

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; specifying that fingerprints must be
25 submitted in accordance with certain rules; requiring

26 | the Department of Law Enforcement and the Federal
27 | Bureau of Investigation to conduct certain background
28 | checks; requiring that certain fingerprints be
29 | submitted and entered into a specified system;
30 | specifying who bears the costs of fingerprint
31 | processing; requiring the office to review criminal
32 | history background checks and make certain
33 | determinations; authorizing the Department of Law
34 | Enforcement to exchange certain records with the
35 | office; specifying that certain criminal records be
36 | used by the office for certain purposes; amending s.
37 | 627.062, F.S.; revising the factors that the office
38 | must consider in determining if insurance rates are
39 | excessive, inadequate, or discriminatory; amending s.
40 | 627.0628, F.S.; requiring private passenger automobile
41 | insurance to be adequately projected; amending s.
42 | 627.0629, F.S.; requiring the office to determine
43 | minimum rate differentials for windstorm damage
44 | mitigation techniques that meet or exceed the minimum
45 | requirements of the Florida Building Code; authorizing
46 | insurers to seek additional rate differentials;
47 | amending s. 627.0645, F.S.; revising requirements of
48 | rate filing with the office for certain insurers;
49 | amending s. 627.711, F.S.; requiring that certain
50 | discount notification forms for personal lines

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

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

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

122
123 Be It Enacted by the Legislature of the State of Florida:

124
125 Section 1. Paragraph (a) of subsection (3) of section

126 20.121, Florida Statutes, is amended to read:

127 20.121 Department of Financial Services.—There is created
 128 a Department of Financial Services.

129 (3) FINANCIAL SERVICES COMMISSION.—Effective January 7,
 130 2003, there is created within the Department of Financial
 131 Services the Financial Services Commission, composed of the
 132 Governor, the Attorney General, the Chief Financial Officer, and
 133 the Commissioner of Agriculture, which shall for purposes of
 134 this section be referred to as the commission. Commission
 135 members shall serve as agency head of the Financial Services
 136 Commission. The commission shall be a separate budget entity and
 137 shall be exempt from the provisions of s. 20.052. Commission
 138 action shall be by majority vote consisting of at least three
 139 affirmative votes. The commission shall not be subject to
 140 control, supervision, or direction by the Department of
 141 Financial Services in any manner, including purchasing,
 142 transactions involving real or personal property, personnel, or
 143 budgetary matters.

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

147 1. The Office of Insurance Regulation, which shall be
 148 responsible for all activities concerning insurers, ~~and~~ other
 149 risk bearing entities, and other entities under its
 150 jurisdiction, including licensing, rates, policy forms, market

151 | conduct, claims, issuance of certificates of authority,
152 | solvency, viatical settlements, premium financing, and
153 | administrative supervision, as provided under the insurance code
154 | or chapter 636. The head of the Office of Insurance Regulation
155 | is the Director of the Office of Insurance Regulation, who may
156 | also be known as the Commissioner of Insurance Regulation.

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

175 | Section 2. Paragraph (f) is added to subsection (3) of

176 section 501.171, Florida Statutes, to read:

177 501.171 Security of confidential personal information.—

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

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

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

186 624.310 Enforcement; cease and desist orders; removal of
187 certain persons; fines.—

188 (5) ADMINISTRATIVE FINES; ENFORCEMENT.—

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

201 paragraph, the department or office may file an action for a
202 court proceeding in the name of this state seeking the issuance
203 of an injunction against a person who violates any provision of
204 the cease and desist order.

