

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

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

**December 6, 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

<b>ITEM</b>	<b>SUBJECT</b>	<b>RECOMMENDATION</b>
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- |    |  |  |
|----|--|--|
| 1. | Request for Approval for Publication of Repeal of Rule Chapter 69O-170 Part IV; Arbitration Rule |  |
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Section 627.062(6), Florida Statutes, granted insurers the right to arbitrate rate filing disputes with the Office. The section gave the FSC authority to adopt the above referenced rules regarding arbitration of rate filings. Section 627.062(6), Florida Statutes, has been amended to remove the provision for arbitration. Therefore these rules are no longer relevant, nor does the Office any longer have authority for such rules. Consequently, the Office is requesting that these rules be repealed.

**(ATTACHMENT 1)**

**APPROVAL FOR PUBLICATION**

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| 2. | Request for Approval for Publication of Amendments to Proposed Rules 69O-200.004,.005,.006,.009,.014,.015; Auto Manufacturer Warranty Rules |  |
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In Sections 634.011(7) and 634.041(12), Florida Statutes, the Legislature created a new category of Motor Vehicle Service Agreement Companies: "Motor Vehicle Manufacturers." The purpose of the legislation was to *eliminate certain regulatory requirements* for these large corporations, under certain circumstances. These amendments address the legislative mandate to modify these rules and forms to incorporate this new category.

**(ATTACHMENT 2)**

**APPROVAL FOR PUBLICATION**

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| 3. | Request for Approval for Adoption of Amendments to Proposed Rule 69O-170.0155; Forms |  |
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This rule amendment request will implement Legislative changes made to Form OIR-B1-1802, the "Uniform Mitigation Verification Inspection Form", which is incorporated by reference in rule 69O-170.0155 F.A.C.

This form is what insurers use to verify the features employed by homeowners to safeguard their homes from the destructive effects of hurricanes.

The proposed changes to the form delete references to inspectors with the My Safe Florida Home Program (that program no longer exists) and replaces them with home inspectors licensed under section 468.8314, F.S. who have completed at least 3 hours of hurricane mitigation training and completion of a proficiency exam. The proposed changes also implement statutory changes that allow engineers and contractors to use employees with requisite skill, knowledge and experience to conduct inspections. The form is also revised to incorporate the new criminal penalties for conducting false or fraudulent inspections.

The form is also being changed to respond to concerns from the construction industry that some of the terms in the existing form are ambiguous or not otherwise technically correct.

**(ATTACHMENT 3)**

**APPROVAL FOR FINAL ADOPTION**

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**M E M O R A N D U M**

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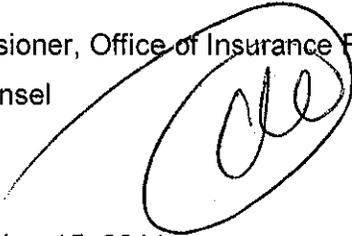
**DATE:** October 24, 2011

**TO:** Kevin M. McCarty, Commissioner, Office of Insurance Regulation

**THROUGH:** Belinda Miller, General Counsel

**FROM:** Dennis Threadgill  
Bob Prentiss

**SUBJECT:** Cabinet Agenda for November 15, 2011  
Request for Approval to Publish Repeal to Arbitration Rules  
Rules 69O-170.101 Title Scope, Application, and Purpose  
69O-170.103 Demand for Arbitration and response  
69O-170.105 Costs, Expenses and Fees of the Arbitration  
69O-170.107 Procedure for Arbitration  
69O-170.109 Selection of the Arbitration Panel  
69O-170.111 Scope of the Evidence in a Rate Filing Arbitration  
69O-170.113 Computation of Time; Service by Mail  
69O-170.115 Filing and Service of Papers; Signing  
69O-170.117 Discovery  
69O-170.119 Subpoenas and Witnesses; Fees  
69O-170.121 Official Recognition of Facts  
69O-170.123 Motion Hearing by Telephone  
69O-170.126 Pre-hearing Conference; Pre-hearing Stipulation  
69O-170.127 Notice of Final Hearing; Scheduling  
69O-170.129 Conduct of Proceedings  
69O-170.131 Conduct of Formal Hearing Evidence  
69O-170.133 Post-hearing Memorandum  
69O-170.135 Final Decision and Award  
69O-170.137 Related Laws and Rules



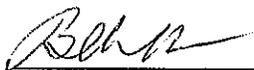
Assmt. # 113608-10

The Office of Insurance Regulation requests that these proposed rule repeals be presented to the Cabinet aides on or before November 4, 2011 and to the Financial Services Commission on November 15, 2011, with a request to approve for publication of repeal for the proposed rules.

Section 627.062(6), Florida Statutes, granted insurers the right to arbitrate rate filing disputes with the Office. The section gave the FSC authority to adopt the above referenced rules regarding arbitration of rate filings. Section 627.062(6), Florida Statutes, has been amended to remove the provision for arbitration. Therefore these rules are no longer relevant, nor does the Office any longer have authority for such rules. Consequently, these rules need to be repealed.

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

Approved for signature:



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Belinda Miller, General Counsel

Approved for submission to Financial Services  
Commission:



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Kevin M. McCarty, Commissioner  
Office of Insurance Regulation

690-170.101 Title, Scope, Application, and Purpose.

*Rulemaking Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97,  
Formerly 4-170.101, Repealed*

~~690-170.101 Title, Scope, Application, and Purpose.~~

~~The purpose of this rule section is to implement the provisions of Section 627.062(6), F.S., concerning rate filing arbitrations. This rule section shall be entitled The Rate Filing Arbitration Rules of Procedure; and shall be construed to secure the just, speedy and inexpensive determination of every rate filing arbitration. These rules shall apply in all arbitration proceedings filed pursuant to Section 627.062(6)(a), F.S., for the review of final agency action with respect to rate filings on property, casualty and surety insurance. These rules shall not apply to rate filings related to workers' compensation, employer's liability, or motor vehicle insurance.~~

*Specific Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97, Formerly 4-170.101.*

690-170.103 Demand for Arbitration and Response.

*Rulemaking Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97,  
Formerly 4-170.103. Repealed*

**690-170.103 Demand for Arbitration and Response.**

(1) Any insurer to whom reviewable rate filing agency action is directed may file, in lieu of any other available remedy, a Demand for Arbitration pursuant to Section 627.062(6), F.S. The filing by an insurer of a Demand for Arbitration and the participation by such insurer in a rate filing arbitration resulting in the entry of a decision and award, constitutes a waiver of any right(s) or remedy(ies), judicial or otherwise, that such insurer may have pursuant to the Florida Administrative Procedures Act or other provision of law, to challenge or otherwise seek review of the agency action that is the subject of the rate filing arbitration. Provided, however, that any such right(s) or remedy(ies) shall be automatically restored to such insurer and the insurer shall have twenty-one (21) days to request a Section 120.57, F.S., proceeding, if the rate filing arbitration panel fails to render a decision and award within 90 days from the initiation of the rate filing arbitration, or within such time as the Office and the initiating party may stipulate. For purpose of these rules, initiation of the rate filing arbitration means the date the Demand for Arbitration and applicable fees are received by the American Arbitration Association; initiating party refers to the party or parties on whose behalf the Demand for Arbitration is filed; and agency or Office refers to the Florida Office of Insurance Regulation.

(2) An original and three copies of the Demand for Arbitration, together with the appropriate American Arbitration Association filing fee, shall be filed by the initiating party with the Regional Office of the American Arbitration Association located in Orlando, Florida. The Demand for Arbitration shall comply in form and substance with these rules and with the Commercial Arbitration Rules of the American Arbitration Association in effect as of January 1, 1996, which rules shall be referred to herein as the AAA Rules. To the extent not modified by these rules, the AAA Rules are hereto incorporated and adopted by reference. Copies of the AAA Rules may be obtained by contacting the Orlando Regional Office of the American Arbitration Association at (407)648-1185, 201 East Pine Street, Suite 800, Orlando, Florida 32801-2742; or by contacting the Office of Insurance Regulation, Property and Casualty Product Review, at (850) 413-3146, P. O. Box 7700, Tallahassee, Florida 32314-7700.

(3) The Demand for Arbitration shall be filed no later than twenty-one (21) days from the date of notice of the agency action that is the subject of the arbitration. Failure to file a Demand for Arbitration in the manner specified in these rules within said twenty-one (21) day period constitutes a waiver of all rights to pursue a Section 627.062(6), F.S., rate filing arbitration.

(4) The Demand for Arbitration shall contain a statement setting forth in detail the nature of the dispute, the remedy being sought, and the gross statewide first year annual premium increase being sought or requested by or on behalf of the initiating party. The American Arbitration Association filing fee shall be calculated in accordance with the AAA Rules. For purposes of the AAA Rules filing fee provisions, the amount of the claim in a rate filing arbitration initiated under these rules means the gross statewide first year annual premium increase or differential that shall accrue or result from the rate whose approval is being sought or requested through the rate filing process that is the subject of the arbitration.

(5) Upon the filing of a rate filing Demand for Arbitration with the American Arbitration Association, the initiating party shall promptly provide a true and complete copy thereof to the Office. The Office may file an Answering Statement within ten (10) days from the receipt by the Office of the Demand for Arbitration if the Office believes that doing so will increase the likelihood that the Office will prevail in the arbitration.

(6) If the Demand for Arbitration refers to a use and file rate filing, the Office may assert in its Answering Statement a request that upon a finding by the arbitration panel that the rate is excessive, inadequate or unfairly discriminatory, that the final decision and award provide for the return to policyholders of all premiums charged each policyholder constituting the portion of the rate above that which the arbitration panel concludes are actuarially justified, in the form of a credit or a refund to such policyholders. The request by the Office for such relief shall be cumulative to any other remedy the Office may legally pursue with respect to any such rate filing. The Office will request the restitution award when the facts of the case are such that the Office has a good faith basis to believe that it can prevail before the arbitration panel.

(7) Motions to dismiss, to strike or for a more definite statement may only be filed simultaneously with a responsive pleading. A motion to dismiss, to strike and/or for a more definite statement shall not toll any applicable time periods provided in these rules or in the AAA Rules.

*Specific Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97, Formerly 4-170.103.*

690-170.105 Costs, Expenses and Fees of the Arbitration.

*Rulemaking Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97,  
Formerly 4-170.105. Repealed*

**690-170.105 Costs, Expenses and Fees of the Arbitration.**

(1) Notwithstanding anything to the contrary in the Florida Arbitration Code or in the AAA Rules, all costs, expenses and fees of a rate filing arbitration shall be paid by the initiating party. For purposes of these rules, costs, expenses and fees of a rate filing arbitration include, but are not limited to, the following items:

(a) Filing fees payable to the American Arbitration Association pursuant to the AAA Rules incidental to the rate filing arbitration.

(b) Service, processing, hearing, postponement/cancellation, travel, hearing room rental and/or any other administrative fee, charge or expense referred to in the Florida Arbitration Code, in the AAA Rules, or elsewhere.

(c) Court reporter costs, expenses and fees for an expedited transcript of all arbitration hearings, and all costs associated with the taking by any party of a deposition of any expert or non-expert witnesses.

(d) Expert witness fees, costs and expenses, for any expert or experts retained by any party or by the arbitration panel, including all costs, expenses and fees related to the taking by any party of a deposition of any such expert witness(es), and all costs, expenses and fees related to the appearance and testimony of such expert or experts during the arbitration hearing.

(e) Payments to, for, or on behalf of each of the members of the arbitration panel in compensation for their services and in reimbursement of all reasonable and necessary expenses incurred by each in connection with the arbitration proceeding.

(f) Any other cost or expense incurred by any party to the arbitration and deemed by such incurring party to be necessary for an effective and proper presentation of such party's case to the arbitration panel, except that each party shall bear its own attorneys' fees.

*Rulemaking Authority 627.062(6) FS. Law Implemented 627.062 FS. History--New 8-31-97, Formerly 4-170.105.*

690-170.107 Procedure for Arbitration.

*Rulemaking Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97,  
Formerly 4-170.107, Repealed.*

**690-170.107 Procedure for Arbitration.**

(1) Sections 682.06-.010, 682.013 and 682.014, F.S., shall apply in all rate filing arbitration proceedings.

(2) These rules and the AAA Rules shall apply in all rate filing arbitration proceedings. The Florida Rules of Civil Procedure are not applicable in a rate filing arbitration, except as provided in subsection 690-170.117(2), F.A.C.

(3) All rate filing arbitration proceedings shall be conducted under the auspices of and shall be administered by the American Arbitration Association.

(4) Venue for all arbitration hearings shall be Tallahassee, Florida unless the parties and arbitrators unanimously agree otherwise. Locale for all arbitration hearings shall be at a hearing or conference room designated by the Office in the Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0307.

(5) Arbitration hearings shall be open to the public, except that upon request of a party or on its own motion, the arbitration panel may exclude witness(es) from the hearing room until called to testify. In the event a party designates a witness as such party's representative, such designated representative may not be excluded.

(6) A certified court reporter shall transcribe all hearings and an official transcript shall be filed in the record. The official transcript, and all evidence submitted during the hearing, are public records subject to Chapter 119, Florida Statutes.

(7) The expedited arbitration procedures provided for in the AAA Rules shall not be available in a rate filing arbitration.

*Specific Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97, Formerly 4-170.107.*

690-170.109 Selection of the Arbitration Panel.

*Rulemaking Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97,  
Formerly 4-170.109. Repealed.*

**690-170.109 Selection of the Arbitration Panel.**

(1) Rate filing arbitration proceedings shall be conducted before a panel consisting of three arbitrators appointed pursuant to these rules. The initiating party and the Office shall each appoint one arbitrator, and the two party appointed arbitrators shall then appoint the third arbitrator. All appointments shall be in the manner specified in these rules.

(2) The American Arbitration Association maintains a panel of rate filing arbitrators consisting of individuals nominated to the panel by either an insurer authorized to transact insurance in Florida or by the Office, or designated to serve as a party appointed arbitrator in a rate filing arbitration.

(3) The American Arbitration Association maintains a panel of neutral rate filing arbitrators consisting of individuals designated by the American Arbitration Association from the National Panel of Commercial Arbitrators, deemed by the American Arbitration Association capable of comprehending the technical and substantive issues likely to be raised in a rate filing arbitration.

(4) Within ten (10) days from the filing of a Demand for Arbitration, the initiating party and the Office shall respectively file a Notice with the name and address of the arbitrator designated by each to serve on the panel as a party designated arbitrator.

(5) Upon the filing of the Notice referred to in subsection four (4) of this rule, the American Arbitration Association shall promptly designate three candidates from the panel of neutral rate filing arbitrators referred to in subsection three (3) of this rule, and shall notify such selection to the parties and the party appointed arbitrators. Upon mutual agreement, the parties may select a neutral arbitrator not so designated, but who is on the panel of neutral rate filing arbitrators.

(6) Within ten (10) days from the filing of the Notice referred to in subsection four (4) of this rule, the party appointed arbitrators shall select the third or neutral arbitrator from the list of three candidates designated by the American Arbitration Association. Each party appointed arbitrator shall strike one name from the list of three candidates submitted by the American Arbitration Association. The neutral arbitrator shall be the one remaining arbitrator on the list whose name was not stricken. The party appointed arbitrators shall certify the designation by filing a Notice with the name and address of the neutral arbitrator, who shall act as the chairperson of the arbitration panel.

(7) A neutral arbitrator serving as a member of an arbitration panel in a rate filing arbitration must immediately disclose to the parties any circumstance that may affect such arbitrator's impartiality, including bias, prejudice, a financial or personal interest in the result of the arbitration, and/or any past or present relationship with any of the parties, their affiliates, subsidiaries or representatives.

(8) An arbitrator that withdraws, is removed by the American Arbitration Association or is otherwise unable to serve, may only be substituted in the manner provided in this rule for such arbitrator's initial appointment.

*Specific Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97, Formerly 4-170.109.*

690-170.111 Scope of the Evidence in a Rate Filing Arbitration.

*Rulemaking Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97,  
Formerly 4-170.111, Repealed.*

~~690-170.111 Scope of the Evidence in a Rate Filing Arbitration.~~

~~(1) The purpose of the rate filing arbitration process is to review the propriety of agency action with respect to a rate filing submitted pursuant to Section 627.062, F.S. In conducting the review, the arbitration panel shall be bound by the provisions of Section 627.062, F.S.~~

~~(2) If the arbitration is to review agency action concerning a "file and use" rate filing, as defined in Section 627.062(2)(a)1., F.S., the arbitration panel may consider any evidence that the parties propose and that is deemed relevant and material by the arbitration panel.~~

~~(3) If the arbitration is to review agency action concerning a "use and file" rate filing, as defined in Section 627.062(2)(a)2., F.S., the arbitration panel may only consider evidence that was submitted by the rate proponent to the Office during the administrative rate filing approval process, including any evidence submitted to the Office in response to a deficiency letter or a request for additional information letter issued by the Office in connection with such rate filing. The arbitration panel shall not consider evidence consisting of experience or expense data relating to periods subsequent to the rate implementation. Evidence not formally submitted to the Office during the "use and file" rate approval proceeding shall be inadmissible in any rate filing arbitration, unless the parties stipulate otherwise.~~

*Specific Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97, Formerly 4-170.111.*

690-170.113 Computation of Time; Service by Mail.

*Rulemaking Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97,  
Formerly 4-170.113, Repealed.*

~~690-170.113 Computation of Time; Service by Mail.~~

~~(1) In computing any period of time prescribed or allowed by these rules, by order of the arbitration panel or by any applicable statute, the day of the act from which the designated period of time begins to run shall not be included. The last day of the period shall be included unless it is a Saturday, Sunday or legal holiday in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or legal holiday. As used in these rules, "legal holiday" means those days designated in Section 110.117, F.S.~~

~~(2) Unless otherwise ordered by the arbitration panel, when a party is required or permitted to do an act within a prescribed period after the service of a paper upon that party and the paper is served by mail, five days shall be added to the prescribed period.~~

*Specific Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97, Formerly 4-170.113.*

690-170.115 Filing and Service of Papers; Signing.

*Rulemaking Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97,  
Formerly 4-170.115, Repealed.*

**~~690-170.115 Filing and Service of Papers; Signing.~~**

(1) Unless specifically ordered or provided otherwise by these rules, true and complete copies of every pleading or other paper or object filed in the arbitration proceeding shall be served on the adverse party. A pleading or other paper is considered filed when the original thereof is received by the Orlando Regional Office of the American Arbitration Association.

(2) In construing these rules, any applicable statute, or any order of the arbitration panel, "filing" shall mean receipt by the Orlando Regional Office of the American Arbitration Association during normal business hours or by the arbitration panel during the course of a hearing. Any pleading or other document filed after 5:00 p.m. Eastern Standard Time shall be deemed filed as of 8:00 a.m. Eastern Standard Time on the next regular business day.

(3) When service is required or permitted to be made upon a party represented by an attorney, service shall be made upon the attorney or representative unless service upon the party is ordered by the arbitration panel. Service on the attorney, the party not represented by an attorney, or the non-attorney representative, shall be made by personal delivery or by United States mail, postage prepaid, with a copy to the attorney, representative, or party, at that person's last known address.

*Specific Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97, Formerly 4-170.115.*

690-170.117 Discovery.

*Rulemaking Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97,  
Formerly 4-170.117, Repealed.*

~~69Q-170.117 Discovery.~~

~~(1) It is intended that the discovery process shall be used sparingly and only for the discovery of matters that are reasonably necessary for, or that may lead to, a just, fair and speedy disposition of the arbitration proceeding. Parties may obtain discovery only upon the prior approval of the arbitration panel. A motion to conduct discovery shall describe with specificity the subject matter of the discovery being sought, the method(s) by which such discovery will be accomplished and the reasons why such discovery should be allowed. The arbitration panel may issue any appropriate order(s) to effectuate the purposes of discovery, to prevent unnecessary delay, to limit the scope of the discovery being sought, and to implement these rules and the AAA Rules.~~

~~(2) Parties may obtain discovery only through the means provided in the Florida Rules of Civil Procedure.~~

~~(3) A party may seek enforcement of an order directing discovery by filing a petition for enforcement in any circuit court in Leon County. A failure to comply with an order of the court may result in a finding of contempt of court.~~

*Specific Authority 627.062(6) FS. Law Implemented 627.062 FS. History--New 8-31-97, Formerly 4-170.117.*

690-170.119 Subpoenas and Witnesses; Fees.

*Rulemaking Authority 627.062(6) FS. Law Implemented 627.062 FS. History--New 8-31-97,  
Formerly 4-170.119, Repealed.*

**690-170.119 Subpoenas and Witnesses; Fees.**

(1) It is the intent of these rules that subpoenas be used sparingly and unless good cause is shown, only for the expeditious handling of the arbitration proceeding.

(2) Subpoenas requiring the attendance of witnesses or production of records, files and memoranda from any place in the state, at any designated place of hearing before the arbitration panel for the purpose of taking the testimony of such witness or inspection of documents, may be issued by the arbitration panel, pursuant to Section 682.08(1), F.S.

(3) Any person subject to a subpoena may, before compliance and on timely motion or petition, request the arbitration panel to invalidate the subpoena on the ground that it was not lawfully issued, is unreasonably broad in scope, or requires the production of material beyond the scope of the arbitration.

(4) A party may seek enforcement of a subpoena by filing a petition for enforcement in the circuit court of the judicial circuit in which the person failing to comply with the subpoena or order resides. A failure to comply with an order of the court may result in a finding of contempt of court. However, no person shall be in contempt while a subpoena is being challenged.

(5) Any person subject to a subpoena may seek a protective order or seek to invalidate or quash the subpoena on the ground that it was not lawfully issued, is unreasonably broad in scope, or requires the production of material beyond the scope of the arbitration, by filing a petition in the circuit court of the judicial circuit in which such person resides or has a principal place of business.

(6) A subpoena may be served by any person authorized by law to serve process or by any person who is not a party and is of majority age. Service shall be made in the manner provided by law for service of subpoenas issued by the circuit courts of Florida. Proof of such service shall be made by affidavit of the person making service.

(7) All witnesses, other than public employees subpoenaed to appear in their official capacity, appearing pursuant to a subpoena shall be paid such fees and mileage for their attendance as is provided in civil actions in circuit courts of this state. In the case of a public employee, such expenses shall be processed and paid in the manner provided for agency employee travel expense reimbursement. In the case of a witness who is not a public employee, payment of such fees and expenses shall accompany the subpoena.

*Specific Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97, Formerly 4-170.119.*

690-170.121 Official Recognition of Facts.

