

AGENDA
FINANCIAL SERVICES COMMISSION
Office of Insurance Regulation
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August 11, 2009

MEMBERS

Governor Charlie Crist
Attorney General Bill McCollum
Chief Financial Officer Alex Sink
Commissioner Charles Bronson

Contact: Monte Stevens
(850-413-2571)

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

ITEM	SUBJECT	RECOMMENDATION
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1. Minutes of the Financial Services Commission for June 9, 2009.

(ATTACHMENT 1)

FOR APPROVAL

2. Request for Approval for Adoption of Proposed Rule 69O-164.040: Determining Reserve Liabilities for Preneed Life Insurance

This proposed rule conforms Florida with the National Association of Insurance Commissioners (NAIC) guidelines relating to reserve liability for Preneed Life Insurance policies. Preneed Life Insurance is a product that is purchased by consumers who seek to pre-fund funeral services before their death. This insurance is typically bought in anticipation of impending death, on a guaranteed-issue basis with no underwriting. This differs from "regular" life insurance, where underwriting is an important factor in determining premiums and if coverage will be issued at all.

This rule will help ensure that companies selling this product have adequate reserves to pay for funeral services for their consumers. By conforming the Florida Administrative Code to the NAIC standards for preneed life insurance products, this rule will put Florida in lockstep with other states and reduce the frictional costs of doing business in Florida.

(ATTACHMENT 2)

APPROVAL FOR FINAL ADOPTION

3. Request for Approval for Adoption of Proposed Rule 69O-163.0075, .009, .011; Credit Life and Credit Disability

There are two major changes in these rules. The reason for these changes is to make the rules comply with recent legislative changes made in House Bill 343 from 2008.

Prior to HB 343, the term of both credit life insurance and credit disability insurance was not to exceed ten years. However, because of a change to section 627.681(2), Florida Statutes, this prohibition now only applies to credit life insurance; it no longer applies to credit disability insurance. The proposed rule reflects that in the language added to what was subsection (1).

What was subsection (2) in existing Rule 69O-163.0075 has been stricken in this proposed rule because HB 343 deleted the language that was the basis for this subsection.

(ATTACHMENT 3)

APPROVAL FOR FINAL ADOPTION

**Minutes of the Financial Services Commission
June 9, 2009**

<i>Members</i> Charlie Crist, Governor Alex Sink, Chief Financial Officer Bill McCollum, Attorney General Charles Bronson, Agriculture Commissioner	Presented by: Kevin McCarty Cabinet Meeting Room, Lower Level, The Capitol Tallahassee, Florida 32399
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**Item 1: Request for Approval for Adoption of Proposed Rule 69O-149.205;
Standard Risk Rates**

Upon motion by Chief Financial Officer Alex Sink and seconded by Agriculture
Commissioner Charles Bronson, the item was approved

**Item 2: Request for Approval for Publication of Proposed Rule 69O-189.003;
Workers' Compensation; Application and Audit Procedures**

Upon motion by Attorney General Bill McCollum, and seconded by Chief Financial
Officer Alex Sink, the item was approved

**Item 3: Request for Approval for Publication of Proposed Rule 69O-156, Part 1;
Requirements of Medicare Supplement Insurance**

Upon motion by Chief Financial Officer Alex Sink, and seconded by Attorney General
Bill McCollum, the item was approved

M E M O R A N D U M

DATE: June 30, 2009
TO: Kevin M. McCarty, Commissioner, Office of Insurance Regulation
THROUGH: Steven H. Parton, General Counsel
FROM: Dennis Threadgill *DKT*
Bob Prentiss *BP*
SUBJECT: Cabinet Agenda for July 28, 2009
Request for Final Approval to Adopt Amendments to
Rule 69O-164.040; Determining Reserve Liabilities for Preneed Life Insurance
Assmt. 44293

The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before July 22, 2009 and to the Financial Services Commission on July 28, 2009, with a request for Final Approval to Adopt the proposed rules. A notice of the Commission Final Rule Hearing will be published in the *Florida Administrative Weekly* on July 10, 2009.

