

By Senator Sharief

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A bill to be entitled
An act relating to property insurer financial strength ratings; amending s. 624.315, F.S.; providing definitions; requiring certain annual insurance reports prepared by the Office of Insurance Regulation for the Legislature and the Governor to include the financial strength ratings of property insurers against which delinquency and similar proceedings were instituted; requiring the office to maintain and make available upon request information relating to financial strength ratings of property insurers; providing an effective date.

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

Section 1. Present subsections (1) through (5) of section 624.315, Florida Statutes, are redesignated as subsections (2) through (6), respectively, a new subsection (1) is added to that section, paragraph (p) is added to present subsection (2) of that section, and paragraph (c) of present subsection (1) and present subsection (5) of that section are amended, to read:

624.315 Annual reports; quarterly reports.—

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

(a) "Financial strength rating" means an objective evaluation of the assets, liabilities, net worth, financial health, performance, and risk of a property insurer as determined by an independent rating agency.

(b) "Independent rating agency" means an entity that meets all of the following requirements:

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30 1. Issues unbiased and objective financial strength ratings
31 of insurers without the consent of the insurer.

32 2. Is not paid for ratings by the rated insurers, directly
33 or indirectly, whether in cash or other forms of payment.

34 3. Does not permit any rated insurer to influence the
35 ratings of that insurer.

36 4. Is independent and free from outside control or
37 influence and can issue ratings objectively, without fear of
38 reprisals or loss of business.

39 5. May begin, suspend, or end rating an insurer at its
40 discretion.

41 6. Is not owned or controlled, in whole or in part, by any
42 insurer and does not enter into or maintain any potentially
43 related business relationships with rated insurers.

44 ~~(2)(1)~~ As early as reasonably possible, the office, with
45 such assistance from the department as requested, shall annually
46 prepare a report to the Speaker and Minority Leader of the House
47 of Representatives, the President and Minority Leader of the
48 Senate, the chairs of the legislative committees with
49 jurisdiction over matters of insurance, and the Governor
50 showing, with respect to the preceding calendar year:

51 (c) Names of insurers against which delinquency or similar
52 proceedings were instituted. For property insurers for which the
53 delinquency or similar proceedings were instituted, the annual
54 report must also include the date that each insurer was deemed
55 impaired of capital or surplus, as the terms impairment of
56 capital and impairment of surplus are defined in s. 631.011, or
57 insolvent, as the term insolvency is defined in s. 631.011; the
58 financial strength ratings of the insurer issued by an

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independent rating agency for each of the previous 8 fiscal quarters before the delinquency or similar proceedings; a concise statement of the circumstances that led to each insurer's delinquency; a summary of the actions taken by the insurer and the office to avoid delinquency; and the results or status of each such proceeding.

(3)~~(2)~~ The office shall maintain the following information and make such information available upon request:

(p) The financial strength rating issued to each property insurer by an independent rating agency each calendar quarter during the reporting period, including the changes in ratings from quarter to quarter, the number of downgrades in ratings which occurred during the reporting period, the number of downgraded companies that were subsequently upgraded during the reporting period, and the number of downgraded companies that were subject to delinquency or similar proceedings.

(6)~~(5)~~ When aggregate information includes information asserted as trade secret information, the office may include the trade secret information in the report required under subsection (2) ~~(1)~~ or may make the trade secret information available under subsection (3) ~~(2)~~ unless the trade secret information can be individually extrapolated, in which case the trade secret information remains protected as provided under s. 624.4213.

Section 2. This act shall take effect July 1, 2026.