*Rulemaking Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97,  
Formerly 4-170.121, Repealed.*

~~690-170.121 Official Recognition of Facts.~~

In reaching a decision, the arbitration panel may take official notice of and find as true without proof, any fact which may be judicially noticed by the state courts of Florida.

*Specific Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97, Formerly 4-170.121.*

690-170.123 Motion Hearings by Telephone.

*Rulemaking Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97,  
Formerly 4-170.123, Repealed.*

~~690-170.123 Motion Hearings by Telephone.~~

~~The arbitration panel may, with or without the agreement of the parties, conduct any proceeding or hearing permitted under these rules, except an evidentiary hearing, by telephone conference.~~

~~Specific Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97, Formerly 4-170.123.~~

690-170.126 Pre-hearing Conference; Pre-hearing Stipulation.

*Rulemaking Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97, Formerly 4-170.126, Repealed.*

**690-170.126 Pre-hearing Conference; Pre-hearing Stipulation.**

(1) The arbitration panel may direct the parties to confer for the purpose of clarifying and simplifying issues, discussing the possibility of settlement, examining documents and other exhibits, exchanging names and addresses of witnesses, resolving other procedural matters, and entering into a pre-hearing stipulation.

(2) At the discretion of the arbitration panel, one or more pre-hearing conferences may be convened on the arbitration panel's own initiative or on the motion of any party. At the pre-hearing conference, the arbitration panel may:

- (a) Rule on all pending motions;
- (b) Schedule the service of motions or pleadings;
- (c) Set or reset the time for motion hearings or final hearing;
- (d) Schedule, limit, order or expedite discovery;
- (e) Require each party to identify all known witnesses that may be called;
- (f) Indicate the subject matter of the testimony of all witnesses;
- (g) Require each party to identify all known exhibits, specify contents and identify separately each component of any composite exhibit;
- (h) Require each party to state its basic position in the proceeding;
- (i) Require each party to state each fact that the party considers in dispute;
- (j) Require each party to state the issues of law the party considers in dispute;
- (k) Require the parties to state the issues of fact and law to which they may have stipulated; or
- (l) Take any other action to further the progress of the arbitration.

(3) The arbitration panel may direct the parties to hold a pre-hearing conference and prepare and submit a pre-hearing stipulation on any or all matters described in this rule above.

(4) The arbitration panel may enter an order reciting the actions taken at a pre-hearing conference and any stipulations made. Any such order shall govern the subsequent course of the proceeding, unless modified to prevent manifest injustice.

*Specific Authority 627.062(6) FS. Law Implemented 627.062 FS. History--New 8-31-97, Formerly 4-170.126.*

690-170.127 Notice of Final Hearing; Scheduling.

*Rulemaking Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97,  
Formerly 4-170.127, Repealed.*

~~690-170.127 Notice of Final Hearing; Scheduling.~~

~~(1) The arbitration panel shall set the date, time, place and duration of all hearings. No less than 10 days notice shall be given for the final evidentiary hearing, unless otherwise agreed to by the parties and the arbitration panel.~~

~~(2) Unless otherwise stipulated by the parties with the consent of the arbitration panel, the final hearing shall be held no more than sixty (60) days after the date that the initial Demand for Arbitration was filed.~~

~~Specific Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97, Formerly 4-170.127.~~

690-170.129 Conduct of Proceedings.

*Rulemaking Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97,  
Formerly 4-170.129, Repealed.*

~~690-170.129 Conduct of Proceedings.~~

~~(1) The failure or refusal of a party to comply with the provisions of these rules or any lawful order of the arbitration panel may subject a party to the striking of briefs or pleadings or the denial of oral argument.~~

~~(2) The failure or refusal of an initiating party to comply with any lawful order of the arbitration panel, or with any applicable provision of these rules or the AAA Rules, may be cause for dismissal of the arbitration proceeding by the arbitration panel. The dismissal of an arbitration pursuant to this rule shall not be considered as a decision on the merits.~~

~~(3) If a party fails to appear at the final hearing after due notice, the arbitration panel shall hold the hearing, make a decision and render a final award based on admissible evidence presented by the party in attendance and on any documentation, legal memoranda and pleadings in the arbitration record.~~

~~(4) Consistent with these rules, the arbitration panel before whom the case is pending may issue any lawful order necessary to prevent delay, and to promote the just, speedy and inexpensive determination of the arbitration proceeding.~~

*Specific Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97, Formerly 4-170.129.*

690-170.131 Conduct of Formal Hearing; Evidence.

*Rulemaking Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97,  
Formerly 4-170.131, Repealed.*

**690-170.131 Conduct of Formal Hearing; Evidence.**

(1) Each party shall have the right to present evidence, cross-examine the other party's witnesses, enter objections, rebut the evidence presented against the party, to impeach any witness regardless of which party first called the witness, and assert all other rights essential to a fair hearing. Witnesses shall be examined under oath or affirmation.

(2) Any member of the arbitration panel may administer oaths. Oral testimony shall be taken only upon oath or affirmation.

(3) The arbitration panel shall open the hearing by stating the case number, the place, time and date of the hearing, the identities of the arbitrators, parties and counsel, if any; and shall inquire of the parties the identities of their witnesses, if any, and set forth the procedures to be followed during the hearing.

(4) The petitioner shall present its evidence and witnesses, then the respondent shall present its evidence and witnesses. The arbitration panel may vary the order of presentation of evidence if deemed appropriate.

(5) Each party may cross-examine all witnesses upon completion of the witnesses' direct testimony. The arbitration panel or any arbitrator may direct questions to any party or witness at any time. The arbitration panel shall restrict the inquiry of any person to the scope of the proceedings.

(6) The rules of evidence shall not apply. Except as provided in these rules, any relevant evidence shall be admitted if it is the kind of evidence on which reasonable, prudent persons are accustomed to rely on in the conduct of their affairs. Hearsay evidence may be used to supplement or explain other evidence, but shall not be sufficient in itself to support a finding, unless the hearsay evidence would be admissible over objection in a civil action. The rules of privilege shall be effective to the same extent that they are now or hereafter may be recognized in civil actions. Irrelevant and unduly repetitious evidence may be excluded.

(7) All exhibits shall be identified as petitioner's exhibits, respondent's exhibits, or as joint exhibits and shall be so marked in the order received and made a part of the record. Whenever practicable, demonstrative and physical evidence shall be labeled and placed in the record; otherwise, it shall be described in detail on the record by the arbitration panel.

(8) Documentary evidence may be received in the form of a photocopy.

(9) If during the course of a hearing the arbitration panel determines that additional evidence is necessary in order to render a fair and accurate decision, the arbitration panel may continue the hearing for up to ten days, to allow a party to obtain the evidence. Only one such continuance shall be granted.

(10) The arbitration panel may: seek out witnesses and experts to aid in the determination of the case or direct the parties to produce such additional documents or witnesses as the arbitration panel may feel is necessary for a better understanding of the controversies.

*Specific Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97, Formerly 4-170.131.*

690-170.133 Post-hearing Memorandum.

*Rulemaking Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97,  
Formerly 4-170.133, Repealed.*

~~690-170.133 Post-hearing Memorandum.~~

~~The arbitration panel may, in its discretion, afford the parties an opportunity to submit proposed findings of fact, conclusions of law, and proposed orders, or legal briefs or memoranda on the issues. Such proposals, briefs and memoranda shall all be filed within a time designated by the arbitration panel but in no event later than thirty days from the conclusion of the arbitration hearing.~~

~~Specific Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97, Formerly 4-170.133.~~

690-170.135 Final Decision and Award.

*Rulemaking Authority 627.062(6) FS. Law Implemented 627.062 FS. History—New 8-31-97,  
Formerly 4-170.135, Repealed.*

**690-170.135 Final Decision and Award.**

(1) The arbitration panel shall file its final decision or award within 30 days from the date of the commencement of the final evidentiary hearing, unless the parties agree otherwise. The award or decision shall be in writing, shall be signed by no less than two members of the arbitration panel and shall include a certificate of service which shall show the date of mailing of a copy of the final decision and award to the parties.

(2) The award or decision shall be based solely upon matters properly in the record.

(3) Where applicable, the final decision or award shall require that any action required be completed within a specified time from rendition.

(4) The final decision or award shall include notice of the right any party may have to initiate judicial proceedings under Sections 682.13, F.S., or 682.14, F.S.

(5) The decision or award shall be final and binding upon the parties, unless judicial proceedings are initiated pursuant to Sections 682.13, F.S., or 682.14, F.S.

(6) The decision or award may only either affirm, reverse or modify the rate filing agency action that is the subject of the arbitration. If the decision or award reverses or modifies agency action, it shall provide that the matter be remanded for further agency action consistent with the decision or award. If appropriate, the decision or award may provide for a rate premium refund to policyholders or for the implementation of a rate adjustment.

(7) The decision or award may not impose on the Office an obligation to pay any monetary amount. The Office shall not be liable for any costs, expenses or fees related to or associated with the rate filing arbitration.

*Specific Authority 627.062(6) FS. Law Implemented 627.062 FS. History--New 8-31-97, Formerly 4-170.135.*

690-170.137 Related Laws and Rules.

*Rulemaking Authority 627.062(6) FS. Law Implemented 627.062 FS. History--New 8-31-97,  
Formerly 4-170.137, Repealed.*

~~690-170.137 Related Laws and Rules.~~

~~In addition to the statutes and rules referenced herein, all rate filings shall be subject to all other applicable provisions of the Insurance Code and Office rules. Nothing in these rules is intended to relieve compliance with applicable rate filing statutes and rules.~~

~~Specific Authority 627.062(6) FS. Law Implemented 627.062 FS. History ~~New 8-31-97, Formerly 4-170.137.~~~~

Rulemaking Authority

627.062

Rate standards.

(6)(a)

If an insurer requests an administrative hearing pursuant to s. 120.57 related to a rate filing under this section, the director of the Division of Administrative Hearings shall expedite the hearing and assign an administrative law judge who shall commence the hearing within 30 days after the receipt of the formal request and shall enter a recommended order within 30 days after the hearing or within 30 days after receipt of the hearing transcript by the administrative law judge, whichever is later. Each party shall be allowed 10 days in which to submit written exceptions to the recommended order. The office shall enter a final order within 30 days after the entry of the recommended order. The provisions of this paragraph may be waived upon stipulation of all parties.

(b)

Upon entry of a final order, the insurer may request a expedited appellate review pursuant to the Florida Rules of Appellate Procedure. It is the intent of the Legislature that the First District Court of Appeal grant an insurer's request for an expedited appellate review.

627.062

Rate standards.

(1)

The rates for all classes of insurance to which the provisions of this part are applicable shall not be excessive, inadequate, or unfairly discriminatory.

(2)

As to all such classes of insurance:

(a)

Insurers or rating organizations shall establish and use rates, rating schedules, or rating manuals to allow the insurer a reasonable rate of return on such classes of insurance written in this state. A copy of rates, rating schedules, rating manuals, premium credits or discount schedules, and surcharge schedules, and changes thereto, shall be filed with the office under one of the following procedures except as provided in subparagraph 3.:

1.

If the filing is made at least 90 days before the proposed effective date and the filing is not implemented during the office's review of the filing and any proceeding and judicial review, then such filing shall be considered a "file and use" filing. In such case, the office shall finalize its review by issuance of a notice of intent to approve or a notice of intent to disapprove within 90 days after receipt of the filing. The notice of intent to approve and the notice of intent to disapprove constitute agency action for purposes of the Administrative Procedure Act. Requests for supporting information, requests for mathematical or mechanical corrections, or notification to the insurer by the office of its preliminary findings shall not toll the 90-day period during any such proceedings and subsequent judicial review. The rate shall be deemed approved if the office does not issue a notice of intent to approve or a notice of intent to disapprove within 90 days after receipt of the filing.

2.

If the filing is not made in accordance with the provisions of subparagraph 1., such filing shall be made as soon as practicable, but no later than 30 days after the effective date, and shall be considered a "use and file" filing. An insurer making a "use and file" filing is potentially subject to an order by the office to return to policyholders portions of rates found to be excessive, as provided in paragraph (h).

3.

For all property insurance filings made or submitted after January 25, 2007, but before December 31, 2010, an insurer seeking a rate that is greater than the rate most recently approved by the office shall make a "file and use" filing. For purposes of this subparagraph, motor vehicle collision and comprehensive coverages are not considered to be property coverages.

(b)

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

1.

Past and prospective loss experience within and without this state.

2.

Past and prospective expenses.

3.

The degree of competition among insurers for the risk insured.

4.

Investment income reasonably expected by the insurer, consistent with the insurer's investment practices, from investable premiums anticipated in the filing, plus any other expected income from currently invested assets representing the amount expected on unearned premium reserves and loss reserves. The commission may adopt rules using reasonable techniques of actuarial science and economics to specify the manner in which insurers shall calculate investment income attributable to such classes of insurance written in this state and the manner in which such investment income shall be used to calculate insurance rates. Such manner shall contemplate allowances for an underwriting profit

factor and full consideration of investment income which produce a reasonable rate of return; however, investment income from invested surplus may not be considered.

5.

The reasonableness of the judgment reflected in the filing.

6.

Dividends, savings, or unabsorbed premium deposits allowed or returned to Florida policyholders, members, or subscribers.

7.

The adequacy of loss reserves.

8.

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

9.

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

10.

Conflagration and catastrophe hazards, if applicable.

11.

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

12.

A reasonable margin for underwriting profit and contingencies.

13.

The cost of medical services, if applicable.

14.

Other relevant factors which impact upon the frequency or severity of claims or upon expenses.

(c)

In the case of fire insurance rates, consideration shall be given to the availability of water supplies and the experience of the fire insurance business during a period of not less than the most recent 5-year period for which such experience is available.

(d)

If conflagration or catastrophe hazards are given consideration by an insurer in its rates or rating plan, including surcharges and discounts, the insurer shall establish a reserve for that portion of the premium allocated to such hazard and shall maintain the premium in a catastrophe reserve. Any removal of such premiums from the reserve for purposes other than paying claims associated with a catastrophe or purchasing reinsurance for catastrophes shall be subject to approval of the office. Any ceding commission received by an insurer purchasing reinsurance for catastrophes shall be placed in the catastrophe reserve.

(e)

After consideration of the rate factors provided in paragraphs (b), (c), and (d), a rate may be found by the office to be excessive, inadequate, or unfairly discriminatory based upon the following standards:

1.

Rates shall be deemed excessive if they are likely to produce a profit from Florida business that is unreasonably high in relation to the risk involved in the class of business or if expenses are unreasonably high in relation to services rendered.

2.

Rates shall be deemed excessive if, among other things, the rate structure established by a stock insurance company provides for replenishment of surpluses from premiums, when the replenishment is attributable to investment losses.

3.

Rates shall be deemed inadequate if they are clearly insufficient, together with the investment income attributable to them, to sustain projected losses and expenses in the class of business to which they apply.

4.

A rating plan, including discounts, credits, or surcharges, shall be deemed unfairly discriminatory if it fails to clearly and equitably reflect consideration of the policyholder's participation in a risk management program adopted pursuant to s. 627.0625.

5.

A rate shall be deemed inadequate as to the premium charged to a risk or group of risks if discounts or credits are allowed which exceed a reasonable reflection of expense savings and reasonably expected loss experience from the risk or group of risks.

6.

A rate shall be deemed unfairly discriminatory as to a risk or group of risks if the application of premium discounts, credits, or surcharges among such risks does not bear a reasonable relationship to the expected loss and expense experience among the various risks.

(f)

In reviewing a rate filing, the office may require the insurer to provide at the insurer's expense all information necessary to evaluate the condition of the company and the reasonableness of the filing according to the criteria enumerated in this section.

(g)

The office may at any time review a rate, rating schedule, rating manual, or rate change; the pertinent records of the insurer; and market conditions. If the office finds on a preliminary basis that a rate may be excessive, inadequate, or unfairly discriminatory, the office shall initiate proceedings to disapprove the rate and shall so notify the insurer. However, the office may not disapprove as excessive any rate for which it has given final approval or which has been deemed approved for a period of 1 year after the effective date of the filing unless the office finds that a material misrepresentation or material error was made by the insurer or was contained in the filing. Upon being so notified, the insurer or rating organization shall, within 60 days, file with the office all information which, in the belief of the insurer or organization, proves the reasonableness, adequacy, and fairness of the rate or rate change. The office shall issue a notice of intent to approve or a notice of intent to disapprove pursuant to the procedures of paragraph (a) within 90 days after receipt of the insurer's initial response. In such instances and in any administrative proceeding relating to the legality of the rate, the insurer or rating organization shall carry the burden of proof by a preponderance of the evidence to show that the rate is not excessive, inadequate, or unfairly discriminatory. After the office notifies an insurer that a rate may be excessive, inadequate, or unfairly discriminatory, unless the office withdraws the notification, the insurer shall not alter the rate except to conform with the office's notice until the earlier of 120 days after the date the notification was provided or 180 days after the date of the implementation of the rate. The office may, subject to chapter 120, disapprove without the 60-day notification any rate increase filed by an insurer within the prohibited time period or during the time that the legality of the increased rate is being contested.

(h)

In the event the office finds that a rate or rate change is excessive, inadequate, or unfairly discriminatory, the office shall issue an order of disapproval specifying that a new rate or rate schedule which responds to the findings of the office be filed by the insurer. The office shall further order, for any "use and file" filing made in accordance with subparagraph (a)2., that premiums charged each policyholder constituting the portion of the rate above that which was actuarially justified be returned to such policyholder in the form of a credit or refund. If the office finds that an insurer's rate or rate change is inadequate, the new rate or rate schedule filed with the office in response to such a finding shall be applicable only to new or renewal business of the insurer written on or after the effective date of the responsive filing.

(i)

Except as otherwise specifically provided in this chapter, the office shall not prohibit any insurer, including any residual market plan or joint underwriting association, from paying acquisition costs based on the full amount of premium, as defined in s. 627.403, applicable to any policy, or prohibit any such insurer from including the full amount of acquisition costs in a rate filing.

(j)

With respect to residential property insurance rate filings, the rate filing must account for mitigation measures undertaken by policyholders to reduce hurricane losses.

(k)1.

An insurer may make a separate filing limited solely to an adjustment of its rates for reinsurance or financing costs incurred in the purchase of reinsurance or financing products to replace or finance the payment of the amount covered by the Temporary Increase in Coverage Limits (TICL) portion of the Florida Hurricane Catastrophe Fund including replacement reinsurance for the TICL reductions made pursuant to s. 215.555(17)(e); the actual cost paid due to the application of the TICL premium factor pursuant to s. 215.555(17)(f); and the actual cost paid due to the application of the cash build-up factor pursuant to s. 215.555(5)(b) if the insurer:

a.

Elects to purchase financing products such as a liquidity instrument or line of credit, in which case the cost included in the filing for the liquidity instrument or line of credit may not result in a premium increase exceeding 3 percent for any individual policyholder. All costs contained in the filing may not result in an overall premium increase of more than 10 percent for any individual policyholder.

b.

Includes in the filing a copy of all of its reinsurance, liquidity instrument, or line of credit contracts; proof of the billing or payment for the contracts; and the calculation upon which the proposed rate change is based demonstrates that the costs meet the criteria of this section and are not loaded for expenses or profit for the insurer making the filing.

c.

Includes no other changes to its rates in the filing.

d.

Has not implemented a rate increase within the 6 months immediately preceding the filing.

e.

Does not file for a rate increase under any other paragraph within 6 months after making a filing under this paragraph.

f.

That purchases reinsurance or financing products from an affiliated company in compliance with this paragraph does so only if the costs for such reinsurance or financing products are charged at or below charges made for comparable coverage by nonaffiliated reinsurers or financial entities making such coverage or financing products available in this state.

2.

An insurer may only make one filing in any 12-month period under this paragraph.

3.

An insurer that elects to implement a rate change under this paragraph must file its rate filing with the office at least 45 days before the effective date of the rate change. After an insurer submits a complete filing that meets all of the requirements of this paragraph, the office has 45 days after the date of the filing to review the rate filing and determine if the rate is excessive, inadequate, or unfairly discriminatory.

The provisions of this subsection shall not apply to workers' compensation and employer's liability insurance and to motor vehicle insurance.

(3)(a)

For individual risks that are not rated in accordance with the insurer's rates, rating schedules, rating manuals, and underwriting rules filed with the office and which have been submitted to the insurer for individual rating, the insurer must maintain documentation on each risk subject to individual risk rating. The documentation must identify the named insured and specify the characteristics and classification of the risk supporting the reason for the risk being individually risk rated, including any modifications to existing approved forms to be used on the risk. The insurer must maintain these records for a period of at least 5 years after the effective date of the policy.

(b)

Individual risk rates and modifications to existing approved forms are not subject to this part or part II, except for paragraph (a) and ss. 627.402, 627.403, 627.4035, 627.404, 627.405, 627.406, 627.407, 627.4085, 627.409, 627.4132, 627.4133, 627.415, 627.416, 627.417, 627.419, 627.425, 627.426, 627.4265, 627.427, and 627.428, but are subject to all other applicable provisions of this code and rules adopted thereunder.

(c)

This subsection does not apply to private passenger motor vehicle insurance.

(d)1.

The following categories or kinds of insurance and types of commercial lines risks are not subject to paragraph (2)(a) or paragraph (2)(f):

a.

Excess or umbrella.

b.

Surety and fidelity.

c.

Boiler and machinery and leakage and fire extinguishing equipment.

d.

Errors and omissions.

e.

Directors and officers, employment practices, and management liability.

f.

Intellectual property and patent infringement liability.

g.

Advertising injury and Internet liability insurance.

h.

Property risks rated under a highly protected risks rating plan.

i.

Any other commercial lines categories or kinds of insurance or types of commercial lines risks that the office determines should not be subject to paragraph (2)(a) or paragraph (2)(f) because of the existence of a competitive market for such insurance, similarity of such insurance to other categories or kinds of insurance not subject to paragraph (2)(a) or paragraph (2)(f), or to improve the general operational efficiency of the office.

2.

Insurers or rating organizations shall establish and use rates, rating schedules, or rating manuals to allow the insurer a reasonable rate of return on insurance and risks described in subparagraph 1. which are written in this state.

3.