The notice of proposed rules was published May 22, 2009 in Volume 35, No. 20, of the *Weekly*. The hearing was not requested, therefore, the hearing was not held.

The rule affects two sections of the Florida Insurance Code – sections 625.121 and 627.476, Florida Statutes. Section 625.121 specifies that the reserve liability (“reserves”) for all life insurance policies shall be valued each year. Section 627.476 mandates that insurers provide a non-forfeiture benefit to policyholders who default on premium payments. The reserve amount and the non-forfeiture benefit amount are both calculated using mortality tables composed from time to time by the American Academy of Actuaries Individual Life Insurance Valuation Mortality Task Force. The mortality tables currently adopted by NAIC were developed in 2001 and are known as “2001 CSO”.

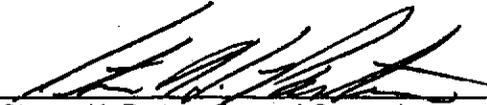
Pre-need life insurance is a special type of life insurance purchased for the purpose of funding funeral pre-arrangement agreements. This insurance is typically bought in anticipation of impending death, on a guaranteed-issue basis with no underwriting. This differs from “regular” life insurance, where underwriting is an important factor in determining premiums and if coverage will be issued at all. Consequently, using the 2001 CSO mortality tables, which are based entirely on underwriting, results in calculated reserve values and non-forfeiture values which are lower than normal and inadequate to protect policyholders. The 1980 CSO tables provide results which more accurately reflect the value of the policies.

By providing higher reserve and non-forfeiture values for pre-need life insurance policies, this rule furthers the purposes of the statutes. Consumers are better protected when the insurers have higher reserve amounts and when the consumers are able to receive a larger non-forfeiture benefit from the insurer after ceasing to pay premiums.

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

Stacy Wilhite 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:



Steven H. Parton, General Counsel

Approved for submission to Financial Services
Commission:



Kevin M. McCarty, Commissioner
Office of Insurance Regulation

690-164.040 Determining Reserve Liabilities for Preneed Life Insurance

(1) Authority

This rule is adopted by the commission pursuant to Sections 625.121(5)(a)3. and 627.476(9), Florida Statutes.

(2) Scope

This rule applies to preneed life insurance policies and certificates as defined in Section Four (4) of this rule, and similar policies and certificates.

(3) Purpose

The purpose of this rule is to recognize the inadequacy of the 2001 Commissioners Standard Ordinary Life Valuation Mortality Table for use in determining the minimum standard of valuation and the minimum standard nonforfeiture value, and to require the continued use of the 1980 Commissioners Standard Ordinary Life Valuation Mortality Table for use in determining the minimum standard of valuation and the minimum standard nonforfeiture value.

(4) Definitions

(a) The term "2001 CSO Mortality Table" means the 2001 Commissioners Standard Ordinary Life Valuation Mortality Table, consisting of separate rates of mortality for male and female lives, developed by the American Academy of Actuaries CSO Task Force from the Valuation Basic Mortality Table developed by the Society of Actuaries Individual Life Insurance Valuation Mortality Task Force, and adopted by the NAIC in December 2002. The 2001 CSO Mortality Table is included in the Proceedings of the NAIC (2nd Quarter 2002). Unless the context indicates otherwise, the "2001 CSO Mortality Table" includes both the ultimate form of that table and the select and ultimate

form of that table and includes both the smoker and nonsmoker mortality tables and the composite mortality tables. It also includes both the age-nearest-birthday and age-last-birthday bases of the mortality tables.

(b) The term "Ultimate 1980 CSO" means the Commissioners' 1980 Standard Ordinary Life Valuation Mortality Tables (1980 CSO) without ten-year (10-year) selection factors, incorporated into the 1980 amendments to the NAIC Standard Valuation Law approved in December 1983.

