

AGENDA
FINANCIAL SERVICES COMMISSION
Office of Insurance Regulation
Materials Available on the Web at:

<http://www.floir.com/Sections/GovAffairs/FSC.aspx>

August 16, 2011

MEMBERS

Governor Rick Scott
Attorney General Pam Bondi
Chief Financial Officer Jeff Atwater
Commissioner Adam Putnam

Contact: Ashlee Falco
(850-413-5069)

9:00 A. M.
LL-03, The Capitol
Tallahassee, Florida

ITEM	SUBJECT	RECOMMENDATION
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- | | | |
|----|---|--|
| 1. | Request for Approval for Adoption of Amendments to Proposed Rule 690-137.001; Annual and Quarterly Reporting Requirements | |
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Section 624.424, Florida Statutes, requires insurers to file quarterly and annual financial reports with the Office of Insurance Regulation. The statute further provides that to facilitate state to state uniformity, the Commission may adopt the financial statements produced by the National Association of Insurance Commissioners. This rule amendment simply adopts the newest version of those forms.

(ATTACHMENT 1)

APPROVAL FOR FINAL ADOPTION

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| 2. | Briefing on Personal Injury Protection Insurance in Florida | |
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(ATTACHMENT 2)

NO ACTION REQUESTED

M E M O R A N D U M

DATE: July 18, 2011
TO: Kevin M. McCarty, Commissioner, Office of Insurance Regulation
THROUGH: Belinda Miller, General Counsel
FROM: Dennis Threadgill
Bob Prentiss
SUBJECT: Cabinet Agenda for August 16, 2011
Request for Final Approval to Adopt Amendments to
Rule 69O-137.001
Assmt. 113027-10

The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before August 10, 2011 and to the Financial Services Commission on August 16, 2011, with a request for Final Approval to Adopt the proposed rules. A notice of the Commission Final Rule Hearing will be published in the *Florida Administrative Weekly* on July 1, 2011.

The notice of proposed rules was published May 6, 2011 in Volume 37, No. 18, of the *Weekly*. The hearing was not requested, therefore, the hearing was not held. No changes were made.

Section 624.424, Florida Statutes, requires insurers to file quarterly and annual financial reports with the Office of Insurance Regulation and allows the Office to enact rules setting the standards for those reports. By adopting the current versions of these NAIC instructions and manuals, the Office is establishing up-to-date, uniform standards for annual and quarterly reports which will provide the information necessary for the Office to evaluate insurers' financial conditions.

Sections 624.308(1), 624.424(1), F.S., provide rulemaking authority and laws implemented for this rule.

The Legal Services Office has communicated with the Joint Administrative Procedures Committee, and ascertained that their review of the rules has been completed.

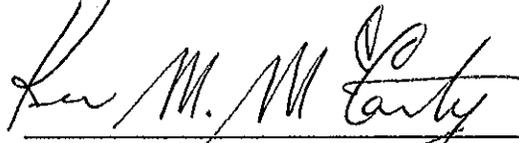
Jason Nelson is the attorney handling this rule. Attached are: 1) the proposed rule(s); 2) any incorporated materials, such as forms; 3) copies of the rulemaking statutory authority and law implemented.

Approved for signature:



Belinda Miller, General Counsel

Approved for submission to Financial Services
Commission:



Kevin M. McCarty, Commissioner
Office of Insurance Regulation

69O-137.001 Annual and Quarterly Reporting Requirements.

(1) through (3) No change

(4) Manuals Adopted.

(a) Annual statements shall be prepared in accordance with the following manuals, which are hereby adopted and incorporated by reference:

1. The NAIC's Annual Statement Instructions, Property and Casualty, 20102009;
2. The NAIC's Annual Statement Instructions, Life, Accident and Health, 20102009;
3. The NAIC's Annual Statement Instructions, Health, 20102009;
4. The NAIC's Annual Statement Instructions, Title, 20102009; and
5. The NAIC's Accounting Practices and Procedures Manual, as of March 20102009.

(b) Quarterly statements shall be prepared in accordance with the following manuals, which are hereby adopted and incorporated by reference:

1. The NAIC's Quarterly Statement Instructions, Property and Casualty, 20112009;
2. The NAIC's Quarterly Statement Instructions, Life, Accident and Health, 20112009;
3. The NAIC's Quarterly Statement Instructions, Health, 20112009;
4. The NAIC's Quarterly Statement Instructions, Title, 20112009; and
5. The NAIC's Accounting Practices and Procedures Manual, as of March 20112009.

(c) Copies of the manuals are available:

1. From the National Association of Insurance Commissioners, 2301 McGee, Suite 800, Kansas City, MO 64108-2604, and
2. For inspection at the Office at its headquarters in Tallahassee, Florida, during regular business hours.

Rulemaking Authority 624.308(1), 624.424(1) FS. Law Implemented 624.424(1) FS. History—New 3-31-92, Amended 8-24-93, 4-9-95, 4-9-97, 4-4-99, 11-30-99, 2-11-01, 4-5-01, 12-4-01, 12-25-01, 8-18-02, 7-27-03, Formerly 4-137.001, Amended 1-6-05, 9-15-05, 1-25-07, 3-16-08, 3-4-09, 1-4-10.

624.308 Rules.--

- (1) The department and the commission may each adopt rules pursuant to ss. 120.536(1) and 120.54 to implement provisions of law conferring duties upon the department or the commission, respectively.

624.424 Annual statement and other information.--

(1)(a) Each authorized insurer shall file with the office full and true statements of its financial condition, transactions, and affairs. An annual statement covering the preceding calendar year shall be filed on or before March 1, and quarterly statements covering the periods ending on March 31, June 30, and September 30 shall be filed within 45 days after each such date. The office may, for good cause, grant an extension of time for filing of an annual or quarterly statement. The statements shall contain information generally included in insurers' financial statements prepared in accordance with generally accepted insurance accounting principles and practices and in a form generally utilized by insurers for financial statements, sworn to by at least two executive officers of the insurer or, if a reciprocal insurer, by the oath of the attorney in fact or its like officer if a corporation. To facilitate uniformity in financial statements and to facilitate office analysis, the commission may by rule adopt the form for financial statements approved by the National Association of Insurance Commissioners in 2002, and may adopt subsequent amendments thereto if the methodology remains substantially consistent, and may by rule require each insurer to submit to the office or such organization as the office may designate all or part of the information contained in the financial statement in a computer-readable form compatible with the electronic data processing system specified by the office.

(b) Each insurer's annual statement must contain a statement of opinion on loss and loss adjustment expense reserves made by a member of the American Academy of Actuaries or by a qualified loss reserve specialist, under criteria established by rule of the commission. In adopting the rule, the commission must consider any criteria established by the National Association of Insurance Commissioners. The office may require semiannual updates of the annual statement of opinion as to a particular insurer if the office has reasonable cause to believe that such reserves are understated to the extent of materially misstating the financial position of the insurer. Workpapers in support of the statement of opinion must be provided to the office upon request. This paragraph does not apply to life insurance or title insurance.

(c) The commission may by rule require reports or filings required under the insurance code to be submitted by electronic means in a computer-readable form compatible with the electronic data processing equipment specified by the commission.