



FLORIDA OFFICE OF INSURANCE REGULATION

LEGISLATIVE SUMMARY

2018

DAVID ALTMAIER
INSURANCE COMMISSIONER

HB 465 HB 483

HB 35I

SB 660 SB 376

HB 1011

HB 1127 HB 5007

HB 465

HB 37 HB 35I

SB 376

HB 1011 HB

HB 483

HB 35I

SB 376

HB 1011

HB 5007

HB 465

HB 37 HB 35I

SB 376

HB 1011 HB

HB 465 HB 483

HB 35I

SB 660 SB 376

HB 1011

HB 1127 HB 5007

HB 465

HB 37 HB 35I

SB 660 SB 376

HB 1011 HB



FINANCIAL SERVICES
COMMISSION

RICK SCOTT
GOVERNOR

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

PAM BONDI
ATTORNEY GENERAL

ADAM PUTNAM
COMMISSIONER OF
AGRICULTURE

OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

June 29, 2018

Dear Floridians,

I am pleased to present the *2018 Legislative Summary* prepared by the Florida Office of Insurance Regulation (Office). This report provides a brief overview of insurance legislation passed by the Florida Legislature during the 2018 Regular Session with action taken by the Governor. It also includes a summary of the Office budget for Fiscal Year 2018-19. Additional information and legislative materials pertaining to these bills or any others can be found online at www.leg.state.fl.us.

I encourage you to review this report and visit our website for more information about the Office's role in promoting a stable and competitive insurance market that allows reliable insurance products to be available to Florida consumers at affordable prices.

Sincerely,

A handwritten signature in black ink that reads "David Altmaier".

David Altmaier

TABLE OF CONTENTS

Budget	3
General Appropriations Act (HB 5001 by Appropriations)	3
Appropriations Provisos for the Office, Fiscal Year 2018-19	4
General Insurance	5
Insurance (HB 465 by Santiago)	5
Unfair Insurance Trade Practices (HB 483 by Yarborough)	5
Life and Health Insurance	6
Direct Primary Care Agreements (HB 37 by Burgess)	6
Prescription Drug Pricing Transparency (HB 351 by Santiago)	6
Florida Insurance Code Exemption for Nonprofit Religious Organizations (SB 660 by Brandes)	6
Property and Casualty Insurance	7
Workers' Compensation Benefits for First Responders (SB 376 by Book)	7
Unfair Insurance Trade Practices (HB 533 by Hager)	7
Homeowners' Insurance Policy Disclosures (HB 1011 by Cruz)	7
Public Records and Meetings/Citizens Property Insurance Corporation (HB 1127 by Lee, Jr.)	8
Office Administration and Operations	9
State-Administered Retirement Systems (HB 5007 by Appropriations & Trujillo)	9

**Summary of Insurance, Administrative, and Budget-Related Legislation
Enacted by the Florida Legislature during the 2018 Regular Session**

BUDGET

General Appropriations Act ([HB 5001](#) by Appropriations & Trujillo)

Action by Governor: Approved by the Governor (Ch. Law 2018-009)

Effective Date: 7/1/2018

The Legislature approved the FY 2018-19 General Appropriations Act on March 11, 2018, during Regular Session. The Governor signed it into law on March 16, 2018. Funds appropriated to the Office of Insurance Regulation (Office) from the Insurance Regulatory Trust are show in Table 1.

Table 1. Appropriations Overview Fiscal Year 2018-19: Office of Insurance Regulation (Office)			
Positions	FY 2017-18	FY 2018-19	Over/(Under)
Full-time equivalent (FTE) positions	289	287	(2)
Funding (By Budget Category)	FY 2017-18	FY 2018-19	Over/(Under)
Salaries and Benefits	\$20,261,606	\$20,720,316	\$458,710
Other Personal Services*	\$290,169	\$290,169	\$0
Expenses	\$2,481,072	\$2,479,173	(\$1,899)
Operation Capital Outlay	\$98,000	\$98,000	\$0
Contracted Services	\$1,430,726	\$1,430,726	\$0
Financial Examination Contracts*	\$4,926,763	\$4,926,763	\$0
Florida Public Hurricane Model (Enhancements)**	\$969,689	\$969,689	\$0
Miami Beach Coastal Flooding Hazard Research Project**	\$0	\$327,227	\$327,227
Catastrophic Advanced Technology Testing**	\$0	\$750,000	\$750,000
Lease or Lease-Purchase of Equipment	\$27,403	\$27,403	\$0
Risk Management Insurance	\$128,297	\$227,229	\$98,932
DMS Human Resources Contract	\$94,266	\$91,939	(\$2,327)
TOTAL	\$30,707,991	\$32,338,634	\$1,630,643

*Budget authority for financial examinations of Property and Casualty, and Life and Health Insurance companies. Insurance companies reimburse the Insurance Regulatory Trust Fund for examination costs. The Trust Fund acts as a pass through. The transaction is revenue neutral.