(c) For the purposes of this rule, preneed insurance is any life insurance policy or certificate that is issued in combination with, in support of, with an assignment to, or as a guarantee for a prearrangement agreement for goods and services to be provided at the time of and immediately following the death of the insured. Goods and services may include, but are not limited to embalming, cremation, body preparation, viewing or visitation, coffin or urn, memorial stone, and transportation of the deceased. The status of the policy or contract as preneed insurance is determined at the time of issue in accordance with the policy form filing.

(5) Minimum Valuation Mortality Standards

For preneed insurance contracts, as defined in section (4)(c), and similar policies and contracts, the minimum mortality standard for determining reserve liabilities and non-forfeiture values for both male and female insureds shall be the Ultimate 1980 CSO.

(6) Minimum Valuation Interest Rate Standards

(a) The interest rates used in determining the minimum standard for valuation of preneed life insurance shall be the calendar year statutory valuation interest rates as defined in Section 625.121(6), F.S.

(b) The interest rates used in determining the minimum standard for nonforfeiture values for preneed life insurance shall be the calendar year statutory nonforfeiture interest rates as defined in Section 627.476(9)(i), F.S.

(7) Minimum Valuation Method Standards

(a) The method used in determining the minimum standard for valuation of preneed life insurance shall be the method as defined in Section 625.121(5), F.S.

(b) The method used in determining the minimum standard for nonforfeiture values for preneed life insurance shall be the method as defined in Section 627.476(9), F.S.

(8) Transition Rules

(a) For preneed insurance policies issued on or after the effective date of this rule and before January 1, 2012, the 2001 CSO may be used as the minimum standard for reserves and minimum standard for non-forfeiture benefits for both male and female insureds.

(b) If an insurer elects to use the 2001 CSO as a minimum standard for any policy issued on or after the effective date of this rule and before January 1, 2012, the insurer shall provide, as a part of the actuarial opinion memorandum submitted in support of the company's asset adequacy testing, an annual written notification to the domiciliary commissioner. The notification shall include:

1. A complete list of all preneed policy forms that use the 2001 CSO as a minimum standard;

2. A certification signed by the appointed actuary stating that the reserve methodology employed by the company in determining reserves for the preneed

policies issued after the effective date and using the 2001 CSO as a minimum standard, develops adequate reserves (For the purposes of this certification, the preneed insurance policies using the 2001 CSO as a minimum standard cannot be aggregated with any other policies.); and

3. Supporting information regarding the adequacy of reserves for preneed insurance policies issued after the effective date of this rule and using the 2001 CSO as a minimum standard for reserves.

(c) Preneed insurance policies issued on or after January 1, 2012, must use the Ultimate 1980 CSO in the calculation of minimum nonforfeiture values and minimum reserves.

(9) This rule is applicable to preneed life policies and certificates as defined in (4)(c) issued on or after January 1, 2009.

Rulemaking Authority: 624.308(1), 625.121(5)(a)3., 627.476(9), FS. Law Implemented: 625.121(5)(a)3., 627.476(9), FS., _____.

625.121 Standard Valuation Law; life insurance.

(5) MINIMUM STANDARD FOR VALUATION OF POLICIES AND CONTRACTS ISSUED ON OR AFTER OPERATIVE DATE OF STANDARD NONFORFEITURE LAW.--Except as otherwise provided in paragraph (h) and subsections (6), (11), and (14), the minimum standard for the valuation of all such policies and contracts issued on or after the operative date of s. 627.476 (Standard Nonforfeiture Law for Life Insurance) shall be the commissioners' reserve valuation method defined in subsections (7), (11), and (14); 5 percent interest for group annuity and pure endowment contracts and 3.5 percent interest for all other such policies and contracts, or in the case of life insurance policies and contracts, other than annuity and pure endowment contracts, issued on or after July 1, 1973, 4 percent interest for such policies issued prior to October 1, 1979, and 4.5 percent interest for such policies issued on or after October 1, 1979; and the following tables:

(a) For all ordinary policies of life insurance issued on the standard basis, excluding any disability and accidental death benefits in such policies:

3. For policies issued on or after July 1, 2004, ordinary mortality tables, adopted after 1980 by the National Association of Insurance Commissioners, adopted by rule by the commission for use in determining the minimum standard of valuation for such policies.

