
1045 state for any license relating to the business of insurance  
1046 which the attorney in fact holds.

1047 (7) A proceeding for receivership, conservatorship,  
1048 rehabilitation, or other delinquency proceeding regarding the  
1049 attorney in fact, or an insurer with which the attorney in fact  
1050 has a contractual relationship, has been commenced in any state.

1051           (8) The financial condition or business practices of the  
 1052 attorney in fact otherwise pose an imminent threat to the  
 1053 health, safety, or welfare of the residents of this state.

1054           **Section 20. Section 629.56, Florida Statutes, is created**  
 1055 **to read:**

1056           629.56 Order of suspension or revocation of registration;  
 1057 notice.—

1058           (1) The suspension or revocation of a registration of an  
 1059 attorney in fact is effected by order of the office when such  
 1060 order is mailed to the attorney in fact by registered or  
 1061 certified mail and sent electronically to the e-mail address  
 1062 maintained by the attorney in fact with the office for such  
 1063 purpose.

1064           (2) The office may publish notice of any such revocation  
 1065 or suspension in one or more newspapers of general circulation  
 1066 published in this state.

1067           **Section 21. Section 629.57, Florida Statutes, is created**  
 1068 **to read:**

1069           629.57 Period of suspension; obligations during  
 1070 suspension; reinstatement.—

1071           (1) The registration of an attorney in fact is suspended  
 1072 for the time period provided in the order of suspension, which  
 1073 may not exceed 1 year, unless such suspension or the order upon  
 1074 which the suspension is based is modified, rescinded, or  
 1075 reversed.

1076 (2) Upon expiration of the suspension period, the  
1077 registration is automatically reinstated as long as the  
1078 registration has not otherwise terminated, unless the reasons  
1079 for the suspension have not been remedied.

1080 **Section 22. Section 629.58, Florida Statutes, is created**  
1081 **to read:**

1082 629.58 Administrative fine in lieu of suspension,  
1083 revocation, or nonrenewal.-

1084 (1) If the office finds that one or more grounds exist for  
1085 the suspension, revocation, or nonrenewal of the registration of  
1086 an attorney in fact issued under this chapter, the office may,  
1087 in lieu of suspension or revocation, impose a fine upon the  
1088 attorney in fact.

1089 (2) With respect to any nonwillful violation, the office  
1090 may impose a fine upon the attorney in fact in an amount up to  
1091 \$5,000 for each violation. However, a fine may not exceed an  
1092 aggregate amount of \$50,000 for all nonwillful violations  
1093 arising out of the same action.

1094 (3) With respect to any knowing and willful violation, the  
1095 office may impose a fine upon the attorney in fact in an amount  
1096 up to \$25,000 for each violation. However, a fine may not exceed  
1097 an aggregate amount of \$250,000 for all knowing and willful  
1098 violations arising out of the same action.

1099 (4) With respect to a knowing and willful violation of a  
1100 lawful order or rule of the office or commission or of a

1101 provision of this code during a period in which the Governor  
 1102 declared a state of emergency pursuant to s. 252.36, the office  
 1103 may impose a \$200,000 fine upon an attorney in fact for each  
 1104 violation, up to an aggregate amount of \$1 million for all  
 1105 knowing and willful violations arising out of the same action  
 1106 relating to a covered loss or claim caused by the emergency.

1107 (5) A fine imposed by the office on the attorney in fact  
 1108 may not be borne by the insurer.

1109 **Section 23. Subsection (1) of section 634.141, Florida**  
 1110 **Statutes, is amended to read:**

1111 634.141 Examination of companies.—

1112 (1) Motor vehicle service agreement companies licensed  
 1113 under this part may be subject to periodic examination by the  
 1114 office in the same manner and subject to the same terms and  
 1115 conditions as apply to insurers under part II of chapter 624.  
 1116 The office is not required to conduct periodic examinations  
 1117 pursuant to this section, but may examine a service agreement  
 1118 company at its discretion. An examination conducted pursuant to  
 1119 this section may cover a period of only the most recent 5 years.  
 1120 The costs of examinations conducted pursuant to ss.

1121 624.316(2)(e) and 624.3161(4) ss. ~~624.316(2)(e) and 624.3161(3)~~  
 1122 may not exceed 10 percent of the companies' reported net income  
 1123 for the prior year. The commission may by rule establish  
 1124 provisions whereby a company may be exempted from examination.

1125 **Section 24. Section 634.314, Florida Statutes, is amended**

1126 **to read:**

1127           634.314 Examination of associations.—Home warranty  
 1128 associations licensed under this part may be subject to periodic  
 1129 examinations by the office, in the same manner and subject to  
 1130 the same terms and conditions as apply to insurers under part II  
 1131 of chapter 624 of the insurance code. The office is not required  
 1132 to conduct periodic examinations pursuant to this section, but  
 1133 may examine a home warranty company at its discretion. An  
 1134 examination conducted pursuant to this section may cover a  
 1135 period of only the most recent 5 years. The costs of  
 1136 examinations conducted pursuant to ss. 624.316(2)(e) and  
 1137 624.3161(4) ~~ss. 624.316(2)(e) and 624.3161(3)~~ may not exceed 10  
 1138 percent of the companies' reported net income for the prior  
 1139 year.

1140           **Section 25. Subsection (1) of section 634.416, Florida**  
 1141 **Statutes, is amended to read:**

1142           634.416 Examination of associations.—  
 1143           (1) Service warranty associations licensed under this part  
 1144 may be subject to periodic examination by the office, in the  
 1145 same manner and subject to the same terms and conditions that  
 1146 apply to insurers under part II of chapter 624. The office is  
 1147 not required to conduct periodic examinations pursuant to this  
 1148 section, but may examine a service warranty company at its  
 1149 discretion. An examination conducted pursuant to this section  
 1150 may cover a period of only the most recent 5 years. The costs of

1151 examinations conducted pursuant to ss. 624.316(2)(e) and  
1152 624.3161(4) ~~ss. 624.316(2)(e) and 624.3161(3)~~ may not exceed 10  
1153 percent of the companies' reported net income for the prior  
1154 year.

1155 **Section 26.** This act shall take effect July 1, 2026.