205 Section 4. Paragraph (c) of subsection (1) of section
206 624.316, Florida Statutes, is amended to read:

207 624.316 Examination of insurers.—

208 (1)

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

220 Section 5. Subsections (2) through (9) of section
221 624.3161, Florida Statutes, are renumbered as subsections (3)
222 through (10), respectively, subsection (1), paragraph (e) of
223 present subsection (8), and paragraph (a) of present subsection
224 (9) are amended, and a new subsection (2) is added to that
225 section, to read:

226 | 624.3161 Market conduct examinations.—

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

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

243 | (9)~~(8)~~ The office shall create, and the commission shall
244 | adopt by rule, a selection methodology for scheduling and
245 | conducting market conduct examinations of insurers and other
246 | entities regulated by the office. This requirement does not
247 | restrict the authority of the office to conduct market conduct
248 | examinations as often as it deems necessary. Such selection
249 | methodology must prioritize market conduct examinations of
250 | insurers and other entities regulated by the office to whom any

251 of the following conditions applies:

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

253

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

261 (10) ~~(9)~~ If the office concludes through an examination
262 pursuant to this section that an insurer providing liability
263 coverage in this state exhibits a pattern or practice of
264 violations of the Florida Insurance Code during any
265 investigation or examination of the insurer, the office must
266 review the insurer's claims-handling practices to determine if
267 the insurer should be subject to the enhanced enforcement
268 penalties of this subsection.

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

275 1. Assign a licensed and appointed insurance adjuster to

276 investigate whether coverage is provided under the policy and
277 diligently attempt to resolve any questions concerning the
278 extent of the insured's coverage.

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

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

285 4. Conduct all oral and written communications with the
286 insured with honesty and candor.

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

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

297 7. Within 30 days after a request, provide the insured
298 with all communications related to the insurer's handling of the
299 claim which are not privileged as to the insured.

300 8. Provide, upon request and at the insurer's expense,

301 reasonable accommodations necessary to communicate effectively
302 with an insured covered under the Americans with Disabilities
303 Act.

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

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

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

310 c. The possibility of an excess judgment.

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

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

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

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

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

322 12. Take reasonable measures to preserve any documentary,
323 photographic, and forensic evidence as needed for the defense of
324 the liability claim if it appears likely that the insured's
325 liability exposure is greater than policy limits and the insurer

326 fails to secure a general release in favor of the insured.

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

329 14. Comply with the Unfair Insurance Trade Practices Act.
 330 Section 6. Section 624.341, Florida Statutes, is created
 331 to read:

332 624.341 Authority of Department of Law Enforcement to
 333 accept fingerprints of, and exchange criminal history records
 334 with respect to, certain persons applying to the Office of
 335 Insurance Regulation.-

336 (1) The Department of Law Enforcement must accept
 337 fingerprints from key managerial personnel with authority over
 338 the financial and operational decisions of the entities
 339 licensed, certified, registered, or holding a certificate of
 340 authority under the Florida Insurance Code. This section applies
 341 to the following persons as required by the office:

342 (a) Incorporators, stockholders, officers, directors, and
 343 attorneys in fact under ss. 624.404(3)(c), 628.071(1)(c),
 344 629.091(2), 632.638(3), and 641.22(6)(c).

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

348 (c) Individuals employed or retained by an administrator
 349 who are responsible for the conduct of the affairs of the
 350 administrator, including members of the board of directors,

351 board of trustees, executive committee, other governing board or
352 committee, and the principal officers in the case of a
353 corporation or the partners or members in the case of a
354 partnership or association of the administrator under s.
355 626.8805(2)(c).

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

363 (e) Managers of a company under ss. 627.829(1),
364 627.832(1)(g) and (j).

365 (f) Directors, officers, trustees, or other natural
366 persons performing duties similar to those of a director,
367 officer, or trustee for the corporation, association, or trust
368 under s. 628.461(3)(a).

369 (g) Directors, officers, trustees, partners, owners,
370 managers, or joint venturers, or others performing functions
371 similar to those of a director, officer, or trustee under s.
372 628.4615(5)(a)7.

373 (h) Managers of a company under ss. 634.041(2),
374 634.304(2), and 634.404(2).

375 (i) Members of the board of directors, board of trustees,

376 executive committee, other governing board or committee,
377 officers, contracted management company personnel, and any other
378 person or entity owning or having the right to acquire ten
379 percent or more of the voting securities under ss. 636.008(3)
380 and 636.204(2)(c).

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

386 (k) All natural persons who are directors and officers,
387 and each shareholder who owns or controls ten percent or more of
388 the shares of the corporation under ss. 642.021, and 642.032.