627.476 Standard Nonforfeiture Law for Life Insurance.

(9) CALCULATION OF ADJUSTED PREMIUMS AND PRESENT VALUES FOR POLICIES ISSUED AFTER OPERATIVE DATE OF THIS SUBSECTION.--

(h) All adjusted premiums and present values referred to in this section shall for all policies of ordinary insurance be calculated on the basis of the Commissioners' 1980 Standard Ordinary Mortality Table or, at the election of the insurer for any one or more specified plans of life insurance, the Commissioners' 1980 Standard Ordinary Mortality Table with Ten-Year Select Mortality Factors; shall for all policies of industrial insurance be calculated on the basis of the Commissioners' 1961 Standard Industrial Mortality Table; and shall for all policies issued in a particular calendar year be calculated on the basis of a rate of interest not exceeding the nonforfeiture interest rate as defined in this subsection for policies issued in that calendar year. However:

5. In lieu of the mortality tables specified in this section, at the option of the insurance company and subject to rules adopted by the commission, the insurance company may substitute:

- a. The 1958 CSO or CET Smoker and Nonsmoker Mortality Tables, whichever is applicable, for policies issued on or after the operative date of this subsection and before January 1, 1989;
- b. The 1980 CSO or CET Smoker and Nonsmoker Mortality Tables, whichever is applicable, for policies issued on or after the operative date of this subsection;
- c. A mortality table that is a blend of the sex-distinct 1980 CSO or CET mortality table standard, whichever is applicable, or a mortality table that is a blend of the sex-distinct 1980 CSO or CET smoker and nonsmoker mortality table standards, whichever is applicable, for policies that are subject to the United States Supreme Court decision in *Arizona Governing Committee v. Norris* to prevent unfair discrimination in employment situations.

M E M O R A N D U M

DATE: June 29, 2009
TO: Kevin M. McCarty, Commissioner, Office of Insurance Regulation
THROUGH: Steven H. Parton, General Counsel
FROM: Dennis Threadgill *DT*
Bob Prentiss *BP*
SUBJECT: Cabinet Agenda for July 28, 2009
Request for Final Approval to Adopt Amendments to
Rule 69O-163.0075,.009,.011; Credit Life and Credit Disability
Assmt. 44294

The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before July 22, 2009 and to the Financial Services Commission on July 28, 2009, with a request for Final Approval to Adopt the proposed rules. A notice of the Commission Final Rule Hearing will be published in the *Florida Administrative Weekly* on July 10, 2009.

The notice of proposed rules was published May 22, 2009 in Volume 35, No. 20, of the *Weekly*. The hearing was not requested, therefore, the hearing was not held.

There are two major changes in these rules. The reason for the change to these rules is to comply with recent legislative changes to Sections 627.679 and 627.681.

The very first sentence in Rule 69O-163.0075 is being removed; the way the rule presently reads the term of both credit *life* insurance and credit *disability* insurance may not exceed ten years. However, because of the change to section 627.681(2) this prohibition now only applies to credit *life* insurance; it no longer applies to credit *disability* insurance. The proposed rule reflects that in the language that has been added to what was Subsection (1).

What was subsection (2) in existing Rule 69O-163.0075 has been stricken in the proposed rule because the amendment to section 627.681(2) struck the language that was the basis for this language.

Sections 627.678, 627.6785, 627.681, and 627.682, 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.

Bob Prentiss 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:



Steven H. Parton, General Counsel

Approved for submission to Financial Services
Commission:



Kevin M. McCarty, Commissioner
Office of Insurance Regulation

69O-163.0075 Term and Evidence of Insurance.