An insurer must notify the office of any changes to rates for insurance and risks described in subparagraph 1. no later than 30 days after the effective date of the change. The notice must include the name of the insurer, the type or kind of insurance subject to rate change, total premium written during the immediately preceding year by the insurer for the type or kind of insurance subject to the rate change, and the average statewide percentage change in rates. Underwriting files, premiums, losses, and expense statistics with regard to insurance and risks described in subparagraph 1. written by an insurer shall be maintained by the insurer and subject to examination by the office. Upon examination, the office shall, in accordance with generally accepted and reasonable actuarial techniques, consider the rate factors in paragraphs (2)(b), (c), and (d) and the standards in paragraph (2)(e) to determine if the rate is excessive, inadequate, or unfairly discriminatory.

4.

A rating organization must notify the office of any changes to loss cost for insurance and risks described in subparagraph 1. no later than 30 days after the effective date of the change. The notice must include the name of the rating organization, the type or kind of insurance subject to a loss cost change, loss costs during the immediately preceding year for the type or kind of insurance subject to the loss cost change, and the average statewide percentage change in loss cost. Loss and exposure

statistics with regard to risks applicable to loss costs for a rating organization not subject to paragraph (2)(a) or paragraph (2)(f) shall be maintained by the rating organization and are subject to examination by the office. Upon examination, the office shall, in accordance with generally accepted and reasonable actuarial techniques, consider the rate factors in paragraphs (2)(b)-(d) and the standards in paragraph (2)(e) to determine if the rate is excessive, inadequate, or unfairly discriminatory.

5.

In reviewing a rate, the office may require the insurer to provide at the insurer's expense all information necessary to evaluate the condition of the company and the reasonableness of the rate according to the applicable criteria described in this section.

(4)

The establishment of any rate, rating classification, rating plan or schedule, or variation thereof in violation of part IX of chapter 626 is also in violation of this section. In order to enhance the ability of consumers to compare premiums and to increase the accuracy and usefulness of rate-comparison information provided by the office to the public, the office shall develop a proposed standard rating territory plan to be used by all authorized property and casualty insurers for residential property insurance. In adopting the proposed plan, the office may consider geographical characteristics relevant to risk, county lines, major roadways, existing rating territories used by a significant segment of the market, and other relevant factors. Such plan shall be submitted to the President of the Senate and the Speaker of the House of Representatives by January 15, 2006. The plan may not be implemented unless authorized by further act of the Legislature.

(5)

With respect to a rate filing involving coverage of the type for which the insurer is required to pay a reimbursement premium to the Florida Hurricane Catastrophe Fund, the insurer may fully recoup in its property insurance premiums any reimbursement premiums paid to the Florida Hurricane Catastrophe Fund, together with reasonable costs of other reinsurance, but except as otherwise provided in this section, may not recoup reinsurance costs that duplicate coverage provided by the Florida Hurricane Catastrophe Fund. An insurer may not recoup more than 1 year of reimbursement premium at a time. Any under-recoupment from the prior year may be added to the following year's reimbursement premium, and any over-recoupment shall be subtracted from the following year's reimbursement premium.

(6)(a)

If an insurer requests an administrative hearing pursuant to s. 120.57 related to a rate filing under this section, the director of the Division of Administrative Hearings shall expedite the hearing and assign an administrative law judge who shall commence the hearing within 30 days after the receipt of the formal request and shall enter a recommended order within 30 days after the hearing or within 30 days after receipt of the hearing transcript by the administrative law judge, whichever is later. Each party shall be allowed 10 days in which to submit written exceptions to the recommended order. The office shall enter a final order within 30 days after the entry of the recommended order. The provisions of this paragraph may be waived upon stipulation of all parties.

(b)

Upon entry of a final order, the insurer may request a expedited appellate review pursuant to the Florida Rules of Appellate Procedure. It is the intent of the Legislature that the First District Court of Appeal grant an insurer's request for an expedited appellate review.

(7)(a)

The provisions of this subsection apply only with respect to rates for medical malpractice insurance and shall control to the extent of any conflict with other provisions of this section.

(b)

Any portion of a judgment entered or settlement paid as a result of a statutory or common-law bad faith action and any portion of a judgment entered which awards punitive damages against an insurer may not be included in the insurer's rate base, and shall not be used to justify a rate or rate change. Any common-law bad faith action identified as such, any portion of a settlement entered as a result of a statutory or common-law action, or any portion of a settlement wherein an insurer agrees to pay specific punitive damages may not be used to justify a rate or rate change. The portion of the taxable costs and attorney's fees which is identified as being related to the bad faith and punitive damages in these judgments and settlements may not be included in the insurer's rate base and may not be utilized to justify a rate or rate change.

(c)

Upon reviewing a rate filing and determining whether the rate is excessive, inadequate, or unfairly discriminatory, the office shall consider, in accordance with generally accepted and reasonable actuarial techniques, past and present prospective loss experience, either using loss experience solely for this state or giving greater credibility to this state's loss data after applying actuarially sound methods of assigning credibility to such data.

(d)

Rates shall be deemed excessive if, among other standards established by this section, the rate structure provides for replenishment of reserves or surpluses from premiums when the replenishment is attributable to investment losses.

(e)

The insurer must apply a discount or surcharge based on the health care provider's loss experience or shall establish an alternative method giving due consideration to the provider's loss experience. The insurer must include in the filing a copy of the surcharge or discount schedule or a description of the alternative method used, and must provide a copy of such schedule or description, as approved by the office, to policyholders at the time of renewal and to prospective policyholders at the time of application for coverage.

(f)

Each medical malpractice insurer must make a rate filing under this section, sworn to by at least two executive officers of the insurer, at least once each calendar year.

(8)(a)1.

No later than 60 days after the effective date of medical malpractice legislation enacted during the 2003 Special Session D of the Florida Legislature, the office shall calculate a presumed factor that reflects the impact that the changes contained in such legislation will have on rates for medical malpractice insurance and shall issue a notice informing all insurers writing medical malpractice coverage of such presumed factor. In determining the presumed factor, the office shall use generally

accepted actuarial techniques and standards provided in this section in determining the expected impact on losses, expenses, and investment income of the insurer. To the extent that the operation of a provision of medical malpractice legislation enacted during the 2003 Special Session D of the Florida Legislature is stayed pending a constitutional challenge, the impact of that provision shall not be included in the calculation of a presumed factor under this subparagraph.

2.

No later than 60 days after the office issues its notice of the presumed rate change factor under subparagraph 1., each insurer writing medical malpractice coverage in this state shall submit to the office a rate filing for medical malpractice insurance, which will take effect no later than January 1, 2004, and apply retroactively to policies issued or renewed on or after the effective date of medical malpractice legislation enacted during the 2003 Special Session D of the Florida Legislature. Except as authorized under paragraph (b), the filing shall reflect an overall rate reduction at least as great as the presumed factor determined under subparagraph 1. With respect to policies issued on or after the effective date of such legislation and prior to the effective date of the rate filing required by this subsection, the office shall order the insurer to make a refund of the amount that was charged in excess of the rate that is approved.

(b)

Any insurer or rating organization that contends that the rate provided for in paragraph (a) is excessive, inadequate, or unfairly discriminatory shall separately state in its filing the rate it contends is appropriate and shall state with specificity the factors or data that it contends should be considered in order to produce such appropriate rate. The insurer or rating organization shall be permitted to use all of the generally accepted actuarial techniques provided in this section in making any filing pursuant to this subsection. The office shall review each such exception and approve or disapprove it prior to use. It shall be the insurer's burden to actuarially justify any deviations from the rates required to be filed under paragraph (a). The insurer making a filing under this paragraph shall include in the filing the expected impact of medical malpractice legislation enacted during the 2003 Special Session D of the Florida Legislature on losses, expenses, and rates.

(c)

If any provision of medical malpractice legislation enacted during the 2003 Special Session D of the Florida Legislature is held invalid by a court of competent jurisdiction, the office shall permit an adjustment of all medical malpractice rates filed under this section to reflect the impact of such holding on such rates so as to ensure that the rates are not excessive, inadequate, or unfairly discriminatory.

(d)

Rates approved on or before July 1, 2003, for medical malpractice insurance shall remain in effect until the effective date of a new rate filing approved under this subsection.

(e)

The calculation and notice by the office of the presumed factor pursuant to paragraph (a) is not an order or rule that is subject to chapter 120. If the office enters into a contract with an independent consultant to assist the office in calculating the presumed factor, such contract shall not be subject to the competitive solicitation requirements of s. 287.057.

(9)(a)

The chief executive officer or chief financial officer of a property insurer and the chief actuary of a property insurer must certify under oath and subject to the penalty of perjury, on a form approved by the commission, the following information, which must accompany a rate filing:

1.

The signing officer and actuary have reviewed the rate filing;

2.

Based on the signing officer's and actuary's knowledge, the rate filing does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading;

3.

Based on the signing officer's and actuary's knowledge, the information and other factors described in paragraph (2)(b), including, but not limited to, investment income, fairly present in all material respects the basis of the rate filing for the periods presented in the filing; and

4.

Based on the signing officer's and actuary's knowledge, the rate filing reflects all premium savings that are reasonably expected to result from legislative enactments and are in accordance with generally accepted and reasonable actuarial techniques.

(b)

A signing officer or actuary knowingly making a false certification under this subsection commits a violation of s. 626.9541(1)(e) and is subject to the penalties under s. 626.9521.

(c)

Failure to provide such certification by the officer and actuary shall result in the rate filing being disapproved without prejudice to be refiled.

(d)

The commission may adopt rules and forms pursuant to ss. 120.536(1) and 120.54 to administer this subsection.

(10)

The burden is on the office to establish that rates are excessive for personal lines residential coverage with a dwelling replacement cost of \$1 million or more or for a single condominium unit with a combined dwelling and contents replacement cost of \$1 million or more. Upon request of the office, the insurer shall provide to the office such loss and expense information as the office reasonably needs to meet this burden.

(11)

Any interest paid pursuant to s. 627.70131(5) may not be included in the insurer's rate base and may not be used to justify a rate or rate change.

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M E M O R A N D U M

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**DATE:** October 24, 2011  
**TO:** Kevin M. McCarty, Commissioner, Office of Insurance Regulation  
**THROUGH:** Belinda Miller, General Counsel  
**FROM:** Dennis Threadgill  
Bob Prentiss  
**SUBJECT:** Cabinet Agenda for November 15, 2011  
Request for Approval to Publish Amendments to  
Rule 69O-200.004,.005,.006,.009,.014,.015  
Auto Manufacturer Warranty Rules  
Assmt. # 112533-10

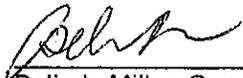
The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before November 4, 2011 and to the Financial Services Commission on November 15, 2011, with a request to approve for publication the proposed rules.

In Sections 634.011(7) and 634.041(12), Florida Statutes, the legislature created a new category of Motor Vehicle Service Agreement Companies: "Motor Vehicle Manufacturers." The purpose of the legislation was to *eliminate certain regulatory requirements* for these large corporations, under certain circumstances. These amendments address the legislative mandate to modify these rules and forms to incorporate this new category.

Sections 634.021, 634.041, 634.052, 634.121, 634.141, 634.416(1), 634.061, 634.071, 624.501, 634.161, 634.252, FS., provide rulemaking authority and laws implemented for this rule.

Jason Nelson is the attorney handling these rules. Attached are: 1) the proposed rule(s), 2) any incorporated materials, such as forms; and 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

This is the rule draft from the notice of proposed rulemaking.

69O-200.004: Qualification to Obtain and Hold a License

69O-200.005: Use of the Statutory Deposit

69O-200.006: Contractual Liability Insurers

69O-200.009: Form Filings

69O-200.014: Exemption From Financial Examination

69O-200.015: Forms Incorporated by Reference

69O-200.004 Qualification to Obtain and Hold a License.

(1) An applicant must submit legible fingerprint cards, investigative background checks and biographical statements on Form OIR-CI-1423422, incorporated by reference in Rule 69O-200.015, F.A.C., for the following:

(a) Officers, directors, and stockholders holding 10% or more of the outstanding voting stock of the applicant and of any company or entity which has control over the applicant;

(b) Officers and Directors of the applicant and of any company or entity having which has control over the applicant; and,

(c) Partners, members, sStockholders and other individuals holding a voting interest of 10% or more in any greater shares of outstanding stock of the applicant and any company or entity having direct or indirect which has control over the applicant.

(2) An applicant that is a motor vehicle manufacturer, as defined in Section 634.011(7), Florida Statutes, must submit legible fingerprint cards, investigative background checks and biographical statements on Form OIR-CI-1423 for all officers and directors of the applicant only.

(3)(2) Subsequent to the date of licensure, individuals who become associated with the motor vehicle service agreement company in any of the above capacities shall submit the information required in subsection (1) above; however, those individuals who become associated with an agreement company which:

(a) Manufacturers motor vehicles;

(b) Demonstrates it has they have a gap net worth in excess of \$100,000,000, as reported under generally accepted accounting principles (GAAP);

(c) Annually files with the Office a 10K Report; and,

(d) Annually notifies the Office in writing of any changes in officers (Executive Vice Presidents and above) and directors of the agreement company, shall be exempt from the requirements of subsection (1).

(4) Individuals named as officers or directors of a motor vehicle manufacturer licensee must within 45 days submit legible fingerprint cards, investigative background checks and biographical statements on Form OIR-C1-1423 for those officers and directors directly overseeing the Florida service contract operations, unless the licensee is exempt under subsection (3) above or subsection (7) below.

(5) In addition to background requirements for newly associated individuals, as noted in subsections (1) through (4) above, an acquisition filing pursuant to Section 628.4615, Florida Statutes, will require updates of previously filed background documentation for material changes.

(6)(3) Motor vehicle service agreement companies are required to notify the Office in writing within 15 days of any change in the corporate name, business name, address or phone number of the company.

(7)(4) The Office may, at its discretion, will waive any of the above provisions if the applicant or licensee can satisfy the Office that the documents are not required in determining if the individual(s) in question can manage the company and its affairs and is competent and trustworthy. The following criteria will be considered by the Office in making this determination:

- (a) The financial condition of the applicant or licensee;
- (b) The financial condition of the companies having control over the applicant or licensee;
- (c) The history and structure of the companies;
- (d) The A.M. Best rating of all insurance companies involved; and,
- (e) The position held by the individual(s) in question.

(8) Subsequent to the date of licensure, a motor vehicle service agreement company may submit in writing a request to the Office that, for future reporting and compliance requirements, it be recognized as a motor vehicle manufacturer as defined in Section 634.011(7), Chapter 634, F.S. Such request must be certified by an officer of the licensee and must include documentation that clearly sets forth how the licensee meets the definition in Section 634.011(7), F.S.

Rulemaking Specific Authority 634.021 FS. Law Implemented 634.041 FS. History--New 5-26-93, Formerly 4-200.004,

Amended \_\_\_\_\_.

690-200.005 Use of the Statutory Deposit.

The deposit required under Section 634.052, Florida Statutes, may be used in the funding of the 1510% reserve deposit required under Section 634.041~~(8)(a)(3)(12)~~, Florida Statutes.

Rulemaking Specific Authority 634.021 FS. Law Implemented 634.052 FS. History--New 5-26-93, Formerly 4-200.005, Amended \_\_\_\_\_.

#### 69O-200.006 Contractual Liability Insurers.

(1) The insurer issuing a contractual liability policy shall, prior to approval by the Office be a property and casualty insurer with a Florida certificate of authority which indicates it may write "other liability insurance" or "auto warranties."

(2) All insurers issuing contractual liability policies to motor vehicle service agreement companies must, at a minimum, use policy provisions providing policyholder protection substantially equivalent to and not materially in conflict with that provided in the sample contractual liability policy Form OIR-969, incorporated by reference in Rule 69O-200.015, F.A.C. A policy is in violation of this subsection only if it is in violation of a statute or rule.

Rulemaking Specific Authority 634.021 FS. Law Implemented 634.041 FS. History--New 5-26-93, Formerly 4-200.006, Amended \_\_\_\_\_.

#### 69O-200.009 Form Filings.

Rulemaking Specific Authority ~~634.021~~ ~~634.121~~ FS. Law Implemented ~~634.121~~ ~~634.021~~ FS. History--New 5-26-93, Formerly 4-200.009.

#### 69O-200.014 Exemption From Financial Examination.

(1) The Office may, upon receipt of a written request, grant an exemption from the financial examination required by Section 634.141, Florida Statutes.

(2) A company applying for exemption must first submit documentation that demonstrates that the company:

- (a) Has a statutory net worth in excess of \$500 million;
- (b) Has been licensed as a motor vehicle service agreement company for more than 6 years;
- (c) Is publicly traded on the New York Stock Exchange;
- (d) Files an annual report on the Office's form on or before March 1 of each year; and

(e) Files with the Office its current Form 10K and 10Q, within 30 days of filing with the Securities and Exchange Commission;

(f) ~~Annually by~~ On or before March 1, 1993 and in three-year intervals thereafter, files a written request for the exemption. This request for exemption shall be accompanied by an exemption fee of \$2000 to be deposited into the Chief Financial Officer's Regulatory Trust Fund.

(3) Motor vehicle manufacturers, as defined in Section 634.011(7), Florida Statutes, must only comply with paragraph (2)(f) above to apply for exemption from examination.

Rulemaking Specific Authority 634.021 FS. Law Implemented 634.141, 634.416, 634.1216 FS. History—New 5-26-93, Formerly 4-200.014, Amended \_\_\_\_\_.

690-200.015 Forms Incorporated by Reference.

(1) The following forms are incorporated into this rule chapter by reference to implement the provisions of Chapter 634, Part I, Florida Statutes:

Title	Form Number
(a) Application Cover Letter	OIR-CI-982 (02/92)
(b) Application Instructions	OIR-CI-994 (02/92)
(c) Application Checklist	OIR-CI-993 (02/92)
<del>(d) Invoice</del>	<del>OIR-CI-990 (02/92)</del>
<del>(d)(e) Fingerprint Fee Invoice</del>	OIR-CI-903 (09/91)
<del>(e)(f) Application for License as a Motor Vehicle Service Agreement Company</del>	OIR-CI-469 (02/92)
<del>(f)(g) Consent to Service of Process</del>	OIR-CI-144 (11/90)
<del>(g)(h) Resolution Form</del>	OIR-CI-514 (11/90)
<del>(h)(i) Statement of Acquisition</del>	OIR-CI-448 (05/89)
<del>(i)(j) Sample Contractual Liability Policy</del>	OIR-CI-969 (08/92)
<del>(j)(k) Instructions for Deposit</del>	OIR-CI-992 (05/94)
<del>(k)(l) List of Salesman</del>	OIR-CI-995 (02/92)

<del>(l)(m)</del> Management Information	OIR-CI-844 (10/91)
<del>(m)(n)</del> Stockholder Listing	OIR-CI-973 (10/91)
<del>(n)(e)</del> Biographical Statement	OIR-CI-1423422 (09/08) (11/90)
<del>(p)</del> Abbreviated Biographical	OIR-CI-449 (01/91)
<del>(o)(q)</del> Release of Information	OIR-CI-450 (08/92)
<del>(p)(r)</del> Equifax Instructions	OIR-CI-934 (10/91)
<del>(q)(s)</del> Fingerprint Instructions	OIR-CI-938 (04/91)
<del>(r)(t)</del> Annual Statement	OIR-A3-467 (01/92)
<del>(s)(u)</del> Quarterly Report	OIR-A3-466 (02/87)
<del>(t)(u)</del> Application for License Motor Vehicle Service Agreement Company Manufacturer.	OIR-A3-1983 (02/09)
<del>(u)(v)</del> Annual Report for Motor Vehicle Manufacturers.	OIR-A3-1984 (01/10) OIR-A3-1985 (01/10)
<del>(v)(w)</del> Application for Exemption from Field Examination.	OIR-A3-2019 (01/10)
<del>(w)(x)</del> Application for License Continuance Motor Vehicle Service Agreement Company.	

(2) These forms are effective on the dates referenced above. Copies of the forms may be obtained from the Office of Insurance Regulation at [www.floir.com](http://www.floir.com) (Type the form number into the search function).  
 Rulemaking Specific Authority 634.021 FS. Law Implemented 634.041, 634.061, 634.071, 624.501, 634.161, 634.252 FS.  
 History—New 6-25-90, Formerly 4-114.015, Amended 5-26-93, 6-6-94, Formerly 4-200.015, Amended \_\_\_\_\_.



**OFFICE OF INSURANCE REGULATION**

***Company Admissions***

**APPLICATION FOR LICENSE  
MOTOR VEHICLE SERVICE AGREEMENT COMPANY - MANUFACTURER**

This package is designed to assist individuals in preparing the application with all the information required by statute and to facilitate expeditious processing of the application by this Office. This package includes five (5) categories of information:

- |             |   |                           |
|-------------|---|---------------------------|
| Section I   | - | Application Fees and Form |
| Section II  | - | Legal                     |
| Section III | - | Financial                 |
| Section IV  | - | Management                |
| Section V   | - | Forms and Rates           |

Each of these sections is processed by different business units of the Office. It is extremely important that the application be completed in its entirety in the format specified.

**PLEASE NOTE: THE COMPLETED CHECK LIST MUST BE SUBMITTED WITH THE APPLICATION PACKAGE.**

You are required to have your forms and rates approved as a condition precedent to receiving a license. All forms submitted must be either printer's proofs or actual forms with the name and address of the applicant company imprinted or typed thereon.

The completed application package may be mailed to:

Office of Insurance Regulation  
Company Admissions  
200 East Gaines Street, Larson Building  
Tallahassee, FL 32399-0332

**In order for a submission to be considered a complete application, all required information must be included in the filing. Filings that do not include all required information will be disapproved or returned.**

**APPLICATION FOR LICENSE  
MOTOR VEHICLE SERVICE AGREEMENT COMPANY - MANUFACTURER**

**INSTRUCTIONS  
SECTION I - APPLICATION FEES AND FORM**

**Section I-1**    Application Fee

Applicants must pay an application filing fee of \$100. This fee is due and payable at the time of filing the application for licensure.

Secure your check to the INVOICE (included in this package) and send to:

Florida Department of Financial Services  
Bureau of Financial Services  
Post Office Box 6100  
Tallahassee, FL 32314-6100

Submit a COPY OF THE INVOICE and a COPY OF THE CHECK with your application filing. This procedure will expedite the processing of your application and assure a timely recording of the fee.

**Section I-2**    Fingerprint Fee

Applicants are required to prepay electronically for the processing of the fingerprint cards required in section IV-5. Please see form OIR-C1-938 for instructions. The fingerprint cards are to be submitted with the application filing.

Place a copy of your on-line payment confirmation along with the fingerprint cards in the management section (IV-5).

NOTE: Florida residents have the option of having their fingerprints digitally scanned rather than providing paper fingerprint cards. Please see form OIR-C1-938 for instructions.