389 (l) Members, shareholders, and persons in charge of
390 providing care under a certificate of authority subject to s.
391 651.022(2)(c).

392 (2) The Department of Law Enforcement shall accept and
393 process fingerprints of individuals identified by the office in
394 subsection (1).

395 (3) Each person required to submit fingerprints to the
396 office must provide a full set of fingerprints to the office or
397 to a vendor, an entity, or an agency authorized by s.
398 943.053(13). The office, vendor, entity, or agency shall forward
399 the fingerprints to the Department of Law Enforcement for state
400 processing, and the Department of Law Enforcement shall forward

401 the fingerprints to the Federal Bureau of Investigation for
402 national processing. Fees for state and federal fingerprint
403 processing must be borne by the person submitting the
404 fingerprints. The state cost for fingerprint processing is as
405 provided in s. 943.053(3)(e).

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

408 (b) The Department of Law Enforcement shall conduct the
409 state criminal history background check, and a federal criminal
410 history background check shall be conducted through the Federal
411 Bureau of Investigation.

412 (c) All fingerprints submitted to the Department of Law
413 Enforcement must be submitted and entered into the statewide
414 automated biometric identification system established in s.
415 943.05(2)(b) and available for use in accordance with s.
416 943.05(2)(g) and (h).

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

420 (e) The office shall review the results of the state and
421 federal criminal history background checks and determine whether
422 the applicant meets the requirements for the certificate of
423 authority, certification, registration, or license to operate in
424 this state.

425 (4) The Department of Law Enforcement may, to the extent

426 provided by federal law, exchange any state or national criminal
427 history records with the office for the purpose of issuance or
428 continuation of a certificate of authority, certification,
429 registration, or license to operate in this state.

430 (5) Statewide criminal records obtained through the
431 Department of Law Enforcement, federal criminal records obtained
432 through the Federal Bureau of Investigation, and local criminal
433 records obtained through local law enforcement agencies must be
434 used by the office for the purpose of issuance or continuation
435 of certificates of authority, certifications, registrations, or
436 licenses issued to operate in this state.

437 (6) Fingerprints must be submitted in accordance with
438 rules adopted by the commission.

439 Section 7. Paragraph (b) of subsection (2) of section
440 627.062, Florida Statutes, is amended to read:

441 627.062 Rate standards.—

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

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

448 1. Past and prospective loss experience within and without
449 this state.

450 2. Past and prospective expenses.

451 3. The degree of competition among insurers for the risk
452 insured.

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

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

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

472 7. The adequacy of loss reserves.

473 8. The cost of reinsurance. The office may not disapprove
474 a rate as excessive solely due to the insurer having obtained
475 catastrophic reinsurance to cover the insurer's estimated 250-

476 year probable maximum loss or any lower level of loss.

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

479 10. Conflagration and catastrophe hazards, if applicable.

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

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

491 13. For filings submitted to the office after January 1,
492 2027, projected comprehensive losses, if applicable, used to
493 determine a hurricane catastrophe load for private passenger
494 automobile insurance, which must be estimated using a model or
495 method found to be acceptable or reliable by the Florida
496 Commission on Hurricane Loss Projection Methodology under s.
497 627.0628.

498 ~~14.13.~~ A reasonable margin for underwriting profit and
499 contingencies.

500 ~~15.14.~~ The cost of medical services, if applicable.

501 ~~16.15.~~ Other relevant factors that affect the frequency or
 502 severity of claims or expenses.

503
 504 The provisions of this subsection do not apply to workers'
 505 compensation, employer's liability insurance, and motor vehicle
 506 insurance.