~~The term of insurance and evidence of insurance shall not exceed ten years subject to the following limitations:~~

~~(1) Credit life insurance shall not exceed ten years from the date of issue and provide coverage for at least 5 years or the term of the loan if the loan is for less than 5 years;~~

~~(2) Credit disability insurance shall provide for monthly payments which are the lesser of 60 monthly payments or the number of monthly payments for the full term of the loan.~~

~~*Rulemaking-Specific Authority 624.308(1), 627.678 FS. Law Implemented 624.307(1), 627.681, 627.6785(3), 627.681(3) FS. History-New 2-11-03, Formerly 4-163.0075*~~

69O-163.009 Determination of Reasonableness of Benefits in Relation to Premium Charge.

(1) Section 627.682, Florida Statutes, requires that benefits provided by credit insurance policies must be reasonable in relation to the premium charged. This requirement is satisfied if the premium rate charged develops or may be reasonably expected to develop a loss ratio of claims incurred to premiums earned of not less than:

- (a) 55% for credit life insurance, and
- (b) 50% for credit disability insurance.

(2) Use of rates not greater than those contained in Rules 69O-163.010 and 69O-163.011, F.A.C., ("prima facie rates") shall be deemed premium rates reasonably expected to develop the required loss ratio. An insurer may only file and use rates with such forms which are greater than prima facie rates upon a satisfactory filing with the Office ~~showing to the Director~~ that the use of such rates will not result on a statewide basis for that insurer of a ratio of claims incurred to premiums earned of less than the required loss ratio.

(3) If an actual rate is greater than the prima facie rates, the actual rate may not exceed the prima facie rates plus the difference between:

- (a) Claims which may be reasonably expected; and
- (b) The product of the required loss ratio and the prima facie rate set forth for the coverage being provided.

(4) When some rates are based on subsection (1) above and others on the prima facie rate, the expected loss ratios of statewide business must meet the minimum loss ratio standard in subsection (1) above.

(5) Nonstandard Coverage. If any insurer files for approval of any form providing coverage more restrictive than that described in Rules 69O-163.010 and 69O-163.011, F.A.C., the insurer shall make a filing to demonstrate to the satisfaction of the Office Director that the premium rates to be charged for such restricted coverage comply with subsection (1) above or, are less than or equal to rates which are actuarially equivalent to the prima facie rates.

Rulemaking-Specific Authority 624.308(1), 627.678 FS. Law Implemented 624.307(1), 627.678, 627.682 FS. History--New 5-9-82, Formerly 4-7.09, Amended 6-11-91, Formerly 4-7.009, Amended 3-15-94, 2-11-03, Formerly 4-163.009.

69O-163.011 Credit Disability Insurance Rates.

(1) Credit disability insurance premium rates for the insured portion of an indebtedness repayable in equal monthly installments, where the insured portion of the indebtedness decreases uniformly by the amount of the monthly installment paid, shall not be greater than in paragraphs (a) and (b). Paragraphs (c), (d) and (e) refer to premium rates for other types of coverages either alone or in combination with the type of coverages applicable to paragraphs (a) and (b).

(a) If premiums are payable on a single-premium basis for the duration of the coverage:

TABLE I

No. of months in which indebtedness repayable	14-Day		7-Day		30-Day	
	is Non-Retroactive	Non-Retroactive	Retroactive	Retroactive	Retroactive	Retroactive

6 or less	\$0.81	\$0.36	\$1.47	\$1.30	\$1.05
7-12	1.13	0.72	1.76	1.58	1.36
13-18	1.46	1.08	2.05	1.87	1.67
19-24	1.78	1.44	2.34	2.16	1.97
25-30	2.11	1.80	2.64	2.45	2.28
31-36	2.43	2.16	2.93	2.74	2.58
37-48	2.84	2.70	3.34	3.10	2.97
49-60	3.16	2.97	3.69	3.38	3.28
61-72*	3.43	3.27	3.97	3.62	3.53
73-84*	3.61	3.47	4.18	3.79	3.70
85-96*	3.76	3.64	4.34	3.92	3.84
97-108*	3.86	3.75	4.46	4.01	3.94
109-120*	3.95	3.85	4.55	4.09	4.02
<u>Per month for terms</u>	<u>.0303</u>	<u>.0296</u>	<u>.0348</u>	<u>.0313</u>	<u>.0308</u>
<u>exceeding 120 months</u>					