**Funds are nonrecurring and disbursed directly to Florida International University (FIU).

Appropriations Proviso for the Office, Fiscal Year 2018-19

From the funds provided in Specific Appropriations 2479 through 2494, the Office of Insurance Regulation shall submit quarterly reports on all travel related to training, seminars, workshops, conferences, or similarly purposed travel that was completed by senior management employees and division or program directors. Each quarterly report shall include the following information: (a) employee name, (b) position title, (c) purpose of travel, (d) dates and location of travel, (e) confirmation of agency head authorization if required by HB 5003, and (f) total travel cost. The report shall be submitted to the chair of the Senate Appropriations Committee, the chair of the House of Representatives Appropriations Committee, and the Executive Office of the Governor’s Office of Policy and Budget. The first report shall be submitted on July 13, 2018, for the period of April 1, 2018, through June 30, 2018, and quarterly thereafter.

Line #2483 – Existing Proviso (Public Hurricane Model – Enhancements) \$969,689

Funds in Specific Appropriation 2483 shall be transferred to Florida International University and utilized to promote and enhance collaborative research among state universities. The Florida Public Hurricane Loss Model located at Florida International University may consult with the private sector and the Florida Catastrophic Storm Risk Management Center located at The Florida State University to enhance the marketability, viability, and applications of the Florida Public Hurricane Loss Model. The Office of Insurance Regulation (Office) shall have the ability to accurately calculate hurricane risk and project catastrophic losses, and nothing shall interfere with or supersede the Office’s authority to enter into agreements with Florida International University.

Line #2485A – New Proviso (Miami Beach Coastal Flood Hazard Research Project and Catastrophic Advanced Technology Test) \$1,077,227

From the funds in Specific Appropriation 2485A, \$327,227 in nonrecurring funds is provided for the Florida International University Miami Beach Coastal Flooding Hazard Research Project ([HB 3933](#)).

From the funds in Specific Appropriation 2485A, \$750,000 in nonrecurring funds is provided for Catastrophic Advanced Technology Testing ([HB 3029](#)).

GENERAL INSURANCE

Insurance (HB 465 by Santiago)

Action by Governor: Approved by the Governor (Ch. Law 2018-131)

Statute(s) Affected: 625.151, 625.325, 626.221, 626.918, 626.9651, 627.416, 627.43141, 627.7015, 627.728, 628.4615, 628.8015, 629.401, 634.121, 641.3107

Effective Date: 3/30/2018

The bill makes a number of changes to insurance by providing an exception from valuation rules for stocks in subsidiaries for certain foreign insurers under certain conditions; repealing the requirement that FLSO submit written requests to OIR for eligibility purposes; revising requirements for rules adopted by the Department of Financial Services and the Financial Services Commission relating to the privacy of certain consumer information; providing that an insurer may elect to issue an insurance policy without being executed by one of the specified insurer representatives; requiring that an insurer summarize policy changes on the required notice upon renewal; permitting use of the Intelligent Mail barcode, or similar method approved by the United States Postal Service, to be used to establish proof that required motor vehicle insurance notices of cancellation, non-renewal, or transfer of insurer were mailed; adding viatical settlement providers to the list of specialty insurers and allowing any specialty insurer to overcome the presumption of control by filing with OIR a disclaimer of control on an OIR form or a copy of their SEC Schedule 13G; and requiring motor vehicle service agreement companies and health maintenance organizations (HMO) to deliver motor vehicle service agreements and HMO contracts in compliance with the standards applicable to insurers, etc.

For a copy of the final House staff analysis, please [click here](#).

Unfair Insurance Trade Practices (HB 483 by Yarborough)

Action by Governor: Approved by the Governor (Ch. Law 2018-149)

Statute(s) Affected: 626.9541

Effective Date: 7/1/2018

The bill revises types, value & frequency of advertising & promotional gifts that licensed insurers or their agents may give to insureds, prospective insureds, or others. The bill authorizes such insurers or agents to make certain charitable donations on behalf of insureds or prospective insureds. The bill prohibits title insurance agents, agencies, & insurers from giving insureds, prospective insureds, or others merchandise in excess of specified value. The bill authorizes certain licensed insurers & agents to give specified complimentary services or discounted rates on specified services.