507 Section 8. Paragraph (a) of subsection (1) and paragraph
 508 (a) of subsection (3) of section 627.0628, Florida Statutes, are
 509 amended to read:

510 627.0628 Florida Commission on Hurricane Loss Projection
 511 Methodology; public records exemption; public meetings
 512 exemption.—

513 (1) LEGISLATIVE FINDINGS AND INTENT.—

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

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

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

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

538 627.0629 Residential property insurance; rate filings.—

539 (1) It is the intent of the Legislature that insurers
540 provide savings to consumers who install or implement windstorm
541 damage mitigation techniques, alterations, or solutions to their
542 properties to prevent windstorm losses. A rate filing for
543 residential property insurance must include actuarially
544 reasonable discounts, credits, or other rate differentials, or
545 appropriate reductions in deductibles, for properties on which
546 fixtures or construction techniques demonstrated to reduce the
547 amount of loss in a windstorm have been installed or
548 implemented. The fixtures or construction techniques must
549 include, but are not limited to, fixtures or construction
550 techniques that enhance wind uplift prevention, roof strength,

551 roof covering performance, roof-to-wall strength, wall-to-floor-
552 to-foundation strength, opening protection, and window, door,
553 and skylight strength. Credits, discounts, or other rate
554 differentials, or appropriate reductions in deductibles, for
555 fixtures and construction techniques that meet or exceed the
556 minimum requirements of the Florida Building Code must be
557 included in the rate filing. The office shall determine the
558 minimum discounts, credits, other rate differentials, and
559 appropriate reductions in deductibles that reflect the full
560 actuarial value of such fixtures and construction techniques.
561 The office's determination may not prohibit an insurer from
562 seeking additional actuarially justified credits, discounts or
563 other rate differentials, or appropriate reductions in
564 deductibles for fixtures and construction techniques that meet
565 or exceed the minimum requirements of the Florida Building Code
566 ~~reevaluation, which may be used by insurers in rate filings.~~
567 Effective October 1, 2023, each insurer subject to the
568 requirements of this section must provide information on the
569 insurer's website describing the hurricane mitigation discounts
570 available to policyholders. Such information must be accessible
571 on, or through a hyperlink located on, the home page of the
572 insurer's website or the primary page of the insurer's website
573 for property insurance policyholders or applicants for such
574 coverage in this state. On or before January 1, 2025, and every
575 5 years thereafter, the office shall reevaluate and update the

576 fixtures or construction techniques demonstrated to reduce the
577 amount of loss in a windstorm and the discounts, credits, other
578 rate differentials, and appropriate reductions in deductibles
579 that reflect the full actuarial value of such fixtures or
580 construction techniques. The office shall adopt rules and forms
581 necessitated by such reevaluation.

582 Section 10. Paragraph (b) of subsection (3) of section
583 627.0645, Florida Statutes, is amended to read:

584 627.0645 Annual filings.—

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

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

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

597 627.711 Notice of premium discounts for hurricane loss
598 mitigation; uniform mitigation verification inspection form.—

599 (1) Using a form prescribed by the Office of Insurance
600 Regulation, the insurer shall clearly notify the applicant or

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

624 (2)

625 (c) The office shall contract with a state university to

626 design, operate, upgrade, and maintain a statewide database for
627 uniform mitigation verification inspection forms. This database
628 must be managed by the office to collect and evaluate mitigation
629 features of residential properties within this state.

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

635 (e) The Financial Services Commission shall adopt rules to
636 implement this subsection.

637 Section 12. Subsection (12) of section 627.7152, Florida
638 Statutes, is amended, to read:

639 627.7152 Assignment agreements.—

640 ~~(12) The office shall require each insurer to report by~~
641 ~~January 30, 2022, and each year thereafter data on each~~
642 ~~residential and commercial property insurance claim paid in the~~
643 ~~prior calendar year under an assignment agreement. The Financial~~
644 ~~Services Commission shall adopt by rule a list of the data~~
645 ~~required, which must include specific data about claims~~
646 ~~adjustment and settlement timeframes and trends, grouped by~~
647 ~~whether litigated or not litigated and by loss adjustment~~
648 ~~expenses.~~

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

651 627.915 Insurer experience reporting.—

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

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

658 2. The type, location, and limits of writings in this
659 state.

660 3. Claims reporting requirements.

661 4. Any other information deemed necessary by the
662 commission to provide the office with the ability to track
663 trends occurring in the private passenger automobile insurance
664 market.