~~*Maximum benefit is 60 monthly payments.~~

(b) If premiums are paid on the basis of a premium rate per month per thousand of outstanding insured indebtedness, these premiums shall be computed according to the formula: $OP_n = (20 \times SP_n) / (n + 1)$ using a rate no less than the 24 month rate in Table I above. A company may submit a different formula for approval which produces rates actuarially equivalent to the single premium rates in Table I:

Where

SP_n = Single Premium Rate per \$100 of initial insured indebtedness repayable in equal monthly installments (Table I). The Single Premium Rate shall not be less than the 19-24 month rate for the appropriate coverage.

OP_n = Monthly Outstanding Balance Premium Rate per \$1,000.

n = Original repayment period, in months.

(c) Coverage which provides a constant maximum indemnity for a given period of time shall use rates no greater than those rates which are actuarially equivalent to the rates in paragraph (a) or (b).

(d) If the coverages provided are other than those described in this subsection (1), rates for such coverages shall be actuarially equivalent to the rates provided in paragraph (a), (b) or (c).

(e) Joint coverage rates shall be no greater than 175% of the specific rate for that type of coverage.

(f) The monthly outstanding balance rate for credit disability insurance may be either a term specified rate or may be a single composite term rate applicable to all insured loans.

(2) The premium rates in subsection (1) shall apply to policies providing credit disability insurance to be issued with or without evidence of insurability, to be offered to all eligible debtors, and containing:

(a)1. No provision excluding or denying a claim for disability resulting from pre-existing conditions, except for those conditions for which the insured debtor received medical advice, diagnosis, or treatment within six months preceding the effective date of the debtor's coverage, and which caused loss within the 6 months following the effective date of coverage;

2. Disability commencing after 6 months following the effective date of coverage resulting from the condition shall be covered.

3. Coverage with no pre-existing provision limitation shall result in an additional premium of 10% of the amounts shown in subsection (1), above.

(b) No other provision which excludes or restricts liability in the event of disability caused in a specific manner, except that it may contain provisions excluding or restricting coverage for intentionally self-inflicted injuries and normal pregnancy.

(c) No provision which requires that the debtor be employed more than thirty (30) hours per week in order to be eligible for insurance coverage.

(d) No age restrictions, or only age restrictions making ineligible for coverage

debtors 66 or over at the time the indebtedness is incurred.

(e) However, coverage shall be provided, at a minimum, until the earlier of the maturity date of the loan or the loan anniversary at age 66. Where loans are in the form of revolving credit arrangements, an insurer may terminate coverage when the debtor attains the age 66.

(f) A daily benefit equal in amount to one-thirtieth of the monthly benefit payable under the policy for the indebtedness.

(g)1. A definition of "disability" which provides that during the first 12 months of disability the insured shall be unable to perform the duties of his occupation at the time the disability occurred, and thereafter the duties of any occupation for which the insured is reasonably fitted by education, training or experience.

2. This paragraph shall not apply to lump sum disability coverage.

Rulemaking Specific Authority 624.308(1), 627.678 FS. Law Implemented 624.307(1), 627.678, 627.6785, 627.682 FS. History—New 5-9-82, Formerly 4-7.11, Amended 6-11-91, Formerly 4-7.011, Amended 2-11-03, Formerly 4-163.011.

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.