**NOTE: Individuals who are non-U.S. citizens with no social security number should continue to submit payment of fingerprint fees per instructions in form OIR-C1-903.**

**Section I-3**    Application for License to Conduct Business in the State of Florida (Motor Vehicle Service Agreement Company) (Official Form)

Complete this form and have it signed by the President and Secretary of the company. An original signature and corporate seal are required on the application form submitted to the Office.

**APPLICATION FOR LICENSE  
MOTOR VEHICLE SERVICE AGREEMENT COMPANY - MANUFACTURER**

**INSTRUCTIONS  
SECTION II - LEGAL**

**Section II-1** Organizational Documents

Include in this section a certified copy of the applicant's organizational documents, including articles of incorporation, articles of association, partnership agreement, trust agreement, or other similar documents, together with all amendments to such documents. They must be certified by the state of domicile. The certification letter must be an original, recently certified by the state of domicile public official having custody of the original certificate.

**Section II-2** Certificate of Status from State of Domicile

Provide an original Certificate of Status obtained from the applicant's state of domicile public records custodian, generally the Secretary of State. This certificate should document that the applicant is duly organized and that all state taxes have been paid. The certificate must show good standing, be sealed by the state, and be a recently prepared document.

**Section II-3** Bylaws, Rules, Regulations, or Similar Documents

Submit copies of all of the applicant's bylaws, rules, regulations, or similar documents regulating the conduct of the applicant's internal affairs. Corporate bylaws must be recently sealed, signed, and dated by the Secretary of the applicant or their equivalents, if another type of entity.

**Section II-2** Certificate of Status from Florida Secretary of State

Foreign corporations are required to secure through the Florida Secretary of State authorization to do business in Florida. If you have questions concerning filing with the Florida Secretary of State, please contact their Division of Corporations at (850) 245-6053. The original certificate must be forwarded to the Office of Insurance Regulation as part of this application as proof of authorization.

**Section II-4** Fictitious Name Filing

If the applicant plans to utilize a fictitious name, provide documentation of compliance with the fictitious name states of this state. Contact the Florida Secretary of State at (850) 245-6058 for assistance in complying with this requirement.

**Section II-5** Service of Process Consent and Agreement (Official Form)

The Service of Process Consent and Agreement form (attached). NO signatures other than those of the President or Chief Executive Officer and the Secretary, or their equivalents, will be accepted, and the signatures must be under corporate seal.

**APPLICATION FOR LICENSE  
MOTOR VEHICLE SERVICE AGREEMENT COMPANY - MANUFACTURER**

**INSTRUCTIONS  
SECTION III - FINANCIAL**

**Section III-1** Financial Information

The applicant must submit a report providing information as to service agreements issued nationally and in Florida over the past 3 years. This report should be certified as true and correct by two officers and may not be more than twelve (12) months old. Additionally, a 3-year projection as to the volume of expected sales of service agreements, nationally and in Florida, should be submitted. All information should be reported both by Number of Contracts and by Dollar Volume of Gross Written Premium.

**Section III-2** Qualifications to File as Manufacturer:

Provide a statement indicating the category under which the Applicant qualifies as a Motor Vehicle Manufacturer.

- A. Manufactures or produces motor vehicles and sells motor vehicles under its own name or label; or,
- B. Is a subsidiary of an entity that manufactures or produces motor vehicles; or,
- C. Is a corporation that owns 100 percent of an entity that manufactures or produces motor vehicles.

**Section III-3** Plan of Operations

Provide a clear description of the proposed operations of the applicant and the goals it seeks to achieve. To fulfill this requirement, the plan of operations must consist of the following information:

- A. History: Prepare a brief history of the company, including any changes of ownership or changes in operations. Indicate any actions taken by governmental agencies that have or had jurisdiction over the company.
- B. Management: Applicant is to provide its service agreement experience in the areas of marketing, claims handling, accounting and investments.
- C. Products: Applicant should give a description of each product it plans to market and sell.
- D. Marketing and Growth: Applicant should furnish a plan of marketing including methods, rates, commissions, projected growth pattern and other pertinent information effecting marketing plans.

**Section III-4** States Where Applicant is Currently Doing Business

Provide a list of states in which it or affiliated companies conduct service agreement business.

**Section III-5** List of Proposed Sales Representatives (Form Enclosed)

The applicant should complete the attached form relating to proposed sales representatives. It is understood that many applicants do not have a complete sales force in place; however, this information should be provided to the best of your ability. Information on the licensing of salesmen may be obtained from the Bureau of Licensing by calling (850) 413-5376.

**APPLICATION FOR LICENSE  
MOTOR VEHICLE SERVICE AGREEMENT COMPANY - MANUFACTURER**

**INSTRUCTIONS  
SECTION IV - MANAGEMENT**

**ANY NAMES REQUESTED IN THIS SECTION SHOULD INCLUDE COMPLETE FIRST, MIDDLE AND LAST NAMES.**

**Section IV-1** List of All Officers, Directors and Shareholders

- A. List on the enclosed form, all Officers, Directors, and Shareholders (10% or more), the names of each officer, director, and person having direct or indirect control of the organization, including officers and directors up through the ultimate parent corporation or holding company. Use a separate form for each company.

Include on this form the names of each shareholder owning ten percent (10%) or more of any class of any outstanding stock of the organization, including shareholder owning ten percent (10%) or more up through the ultimate parent corporation, together with the percentage, number of shares, and class of shares held by each shareholder. If any 10% or greater owner is an entity other than a natural person, please list the owners, officers, directors, and managing members of this entity on the referenced forms. Use a separate form for each company.

- B. If the applicant is a subsidiary of a parent or holding company, provide an organization chart showing the relationship of all related corporations.
- C. Full names, including middle names, must be listed. Please state if a middle name does not exist.

**Section IV-2** Biographical Statement for Officers, Directors and Shareholders

Provide a biographical affidavit (Form OIR-C1-1423) for each officer and director of the applicant. All questions must be answered.

The requirement for the affiant's social security number as part of the Biographical Affidavit is mandatory. However, pursuant to sections 119.0721(5), Florida Statutes, social security numbers collected by an agency are confidential and exempt from section 119.07(1), Florida Statutes, and section 24(a), Art. I of the State Constitution and must be segregated on a separate page. Therefore, instead of including the SSN on page 6 of the NAIC form, please include the affiant's name and social security number on a separate page and attach it to the Biographical Affidavit. Also please stamp CONFIDENTIAL at the top and bottom of the separate page.

Section 119.071(5), Florida Statutes, gives authority for any agency to collect security numbers if imperative for the performance of that agency's duties and responsibilities as prescribed by law. Limited collection of social security numbers is imperative for the Office of Insurance Regulation. The duties of the Office of Insurance Regulation in background investigation are extensive in order to insure that the owners, management, officers, and directors of any insurer are competent and trustworthy, possess financial standing and business experience, and have not been found guilty of, or not pleaded guilty or nolo contendere to, any felony or crime punishable by imprisonment of one year.

### **Section IV-3** Investigative Background Reports

An investigative background report must be provided for each person listed on the applicant's management information form. Background reports must be submitted by the selected background investigator vendor directly to the Office prior to or contemporaneously with the submission of the application filing. Please refer to form OIR-C1-905 for instructions.

### **Section IV-4** Fingerprint Cards

Fingerprint cards must be completed for each officer and director of the applicant. The cards will be furnished by the Office upon request. **No cards other than those furnished by the Office will be accepted.** The cards must be completed at a law enforcement agency and returned to this Office for processing. Please refer to form OIR-C1-938 for instructions.

Due to the length of time required by law enforcement agencies to process fingerprint cards, it is suggested that the cards be ordered immediately so they may be submitted before or with the application.

Please place the completed fingerprint cards in this section.

Note: Florida residents have the option of having their fingerprints digitally scanned rather than providing paper fingerprint cards and fees as noted above. Please refer to form OIR-C1-938 for instructions.

**APPLICATION FOR LICENSE  
MOTOR VEHICLE SERVICE AGREEMENT COMPANY - MANUFACTURER**

**INSTRUCTIONS  
SECTION V - FORMS AND RATES**

**NOTE: THE COMPANY IS CAUTIONED NOT TO WRITE BUSINESS USING UNAPPROVED FORMS OR RATES.**

**Section V-1 Forms**

Submit a copy of all proposed forms, related forms and sales brochures. The service agreements and applications for service agreements should be serially pre-numbered and contain spaces for the selling price; the name of the issuing salesman; the date of issuance; the selling price paid by the consumer; the contract period (in time and mileage); and the name, address and phone number of the contract holder.

**Section V-2 Rates**

Submit a copy of all rates to be charged, rating schedules or rating manuals. **Please note that all service agreements must be sold at the approved rates.**

**Section V-3 Commission Structure**

Submit a complete breakdown of your proposed commission structure. This breakdown should include but not be limited to: salesmen, agents, insurers and licensed administrators. **In Florida, you may not use a third party administrator unless that administrator is licensed under Chapter 634, Part I, Florida Statutes.**

**APPLICATION FOR LICENSE  
MOTOR VEHICLE SERVICE AGREEMENT COMPANY - MANUFACTURER**

**CHECK LIST  
SECTION I - APPLICATION FEES AND FORM**

Company Name: \_\_\_\_\_

- | <u>Item #</u>  | <u>Completion<br/>Check List</u> |
|--|----------------------------------|
| 1. Insurer application fee paid .....                              | <input type="checkbox"/>         |
| (a) Copy of invoice included (Official Form) .....                 | <input type="checkbox"/>         |
| (b) Copy of check .....  | <input type="checkbox"/>         |
| (c) Copies placed as top documents in application .....            | <input type="checkbox"/>         |
| (d) Original mailed to Department of Financial Services .....      | <input type="checkbox"/>         |
| 2. Fingerprint fees paid electronically .....                      | <input type="checkbox"/>         |
| (a) Copy of on-line payment confirmation .....                     | <input type="checkbox"/>         |
| Or, if applicable  |                                  |
| (b) Copy of form OIR-C1-903 (Invoice) included .....               | <input type="checkbox"/>         |
| (c) Copy of check included .....                                   | <input type="checkbox"/>         |
| (d) Originals mailed to Department of Financial Services .....     | <input type="checkbox"/>         |
| 3. Company completed application for license (Official Form) ..... | <input type="checkbox"/>         |
| (a) All blanks completed .....                                     | <input type="checkbox"/>         |
| (b) Sealed by company .....  | <input type="checkbox"/>         |
| (c) Signed by President (original signature) .....                 | <input type="checkbox"/>         |

**APPLICATION FOR LICENSE  
MOTOR VEHICLE SERVICE AGREEMENT COMPANY - MANUFACTURER**

**CHECK LIST  
SECTION II - LEGAL**

Company Name: \_\_\_\_\_

<u>Item #</u>	<u>Completion Check List</u>
1. Organizational Documents .....	<input type="checkbox"/>
(a) Original certification by State of Domicile .....	<input type="checkbox"/>
(b) Any and all amendments attached .....	<input type="checkbox"/>
2. Certificate of Status from State of Domicile.....	<input type="checkbox"/>
(a) Good standing indicated .....	<input type="checkbox"/>
(b) Sealed by State .....	<input type="checkbox"/>
(c) Signed by Secretary of State .....	<input type="checkbox"/>
3. Company By-Laws (or similar documents) .....	<input type="checkbox"/>
(a) Signed and dated by corporate secretary .....	<input type="checkbox"/>
(b) Sealed by the company (corporate seal) .....	<input type="checkbox"/>
4. Fictitious Name Certificate (if applicable) .....	<input type="checkbox"/>
Original .....	<input type="checkbox"/>
5. Consent and Agreement - Service of Process (Official Form) .....	<input type="checkbox"/>
(a) Signed and dated as required .....	<input type="checkbox"/>
(b) Sealed by company (corporate seal).....	<input type="checkbox"/>
(c) Original with all blanks completed .....	<input type="checkbox"/>

**APPLICATION FOR LICENSE  
MOTOR VEHICLE SERVICE AGREEMENT COMPANY - MANUFACTURER**

**CHECK LIST  
SECTION II - LEGAL**

Company Name: \_\_\_\_\_

<u>Item #</u>	<u>Completion Check List</u>
6. Certificate of Status from State of Domicile.....	<input type="checkbox"/>
(a) Good standing indicated.....	<input type="checkbox"/>
(b) Sealed by State.....	<input type="checkbox"/>
(c) Signed by Secretary of State.....	<input type="checkbox"/>
(d) Original.....	<input type="checkbox"/>

**APPLICATION FOR LICENSE  
MOTOR VEHICLE SERVICE AGREEMENT COMPANY - MANUFACTURER**

**CHECK LIST  
SECTION III - FINANCIAL**

Company Name: \_\_\_\_\_

- | <u>Item #</u>   | <u>Completion<br/>Check List</u> |
|---|----------------------------------|
| <b>1. Financial statements</b>  |                                  |
| (a) A report both by number of contracts and by dollar volume of gross written premium issued nationally and in Florida over the past 3 years ..... | <input type="checkbox"/>         |
| (b) Verified under oath by at least two of the principal officers .....   | <input type="checkbox"/>         |
| (c) Not over 12 months old .....  | <input type="checkbox"/>         |
| (d) A 3-year projection as to the volume of expected sales of service agreements, nationally and in Florida.....                                    | <input type="checkbox"/>         |
| <b>2. Qualifications as Manufacturer</b>  |                                  |
| (a) Manufacturers or produces motor vehicles under its own name; or .....   | <input type="checkbox"/>         |
| (b) Is a subsidiary of an entity that manufactures or produces motor vehicles; or .....   | <input type="checkbox"/>         |
| (c) Is a corporation that owns 100% of an entity that manufactures or produces motor vehicles .....   | <input type="checkbox"/>         |
| <b>3. Plan of Operations</b>  |                                  |
| (a) History .....   | <input type="checkbox"/>         |
| List of controlling or controlled companies .....   | <input type="checkbox"/>         |
| List of d/b/a's, trade names, or fictitious names .....   | <input type="checkbox"/>         |
| (b) Management .....  | <input type="checkbox"/>         |

**CHECK LIST  
SECTION III - FINANCIAL**

Company Name: \_\_\_\_\_

<u>Item #</u>	<u>Completion Check List</u>
(c) Products .....	<input type="checkbox"/>
(d) Marketing & Growth .....	<input type="checkbox"/>
4. List of states in which the applicant is active .....	<input type="checkbox"/>
5. List of sales representatives (Official Form) .....	<input type="checkbox"/>

**APPLICATION FOR LICENSE  
MOTOR VEHICLE SERVICE AGREEMENT COMPANY - MANUFACTURER**

**CHECK LIST  
SECTION IV - MANAGEMENT**

Company Name: \_\_\_\_\_

- | <u>Item #</u>   | <u>Completion<br/>Check List</u> |
|---|----------------------------------|
| 1. Listing of officers, directors, controlling individuals and shareholders .....   | <input type="checkbox"/>         |
| (a) Separate listing of all officers and directors controlling individuals,<br>and shareholders including percentage held and number and<br>Class of shares for the company and its parents and/or holding<br>Companies (Official Form) ..... | <input type="checkbox"/>         |
| (b) If parent indicated, organization chart .....   | <input type="checkbox"/>         |
| (d) Full names and titles listed (including full middle name or indication<br>If one does not exist) .....  | <input type="checkbox"/>         |
| 2. Biographical Statement and Affidavit for each individual listed on Applicant's<br>Management Information Form (Official Form) .....  | <input type="checkbox"/>         |
| For each form:  |                                  |
| (a) All blanks completed .....  | <input type="checkbox"/>         |
| (b) Contains original signature .....   | <input type="checkbox"/>         |
| (c) Notarized .....   | <input type="checkbox"/>         |
| (e) Full name given (including full middle name or indication if<br>one does not exist) .....   | <input type="checkbox"/>         |
| (e) Submitted an original of each affidavit.....  | <input type="checkbox"/>         |
| (f) Provide Social Security Number on separate page.....  | <input type="checkbox"/>         |

Item #

3. Investigative Background Report for each individual listed on Applicant's Management Information Form .....

4. Fingerprint cards enclosed for each person listed on Applicant's Management Information Form .....

For each card:

(a) Card obtained from Office of Insurance Regulation .....

(b) Card contains original signature .....

(c) No erasures on or alteration of card .....

(d) All blanks completed .....

APPLICATION FOR LICENSE  
MOTOR VEHICLE SERVICE AGREEMENT COMPANY - MANUFACTURER

CHECK LIST  
SECTION V - FORMS AND RATES

Company Name: \_\_\_\_\_

<u>Item #</u>		<u>Completion Check List</u>
1.	Forms and sales brochures .....	<input type="checkbox"/>
	(a) Complete copy(ies) .....	<input type="checkbox"/>
	(b) Serially pre-numbered .....	<input type="checkbox"/>
	(c) Spaces for .....	
	(1) Selling price .....	<input type="checkbox"/>
	(2) Name of issuing salesman .....	<input type="checkbox"/>
	(3) Date of issuance .....	<input type="checkbox"/>
	(4) Selling price <u>paid</u> by consumer .....	<input type="checkbox"/>
	(5) Contract period .....	<input type="checkbox"/>
	(6) Contract holder's name, address, and phone number .....	<input type="checkbox"/>
2.	Rates to be charged .....	
	Complete copy(ies) .....	<input type="checkbox"/>
3.	Proposed commission structure .....	<input type="checkbox"/>

## CHECKLIST VERIFICATION

The undersigned says that he/she is a senior officer having personal knowledge of the application submitted to the Florida Office of Insurance Regulation in connection with licensure sought by \_\_\_\_\_ that he/she has read said

(Entity Name)

application, that he/she knows the contents thereof and verifies that the items indicated in the application checklist have been submitted with the application, that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the applicant on behalf which the person acted, executed the instrument.

I understand that whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duties is guilty of a misdemeanor of the second degree, pursuant to Section 837.06, Florida Statutes.

Dated \_\_\_\_\_

\_\_\_\_\_  
(Give full and exact name of Applicant)

\_\_\_\_\_  
Signature of President, Secretary, or Treasurer

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Title

**APPLICATION FOR LICENSE  
MOTOR VEHICLE SERVICE AGREEMENT COMPANY - MANUFACTURER**

\_\_\_\_\_, 20\_\_\_\_

TO THE DIRECTOR OF INSURANCE REGULATION,  
TALLAHASSEE, FLORIDA

SIR: The \_\_\_\_\_  
(Give name of company in full)

Federal Identification Number: \_\_\_\_\_

Of (Home Office Address) \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: (    ) \_\_\_\_\_ Fax (    ) \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

through its duly authorized officers, hereby applies for license authorizing and empowering the company aforesaid to transact motor vehicle service agreement business in the State of Florida as a manufacturer, under the laws thereof and do hereby affirm that all of the responses, information, exhibits, and documentary evidence submitted in support of this application are true and correct.

By: \_\_\_\_\_  
President or Chief Executive Officer

(Corporate Seal)

Attest: \_\_\_\_\_  
Secretary

Name of Attorney or Principal filing this application:  
\_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: (    ) \_\_\_\_\_ Fax: (    ) \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

INVOICE

MOTOR VEHICLE SERVICE AGREEMENT COMPANY - MANUFACTURER  
REQUEST FOR PAYMENT OF APPLICATION FEES

NAME OF COMPANY: \_\_\_\_\_

FEIN: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY, STATE & ZIP CODE: \_\_\_\_\_

ADDRESS (IF DIFFERENT FROM COMPANY ADDRESS)

\_\_\_\_\_  
(CITY) (STATE) (ZIP CODE)

In reference to the submission by the above-referenced insurer's application to do business in Florida, it is necessary for you to return this form with the proper payment.

PLEASE NOTE:

1. Send a check in the proper amount made payable to the Florida Department of Financial Services and mail the check and invoice only to the Florida Department of Financial Services, Bureau of Financial Services, PO Box 6100, Tallahassee, Florida 32314-6100.
2. Send a copy of the check and a copy of the invoice along with the completed application package to the Office of Insurance Regulation, Applications Coordination Section, 200 East Gaines Street, Larson Building, Tallahassee, Florida 32399-0332.

---

<u>RECEIPT NUMBER</u>	AMOUNT	TYPE	CLASS	FUND	ACCT	SOURCE
	\$100	10	33	3	00	2



**OFFICE OF INSURANCE REGULATION**  
*Company Admissions*

---

**LIST OF PROPOSED SALES REPRESENTATIVES**

COMPANY NAME: \_\_\_\_\_

**NAME:**

**ADDRESS:**

**SSN:**



**Office of Insurance Regulation**  
*Specialty Product Administration*

**FLORIDA  
COMPANY CODE:**  
65 \_\_\_\_\_

**FEDERAL EMPLOYER  
IDENTIFICATION NUMBER:**  
\_\_\_\_\_

**ANNUAL REPORT FOR  
MOTOR VEHICLE MANUFACTURERS**

---

**(NAME OF THE MOTOR VEHICLE MANUFACTURER)**

**TO THE  
OFFICE OF INSURANCE REGULATION  
OF THE  
STATE OF FLORIDA**

200 East Gaines Street  
Tallahassee, FL 32399 - 0331

**FOR THE YEAR ENDED**

\_\_\_\_\_, 20 \_\_\_\_

## GENERAL INFORMATION AND INSTRUCTIONS

1. This report must be filed electronically through the Regulatory Electronic Filing System (REFS). Paper reports are not accepted as complying with the filing requirement.
2. Either Adobe Reader 7.0.5 or higher, or Adobe Acrobat Standard/Professional 7.0.5 or higher is required to properly complete the filing. Further information is available at the following link:  
[http://www.flair.com/pdf/REFS\\_Adobe\\_LiveCycle\\_Instructions\\_r.pdf](http://www.flair.com/pdf/REFS_Adobe_LiveCycle_Instructions_r.pdf)
3. A session key was assigned when you downloaded this report. This session key has an expiration date and time. **Any data that is not saved or submitted prior the expiration time will be lost.**
4. Please complete:
  - a. The **Invoice**, attach a check for the filing fee of \$100, and mail to the address shown on the **Invoice**. The payment must be received by the Office of Insurance Regulation no later than March 1. A copy of the invoice and check must be attached to this filing.
  - b. The **Request for Exemption from Examination** (Form OIR-A3-1985), attach a check for the filing fee of \$2,000 and mail to the address shown on the **Invoice**. The payment must be received by the Office of Insurance Regulation no later than March 1. A copy of the invoice and check must be attached to this filing.
5. Two boxes are shown in the upper right hand corner of each report page. Clicking on the box beside "Highlight Fields" shades all places in which data may be entered. Clicking on the box beside "Highlight Required Fields" shades those areas where data must be entered to submit the form, based on previous entries on the form.
6. Please enter all numeric fields with numbers only. Commas, dashes, dollar signs, are not permitted.
7. Unanswered questions and blank lines on schedules will not be accepted. If no answers or entries are to be made, enter "0" on all lines asking for a numeric response and "None" or "N/A" on all lines requesting a non-numeric response.
8. If additional explanations, supporting statements or schedules are added or are necessary, the additions should be properly cross-referenced to the applicable report item. This additional information should be in electronic format (i.e. Word, Excel, PDF, etc) or, if in paper format, scanned in as a PDF, and should be uploaded and attached to the filing as the appropriate Component Named document or as a Miscellaneous Document. If posted as Miscellaneous Document, be sure to assign a descriptive Name to the document.
9. "Save" and "submit" buttons are provided on the last page of this report. Pressing the "s" key while pressing the "ALT" key will display the last page. Clicking the "Save" button will be save the data to our website, but not to your computer. **It is strongly recommended that you save your data periodically as you fill in this form.** Confirmation messages are sent when data is successfully saved or submitted.
10. Saving or submitting causes data to be verified for completeness, and you will be notified if errors have occurred. Validation errors must be corrected in order to submit the data. Once the data is successfully submitted, changes or **additions must be made by amending the online filing.**
11. Please print, sign, notarize and scan the STATEMENT page (see next page); then upload the PDF version of the signed/notarized page as the **Signed Jurat Page.**

Company Name: \_\_\_\_\_

Period Ending: \_\_\_\_\_

Please see #11 of the Instructions Page.