For a copy of the final House staff analysis, please [click here](#).

LIFE AND HEALTH INSURANCE

Direct Primary Care Agreements ([HB 37](#) by Burgess)

Action by Governor: Approved by the Governor (Ch. Law 2018-089)

Statute(s) Affected: 624.27

Effective Date: 7/1/2018

The bill specifies that a direct primary care agreement does not constitute insurance & provides requirements for such agreement.

For a copy of the final House staff analysis, please [click here](#).

Prescription Drug Pricing Transparency ([HB 351](#) by Santiago)

Action by Governor: Approved by the Governor (Ch. Law 2018-091)

Statute(s) Affected: 465.0244, 465.1862, 624.49, 641.314, 627.6572, 627.64741

Effective Date: 7/1/2018

The bill requires pharmacists to inform customers of less expensive, generically equivalent drug products & whether the cost-sharing obligations to such customers exceed the retail price of their prescriptions. The bill requires pharmacy benefit managers to register with OIR. The bill provides registration requirements and by certain a date. The bill requires the office to issue registration certificate upon receipt of completed registration form. The bill provides for expiration. The bill requires rulemaking. The bill requires certain terms in health insurer or health maintenance organization contracts with pharmacy benefit managers.

For a copy of the final House staff analysis, please [click here](#).

Florida Insurance Code Exemption for Nonprofit Religious Organizations ([SB 660](#) by Brandes)

Action by Governor: Approved by the Governor (Ch. Law 2018-025)

Statute(s) Affected: 624.1265

Effective Date: 7/1/2018

The bill revises criteria under which a nonprofit religious organization that facilitates the sharing of contributions among its participants for financial, physical, or medical needs is exempt from requirements of the code, etc.

For a copy of the final Senate staff analysis, please [click here](#).

PROPERTY AND CASUALTY INSURANCE

Workers' Compensation Benefits for First Responders ([SB 376](#) by Book)

Action by Governor: Approved by the Governor (Ch. Law 2018-124)

Statute(s) Affected: 112.1815

Effective Date: 10/1/2018

The bill provides that, under certain circumstances, posttraumatic stress disorder suffered by a first responder is an occupational disease compensable by workers' compensation benefits. The bill specifies that benefits do not require a physical injury and are not subject to certain apportionment or limitations, etc.

For a copy of the final Senate staff analysis, please [click here](#).

Unfair Insurance Trade Practices ([HB 533](#) by Hager)

Action by Governor: Approved by the Governor (Ch. Law 2018-153)

Statute(s) Affected: 626.9541

Effective Date: 7/1/2018

The bill authorizes certain insurers to refuse to insure or continue to insure applicant or insured for failing to purchase certain noninsurance motor vehicle services.

For a copy of the final House staff analysis, please [click here](#).

Homeowners' Insurance Policy Disclosures ([HB 1011](#) by Cruz)

Action by Governor: Approved by the Governor (Ch. Law 2018-063)

Statute(s) Affected: 627.7011

Effective Date: 1/1/2019

The bill provides & revises homeowner's flood damage insurance policy disclosure requirements.

For a copy of the final House staff analysis, please [click here](#).

Public Records and Meetings/Citizens Property Insurance Corporation ([HB 1127](#) by Lee, Jr. (L))

Action by Governor: Approved by the Governor (Ch. Law 2018-065)

Statute(s) Affected: 119.07, 627.352

Effective Date: 3/21/2018

The bill creates exemption from public records & meetings requirements for certain data & information held by Citizens Property Insurance Corporation relating to information technology security programs. The bill authorizes certain entities or agencies to access such records. The bill provides retroactive application. The bill provides for future legislative review & repeal. The bill provides statements of public necessity.

For a copy of the final House staff analysis, please [click here](#).

OFFICE ADMINISTRATION AND OPERATIONS

State-Administered Retirement Systems ([HB 5007](#) by Appropriations Committee)

Action by Governor: Approved by the Governor (Ch. Law 2018-012)

Statute(s) Affected: 121.71

Effective Date: 7/1/2018

The bill revises required employer retirement contribution rates for members of certain membership classes & subclasses of FRS. The bill provides finding of important state interest.

For a copy of the final House staff analysis, please [click here](#).