627.678 Rules.--

- (1) For the effective protection of the public interest, the commission shall have full power and authority to adopt, and the office shall enforce, separate rules pertaining to issuance and use of each type of credit insurance defined in s. 627.677.
- (2) Rules made pursuant to this section shall be principally designed, and shall be promulgated with the purpose of protecting the borrower from excessive charges by or collected through the lender for insurance in relation to the amount of the loan, to avoid duplication or overlapping of insurance coverage and to avoid loss of the borrower's funds by short-rate cancellation or termination of such insurance. However, nothing in such rules shall be construed to authorize the department, commission, or office to prohibit operation of normal dividend distributions under participating insurance contracts.

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.

627.681 Term and evidence of insurance.--

- (1) The term of credit life insurance coverages shall not extend more than 15 days beyond the term of the indebtedness, except when extended without additional cost to the insured borrower or purchaser; and in no event shall the term of the insurance policy exceed 10 years from the date of issue thereof.
- (2) The term of credit disability insurance on any debtor insured under this section shall not exceed 10 years, and for credit transactions that exceed 60 months, coverage shall not exceed 60 monthly indemnities.
- (3) Notwithstanding s. 627.6785(3), the term of credit life or credit disability insurance may be for less than the term of the indebtedness. However, except for the age limitations referred to in s. 627.6785(3), the term shall extend for at least 5 years or for the term of the indebtedness, whichever is less.
- (4) All credit insurance sold shall be evidenced by a policy, certificate, or statement of insurance, which shall be delivered to the insured borrower or purchaser. Upon acceptance of the insurance by the insurer and within 60 days of the date upon which the indebtedness is incurred, the insurer shall cause the individual policy or group certificates of insurance to be delivered to the debtor. The policy, certificate, or statement of insurance shall set forth a description of the coverage, including any exceptions, limitations, or restrictions, and the amount of the premium in the case of individual or franchise insurance, or the amount of any identifiable charge in the case of group insurance, except that, in the case of group insurance, in lieu of setting forth the amount of identifiable charge in the certificate or statement of insurance, such identifiable charge may be set forth in an instrument in writing, which shall be delivered to the insured borrower or purchaser. The policy group certificate or statement of

insurance shall state that the benefits shall be paid to the creditor to reduce or extinguish the unpaid indebtedness and, whenever the amount exceeds the unpaid indebtedness, any such excess shall be payable to a beneficiary, other than the creditor, named by the debtor, or to his or her estate.

- (5) If the named insurer does not accept the risk and coverage is accepted by another insurer, the debtor shall receive a policy or certificate of insurance setting forth the name and home office address of the substituted insurer and the amount of the premium to be charged; and, if the amount of premium is less than that set forth in the notice of proposed insurance, an appropriate refund shall be made.

627.6785 Filing of rates with department.--

- (3) No credit life rate or credit disability rate shall be deemed to comply with the allowable rate criteria contained in this part if it contains age restrictions which make ineligible for credit life those debtors or lessors 70 years of age or under, or for credit disability those debtors or lessors 65 years of age or under, at the time the indebtedness is incurred. However, for credit life, the coverage shall be provided, at a minimum, until the earlier of the maturity date of the loan or the loan anniversary at age 71, and, for credit disability, the coverage shall be provided, at a minimum, until the earlier of the maturity date of the loan or the loan anniversary at age 66.

627.681 Term and evidence of insurance.—

- (3) Notwithstanding s. 627.6785(3), the term of credit life or credit disability insurance may be for less than the term of the indebtedness. However, except for the age limitations referred to in s. 627.6785(3), the term shall extend for at least 5 years or for the term of the indebtedness, whichever is less.

627.682 Filing, approval of forms.—

All forms of policies, certificates of insurance, statements of insurance, applications for insurance, binders, endorsements, and riders of credit life or disability insurance delivered or issued for delivery in this state shall be filed with and approved by the office before use as provided in ss. 627.410 and 627.411. In addition to grounds as specified in s. 627.411, the office, upon compliance with the procedures set forth in s. 627.410, shall disapprove any such form and may withdraw any previous approval thereof if the benefits provided therein are not reasonable in relation to the premiums charged, or if it contains provisions which are unjust, unfair, inequitable, misleading, or deceptive or which encourage misrepresentation of such policy.