665 (b) The commission shall adopt rules specifying the
666 information required to be reported under this subsection and
667 the format required for the reports ~~fire, homeowner's multiple~~
668 ~~peril, commercial multiple peril, medical malpractice, products~~
669 ~~liability, workers' compensation, private passenger automobile~~
670 ~~liability, commercial automobile liability, private passenger~~
671 ~~automobile physical damage, commercial automobile physical~~
672 ~~damage, officers' and directors' liability insurance, or other~~
673 ~~liability insurance shall report, for each such line of~~
674 ~~insurance, the information specified in this subsection to the~~
675 ~~office. The information shall be reported for direct Florida~~

676 ~~business only and shall be reported on a calendar year basis~~
 677 ~~annually by April 1 for the preceding calendar year:~~
 678 ~~(a) Direct premiums written.~~
 679 ~~(b) Direct premiums earned.~~
 680 ~~(c) Loss reserves for all known claims:~~
 681 ~~1. At beginning of the year.~~
 682 ~~2. At end of the year.~~
 683 ~~(d) Reserves for losses incurred but not reported:~~
 684 ~~1. At beginning of the year.~~
 685 ~~2. At end of the year.~~
 686 ~~(e) Allocated loss adjustment expense:~~
 687 ~~1. Reserve at beginning of the year.~~
 688 ~~2. Reserve at end of the year.~~
 689 ~~3. Paid during the year.~~
 690 ~~(f) Unallocated loss adjustment expense:~~
 691 ~~1. Reserve at beginning of the year.~~
 692 ~~2. Reserve at end of the year.~~
 693 ~~3. Paid during the year.~~
 694 ~~(g) Direct losses paid.~~
 695 ~~(h) Underwriting income or loss.~~
 696 ~~(i) Commissions and brokerage fees.~~
 697 ~~(j) Taxes, licenses, and fees.~~
 698 ~~(k) Other acquisition costs.~~
 699 ~~(l) General expenses.~~
 700 ~~(m) Policyholder dividends.~~

701 ~~(n) Net investment gain or loss and other income gain or~~
702 ~~loss allocated pro rata by earned premium to Florida business~~
703 ~~utilizing the investment allocation formula contained in the~~
704 ~~National Association of Insurance Commissioner's Profitability~~
705 ~~Report by line by state.~~

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

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

715 628.8011 Group capital calculation reports.-

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

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

722 (b) "Groupwide supervisor" means the regulatory official
723 authorized to engage in conducting and coordinating groupwide
724 supervision activities who is determined or acknowledged by the
725 commissioner to have sufficient contacts with an internationally

726 active insurance group. As used in this paragraph, the term
727 "internationally active insurance group" means an insurance
728 holding company system that includes an insurer registered under
729 s. 628.801(1) and that meets all of the following criteria:

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

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

735 3. Based on a 3-year rolling average, the total assets of
736 the insurance holding company system are at least \$50 billion or
737 the total gross written premiums of the insurance holding
738 company system are at least \$10 billion.

739 (2) Except as provided in paragraph (a), the ultimate
740 controlling person of every insurer subject to registration
741 under s. 628.801 must concurrently file with the registration an
742 annual group capital calculation report on or before April 1.
743 The report must be completed in accordance with the group
744 capital calculation instructions, which permit the office to
745 allow a controlling person who is not the ultimate controlling
746 person to file the group capital calculation report. The report
747 must be filed with the lead state regulator of the insurance
748 holding company system as determined by the office in accordance
749 with the procedures within the Financial Analysis Handbook
750 adopted by the NAIC.

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

753 1. An insurance holding company system that has only one
754 insurer within its holding company structure, is licensed and
755 writing business only in its domestic state, and does not assume
756 business from any other insurer.

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

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

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

772 a. It provides information to the lead state that meets
773 the requirements for accreditation under the NAIC financial
774 standards and accreditation program, either directly or
775 indirectly, through the groupwide supervisor who has determined

776 such information is satisfactory to allow the lead state to
777 comply with the NAIC group supervision approach, as detailed in
778 the Financial Analysis Handbook adopted by the NAIC.

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

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

793 (c) Notwithstanding the exemptions provided in
794 subparagraphs (a)1.-4., the office may exempt the ultimate
795 controlling person from filing the annual group capital
796 calculation report or may accept a group capital filing or
797 report in accordance with criteria as specified in paragraphs
798 (e) and (f).