Company Name: \_\_\_\_\_  
 Company FEIN: \_\_\_\_\_ Florida Company Code: \_\_\_\_\_ Period Ending Date: \_\_\_\_\_  
 State and Date of Incorporation/Organization: \_\_\_\_\_ (State/Prov): \_\_\_\_\_ (Date): \_\_\_\_\_  
 Date Licensed by the Office of Insurance Regulation: \_\_\_\_\_ (Date): \_\_\_\_\_  
 Date Commenced Business: \_\_\_\_\_ (Date): \_\_\_\_\_

**Address of Home Office:**  
 Street: \_\_\_\_\_  
 City: \_\_\_\_\_ State/Prov: \_\_\_\_\_ Zip/Postal Code: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Ext: \_\_\_\_\_ Fax: \_\_\_\_\_

**Address of Main Administrative Office:**  
 Street: \_\_\_\_\_  
 City: \_\_\_\_\_ State/Prov: \_\_\_\_\_ Zip/Postal Code: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Ext: \_\_\_\_\_ Fax: \_\_\_\_\_

**Mailing Address:**  
 Street: \_\_\_\_\_  
 City: \_\_\_\_\_ State/Prov: \_\_\_\_\_ Zip/Postal Code: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Ext: \_\_\_\_\_ Fax: \_\_\_\_\_

**Records Location (if different than Main Office):**  
 Street: \_\_\_\_\_  
 City: \_\_\_\_\_ State/Prov: \_\_\_\_\_ Zip/Postal Code: \_\_\_\_\_

**Address of Principle Florida Office:**  
 Street: \_\_\_\_\_  
 City: \_\_\_\_\_ State/Prov: \_\_\_\_\_ Zip/Postal Code: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Ext: \_\_\_\_\_ Fax: \_\_\_\_\_

**Website:** \_\_\_\_\_

Type of entity (check one)  Corporation – For profit  Sole proprietorship  
 Corporation – Not for profit  Limited liability company  
 Partnership  Other:

Contact Name: \_\_\_\_\_  
 Contact Title: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Ext: \_\_\_\_\_ Fax: \_\_\_\_\_  
 Email Address: \_\_\_\_\_

**OFFICERS / DIRECTORS / MEMBERS**  
 Show full name (initials not acceptable)

Chief Executive Officer \_\_\_\_\_  
 President \_\_\_\_\_  
 Vice President \_\_\_\_\_  
 Secretary \_\_\_\_\_  
 Treasurer / Chief Financial Officer \_\_\_\_\_  
 Chairman of the Board \_\_\_\_\_

Directors / Members

STATE OF: \_\_\_\_\_  
 COUNTY OF: \_\_\_\_\_

\_\_\_\_\_, President, \_\_\_\_\_, Secretary  
 and \_\_\_\_\_, Chief Financial Officer (or corresponding person having charge of the  
 Financial records of the licensee, of the \_\_\_\_\_ being duly sworn  
 each for himself or herself deposes and says that they are the above-described officers of the said licensee, and that on the reporting period stated  
 above, all of the herein assets were the absolute property of the said licensee, free and clear from any liens or claims thereon, except as herein stated.  
 and that this report, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of  
 assets and liabilities and of the condition and affairs of the said licensee as of the reporting period stated above, and of its income and deductions for the  
 period reported.  
 Subscribed and Sworn to before me this

\_\_\_\_\_, day of \_\_\_\_\_, 20\_\_\_\_\_, \_\_\_\_\_ President/Owner  
 Notary Public: \_\_\_\_\_

Commissioner Number: \_\_\_\_\_ Secretary  
 \_\_\_\_\_ Treasurer/CFO  
 Expiration Date: \_\_\_\_\_



**EXHIBIT I**  
**Recap of FLORIDA Premium Written for the 12 Months Ending \_\_/\_\_/\_\_**

	1-Year or Less Contracts	2-Year Contracts	3-Year Contracts	4-Year Contracts	Others (5-Year or Longer)	Totals
Gross Written Premium Current Year	\$	\$	\$	\$	\$	\$
Less Cancellations and Refunds	( )	( )	( )	( )	( )	( )
Totals	\$	\$	\$	\$	\$	\$

**EXHIBIT II**  
**Recap of FLORIDA In-Force Premiums**

	Number Of Warranties	Premium Received and Outstanding	Unearned Premium Reserve (UPR)	Amount of Premium Covered By CLP
In-Force end of prior year		\$	\$	\$
Audit adjustments to prior year				
Issued during the year				
Cancelled during the year	( )	( )	( )	( )
Expired during the year	( )	( )	( )	( )
Earned during the year			( )	
In-force end of current year		\$	\$	\$

**EXHIBIT III**  
**Reported Claims Incurred - FLORIDA**

EXCLUDING ALL IBNR CLAIMS	(1) Reported claims paid In the current year	(2) Total reported claims Unpaid	(3) Reported claims Unpaid at end of previous year	(4) Reported claims incurred current year (1+2-3=4)
Number				
Amount	\$	\$	\$	\$

Company Name:

Period Ending:

**EXHIBIT VI**  
**Claims Exposure - FLORIDA**

	(1) Total Claims Paid	(2) Total Claims Covered by CLP	(3) % of Claims Covered by CLP
Florida	\$	\$	%



Company Name:

Period Ending:

### LIST OF COMPANIES

Complete the following for all companies and affiliates holding at least 10% interest in the operations of the provider. State the percentage owned. If such company has been added to this list during this report period, place a check in the "New" column provided.

Name	Business Address	City	State/ Prov.	Zip/Postal Code	FEIN	%	New
							<input type="checkbox"/>
							<input type="checkbox"/>
							<input type="checkbox"/>
							<input type="checkbox"/>
							<input type="checkbox"/>
							<input type="checkbox"/>
							<input type="checkbox"/>
							<input type="checkbox"/>
							<input type="checkbox"/>
							<input type="checkbox"/>
							<input type="checkbox"/>



**Office of Insurance Regulation**  
**Specialty Product Administration**

Licensee: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City, State Zip \_\_\_\_\_

APPLICATION for LICENSE  
 CONTINUANCE

MOTOR VEHICLE SERVICE  
 AGREEMENT COMPANY

For the period: 03/01/20 \_\_\_ \_\_\_ to 02/2 \_\_\_/20 \_\_\_ \_\_\_

Federal Employer ID Number: \_\_\_\_\_  
 FL Company Code: \_\_\_\_\_

Due by March 1

IN COMPLIANCE WITH THE LAWS OF FLORIDA, THE ABOVE NAMED DOES HEREBY APPLY FOR RENEWAL OF ITS MOTOR VEHICLE SERVICE AGREEMENT COMPANY LICENSE AUTHORIZING THE AFORESAID TO PERFORM SUCH DUTIES IN THIS STATE PURSUANT TO THE LAWS OF FLORIDA.

_____ President's Name	_____ Signature	_____ Date
_____ Secretary's Name	_____ Signature	_____ Date
_____ Treasurer's Name	_____ Signature	_____ Date

**INSTRUCTIONS:**

1. If you wish to renew, complete and sign this application, detach it from this report and forward it along with your remittance in the amount of \$100.00 made payable to the **Florida Department of Financial Services**.
2. The application and remittance must be sent to:

Florida Department of Financial Services  
 Revenue Processing Section  
 Post Office Box 6100  
 Tallahassee, Florida 32314-6100

3. The renewal application and remittance must be received on or before March 1.

AMOUNT	TYPE	CLASS	FEE	TR ACCT
\$100.00	10	33	L	3002

Company Name: \_\_\_\_\_

Period Ending: \_\_\_\_\_

Licensee: \_\_\_\_\_

APPLICATION for EXEMPTION  
FROM FIELD EXAMINATION

Address: \_\_\_\_\_

MOTOR VEHICLE SERVICE  
AGREEMENT COMPANY  
or MANUFACTURER

City, State Zip \_\_\_\_\_

For the period: 03/01/20 \_\_\_ to 02/2 \_\_\_/20 \_\_\_

Federal Employer ID Number: \_\_\_\_\_

FL Company Code: \_\_\_\_\_

Due by March 1

**PURSUANT TO SECTION 690-200.014, FLORIDA ADMINISTRATIVE CODE, THE ABOVE NAMED DOES HEREBY APPLY FOR EXEMPTION FROM THE FIELD EXAMINATION REQUIRED BY SECTION 634.141, FLORIDA STATUTES. THE LICENSEE CERTIFIES COMPLIANCE WITH THE REQUIREMENTS OF SECTION 690-200.014, FLORIDA ADMINISTRATIVE CODE.**

\_\_\_\_\_  
President's Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary's Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Treasurer's Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**INSTRUCTIONS:**

1. If you wish to renew, complete and sign this application, detach it from this report and forward it along with your remittance in the amount of \$2,000.00 made payable to the **Florida Department of Financial Services**.
2. The application and remittance must be sent to:

Florida Department of Financial Services  
Revenue Processing Section  
Post Office Box 6100  
Tallahassee, Florida 32314-6100

3. The application for exemption and remittance must be received **on or before March 1.**

AMOUNT	TYPE	CLASS	FEE	TR ACCT
\$2,000.00	10	38	F	3001

**INVOICE****ANNUAL REPORT FOR MOTOR VEHICLE MANUFACTURERS  
REQUEST FOR PAYMENT OF APPLICATION FEES**

NAME OF COMPANY: \_\_\_\_\_

FEIN# \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY, STATE &amp; ZIP CODE: \_\_\_\_\_

ADDRESS (IF DIFFERENT FROM COMPANY ADDRESS)  
\_\_\_\_\_\_\_\_\_\_  
(CITY) (STATE) (ZIP CODE)

In reference to the submission by the above-referenced specialty insurer's application to do business in Florida, it is necessary to return this form with the proper payment.

**PLEASE NOTE:**

1. Send a check in the proper amount made payable to the Department of Financial Services and **mail the check and invoice only** to:

Department of Financial Services  
Bureau of Financial Services, Receipts Section  
P.O. Box 6100  
Tallahassee, Florida 32314-6100

2. Send a **copy of the check** and a **copy of the invoice** along with the completed application package to:

Office of Insurance Regulation  
Application Coordination Section  
200 East Gaines Street, Larson Building  
Tallahassee, Florida 32399-0332.

**For Accounting Use Only:**

<u>BT</u>	<u>TYCL</u>	<u>FT</u>	<u>Fee Amount</u>	<u>Receipt Number</u>
C	1224	F	\$100.00	(validated below)

### SAVE/SUBMIT PAGE

**Save** -Use this button to save your data to our server. **It is strongly recommended that you save your data periodically as you fill in this form.** You can still save your data even if you have validation errors appear below.

**Submit Final** -Use this button if you have entered all the required information and want to submit this data to our server. If you have validation errors, they must be corrected before being able to submit the form data. **Once you successfully submit the form data, you can no longer make changes.**

The session key will expire on: Eastern Time





**OFFICE OF INSURANCE REGULATION**  
**Company Admissions**

Applicant Name (Company) \_\_\_\_\_

NAIC No. \_\_\_\_\_  
FEIN: \_\_\_\_\_

**BIOGRAPHICAL AFFIDAVIT**

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

(Print or Type)

Full Name, Address and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names). \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

In connection with the above-named entity, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE.

1. Affiant's Full Name (Initials Not Acceptable). \_\_\_\_\_
2. a. Are you a citizen of the United States?  
b. Are you a citizen of any other country, if so, what country? \_\_\_\_\_
3. Affiant's Occupation or Profession. \_\_\_\_\_
4. Affiant's business address. \_\_\_\_\_  
Business telephone. \_\_\_\_\_
5. Education and Training:

<u>College/ University</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
_____	_____	_____	_____

<u>Graduate Studies:</u>	<u>College/ University</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
_____	_____	_____	_____	_____

<u>Other Training: Name</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree/Certification Obtained</u>
_____	_____	_____	_____

(Note: If affiant attended a foreign school, please provide full address and telephone number of the college/university. If applicable, provide the foreign student Identification Number in the space provided in the Biographical Affidavit Supplemental Information.)

Applicant Name (Company) \_\_\_\_\_

NAIC No. \_\_\_\_\_

FEIN: \_\_\_\_\_

6. List of memberships in professional societies and associations.

<u>Name of Society/Association</u>	<u>Contact Name</u>	<u>Address of Society/Association</u>	<u>Telephone Number of Society/Association</u>

7. Present or proposed position with the applicant entity. \_\_\_\_\_

8. List complete employment record for the past twenty (20) years, whether compensated or otherwise (up to and including present jobs, positions, partnerships, owner of an entity, administrator, manager, operator, directorates or officerships). Please list the most recent first. Attach additional pages if the space provided is insufficient. It is only necessary to provide telephone numbers and supervisory information for the past ten (10) years.

Beginning/Ending Dates (MM/YY) \_\_\_\_\_ - \_\_\_\_\_ Employer's Name \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State/Province \_\_\_\_\_

Country \_\_\_\_\_ Postal Code \_\_\_\_\_ Phone \_\_\_\_\_ Offices/Positions Held \_\_\_\_\_

Supervisor / Contact \_\_\_\_\_

Beginning/Ending Dates (MM/YY) \_\_\_\_\_ - \_\_\_\_\_ Employer's Name \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State/Province \_\_\_\_\_

Country \_\_\_\_\_ Postal Code \_\_\_\_\_ Phone \_\_\_\_\_ Offices/Positions Held \_\_\_\_\_

Supervisor / Contact \_\_\_\_\_

Beginning/Ending Dates (MM/YY) \_\_\_\_\_ - \_\_\_\_\_ Employer's Name \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State/Province \_\_\_\_\_

Country \_\_\_\_\_ Postal Code \_\_\_\_\_ Phone \_\_\_\_\_ Offices/Positions Held \_\_\_\_\_

Supervisor / Contact \_\_\_\_\_

Beginning/Ending Dates (MM/YY) \_\_\_\_\_ - \_\_\_\_\_ Employer's Name \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State/Province \_\_\_\_\_

Country \_\_\_\_\_ Postal Code \_\_\_\_\_ Phone \_\_\_\_\_ Offices/Positions Held \_\_\_\_\_

Applicant Name (Company) \_\_\_\_\_

NAIC No. \_\_\_\_\_

FEIN: \_\_\_\_\_

Supervisor / Contact \_\_\_\_\_

9. a. Have you ever been in a position which required a fidelity bond? \_\_\_\_\_ If any claims were made on the bond, give details. \_\_\_\_\_

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked? If yes, give details. \_\_\_\_\_

10. List any professional, occupational and vocational licenses (including licenses to sell securities) issued by any public or governmental licensing agency or regulatory authority or licensing authority that you presently hold or have held in the past. For any non-insurance regulatory issuer, identify and provide the name, address and telephone number of the licensing authority or regulatory body having jurisdiction over the license (s) issued.. If your professional license number is your Social Security Number (SSN) or embeds your SSN or any sequence of more than five numbers that are reasonably identifiable as your SSN, then write SSN for that portion of the professional license number that is represented by your SSN. (For example, "SSN", "12-SSN-345" or "1234-SSN" (last 6 digits)). Attach additional pages if the space provided is insufficient

Organization/Issuer of License \_\_\_\_\_ Address \_\_\_\_\_

City \_\_\_\_\_ State/Province \_\_\_\_\_ Country \_\_\_\_\_ Postal Code \_\_\_\_\_

License Type \_\_\_\_\_ License # \_\_\_\_\_ Date Issued (MM/YY) \_\_\_\_\_

Date Expired (MM/YY) \_\_\_\_\_ Reason for Termination \_\_\_\_\_

Non-insurance Regulatory Phone Number (if known) \_\_\_\_\_

Organization /Issuer of License \_\_\_\_\_ Address \_\_\_\_\_

City \_\_\_\_\_ State/Province \_\_\_\_\_ Country \_\_\_\_\_ Postal Code \_\_\_\_\_

License Type \_\_\_\_\_ License # \_\_\_\_\_ Date Issued (MM/YY) \_\_\_\_\_

Date Expired (MM/YY) \_\_\_\_\_ Reason for Termination \_\_\_\_\_

Non-insurance Regulatory Phone Number (if known) \_\_\_\_\_

11. In responding to the following, if the record has been sealed or expunged, and the affiant has personally verified that the record was sealed or expunged, an affiant may respond "no" to the question. Have you ever:

a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public administrative, or governmental licensing agency? \_\_\_\_\_

b. Had any occupational, professional, or vocational license or permit you hold or have held, been subject to any judicial, administrative, regulatory, or disciplinary action? \_\_\_\_\_

c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action? \_\_\_\_\_

Applicant Name (Company) \_\_\_\_\_

NAIC No. \_\_\_\_\_

FEIN: \_\_\_\_\_

- d. Been charged with, or indicted for, any criminal offense(s) other than civil traffic offenses? \_\_\_\_\_
- e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than civil traffic offenses?  
\_\_\_\_\_
- f. Had adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than civil traffic offenses?  
\_\_\_\_\_
- g. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal, state law or law of another country regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking?  
\_\_\_\_\_
- h. Been, within the last ten (10) years, a party to any civil action involving dishonesty, breach of trust, or a financial dispute?  
\_\_\_\_\_
- i. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or regulation lawfully made by the Comptroller of any state or the Federal Government?  
\_\_\_\_\_
- j. Had a lien or foreclosure action filed against you or any entity while you were associated with that entity?  
\_\_\_\_\_

If the response to any question above is answered "Yes", please provide details including dates, locations, disposition, etc. Attach a copy of the complaint and filed adjudication or settlement as appropriate.

\_\_\_\_\_  
\_\_\_\_\_

12. List any entity subject to regulation by an insurance regulatory authority that you control directly or indirectly. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person.

\_\_\_\_\_  
\_\_\_\_\_

If any of the stock is pledged or hypothecated in any way, give details. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

13. Do [Will] you or members of your immediate family individually or cumulatively subscribe to or own, beneficially or of record, 10% or more of the outstanding shares of stock of any entity subject to regulation by an insurance regulatory authority, or its affiliates? An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. If the answer is "Yes", please identify the company or companies in which the cumulative stock holdings represent 10% or more of the outstanding voting securities.

\_\_\_\_\_  
\_\_\_\_\_

If any of the shares of stock are pledged or hypothecated in any way, give details.

Applicant Name (Company) \_\_\_\_\_

NAIC No. \_\_\_\_\_

FEIN: \_\_\_\_\_

14. Have you ever been adjudged a bankrupt? \_\_\_\_\_ If yes, provide details \_\_\_\_\_

15. To your knowledge has any company or entity for which you were an officer or director, trustee, investment committee member, key management employee or controlling stockholder, had any of the following events occur while you served in such capacity? If yes, please indicate and give details. When responding to questions (b) and (c) affiant should also include any events within twelve (12) months after his or her departure from the entity.

a. Been refused a permit, license, or certificate of authority by any regulatory authority, or Governmental-licensing agency? \_\_\_\_\_

b. Had its permit, license, or certificate of authority suspended, revoked, canceled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action (including rehabilitation, liquidation, receivership, conservatorship, federal bankruptcy proceeding, state insolvency, supervision or any other similar proceeding)? \_\_\_\_\_

c. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any civil, criminal, administrative, regulatory, or disciplinary action? \_\_\_\_\_

Note: If an affiant has any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

Dated and signed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ at \_\_\_\_\_ I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

\_\_\_\_\_  
(Signature of Affiant)

State of \_\_\_\_\_ County of \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ By

\_\_\_\_\_, and:

who is personally known to me, or

who produced the following identification: \_\_\_\_\_

[SEAL]

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed Notary Name

\_\_\_\_\_  
My Commission Expires



Applicant Name (Company) \_\_\_\_\_

NAIC No. \_\_\_\_\_

FEIN: \_\_\_\_\_

5. Foreign Student ID# (if applicable) \_\_\_\_\_

6. Date of Birth: (MM/DD/YY) \_\_\_\_\_ Place of Birth: City \_\_\_\_\_  
State/Province \_\_\_\_\_ Country \_\_\_\_\_

7. Name of Affiant's Spouse (if applicable) \_\_\_\_\_

8. List your residences for the last ten (10) years starting with your current address, giving:

Beginning/Ending

Dates (MM/YY)	Address	City	State/ Province	Country	Postal Code

Note: Dates provided in response to this question may be approximate, except for current address. Parties using this form understand that there could be an overlap of dates when transitioning from one address to another.

