



**OFFICE OF INSURANCE REGULATION**

***Life & Health Product Review***

**FLORIDA ADDITIONAL INFORMATION CHECKLIST  
FOR DEBTOR GROUPS**

This policy may be issued to a creditor, who will be the policyholder, under which the debtors of such creditors are indemnified in connection with a specific loan or credit transaction against loss of time resulting from bodily injury or sickness. All the debtors of the creditors are eligible. The policy may be issued only if the group receives, or expects to receive, new entrants at the rate of 100 persons yearly. If the company can substantiate to the Office that participation at the time requested was less than 75% of the number of new entrants then evidence of insurability may be required; otherwise, no health questions are to be asked. Participating means enrolling in the mortgage disability plan.

This type of policy may only be offered for loss of the (disability income). The benefits shall be paid directly to the insured or credited to his account. If by assignment then the assignment shall be executed after the loss with the claim form.

The installation report, shown as Exhibit A in Bulletin 74-9 must be filed with the forms.

We will need a certification of Bulletin 74-9, see attached Bulletin 74-9.

Group policies may only have loss of time; however, individual contracts may include accidental death.

The financial institution may mail out advertising literature for the agent and insurance company (all advertising must be filed with the Office); however, they may only be reimbursed for the actual cost of such services.

The insurance must be solicited by a properly licensed agent. If by mail, the application must be sent on behalf of the agent and the letter must contain the agent's name, the company's name, and the application must be returned to the agent for his signature.

If the premium is to be added to the mortgage payment the statement "I hereby authorize you to request my mortgagee to add premium to my mortgage payment" should be in the application and require a signature, or on a separate form with the signature of the applicant.

Individual policies:

Identification of policies - Such insurance policies can not be referred to as anything other than as an individual policy. Discrimination as to rates, loss ratio refunds, dividends, etc., by the company or agent will not be permitted.

If the mortgage is transferred through purchase or for other reasons to another financial institution, the contract may not be terminated solely because of this change. The current carrier is to offer to continue the coverage on a direct bill basis. Unemployment is not a reason for termination. The completion of payment of maximum benefits will terminate the contract.

Group plans - Authority.

This may be written under F.S. 627.655 and the debtors eligible for such insurance shall be all of the debtors of the creditor or all of any class or classes. The group policy will be issued to the financial institution as the policyholder to cover specific loans or credit transactions. This coverage cannot be referred to or labeled as credit disability insurance. They can include subsidiaries if under common control of the creditor.

When a group mortgage is sold or transferred to another financial institution and the mortgagors lose their group coverage due to such disruption, the assuming carrier shall grant similar coverage for at least one year to all participants without underwriting, except for age, and with the right to require pre-existing condition restriction for which the insured had



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received treatment or counseling. Unemployment before 65 shall not be a reason for non-renewal or termination unless the insured ceases to pursue a gainful occupation. Completion of the payments would terminate the contract.

Section 627.412 of the Florida Statutes:

(1) An insurance contract must contain the standard provision as required by the code and applicable to the contracts of particular kinds of insurance. The Office may waive a particular provision in a particular insurance policy form if:

- a. It finds such provision unnecessary for the protection of the insured and inconsistent with the purpose of the policy, and
- b. The policy is otherwise approved by it.

(2) No policy shall contain provisions inconsistent with or contradictory to any standard or uniform provision used or required to use. The Office may approve any substitute provision which is not less favorable to the insured or beneficiary.