799 (d) If the office determines that an insurance holding
800 company system no longer meets one or more of the requirements

801 for an exemption from filing the group capital calculation
802 report under subsection (a), the ultimate controlling person
803 must file the group capital calculation report at the next
804 annual filing date unless the office provides an extension based
805 on reasonable grounds shown.

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

812 1. It has annual direct and unaffiliated assumed premium,
813 including international direct and assumed premium, of less than
814 \$1 billion. For purposes of this subparagraph, premiums
815 reinsured with the Federal Crop Insurance Corporation and
816 Federal Flood Program are excluded from the annual direct and
817 unaffiliated assumed premium.

818 2. It does not have insurers within its holding company
819 structure which are domiciled outside of the United States or
820 one of its territories.

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

824 4. It attests that there are no material changes in the
825 transactions between insurers and noninsurers in the group which

826 have occurred since the last filing of the annual group capital
827 calculation report.

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

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

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

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

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

847 4. The insurance holding company system attests that there
848 are no material changes in transactions between insurers and
849 noninsurers in the group which have occurred since the last
850 filing of the report to the office and the noninsurers within

851 the holding company system do not pose a material financial risk
852 to the insurer's ability to honor policyholder obligations.

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

860 1. An insurer within the insurance holding company system
861 is in a risk-based capital action level event as set forth in s.
862 624.4085 or a similar standard for a non-United States insurer.

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

866 3. An insurer within the insurance holding company system
867 otherwise exhibits qualities of a troubled insurer as determined
868 by the office based on unique circumstances including, but not
869 limited to, the type and volume of business written, ownership
870 and organizational structure, federal agency requests, and
871 international supervisor requests.

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

875 (i) The office must publish on its website a list of non-

876 United States jurisdictions that "recognize and accept" the
877 group capital calculation report.

878 (j) The commission may adopt rules for filing the annual
879 group capital calculation report in accordance with the
880 Insurance Holding Company System Regulatory Act of the NAIC and
881 the Insurance Holding Company System Model Regulation of the
882 NAIC, as adopted in December 2020.

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

885 628.8012 Liquidity Stress Test Framework.-

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

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

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

900 (c) "Scoped" means meeting at least one threshold of the

901 scope criteria and being subject to the requirements of the
902 Liquidity Stress Test Framework.

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

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

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

922 (d) The office may adopt rules for filing the results of
923 the liquidity stress test in accordance with the Insurance
924 Holding Company System Regulatory Act of the NAIC and the
925 Insurance Holding Company System Model Regulation of the NAIC,

926 as adopted in December 2020.

927 Section 16. Section 628.8013, Florida Statutes, is created
928 to read:

929 628.8013 Rebuttal of materially false statements.—

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

937 (2) Any representation or statement by any insurer,
938 broker, or other person engaged in any manner in the business of
939 insurance is prohibited with regard to an insurer's or insurer's
940 group's:

941 (a) Group capital calculation report.

942 (b) Group capital ratio.

943 (c) Liquidity stress test results.

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

945 (e) Any component derived in the group capital
946 calculation.

947 (3) If a representation or statement prohibited under
948 subsection (2) is published in a written publication and if the
949 insurer can demonstrate to the office with substantial proof the
950 falsity or inappropriateness, as the case may be, of such

951 representation or statement, the insurer may publish
952 announcements in a written publication if the sole purpose of
953 the announcement is to rebut the materially false representation
954 or statement.

955 Section 17. Section 629.53, Florida Statutes, is created
956 to read:

957 629.53 Application for registration to operate as an
958 attorney in fact.-

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

962 (2) The application for an attorney in fact registration
963 must be made, under oath, to the office by the applicant on a
964 form prescribed by the commission. The office may not require an
965 applicant to pay a fee for the registration or for filing an
966 application for such registration.

967 (3) In the application, the applicant must provide all of
968 the following information:

969 (a) All basic organizational documents, and any amendments
970 to such documents, of the applicant dated within the last year
971 and appropriately certified.