Dated and signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at \_\_\_\_\_ I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

\_\_\_\_\_  
(Signature of Affiant)

State of \_\_\_\_\_ County of \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ By \_\_\_\_\_, and:

- who is personally known to me, or
- who produced the following identification: \_\_\_\_\_

[SEAL]

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed Notary Name

\_\_\_\_\_  
My Commission Expires

Applicant Name (Company) \_\_\_\_\_

NAIC No. \_\_\_\_\_

FEIN: \_\_\_\_\_

**DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS (All states except California, Minnesota and Oklahoma)**

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of \_\_\_\_\_ [insert company name] ("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) ("Background Reports") regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may obtain copies of any Background Reports about you from the consumer reporting agency ("CRA") that produces them. You may also request more information about the nature and scope of such reports by submitting a written request to Company. To obtain contact information regarding CRA or to submit a written request for more information, contact \_\_\_\_\_ [insert company's designated person, position, or department, address and phone].

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act."

**AUTHORIZATION:** I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

\_\_\_\_\_  
(Printed Full Name and Residence Address)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

State of \_\_\_\_\_ County of \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ By \_\_\_\_\_, and

- who is personally known to me, or
- who produced the following identification: \_\_\_\_\_

[SEAL]

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed Notary Name

\_\_\_\_\_  
My Commission Expires

Applicant Name (Company) \_\_\_\_\_

NAIC No. \_\_\_\_\_

FEIN: \_\_\_\_\_

**DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS (Minnesota and Oklahoma)**

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of \_\_\_\_\_ [insert company name] ("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) ("Background Reports") regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may request more information about the nature and scope of Background Reports produced by any consumer reporting agency ("CRA") by submitting a written request to Company. You should submit any such written request for more information, to \_\_\_\_\_ [insert company's designated person, position, or department, address and phone].

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act." You will be provided with a copy of any Background Report procured by Company if you check the box below.

By checking this box, I request a copy of any Background Report from any CRA retained by Company, at no extra charge.

**AUTHORIZATION:** I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

\_\_\_\_\_  
(Printed Full Name and Residence Address)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

State of \_\_\_\_\_ County of \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ By \_\_\_\_\_, and

who is personally known to me, or

who produced the following identification: \_\_\_\_\_

[SEAL]

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed Notary Name

\_\_\_\_\_  
My Commission Expires

Applicant Name (Company) \_\_\_\_\_

NAIC No. \_\_\_\_\_

FEIN: \_\_\_\_\_

**DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS (California)**

This Disclosure and Authorization is provided to you in connection with a pending application of \_\_\_\_\_ [insert company name] ("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) ("Background Reports") regarding your background for review by any department of insurance in such states where Company is currently pursuing an Application, because you are either functioning as, or are seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports will be obtained through \_\_\_\_\_ [insert name of CRA, address] ("CRA"). Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may request more information about the nature and scope of Background Reports produced by any consumer reporting agency ("CRA") by submitting a written request to Company. You should submit any such written request for more information, to \_\_\_\_\_ [insert company's designated person, position, or department, address and phone].

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act." You will be provided with a copy of any Background Report procured by Company if you check the box below.

By checking this box, I request a copy of any Background Report from any CRA retained by Company, at no extra charge.

Under section 1786.22 of the California Civil Code, you may view the file maintained on you by the CRA listed above. You may also obtain a copy of this file, upon submitting proper identification and paying the costs of duplication services, by appearing at the CRA in person or by mail; you may also receive a summary of the file by telephone. The CRA is required to have personnel available to explain your file to you and the CRA must explain to you any coded information appearing in your file. If you appear in person, you may be accompanied by one other person of your choosing, provided that person furnishes proper identification.

**AUTHORIZATION:** I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. In no event, however, will this authorization remain in effect beyond twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

\_\_\_\_\_  
(Printed Full Name and Residence Address)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

State of \_\_\_\_\_ County of \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ By \_\_\_\_\_, and

- who is personally known to me, or
- who produced the following identification: \_\_\_\_\_

[SEAL]

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed Notary Name

My Commission Expires

September 23, 2008

FORM 11

OIR-C1-1423

690-200.015

# Motor Vehicle Manufacturer Interrogatories

(Licensee's Name) - Interrogatories - (Year)A

Line No.	Interrogatory Description <i>(All responses must be either "Yes" or "No")</i>	Memo Trigger			Doc Type Trigger			Document Type
		Yes	No	NA	Yes	No	NA	
1	Since the last Annual Report has there been any change in the corporate/organizational structure (Organizational Chart) in which the Licensee operates? If "YES", indicate the changes from prior submissions with a number sign [#] on the Organizational Chart.							
2	Has any change been made since the last reporting date in the Licensee's origination documents (e.g. charter, articles of incorporation, bylaws, contracts with subscribers, etc.)? If "YES", attach current copies of the documents.				X			(Organizational Documents)
3	Have any legal actions been taken against the Licensee during the period covered by this report? If "YES", provide all documentation related to the legal actions taken against the Licensee related to the business of service contracts.				X			(Legal Actions Documentation)
4	Have all forms currently being used been filed with and approved by the OIR?							
5	Have all rates been filed with the OIR?							
6	Does the Licensee rely on a contractual liability insurance policy with an authorized insurer?							
7	Is the Licensee (or its parent) a publicly traded entity?							
8	Has the Licensee sold or transferred any of its Florida contracts to another entity? If "YES", give specifics.				X			
9	Does the Licensee have any other licenses issued by the OIR? If "YES", state which licenses.				X			



**Office of Insurance Regulation**  
*Specialty Product Administration*

Licensee: \_\_\_\_\_  
 \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_  
 City, State Zip \_\_\_\_\_

APPLICATION for EXEMPTION  
 FROM FIELD EXAMINATION  
  
 MOTOR VEHICLE SERVICE  
 AGREEMENT COMPANY  
 or MANUFACTURER

For the period: 03/01/20 \_\_ \_\_ to 02/2 \_\_ /20 \_\_ \_\_

Federal Employer ID Number: \_\_\_\_\_  
 FL Company Code: \_\_\_\_\_

Due by March 1

**PURSUANT TO SECTION 690-200.014, FLORIDA ADMINISTRATIVE CODE, THE ABOVE NAMED DOES HEREBY APPLY FOR EXEMPTION FROM THE FIELD EXAMINATION REQUIRED BY SECTION 634.141, FLORIDA STATUTES. THE LICENSEE CERTIFIES COMPLIANCE WITH THE REQUIREMENTS OF SECTION 690-200.014, FLORIDA ADMINISTRATIVE CODE.**

_____ President's Name	_____ Signature	_____ Date
_____ Secretary's Name	_____ Signature	_____ Date
_____ Treasurer's Name	_____ Signature	_____ Date

**INSTRUCTIONS:**

1. If you wish to renew, complete and sign this application, detach it from this report and forward it along with your remittance in the amount of \$2,000.00 made payable to the **Florida Department of Financial Services**.
2. The application and remittance must be sent to:

Florida Department of Financial Services  
 Revenue Processing Section  
 Post Office Box 6100  
 Tallahassee, Florida 32314-6100

3. The application for exemption and remittance must be received on or before March 1.

AMOUNT	TYPE	CLASS	FEE	TR ACCT
\$2,000.00	10	38	F	3001



**Office of Insurance Regulation**  
*Specialty Product Administration*

Licensee: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City, State Zip \_\_\_\_\_

APPLICATION for LICENSE  
 CONTINUANCE

MOTOR VEHICLE SERVICE  
 AGREEMENT COMPANY

For the period: 03/01/20 \_\_\_\_ to 02/2 \_\_/20 \_\_\_\_

Federal Employer ID Number: \_\_\_\_\_  
 FL Company Code: \_\_\_\_\_

Due by March 1

IN COMPLIANCE WITH THE LAWS OF FLORIDA, THE ABOVE NAMED DOES HEREBY APPLY FOR RENEWAL OF ITS MOTOR VEHICLE SERVICE AGREEMENT COMPANY LICENSE AUTHORIZING THE AFORESAID TO PERFORM SUCH DUTIES IN THIS STATE PURSUANT TO THE LAWS OF FLORIDA.

_____ President's Name	_____ Signature	_____ Date
_____ Secretary's Name	_____ Signature	_____ Date
_____ Treasurer's Name	_____ Signature	_____ Date

**INSTRUCTIONS:**

1. If you wish to renew, complete and sign this application, detach it from this report and forward it along with your remittance in the amount of \$100.00 made payable to the **Florida Department of Financial Services**.
2. The application and remittance must be sent to:

Florida Department of Financial Services  
 Revenue Processing Section  
 Post Office Box 6100  
 Tallahassee, Florida 32314-6100

3. The renewal application and remittance must be received on or before March 1.

AMOUNT	TYPE	CLASS	FEE	TRACCT
\$100.00	10	33	L	3002

Rulemaking Authority

690-200.004,.005,.006,.009,.014,.015

634.021

Powers of department, commission, and office; rules.

The office shall administer this act and the commission may adopt rules pursuant to ss. 120.536(1) and 120.54 to implement the provisions of this act related to motor vehicle service agreement companies and motor vehicle service agreements. The department shall administer this act and may adopt rules pursuant to ss. 120.536(1) and 120.54 to implement provisions of this act related to sales representatives.

634.041

Qualifications for license.

To qualify for and hold a license to issue service agreements in this state, a service agreement company must be in compliance with this part, with applicable rules of the commission, with related sections of the Florida Insurance Code, and with its charter powers and must comply with the following:

(1)

Any service agreement company applying for a license must be a solvent corporation formed under the laws of this state or of another state or district of the United States and must meet minimum requirements under this section.

(2)

The service agreement company must furnish the office with evidence satisfactory to the office that the management of the company is competent and trustworthy and can successfully and lawfully manage its affairs.

(3)

The service agreement company must make the deposit required under s. 634.052.

(4)

A service agreement company may not be licensed to transact service agreement business in this state unless it maintains the required reserves and the required ratio of liquid assets to the required reserves.

(5)

A service agreement company may not be licensed to transact service agreement business in this state if, during the 3 years immediately preceding its application for a license, it has violated any requirement of this part or a rule adopted thereunder.

(6)

In order to obtain or maintain a license, a service agreement company must have and maintain minimum net assets of \$500,000. However, a service agreement company that maintains a gross written premium of less than \$750,000 at all times, that has been licensed in Florida for more than 5 years, and that has never had an administrative complaint filed by the office against its operations under this part may reach this net asset requirement in equal increments over a 5-year period beginning on October 1, 1991.

(7)

All assets used to maintain the minimum net asset requirement must be maintained in the United States.

(8)(a)

A service agreement company must establish and maintain an unearned premium reserve in accordance with the following:

1.

It must consist of unencumbered assets equal to a minimum of 50 percent of the unearned gross written premium on each service agreement and must amortize this reserve pro rata over the duration of the service agreement. Such assets must be held in the form of cash or invested in securities for investment under ss. 625.301-625.340.

2.

In addition to the net asset requirements set forth in subsection (6), a company utilizing the 50-percent reserve must not allow its ratio of gross written premium in force to net assets to exceed 10 to 1. For companies that have utilized both contractual liability insurance and the 50-percent reserve, this ratio must be calculated based only on that portion of gross written premium in force which is covered by the 50-percent reserve.

3.

A company that uses an unearned premium reserve must deposit with the department securities of the type eligible for deposit by insurers under s. 625.52 equal to 15 percent of the unearned premium reserve. This reserve deposit may be included as an asset for calculating the requirement of subparagraph 1. A request for release of the reserve deposit may be made quarterly only after the office has approved the company's current quarterly or annual financial statement and a statement sworn to by two officers of the company, verifying that the release will not reduce the reserve deposit to less than 15 percent of the unearned premium reserve.

(b)

A service agreement company does not have to establish and maintain an unearned premium reserve if it purchases and maintains contractual liability insurance in accordance with the following:

1.

The insurance covers 100 percent of its claim exposure and is obtained from an insurer approved by the office which holds a certificate of authority to do business within this state.

2.

If the service agreement company does not meet its contractual obligations, the contractual liability insurance policy binds its issuer to pay or cause to be paid to the service agreement holder all legitimate claims and cancellation refunds for all service agreements issued by the service agreement company while the policy was in effect. This requirement also applies to those service agreements for which no premium has been remitted to the insurer.

3.

If the issuer of the contractual liability policy is fulfilling the service agreements covered by the contractual liability policy and the service agreement holder cancels the service agreement, the issuer must make a full refund of unearned premium to the consumer, subject to the cancellation fee provisions of s. 634.121(3). The sales representative and agent must refund to the contractual liability policy issuer their unearned pro rata commission.

4.

The policy may not be canceled, terminated, or nonrenewed by the insurer or the service agreement company unless a 90-day written notice thereof has been given to the office by the insurer before the date of the cancellation, termination, or nonrenewal.

5.

The service agreement company must provide the office with the claims statistics.

All funds or premiums remitted to an insurer by a motor vehicle service agreement company under this part shall remain in the care, custody, and control of the insurer and shall be counted as an asset of the insurer; provided, however, this requirement does not apply when the insurer and the motor vehicle service agreement company are affiliated companies and members of an insurance holding company system. If the motor vehicle service agreement company chooses to comply with this paragraph but also maintains a reserve to pay claims, such reserve shall only be considered an asset of the covered motor vehicle service agreement company and may not be simultaneously counted as an asset of any other entity.

(9)(a)

In meeting the requirements of this part, except as provided in paragraph (b), a service agreement company may not utilize both the 50-percent reserve and contractual liability insurance simultaneously. However, a company may have contractual liability coverage on service agreements previously sold and sell new service agreements covered by the 50-percent reserve, and the converse of this is also allowed. A service agreement company must be able to distinguish how each individual service agreement is covered.

(b)

A service agreement company that maintains net assets of at least \$10 million and that annually files with the office a financial statement audited in accordance with generally accepted accounting principles may use either the 50-percent reserve or the contractual liability coverage for specific blocks of new service agreements. For purposes of this subsection, the term "specific blocks of new service agreements" means the service agreements sold by a single designated licensed salesperson. A service agreement company must be able to distinguish how each individual service agreement is covered. A service agreement company using the 50-percent premium reserve, as permitted under this subsection, must obtain contractual liability insurance coverage for any future deficits in the premium reserve account directly attributable to the specific blocks of new agreements written. Such a contractual liability insurance policy must be filed with the office. Such policies or endorsements to an existing policy must contain language evidencing that the contractual liability insurance policy shall pay claims arising out of such specific blocks of agreements if the service agreement company cannot or will not pay such claims. All contractual liability insurance policies issued to a service agreement company under this part must cover all agreements issued during the term of the policy and, for purposes of this section, the company must obtain and file with the office endorsements to that policy identifying the specific blocks of agreements not covered thereunder.

(10)

In addition to information called for and furnished with its annual statement, a service agreement company must furnish to the office, as soon as reasonably possible, any information as to its transactions or affairs that the office requests in writing. All information furnished pursuant to the request of the office must be verified by the oath of two executive officers of the service agreement company.

(11)(a)

A service agreement company offering service agreements providing vehicle protection expenses may meet the requirements for this part only by maintaining contractual liability insurance covering 100 percent of its vehicle protection claim exposure in accordance with paragraph (8)(b), which insurance must be issued by an insurance company not affiliated with the service agreement company, unless the insurance company had issued a contractual liability insurance policy to a service agreement company on or before January 1, 2002. Service agreements providing vehicle protection expenses may be sold only to a service agreement holder that has in-force comprehensive motor vehicle insurance coverage for the vehicle to be covered by the service agreement.

(b)

Notwithstanding any other requirement of this part, a service agreement company maintaining an unearned premium reserve on all service agreements in accordance with paragraph (8)(a) may offer service agreements providing vehicle protection expenses if it maintains contractual liability insurance only on all service agreements providing vehicle protection expenses and continues to maintain the 50-percent reserve for all service agreements not providing vehicle protection expenses. A service agreement company maintaining contractual liability insurance for all service agreements providing vehicle protection expenses and the 50-percent reserve for all other service agreements must, in the service agreement register as required under s. 634.136(2), distinguish between insured service agreements providing vehicle protection expenses and service agreements not providing vehicle protection expenses.

(12)

A motor vehicle manufacturer complying with the provisions of this part must be an entity formed under the laws of this state or of another state or district of the United States and need comply only

with subsections (2) and (10). A motor vehicle manufacturer need not submit fingerprints, background information, or biographical statements for any individual except those serving as officers or directors of the applicant entity. A motor vehicle manufacturer need not comply with s. 634.081(5). Motor vehicle manufacturers are subject to all other applicable provisions of this part.

634.052

Required deposit.

(1)

To assure the faithful performance of its obligations to its members or subscribers, each motor vehicle service agreement company shall, prior to issuance of its license by the office, deposit with the department securities of the type eligible for deposit by insurers under s. 625.52 and having at all times a market value of not less than \$200,000; however, service agreement companies maintaining an unearned gross written premium of less than \$750,000 shall have on deposit with the department \$100,000. After 1 year from the date of initial licensure, a service agreement company may file a request for the release of a portion of the deposit and thereafter requests may be made quarterly. A request may be granted only after the office has received and approved the company's current quarterly or annual financial statement. However, at no time shall the deposit be less than \$100,000.

(2)

In addition to the deposits otherwise required pursuant to this section, the office may, after notice and hearing, require any company for good cause shown to deposit and maintain deposited in trust for the protection of the contract holders and creditors of the company, for such time as the office deems necessary, securities eligible for such deposit under s. 625.52 having a value of not less than the amount which the office determines is necessary, which amount shall be neither less than \$100,000, nor more than \$500,000, depending on the obligation of the company in this state.

(3)

The state shall be responsible for the safekeeping of all securities deposited with the department under this act. Such securities shall not, on account of being in this state, be subject to taxation, but shall be held exclusively and solely to guarantee the faithful performance by the company of its obligations to its members or subscribers.

(4)

The depositing company shall, during its solvency, have the right to exchange or substitute other securities of like quality and value for securities so on deposit, to receive the interest and other income accruing on such securities, and to inspect the deposit at all reasonable times.

(5)

Such deposit shall be maintained unimpaired as long as the company continues in business or from offices in this state. Whenever the company ceases to do business in or from offices in this state and furnishes to the office proof satisfactory to it that it has discharged or otherwise adequately provided for all its obligations to its members or subscribers in this state, the office and department shall release the deposited securities to the parties entitled thereto, on presentation of the receipts of the department for such securities.

634.121

Forms, required procedures, provisions.

(1)

Before the sale of any service agreement, written notice must be given to the prospective purchaser by the service agreement company or its agent or salesperson that purchase of the service agreement is not required in order to purchase or obtain financing for a motor vehicle.

(2)

All motor vehicle service agreements are assignable in a consumer transaction and must contain a statement in conspicuous, boldfaced type, informing the purchaser of the service agreement of her or his right to assign it to a subsequent retail purchaser of the motor vehicle covered by the service agreement and all conditions on such right of transfer. The assignment must occur within a period of time specified in the agreement, which period may not expire earlier than 15 days after the date of the sale or transfer of the motor vehicle. The service agreement company may charge an assignment fee not to exceed \$40.

(3)(a)

Each service agreement must contain a cancellation provision. Any service agreement is cancelable by the purchaser within 60 days after purchase. The refund must be 100 percent of the gross premium paid, less any claims paid on the agreement. A reasonable administrative fee may be charged not to exceed 5 percent of the gross premium paid by the agreement holder.

(b)

After the service agreement has been in effect for 60 days, it may not be canceled by the insurer or service agreement company unless:

1.

There has been a material misrepresentation or fraud at the time of sale of the service agreement;

2.

The agreement holder has failed to maintain the motor vehicle as prescribed by the manufacturer;

3.

The odometer has been tampered with or disabled and the agreement holder has failed to repair the odometer; or

4.

For nonpayment of premium by the agreement holder, in which case the service agreement company shall provide the agreement holder notice of cancellation by certified mail.

If the service agreement is canceled by the insurer or service agreement company, the return of premium must not be less than 100 percent of the paid unearned pro rata premium, less any claims paid on the agreement. If, after 60 days, the service agreement is canceled by the service agreement holder, the insurer or service agreement company shall return directly to the agreement holder not less than 90 percent of the unearned pro rata premium, less any claims paid on the agreement. The service agreement company remains responsible for full refunds to the consumer on canceled service agreements. However, the salesperson and agent are responsible for the refund of the unearned pro rata commission. A service agreement company may effectuate refunds through the issuing salesperson or agent.

(4)

If the service agreement is canceled, pursuant to an order of liquidation, the salesperson or agent is responsible for refunding, and must refund, to the receiver the unearned pro rata commission.

(5)

If a service agreement company violates any lawful order of the office or fails to meet its contractual obligations under this part, upon notice from the office, the sales representative or agent must refund to the service agreement holder the unearned pro rata commission, unless the sales representative or agent has made other arrangements, satisfactory to the office, with the service agreement holder.

(6)

Each service agreement, which includes a copy of the application form, must be mailed or delivered to the agreement holder within 45 days after the date of purchase.

(7)

Each service agreement form must contain in conspicuous, boldfaced type any statement or clause that places restrictions or limitations on the benefits offered or disclose such restrictions or limitations in regular type in a section of the service agreement containing a conspicuous, boldfaced type heading.

(8)

If an insurer or service agreement company intends to use or require the use of remanufactured or used replacement parts, each service agreement form as well as all service agreement brochures must contain in conspicuous, boldfaced type a statement to that effect.

(9)

Each service agreement form as well as all service agreement company sales brochures must clearly identify the name, address, and Florida license number of the licensed insurer or service agreement company.

(10)

If a service agreement contains a rental car provision, it must disclose the terms and conditions of this benefit in conspicuous, boldfaced type or disclose such restrictions or limitations in regular type in a section of the service agreement containing a conspicuous, boldfaced type heading.

(11)

By July 1, 2011, each service agreement sold in this state must be accompanied by a written disclosure to the consumer that the rate charged for the service agreement is not subject to regulation by the office. A service agreement company may comply with this requirement by including such disclosure in its service agreement form or in a separate written notice provided to the consumer at the time of sale.

634.141

Examination of companies.

(1)

Motor vehicle service agreement companies licensed under this part may be subject to periodic examination by the office in the same manner and subject to the same terms and conditions as applies to insurers under part II of chapter 624. The commission may by rule establish provisions whereby a company may be exempted from examination.

(2)

The office shall determine whether to conduct an examination of a company by considering:

(a)

The amount of time that the company has been continuously licensed and operating under the same management and control.

(b)

The company's history of compliance with applicable law.

(c)

The number of consumer complaints against the company.

(d)

The financial condition of the company, demonstrated by the financial reports submitted pursuant to s. 634.137.

634.416

Examination of associations.

—  
(1)(a)

Service warranty associations licensed under this part may be subject to periodic examination by the office, in the same manner and subject to the same terms and conditions that apply to insurers under part II of chapter 624.