972 (b) The bylaws, rules, and regulations or similar
973 documents regulating the conduct of the internal affairs of the
974 applicant, other applicable documents, and all amendments to
975 those documents, dated within the last year and appropriately

976 certified.

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

980 (d) A detailed plan of operation.

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

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

991 (g) Any other information as the office reasonably
992 requires.

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

996 (a) Is competent and trustworthy and intends to act in
997 good faith in the business authorized by the registration for
998 which the applicant applied.

999 (b) Has management that has a good business reputation and
1000 has had experience, training, or education that qualifies the

1001 applicant to conduct the business authorized by the registration
1002 for which the applicant applied.

1003 (c) Has a business plan that is consistent with the
1004 interests of potential insureds and the public.

1005 Section 18. Section 629.54, Florida Statutes, is created
1006 to read:

1007 629.54 Registration expiration; renewal.—Each registration
1008 for an attorney in fact issued under this chapter automatically
1009 renews on March 1 of each year, provided the attorney in fact
1010 remains qualified under this chapter. The office may not require
1011 an attorney in fact to pay a fee for the renewal of the
1012 registration.

1013 Section 19. Section 629.55, Florida Statutes, is created
1014 to read:

1015 629.55 Grounds for denial, suspension, or revocation of
1016 registration.—The office may deny, suspend, revoke, or refuse to
1017 renew the registration of an attorney in fact if the office
1018 determines that the attorney in fact:

1019 (1) Has violated any lawful rule or order of the
1020 commission or office or any applicable provision of the
1021 insurance code.

1022 (2) Has used or is using methods or practices in the
1023 conduct of its business which render its further transaction of
1024 business in this state hazardous or injurious to insured persons
1025 or the public.

1026 (3) Has refused to be examined or to produce its accounts,
1027 records, and files for examination, or if any of its officers,
1028 or persons in similar positions, have refused to give
1029 information with respect to its affairs or has refused to
1030 perform any other legal obligation as to such examination when
1031 required by the office.

1032 (4) Is or was affiliated with and under the same general
1033 management or interlocking directorate or ownership as another
1034 attorney in fact who transacts business in this state without
1035 having a registration required by this chapter.

1036 (5) At any time fails to meet any qualification for which
1037 issuance of the registration could have been refused had such
1038 failure then existed and been known to the office.

1039 (6) Is under suspension or revocation in this or any other
1040 state for any license relating to the business of insurance
1041 which the attorney in fact holds.

1042 (7) A proceeding for receivership, conservatorship,
1043 rehabilitation, or other delinquency proceeding regarding the
1044 attorney in fact, or an insurer with which the attorney in fact
1045 has a contractual relationship, has been commenced in any state.

1046 (8) The financial condition or business practices of the
1047 attorney in fact otherwise pose an imminent threat to the
1048 health, safety, or welfare of the residents of this state.

1049 Section 20. Section 629.56, Florida Statutes, is created
1050 to read:

1051 629.56 Order of suspension or revocation of registration;
1052 notice.-

1053 (1) The suspension or revocation of a registration of an
1054 attorney in fact is effected by order of the office when such
1055 order is mailed to the attorney in fact by registered or
1056 certified mail and sent electronically to the e-mail address
1057 maintained by the attorney in fact with the office for such
1058 purpose.

1059 (2) The office may publish notice of any such revocation
1060 or suspension in one or more newspapers of general circulation
1061 published in this state.

1062 Section 21. Section 629.57, Florida Statutes, is created
1063 to read:

1064 629.57 Period of suspension; obligations during
1065 suspension; reinstatement.-

1066 (1) The registration of an attorney in fact is suspended
1067 for the time period provided in the order of suspension, which
1068 may not exceed 1 year, unless such suspension or the order upon
1069 which the suspension is based is modified, rescinded, or
1070 reversed.

1071 (2) Upon expiration of the suspension period, the
1072 registration is automatically reinstated as long as the
1073 registration has not otherwise terminated, unless the reasons
1074 for the suspension have not been remedied.