(b)

The office shall determine whether to conduct an examination of a service warranty association by considering:

1.

The amount of time that the association has been continuously licensed and operating under the same management and control.

2.

The association's history of compliance with applicable law.

3.

The number of consumer complaints against the association.

4.

The financial condition of the association, demonstrated by the financial reports submitted pursuant to s. 634.313.

(2)

The rate charged a service warranty association by the office for examination may be adjusted to reflect the amount collected for the Form 10-K filing fee as provided in this section.

(3)

On or before May 1 of each year, an association may submit to the office the Form 10-K, as filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended. Upon receipt and review of the most current Form 10-K, the office may waive the examination requirement; if the office determines not to waive the examination, such examination will be limited to that examination necessary to ensure compliance with this part. The Form 10-K shall be accompanied by a filing fee of \$2,000 to be deposited into the Insurance Regulatory Trust Fund.

(4)

The office is not required to examine an association that has less than \$20,000 in gross written premiums as reflected in its most recent annual statement. The office may examine such an association if it has reason to believe that the association may be in violation of this part or is otherwise in an unsound financial condition. If the office examines an association that has less than \$20,000 in gross written premiums, the examination fee may not exceed 5 percent of the gross written premiums of the association.

634.061

Application for and issuance of license.

(1)

A sworn application for a license as a motor vehicle service agreement company shall be made to and filed with the office on forms as prescribed by the commission and furnished by the office.

(2)

In addition to information relative to its qualifications as called for under s. 634.041, the application shall show:

(a)

The location of the applicant's home office.

(b)

The name and residence address of each director, officer, and 10-percent or greater stockholder of the applicant.

(c)

Other pertinent information as required by the commission or office.

(3)

The application when filed shall be accompanied by:

(a)

If a corporation or partnership, a copy of the applicant's articles of incorporation or partnership document, if any, certified by the public official having custody of the original and a copy of its bylaws certified by its secretary.

(b)

A copy of the most recent financial statement of the applicant, verified under the oath of at least two of its principal officers.

(c)

The license tax as required under s. 634.071.

(4)

Upon completion of the application for license, the office shall examine the same and make such further investigation of the applicant as it deems advisable. If it finds that the applicant is qualified therefor under this part, it shall issue to the applicant a license as a motor vehicle service agreement company. If the office does not so find, it shall refuse to issue the license.

634.071

License continuance.

A license issued under this part shall continue in force as long as the motor vehicle service agreement company is entitled thereto under this part and until suspended, revoked, or terminated. Annually, in conjunction with the March 1 filing of the annual report

624.501

Filing, license, appointment, and miscellaneous fees.

The department, commission, or office, as appropriate, shall collect in advance, and persons so served shall pay to it in advance, fees, licenses, and miscellaneous charges as follows:

(1)

Certificate of authority of insurer.

(a)

Filing application for original certificate of authority or modification thereof as a result of a merger, acquisition, or change of controlling interest due to a sale or exchange of stock, including all documents required to be filed therewith, filing fee.....\$1,500.00

(b)

Reinstatement fee.....\$50.00

(2)

Charter documents of insurer.

(a)

Filing articles of incorporation or other charter documents, other than at time of application for original certificate of authority, filing fee.....\$10.00

(b)

Filing amendment to articles of incorporation or charter, other than at time of application for original certificate of authority, filing fee.....\$5.00

(c)

Filing bylaws, when required, or amendments thereof, filing fee.....\$5.00

(3)

Annual license tax of insurer, each domestic insurer, foreign insurer, and alien insurer (except that, as to fraternal benefit societies insuring less than 200 members in this state and the members of which as a prerequisite to membership possess a physical handicap or disability, such license tax shall be \$25).....\$1,000.00

(4)

Statements of insurer, filing (except when filed as part of application for original certificate of authority), filing fees:

(a)

Annual statement.....\$250.00

(b)

Quarterly statement.....\$250.00

(5)

All insurance representatives, application for license, application for reinstatement of suspended license, each filing, filing fee.....\$50.00

(6)

Insurance representatives, property, marine, casualty, and surety insurance.

(a)

Agent's original appointment and biennial renewal or continuation thereof, each insurer:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(b)

Customer representative's original appointment and biennial renewal or continuation thereof:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(c)

Nonresident agent's original appointment and biennial renewal or continuation thereof, appointment fee, each insurer.....\$60.00

(d)

Service representatives; managing general agents.

Original appointment and biennial renewal or continuation thereof, each insurer or managing general agent, whichever is applicable.....\$60.00

(7)

Life insurance agents.

(a)

Agent's original appointment and biennial renewal or continuation thereof, each insurer or agent making an appointment:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(b)

Nonresident agent's original appointment and biennial renewal or continuation thereof, appointment fee, each insurer.....\$60.00

(8)

Health insurance agents.

(a)

Agent's original appointment and biennial renewal or continuation thereof, each insurer:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(b)

Nonresident agent's original appointment and biennial renewal or continuation thereof, appointment fee, each insurer.....\$60.00

(9)(a)

Except as provided in paragraph (b), all limited appointments as agent, as provided for in s. 626.321.  
Agent's original appointment and biennial renewal or continuation thereof, each insurer:

Appointment fee.....\$42.00  
State tax.....12.00  
County tax.....6.00  
Total.....\$60.00

(b)

For all limited appointments as agent, as provided for in s. 626.321(1)(d), the agent's original appointment and biennial renewal or continuation thereof for each insurer shall be equal to the number of offices, branch offices, or places of business covered by the license multiplied by the fees set forth in paragraph (a).

(10)

Fraternal benefit society agents. Original appointment and biennial renewal or continuation thereof, each insurer:

Appointment fee.....\$42.00  
State tax.....12.00  
County tax.....6.00  
Total.....\$60.00

(11)

Surplus lines agent. Agent's appointment and biennial renewal or continuation thereof, appointment fee.....\$150.00

(12)

Adjusters:

(a)

Adjuster's original appointment and biennial renewal or continuation thereof, appointment fee.....\$60.00

(b)

Nonresident adjuster's original appointment and biennial renewal or continuation thereof, appointment fee.....\$60.00

(c)

Emergency adjuster's license, appointment fee.....\$10.00

(d)

Fee to cover actual cost of credit report, when such report must be secured by department.

(13)

Examination—Fee to cover actual cost of examination.

(14)

Temporary license and appointment as agent or adjuster, where expressly provided for, rate of fee for each month of the period for which the license and appointment is issued.....\$5.00

(15)

Issuance, reissuance, reinstatement, modification resulting in a modified license being issued, duplicate copy of any insurance representative license, or an appointment being reinstated.....\$5.00

(16)

Additional appointment continuation fees as prescribed in chapter 626.....\$5.00

(17)

Filing application for permit to form insurer as referred to in chapter 628, filing fee.....\$25.00

(18)

Annual license fee of rating organization, each domestic or foreign organization.....\$25.00

(19)

Miscellaneous services:

(a)

For copies of documents or records on file with the department, commission, or office, per page.....\$ .15

(b)

For each certificate of the department, commission, or office under its seal, authenticating any document or other instrument (other than a license or certificate of authority).....\$5.00

(c)

For preparing lists of agents, adjusters, and other insurance representatives, and for other miscellaneous services, such reasonable charge as may be fixed by the office or department.

(d)

For processing requests for approval of continuing education courses, processing fee.....\$100.00

(e)

Insurer's registration fee for agent exchanging business more than 24 times in calendar year under s. 626.752, s. 626.793, or s. 626.837, registration fee per agent per year.....\$30.00

(20)

Adjusting firm, original or renewal 3-year license.....\$60.00

(21)

Limited surety agent or professional bail bond agent, as defined in s. 648.25, each agent and each insurer represented. Original appointment and biennial renewal or continuation thereof, each agent or insurer, whichever is applicable:

Appointment fee.....\$44.00

State tax.....24.00

County tax.....12.00

Total.....\$80.00

(22)

Certain military installations, as authorized under s. 626.322: original appointment and biennial renewal or continuation thereof, each insurer.....\$20.00

(23)

Filing application for original certificate of authority for third-party administrator or original certificate of approval for a service company, including all documents required to be filed therewith, filing fee.....\$100.00

(24)

Fingerprinting processing fee—Fee to cover fingerprint processing.

(25)

Sales representatives, miscellaneous lines. Original appointment and biennial renewal or continuation thereof, appointment fee.....\$60.00

(26)

Reinsurance intermediary:

(a)

Application filing and license fee.....\$50.00

(b)

Original appointment and biennial renewal or continuation thereof, appointment fee.....\$60.00

(27)

Title insurance agents:

(a)

Agent's original appointment or biennial renewal or continuation thereof, each insurer:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(b)

Agency original appointment or biennial renewal or continuation thereof, each insurer:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(c)

Filing for title insurance agent's license:

Application for filing, each filing, filing  
fee.....\$10.00

(d)

Additional appointment continuation fee as prescribed by s. 626.843.....\$5.00

(e)

Title insurer and title insurance agency administrative surcharge:

1.

On or before January 30 of each calendar year, each title insurer shall pay to the office for each licensed title insurance agency appointed by the title insurer and for each retail office of the insurer on January 1 of that calendar year an administrative surcharge of \$200.00.

2.

On or before January 30 of each calendar year, each licensed title insurance agency shall remit to the department an administrative surcharge of \$200.00.

The administrative surcharge may be used solely to defray the costs to the department and office in their examination or audit of title insurance agencies and retail offices of title insurers and to gather title insurance data for statistical purposes to be furnished to and used by the office in its regulation of title insurance.

(28)

Late filing of appointment renewals for agents, adjusters, and other insurance representatives, each appointment.....\$20.00

634.161

Service of process; method.

(1)

Service of process upon the Chief Financial Officer as process agent of the company shall be made by serving copies in triplicate of the process upon the Chief Financial Officer. Upon receiving such service, the Chief Financial Officer shall file one copy with the department, return one copy with her or his admission of service, and promptly forward one copy of the process by registered or certified mail to the person last designated by the company to receive the same, as provided under s. 634.151.

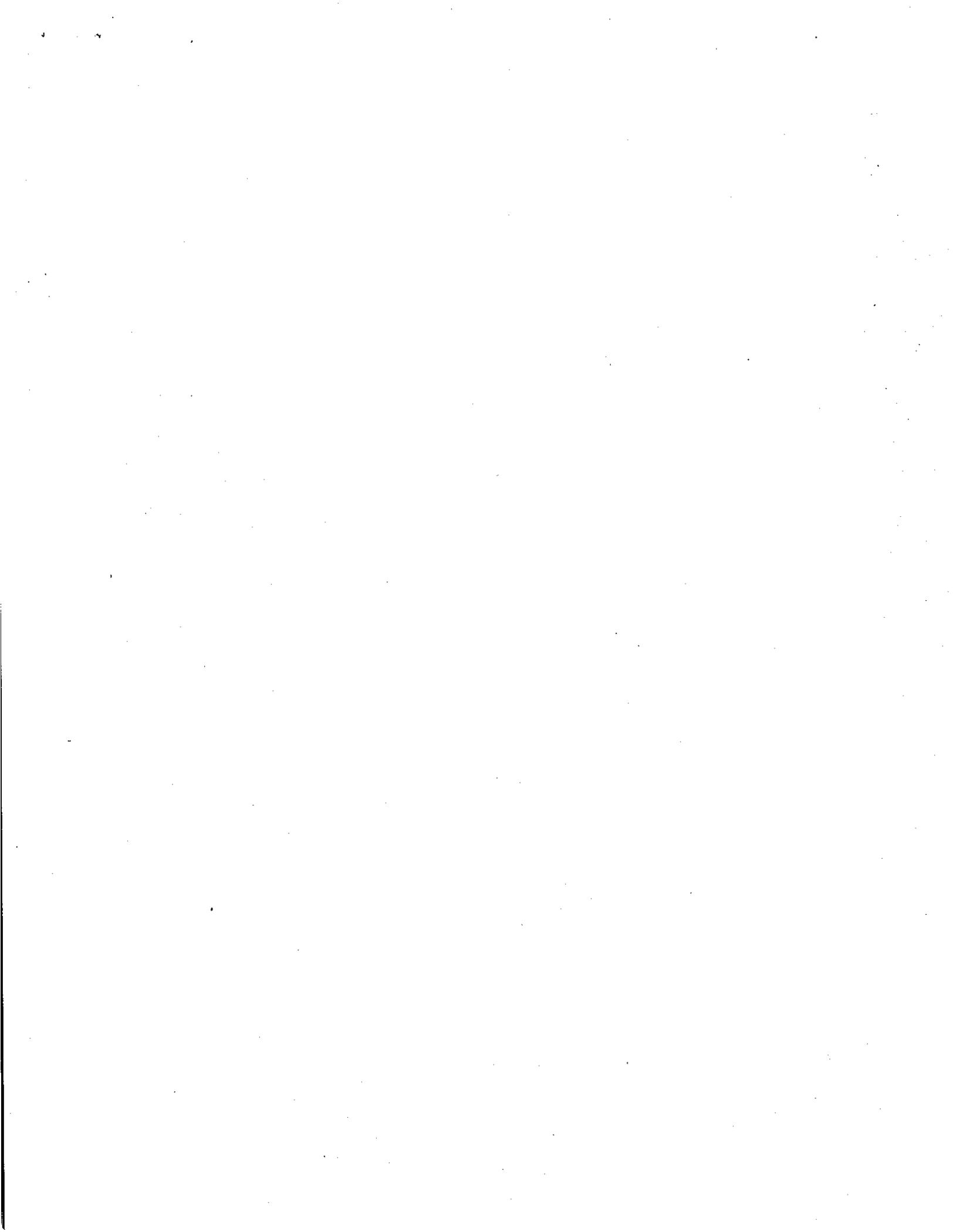
(2)

Process served upon the Chief Financial Officer and copy thereof forwarded as in this section provided shall for all purposes constitute valid and binding service thereof upon the company.

634.252

Acquisition.

Every motor vehicle service agreement company shall be subject to the provisions of s. 628.4615.



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**M E M O R A N D U M**

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**DATE:** November 1, 2011  
**TO:** Kevin M. McCarty, Commissioner, Office of Insurance Regulation  
**THROUGH:** Belinda Miller, General Counsel  
**FROM:** Dennis Threadgill  
Bob Prentiss  
**SUBJECT:** Cabinet Agenda for December 6, 2011  
Request for Final Approval to Adopt Amendments to  
Rule 69O-170.0155  
Assmt. 44317  
Uniform Mitigation Verification Inspection Form OIR-B1-1802

The Office of Insurance Regulation requests that this proposed rule amendment be presented to the Cabinet aides on or before November 30, 2011 and to the Financial Services Commission on December 6, 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 October 28, 2011.

The notice of proposed rules was published May 27, 2011 in Volume 37, No. 21, of the *Weekly*. A hearing was held. One Notice of Change was published on October 28, 2011.

Section 627.711, F.S., requires an insurer to notify its insureds of available discounts for hurricane mitigation activities. The insurer is to do this with a form adopted by the Office. Form OIR-B1-1802 "Uniform Mitigation Verification Inspection Form" is the form that was adopted to do this. The form is being revised in response to a statutory change and comments from the public and JAPC.

The form deletes reference to the My Safe Florida Home inspectors (that program no longer exists) and replaces them with home inspectors licensed under section 468.8314, F.S. who have completed at least 3 hours of hurricane mitigation training and completion of a proficiency exam. It implements the statutory changes that allow engineers and contractors to use employees with requisite skill, knowledge and experience to conduct inspections. The form is also revised to incorporate the new criminal penalties for conducting false or fraudulent inspections.

The form is also being changed to respond to concerns from the construction industry that some of the terms in the existing form are ambiguous or not otherwise technically correct.

Sections 624.308(1), 627.711, 627.736, 215.5586, 624.307(1), 627.062, 627.0629, 627.0645, 626.711, 627.736, 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.

Stephen Fredrickson 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:



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Belinda Miller, General Counsel

Approved for submission to Financial Services  
Commission:



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Kevin M. McCarty, Commissioner  
Office of Insurance Regulation

**69O-170.0155 Forms.**

The following forms are hereby adopted and incorporated by reference:

(1)(l) OIR-B1-1802, "Uniform Mitigation Verification Inspection Form," (Rev. 01/12-2/10).

*Rulemaking Authority 624.308(1), 627.711, 627.736 FS. Law Implemented 215.5586, 624.307(1), 624.424, 627.062, 627.0629, 627.0645, 627.711, 627.736 FS. History—New 6-19-03, Formerly 4-170.0155, Amended 2-23-06, 12-26-06, 6-12-07, 7-17-07, 9-5-07, 3-13-08, 4-21-10 (1)(l), 4-21-10 (1)(k).*

# Uniform Mitigation Verification Inspection Form

Maintain a copy of this form and any documentation provided with the insurance policy

Inspection Date: _____		
<b>Owner Information</b>		
Owner Name: _____		Contact Person: _____
Address: _____		Home Phone: _____
City: _____	Zip: _____	Work Phone: _____
County: _____		Cell Phone: _____
Insurance Company: _____		Policy #: _____
Year of Home: _____	# of Stories: _____	Email: _____

**NOTE:** Any documentation used in validating the compliance or existence of each construction or mitigation attribute must accompany this form. At least one photograph must accompany this form to validate each attribute marked in questions 3 through 7. The insurer may ask additional questions regarding the mitigated feature(s) verified on this form.

- Building Code:** Was the structure built in compliance with the Florida Building Code (FBC 2001 or later) OR for homes located in the HVHZ (Miami-Dade or Broward counties), South Florida Building Code (SFBC-94)?
  - A. Built in compliance with the FBC: Year Built \_\_\_\_\_. For homes built in 2002/2003 provide a permit application with a date after 3/1/2002: Building Permit Application Date (MM/DD/YYYY) \_\_\_\_/\_\_\_\_/\_\_\_\_\_
  - B. For the HVHZ Only: Built in compliance with the SFBC-94: Year Built \_\_\_\_\_. For homes built in 1994, 1995, and 1996 provide a permit application with a date after 9/1/1994: Building Permit Application Date (MM/DD/YYYY) \_\_\_\_/\_\_\_\_/\_\_\_\_\_
  - C. Unknown or does not meet the requirements of Answer "A" or "B"
- Roof Covering:** Select all roof covering types in use. Provide the permit application date OR FBC/MDC Product Approval number OR Year of Original Installation/Replacement OR indicate that no information was available to verify compliance for each roof covering identified.

2.1 Roof Covering Type:	Permit Application Date	FBC or MDC Product Approval #	Year of Original Installation or Replacement	No Information Provided for Compliance
<input type="checkbox"/> 1. Asphalt/Fiberglass Shingle	____/____/____	_____	_____	<input type="checkbox"/>
<input type="checkbox"/> 2. Concrete/Clay Tile	____/____/____	_____	_____	<input type="checkbox"/>
<input type="checkbox"/> 3. Metal	____/____/____	_____	_____	<input type="checkbox"/>
<input type="checkbox"/> 4. Built Up	____/____/____	_____	_____	<input type="checkbox"/>
<input type="checkbox"/> 5. Membrane	____/____/____	_____	_____	<input type="checkbox"/>
<input type="checkbox"/> 6. Other _____	____/____/____	_____	_____	<input type="checkbox"/>

- A. All roof coverings listed above meet the FBC with a FBC or Miami-Dade Product Approval listing current at time of installation OR have a roofing permit application date on or after 3/1/02 OR the roof is original and built in 2004 or later.
  - B. All roof coverings have a Miami-Dade Product Approval listing current at time of installation OR (for the HVHZ only) a roofing permit application after 9/1/1994 and before 3/1/2002 OR the roof is original and built in 1997 or later.
  - C. One or more roof coverings do not meet the requirements of Answer "A" or "B".
  - D. No roof coverings meet the requirements of Answer "A" or "B".
- Roof Deck Attachment:** What is the weakest form of roof deck attachment?
    - A. Plywood/Oriented strand board (OSB) roof sheathing attached to the roof truss/rafter (spaced a maximum of 24" inches o.c.) by staples or 6d nails spaced at 6" along the edge and 12" in the field. -OR- Batten decking supporting wood shakes or wood shingles. -OR- Any system of screws, nails, adhesives, other deck fastening system or truss/rafter spacing that has an equivalent mean uplift less than that required for Options B or C below.
    - B. Plywood/OSB roof sheathing with a minimum thickness of 7/16" inch attached to the roof truss/rafter (spaced a maximum of 24" inches o.c.) by 8d common nails spaced a maximum of 12" inches in the field. -OR- Any system of screws, nails, adhesives, other deck fastening system or truss/rafter spacing that is shown to have an equivalent or greater resistance 8d nails spaced a maximum of 12 inches in the field or has a mean uplift resistance of at least 103 psf.
    - C. Plywood/OSB roof sheathing with a minimum thickness of 7/16" inch attached to the roof truss/rafter (spaced a maximum of 24" inches o.c.) by 8d common nails spaced a maximum of 6" inches in the field. -OR- Dimensional lumber/Tongue & Groove decking with a minimum of 2 nails per board (or 1 nail per board if each board is equal to or less than 6 inches in width). -OR- Any system of screws, nails, adhesives, other deck fastening system or truss/rafter spacing that is shown to have an equivalent

Inspectors Initials \_\_\_\_\_ Property Address \_\_\_\_\_

or greater resistance than 8d common nails spaced a maximum of 6 inches in the field or has a mean uplift resistance of at least 182 psf.

- D. Reinforced Concrete Roof Deck.
- E. Other: \_\_\_\_\_
- F. Unknown or unidentified.
- G. No attic access.