1075 Section 22. Section 629.58, Florida Statutes, is created

1076 to read:

1077 629.58 Administrative fine in lieu of suspension,
1078 revocation, or nonrenewal.-

1079 (1) If the office finds that one or more grounds exist for
1080 the suspension, revocation, or nonrenewal of the registration of
1081 an attorney in fact issued under this chapter, the office may,
1082 in lieu of suspension or revocation, impose a fine upon the
1083 attorney in fact.

1084 (2) With respect to any nonwillful violation, the office
1085 may impose a fine upon the attorney in fact in an amount up to
1086 \$5,000 for each violation. However, a fine may not exceed an
1087 aggregate amount of \$50,000 for all nonwillful violations
1088 arising out of the same action.

1089 (3) With respect to any knowing and willful violation, the
1090 office may impose a fine upon the attorney in fact in an amount
1091 up to \$25,000 for each violation. However, a fine may not exceed
1092 an aggregate amount of \$250,000 for all knowing and willful
1093 violations arising out of the same action.

1094 (4) With respect to a knowing and willful violation of a
1095 lawful order or rule of the office or commission or of a
1096 provision of this code during a period in which the Governor
1097 declared a state of emergency pursuant to s. 252.36, the office
1098 may impose a \$200,000 fine upon an attorney in fact for each
1099 violation, up to an aggregate amount of \$1 million for all
1100 knowing and willful violations arising out of the same action

1101 relating to a covered loss or claim caused by the emergency.

1102 (5) A fine imposed by the office on the attorney in fact
 1103 may not be borne by the insurer.

1104 Section 23. Subsection (1) of section 634.141, Florida
 1105 Statutes, is amended to read:

1106 634.141 Examination of companies.—

1107 (1) Motor vehicle service agreement companies licensed
 1108 under this part may be subject to periodic examination by the
 1109 office in the same manner and subject to the same terms and
 1110 conditions as apply to insurers under part II of chapter 624.
 1111 The office is not required to conduct periodic examinations
 1112 pursuant to this section, but may examine a service agreement
 1113 company at its discretion. An examination conducted pursuant to
 1114 this section may cover a period of only the most recent 5 years.
 1115 The costs of examinations conducted pursuant to ss.

1116 624.316(2)(e) and 624.3161(4) ss. ~~624.316(2)(e) and 624.3161(3)~~
 1117 may not exceed 10 percent of the companies' reported net income
 1118 for the prior year. The commission may by rule establish
 1119 provisions whereby a company may be exempted from examination.

1120 Section 24. Section 634.314, Florida Statutes, is amended
 1121 to read:

1122 634.314 Examination of associations.—Home warranty
 1123 associations licensed under this part may be subject to periodic
 1124 examinations by the office, in the same manner and subject to
 1125 the same terms and conditions as apply to insurers under part II

1126 of chapter 624 of the insurance code. The office is not required
1127 to conduct periodic examinations pursuant to this section, but
1128 may examine a home warranty company at its discretion. An
1129 examination conducted pursuant to this section may cover a
1130 period of only the most recent 5 years. The costs of
1131 examinations conducted pursuant to ss. 624.316(2)(e) and
1132 624.3161(4) ~~ss. 624.316(2)(e) and 624.3161(3)~~ may not exceed 10
1133 percent of the companies' reported net income for the prior
1134 year.

1135 Section 25. Subsection (1) of section 634.416, Florida
1136 Statutes, is amended to read:

1137 634.416 Examination of associations.—

1138 (1) Service warranty associations licensed under this part
1139 may be subject to periodic examination by the office, in the
1140 same manner and subject to the same terms and conditions that
1141 apply to insurers under part II of chapter 624. The office is
1142 not required to conduct periodic examinations pursuant to this
1143 section, but may examine a service warranty company at its
1144 discretion. An examination conducted pursuant to this section
1145 may cover a period of only the most recent 5 years. The costs of
1146 examinations conducted pursuant to ss. 624.316(2)(e) and
1147 624.3161(4) ~~ss. 624.316(2)(e) and 624.3161(3)~~ may not exceed 10
1148 percent of the companies' reported net income for the prior
1149 year.

1150 Section 26. This act shall take effect July 1, 2026.