4. **Roof to Wall Attachment:** What is the **WEAKEST** roof to wall connection? (Do not include attachment of hip/valley jacks within 5 feet of the inside or outside corner of the roof in determination of WEAKEST type)

- A. Toe Nails
  - Truss/rafter anchored to top plate of wall using nails driven at an angle through the truss/rafter and attached to the top plate of the wall, or
  - Metal connectors that do not meet the minimal conditions or requirements of B, C, or D

**Minimal conditions to qualify for categories B, C, or D. All visible metal connectors are:**

- Secured to truss/rafter with a minimum of three (3) nails, and
- Attached to the wall top plate of the wall framing, or embedded in the bond beam, with less than a 1/2" gap from the blocking or truss/rafter and blocked no more than 1.5" of the truss/rafter, and free of visible severe corrosion.
- B. Clips
  - Metal connectors that do not wrap over the top of the truss/rafter, or
  - Metal connectors with a minimum of 1 strap that wraps over the top of the truss/rafter and does not meet the nail position requirements of C or D, but is secured with a minimum of 3 nails.
- C. Single Wraps
  - Metal connectors consisting of a single strap that wraps over the top of the truss/rafter and is secured with a minimum of 2 nails on the front side and a minimum of 1 nail on the opposing side.
- D. Double Wraps
  - Metal Connectors consisting of 2 separate straps that are attached to the wall frame, or embedded in the bond beam, on either side of the truss/rafter where each strap wraps over the top of the truss/rafter and is secured with a minimum of 2 nails on the front side, and a minimum of 1 nail on the opposing side, or
  - Metal connectors consisting of a single strap that wraps over the top of the truss/rafter, is secured to the wall on both sides, and is secured to the top plate with a minimum of three nails on each side.
- E. Structural Anchor bolts structurally connected or reinforced concrete roof.
- F. Other: \_\_\_\_\_
- G. Unknown or unidentified
- H. No attic access

5. **Roof Geometry:** What is the roof shape? (Do not consider roofs of porches or carports that are attached only to the fascia or wall of the host structure over unenclosed space in the determination of roof perimeter or roof area for roof geometry classification).

- A. Hip Roof Hip roof with no other roof shapes greater than 10% of the total roof system perimeter.  
Total length of non-hip features: \_\_\_\_\_ feet; Total roof system perimeter: \_\_\_\_\_ feet
- B. Flat Roof Roof on a building with 5 or more units where at least 90% of the main roof area has a roof slope of less than 2:12. Roof area with slope less than 2:12 \_\_\_\_\_ sq ft; Total roof area \_\_\_\_\_ sq ft
- C. Other Roof Any roof that does not qualify as either (A) or (B) above.

6. **Secondary Water Resistance (SWR):** (standard underlayments or hot-mopped felts do not qualify as an SWR)

- A. SWR (also called Sealed Roof Deck) Self-adhering polymer modified-bitumen roofing underlayment applied directly to the sheathing or foam adhesive SWR barrier (not foamed-on insulation) applied as a supplemental means to protect the dwelling from water intrusion in the event of roof covering loss.
- B. No SWR.
- C. Unknown or undetermined.

Inspectors Initials \_\_\_\_\_ Property Address \_\_\_\_\_

\*This verification form is valid for up to five (5) years provided no material changes have been made to the structure or inaccuracies found on the form.

7. **Opening Protection:** What is the **weakest** form of wind borne debris protection installed on the structure? **First**, use the table to determine the weakest form of protection for each category of opening. **Second**, (a) check one answer below (A, B, C, N, or X) based upon the lowest protection level for ALL Glazed openings and (b) check the protection level for all Non-Glazed openings (.1, .2, or .3) as applicable.

Opening Protection Level Chart Place an "X" in each row to identify all forms of protection in use for each opening type. Check only one answer below (A thru X), based on the weakest form of protection (lowest row) for any of the Glazed openings and indicate the weakest form of protection (lowest row) for Non-Glazed openings.		Glazed Openings				Non-Glazed Openings	
		Windows or Entry Doors	Garage Doors	Skylights	Glass Block	Entry Doors	Garage Doors
N/A	Not Applicable- there are no openings of this type on the structure						
A	Verified cyclic pressure & large missile (9-lb for windows doors/4.5 lb for skylights)						
B	Verified cyclic pressure & large missile (4-8 lb for windows doors/2 lb for skylights)						
C	Verified plywood/OSB meeting Table 1609.1.2 of the FBC 2007						
D	Verified Non-Glazed Entry or Garage doors indicating compliance with ASTM E 330, ANSI/DASMA 108, or PA/TAS 202 for wind pressure resistance						
N	Opening Protection products that appear to be A or B but are not verified						
	Other protective coverings that cannot be identified as A, B, or C						
X	No Windborne Debris Protection						

- A. Exterior Openings Cyclic Pressure and 9-lb Large Missile (4.5 lb for skylights only)** All Glazed openings are protected at a minimum, with impact resistant coverings or products listed as wind borne debris protection devices in the product approval system of the State of Florida or Miami-Dade County and meet the requirements of one of the following for "Cyclic Pressure and Large Missile Impact" (Level A in the table above).
- Miami-Dade County PA 201, 202, **and** 203
  - Florida Building Code Testing Application Standard (TAS) 201, 202, **and** 203
  - American Society for Testing and Materials (ASTM) E 1886 **and** ASTM E 1996
  - Southern Standards Technical Document (SSTD) 12
  - For Skylights Only: ASTM E 1886 **and** ASTM E 1996
  - For Garage Doors Only: ANSI/DASMA 115
- A.1 All Non-Glazed openings classified as A in the table above, or no Non-Glazed openings exist
- A.2 One or More Non-Glazed openings classified as Level D in the table above, and no Non-Glazed openings classified as Level B, C, N, or X in the table above
- A.3 One or More Non-Glazed Openings is classified as Level B, C, N, or X in the table above
- B. Exterior Opening Protection- Cyclic Pressure and 4 to 8-lb Large Missile (2-4.5 lb for skylights only)** All Glazed openings are protected, at a minimum, with impact resistant coverings or products listed as windborne debris protection devices in the product approval system of the State of Florida or Miami-Dade County and meet the requirements of one of the following for "Cyclic Pressure and Large Missile Impact" (Level B in the table above):
- ASTM E 1886 **and** ASTM E 1996 (Large Missile - 4.5 lb.)
  - SSTD 12 (Large Missile - 4 lb. to 8 lb.)
  - For Skylights Only: ASTM E 1886 **and** ASTM E 1996 (Large Missile - 2 to 4.5 lb.)
- B.1 All Non-Glazed openings classified as A or B in the table above, or no Non-Glazed openings exist
- B.2 One or More Non-Glazed openings classified as Level D in the table above, and no Non-Glazed openings classified as Level C, N, or X in the table above
- B.3 One or More Non-Glazed openings is classified as Level C, N, or X in the table above
- C. Exterior Opening Protection- Wood Structural Panels meeting FBC 2007** All Glazed openings are covered with plywood/OSB meeting the requirements of Table 1609.1.2 of the FBC 2007 (Level C in the table above).
- C.1 All Non-Glazed openings classified as A, B, or C in the table above, or no Non-Glazed openings exist
- C.2 One or More Non-Glazed openings classified as Level D in the table above, and no Non-Glazed openings classified as Level N or X in the table above
- C.3 One or More Non-Glazed openings is classified as Level N or X in the table above

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- N. Exterior Opening Protection (unverified shutter systems with no documentation)** All Glazed openings are protected with protective coverings not meeting the requirements of Answer "A", "B", or "C" or systems that appear to meet Answer "A" or "B" with no documentation of compliance (Level N in the table above).
  - N.1 All Non-Glazed openings classified as Level A, B, C, or N in the table above, or no Non-Glazed openings exist
  - N.2 One or More Non-Glazed openings classified as Level D in the table above, and no Non-Glazed openings classified as Level X in the table above
  - N.3 One or More Non-Glazed openings is classified as Level X in the table above
- X. None or Some Glazed Openings** One or more Glazed openings classified and Level X in the table above.

<b>MITIGATION INSPECTIONS MUST BE CERTIFIED BY A QUALIFIED INSPECTOR.</b> <i>Section 627.711(2), Florida Statutes, provides a listing of individuals who may sign this form.</i>		
Qualified Inspector Name:	License Type:	License or Certificate #:
Inspection Company:		Phone:

**Qualified Inspector – I hold an active license as a: (check one)**

- Home inspector licensed under Section 468.8314, Florida Statutes who has completed the statutory number of hours of hurricane mitigation training approved by the Construction Industry Licensing Board and completion of a proficiency exam.
- Building code inspector certified under Section 468.607, Florida Statutes.
- General, building or residential contractor licensed under Section 489.111, Florida Statutes.
- Professional engineer licensed under Section 471.015, Florida Statutes.
- Professional architect licensed under Section 481.213, Florida Statutes.
- Any other individual or entity recognized by the insurer as possessing the necessary qualifications to properly complete a uniform mitigation verification form pursuant to Section 627.711(2), Florida Statutes.

**Individuals other than licensed contractors licensed under Section 489.111, Florida Statutes, or professional engineer licensed under Section 471.015, Florida Statutes, must inspect the structures personally and not through employees or other persons. Licensees under s.471.015 or s.489.111 may authorize a direct employee who possesses the requisite skill, knowledge, and experience to conduct a mitigation verification inspection.**

I, \_\_\_\_\_ am a qualified inspector and I personally performed the inspection or (*licensed*  
(print name)  
*contractors and professional engineers only*) I had my employee ( \_\_\_\_\_ ) perform the inspection  
(print name of inspector)  
and I agree to be responsible for his/her work.

Qualified Inspector Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**An individual or entity who knowingly or through gross negligence provides a false or fraudulent mitigation verification form is subject to investigation by the Florida Division of Insurance Fraud and may be subject to administrative action by the appropriate licensing agency or to criminal prosecution. (Section 627.711(4)-(7), Florida Statutes) The Qualified Inspector who certifies this form shall be directly liable for the misconduct of employees as if the authorized mitigation inspector personally performed the inspection.**

**Homeowner to complete:** I certify that the named Qualified Inspector or his or her employee did perform an inspection of the residence identified on this form and that proof of identification was provided to me or my Authorized Representative.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**An individual or entity who knowingly provides or utters a false or fraudulent mitigation verification form with the intent to obtain or receive a discount on an insurance premium to which the individual or entity is not entitled commits a misdemeanor of the first degree. (Section 627.711(7), Florida Statutes)**

The definitions on this form are for inspection purposes only and cannot be used to certify any product or construction feature as offering protection from hurricanes.

Inspectors Initials \_\_\_\_\_ Property Address \_\_\_\_\_

\*This verification form is valid for up to five (5) years provided no material changes have been made to the structure or inaccuracies found on the form.

**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.

**624.307 General powers; duties.--**

- (1) The department and office shall enforce the provisions of this code and shall execute the duties imposed upon them by this code, within the respective jurisdiction of each, as provided by law.

**627.0629 Residential property insurance; rate filings.--**

(1)(a) It is the intent of the Legislature that insurers must provide savings to consumers who install or implement windstorm damage mitigation techniques, alterations, or solutions to their properties to prevent windstorm losses. A rate filing for residential property insurance must include actuarially reasonable discounts, credits, or other rate differentials, or appropriate reductions in deductibles, for properties on which fixtures or construction techniques demonstrated to reduce the amount of loss in a windstorm have been installed or implemented. The fixtures or construction techniques shall include, but not be limited to, fixtures or construction techniques which enhance roof strength, roof covering performance, roof-to-wall strength, wall-to-floor-to-foundation strength, opening protection, and window, door, and skylight strength. Credits, discounts, or other rate differentials, or appropriate reductions in deductibles, for fixtures and construction techniques which meet the minimum requirements of the Florida Building Code must be included in the rate filing. All insurance companies must make a rate filing which includes the credits, discounts, or other rate differentials or reductions in deductibles by February 28, 2003. By July 1, 2007, the office shall reevaluate the discounts, credits, other rate differentials, and appropriate reductions in deductibles for fixtures and construction techniques that meet the minimum requirements of the Florida Building Code, based upon actual experience or any other loss relativity studies available to the office. The office shall determine the discounts, credits, other rate differentials, and appropriate reductions in deductibles that reflect the full actuarial value of such revaluation, which may be used by insurers in rate filings.

(b) By February 1, 2011, the Office of Insurance Regulation, in consultation with the Department of Financial Services and the Department of Community Affairs, shall develop and make publicly available a proposed method for insurers to establish discounts, credits, or other rate differentials for hurricane mitigation measures which directly correlate to the numerical rating assigned to a structure pursuant to the uniform home grading scale adopted by the Financial Services Commission pursuant to s. 215.55865, including any proposed changes to the uniform home grading scale. By October 1, 2011, the commission shall adopt rules requiring insurers to make rate filings for residential property insurance which revise insurers' discounts, credits, or other rate differentials for hurricane mitigation measures so that such rate differentials correlate directly to the uniform home grading scale. The rules may include such changes to the uniform home grading scale as the commission determines are necessary, and may specify the minimum required discounts, credits, or other rate differentials. Such rate differentials must be consistent with generally accepted actuarial principles and wind-loss mitigation studies. The rules shall allow a period of at least 2 years after the effective date of the revised mitigation discounts, credits, or other rate differentials for a property owner to obtain an inspection or otherwise qualify for the revised credit, during which time the insurer shall continue to apply the mitigation credit that was applied immediately prior to the effective date of the revised credit. Discounts, credits, and other rate differentials established for rate filings under this paragraph shall supersede, after adoption, the discounts, credits, and other rate differentials included in rate filings under paragraph (a).

(2)(a) A rate filing for residential property insurance made on or before the implementation of paragraph (b) may include rate factors that reflect the manner in which building code enforcement in a particular jurisdiction addresses the risk of wind damage; however, such a rate filing must also provide for variations from such rate factors on an individual basis based on an inspection of a particular structure by a licensed home inspector, which inspection may be at the cost of the insured.

(b) A rate filing for residential property insurance made more than 150 days after approval by the office of a building code rating factor plan submitted by a statewide rating organization shall include positive and negative rate factors that reflect the manner in which building code enforcement in a particular jurisdiction addresses risk of wind damage. The rate filing shall include variations from standard rate factors on an individual basis based on inspection of a particular structure by a licensed home inspector. If an inspection is requested by the insured, the insurer may require the insured to pay the reasonable cost of the inspection. This paragraph applies to structures constructed or renovated after the implementation of this paragraph.

(c) The premium notice shall specify the amount by which the rate has been adjusted as a result of this subsection and shall also specify the maximum possible positive and negative adjustments that are approved for use by the insurer under this subsection.

(3) A rate filing made on or after July 1, 1995, for mobile home owner's insurance must include appropriate discounts, credits, or other rate differentials for mobile homes constructed to comply with American Society of Civil Engineers Standard ANSI/ASCE 7-88, adopted by the United States Department of Housing and Urban Development on July 13, 1994, and that also comply with all applicable tie-down requirements provided by state law.

(4) The Legislature finds that separate consideration and notice of hurricane insurance premiums will assist consumers by providing greater assurance that hurricane premiums are lawful and by providing more complete information regarding the components of property insurance premiums. Effective January 1, 1997, a rate filing for residential property insurance shall be separated into two components, rates for hurricane coverage and rates for all other coverages. A premium notice reflecting a rate implemented on the basis of such a filing shall separately indicate the premium for hurricane coverage and the premium for all other coverages.

(5) In order to provide an appropriate transition period, an insurer may, in its sole discretion, implement an approved rate filing for residential property insurance over a period of years. An insurer electing to phase in its rate filing must provide an informational notice to the office setting out its schedule for implementation of the phased-in rate filing. An insurer may include in its rate the actual cost of private market reinsurance that corresponds to available coverage of the Temporary Increase in Coverage Limits, TICL, from the Florida Hurricane Catastrophe Fund. The insurer may also include the cost of reinsurance to replace the TICL reduction implemented pursuant to s. 215.555(17)(d)9. However, this cost for reinsurance may not include any expense or profit load or result in a total annual base rate increase in excess of 10 percent.

(6) Any rate filing that is based in whole or part on data from a computer model may not exceed 15 percent unless there is a public hearing.

(7) An insurer may implement appropriate discounts or other rate differentials of up to 10 percent of the annual premium to mobile home owners who provide to the insurer evidence of a current inspection of tie-downs for the mobile home, certifying that the tie-downs have been properly installed and are in good condition.

(8) EVALUATION OF RESIDENTIAL PROPERTY STRUCTURAL SOUNDNESS.--

(a) It is the intent of the Legislature to provide a program whereby homeowners may obtain an evaluation of the wind resistance of their homes with respect to preventing damage from hurricanes, together with a recommendation of reasonable steps that may be taken to upgrade their homes to better withstand hurricane force winds.

(b) To the extent that funds are provided for this purpose in the General Appropriations Act, the Legislature hereby authorizes the establishment of a program to be administered by the Citizens Property Insurance Corporation for homeowners insured in the high-risk account.

(c) The program shall provide grants to homeowners, for the purpose of providing homeowner applicants with funds to conduct an evaluation of the integrity of their homes with respect to withstanding hurricane force winds, recommendations to retrofit the homes to better withstand damage from such winds, and the estimated cost to make the recommended retrofits.

(d) The Department of Community Affairs shall establish by rule standards to govern the quality of the evaluation, the quality of the recommendations for retrofitting, the eligibility of the persons conducting the evaluation, and the selection of applicants under the program. In establishing the rule, the Department of Community Affairs shall consult with the advisory committee to minimize the possibility of fraud or abuse in the evaluation and retrofitting process, and to ensure that funds spent by homeowners acting on the recommendations achieve positive results.

(e) The Citizens Property Insurance Corporation shall identify areas of this state with the greatest wind risk to residential properties and recommend annually to the Department of Community Affairs priority target areas for such evaluations and inclusion with the associated residential construction mitigation program.

(9) A property insurance rate filing that includes any adjustments related to premiums paid to the Florida Hurricane Catastrophe Fund must include a complete calculation of the insurer's catastrophe load, and the information in the filing may not be limited solely to recovery of moneys paid to the fund.

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

(1) Using a form prescribed by the Office of Insurance Regulation, the insurer shall clearly notify the applicant or policyholder of any personal lines residential property insurance policy, at the time of the issuance of the policy and at each renewal, of the availability and the range of each premium discount, credit, other rate differential, or reduction in deductibles, and combinations of discounts, credits, rate differentials, or reductions in deductibles, for properties on which fixtures or construction techniques demonstrated to reduce the amount of loss in a windstorm can be or have been installed or implemented. The prescribed form shall describe generally what actions the policyholders may be able to take to reduce their windstorm premium. The prescribed form and a list of such ranges approved by the office for each insurer licensed in the state and providing such discounts, credits, other rate differentials, or reductions in deductibles for properties described in this subsection shall be available for electronic viewing and download from the Department of Financial Services' or the Office of Insurance Regulation's Internet website. The Financial Services Commission may adopt rules to implement this subsection.

(2)(a) The Financial Services Commission shall develop by rule a uniform mitigation verification inspection form that shall be used by all insurers when submitted by policyholders for the purpose of factoring discounts for wind insurance. In developing the form, the commission shall seek input from insurance, construction, and building code representatives. Further, the commission shall provide guidance as to the length of time the

inspection results are valid. An insurer shall accept as valid a uniform mitigation verification form signed by the following authorized mitigation inspectors:

1. A home inspector licensed under s. 468.8314 who has completed at least 3 hours of hurricane mitigation training approved by the Construction Industry Licensing Board which includes hurricane mitigation techniques and compliance with the uniform mitigation verification form and completion of a proficiency exam;
  2. A building code inspector certified under s. 468.607;
  3. A general, building, or residential contractor licensed under s. 489.111;
  4. A professional engineer licensed under s. 471.015;
  5. A professional architect licensed under s. 481.213; or
  6. Any other individual or entity recognized by the insurer as possessing the necessary qualifications to properly complete a uniform mitigation verification form.
- (b) An insurer may, but is not required to, accept a form from any other person possessing qualifications and experience acceptable to the insurer.
- (3) A person who is authorized to sign a mitigation verification form must inspect the structures referenced by the form personally, not through employees or other persons, and must certify or attest to personal inspection of the structures referenced by the form. However, licensees under s. 471.015 or s. 489.111 may authorize a direct employee, who is not an independent contractor, and who possesses the requisite skill, knowledge and experience, to conduct a mitigation verification inspection. Insurers shall have the right to request and obtain information from the authorized mitigation inspector under s. 471.015 or s. 489.111, regarding any authorized employee's qualifications prior to accepting a mitigation verification form performed by an employee that is not licensed under s. 471.015 or s. 489.111.
- (4) An authorized mitigation inspector that signs a uniform mitigation form, and a direct employee authorized to conduct mitigation verification inspections under paragraph (3), may not commit misconduct in performing hurricane mitigation inspections or in completing a uniform mitigation form that causes financial harm to a customer or their insurer; or that jeopardizes a customer's health and safety. Misconduct occurs when an authorized mitigation inspector signs a uniform mitigation verification form that:
- (a) Falsely indicates that he or she personally inspected the structures referenced by the form;
  - (b) Falsely indicates the existence of a feature which entitles an insured to a mitigation discount which the inspector knows does not exist or did not personally inspect;
  - (c) Contains erroneous information due to the gross negligence of the inspector; or
  - (d) Contains a pattern of demonstrably false information regarding the existence of mitigation features that could give an insured a false evaluation of the ability of the structure to withstand major damage from a hurricane endangering the safety of the insured's life and property.
- (5) The licensing board of an authorized mitigation inspector that violates subsection (4) may commence disciplinary proceedings and impose administrative fines and other sanctions authorized under the authorized mitigation inspector's licensing act. Authorized mitigation inspectors licensed under s. 471.015 or s. 489.111 shall be directly liable for the acts of employees that violate subsection (4) as if the authorized mitigation inspector personally performed the inspection.
- (6) An insurer, person, or other entity that obtains evidence of fraud or evidence that an authorized mitigation inspector or an employee authorized to conduct mitigation verification inspections under paragraph (3) has made false statements in the completion of a mitigation inspection form shall file a report with the Division of Insurance Fraud, along with all of the evidence in its possession that supports the allegation of fraud or falsity. An insurer, person, or other entity making the report shall be immune from liability, in

accordance with s. 626.989(4), for any statements made in the report, during the investigation, or in connection with the report. The Division of Insurance Fraud shall issue an investigative report if it finds that probable cause exists to believe that the authorized mitigation inspector, or an employee authorized to conduct mitigation verification inspections under paragraph (3), made intentionally false or fraudulent statements in the inspection form. Upon conclusion of the investigation and a finding of probable cause that a violation has occurred, the Division of Insurance Fraud shall send a copy of the investigative report to the office and a copy to the agency responsible for the professional licensure of the authorized mitigation inspector, whether or not a prosecutor takes action based upon the report.

(7) An individual or entity who knowingly provides or utters a false or fraudulent mitigation verification form with the intent to obtain or receive a discount on an insurance premium to which the individual or entity is not entitled commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

(8) At its expense, the insurer may require that a uniform mitigation verification form provided by a policyholder, a policyholder's agent, or an authorized mitigation inspector or inspection company be independently verified by an inspector, an inspection company, or an independent third-party quality assurance provider which possesses a quality assurance program before accepting the uniform mitigation verification form as valid.