

AGENDA
FINANCIAL SERVICES COMMISSION
Office of Insurance Regulation
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March 7, 2013

MEMBERS

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

Contact: Ashlee Falco
(850-413-5069)

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

ITEM	SUBJECT	RECOMMENDATION
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1. Minutes of the Financial Services Commission for December 11, 2012.

(ATTACHMENT 1)

FOR APPROVAL

2. Request for Approval for Publication of Proposed Amendments to Rule 69O-137.001; Annual and Quarterly Reporting Requirements, and to file this rule, along with the incorporated materials, for Adoption if no member of the public timely requests a rule hearing.

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

(ATTACHMENT 2)

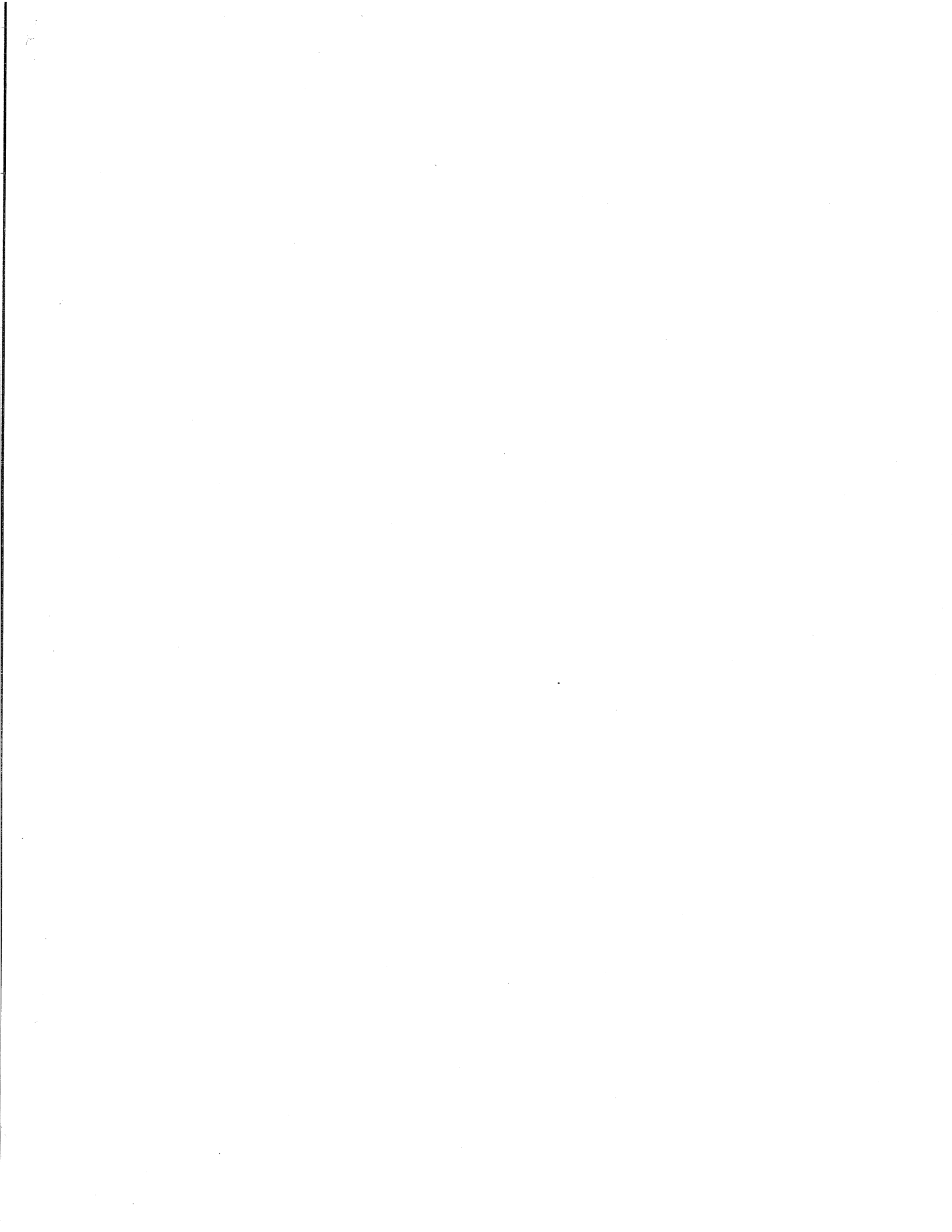
APPROVAL FOR PUBLICATION AND FINAL ADOPTION

3. Request for Approval for Publication of Proposed Amendments to Rule 69O-138.001; NAIC Financial Condition Examiners Handbook Adopted, and to file this rule, along with the incorporated materials, for Adoption if no member of the public timely requests a rule hearing.

The Office is proposing to amend this rule to adopt the 2013 NAIC Financial Condition Examiners Handbook. Section 624.316, Florida Statutes, requires the Office to examine insurers' financial condition using generally accepted accounting procedures. This statute also allows the Office to adopt the NAIC Financial Condition Examiners Handbook to facilitate these exams. By adopting the newest version of the handbook, this rule ensures that the procedures used by the Office to examine insurers are the current generally accepted accounting practices.

(ATTACHMENT 3)

APPROVAL FOR PUBLICATION AND FINAL ADOPTION



T H E C A B I N E T
S T A T E O F F L O R I D A

Representing:

DEPARTMENT OF VETERANS AFFAIRS
GULF REGIONAL AIRSPACE STRATEGIC INITIATIVE
BOARD OF TRUSTEES
DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES
DEPARTMENT OF REVENUE
FLORIDA DEPARTMENT OF LAW ENFORCEMENT
OFFICE OF INSURANCE REGULATION
DIVISION OF BOND FINANCE

The above agencies came to be heard before
THE FLORIDA CABINET, Honorable Governor Scott
presiding, in the Cabinet Meeting Room, LL-03,
The Capitol, Tallahassee, Florida, on Tuesday,
December 11, 2012, commencing at 9:00 a.m.

Reported by:
CAROLYN L. RANKINE
Register Professional Reporter
Notary Public

ACCURATE STENOGRAPHY REPORTERS, INC.
2894 REMINGTON GREEN LANE
TALLAHASSEE, FLORIDA 32308
850.878.2221

1 GOVERNOR SCOTT: Next I would like to
2 recognize Commissioner Kevin McCarty with the
3 Office of Insurance Regulation. Good
4 afternoon.

5 COMMISSIONER McCARTY: Good afternoon,
6 Governor and Members of the Commission. Agenda
7 item number 1 is approval of the minutes for
8 June 26 and August 7, 2012.

9 GOVERNOR SCOTT: Is there a motion to
10 approve?

11 ATTORNEY GENERAL BONDI: So move.

12 GOVERNOR SCOTT: Is there a second?

13 CFO ATWATER: Second.

14 GOVERNOR SCOTT: Any comments or
15 objections?

16 (No response.)

17 GOVERNOR SCOTT: All in favor say aye.

18 CFO ATWATER: Aye.

19 ATTORNEY GENERAL BONDI: Aye.

20 COMMISSIONER PUTNAM: Aye.

21 GOVERNOR SCOTT: Opposed. Opposed say
22 nay.

23 (No response.)

24 GOVERNOR SCOTT: The ayes have it, the
25 motion carries.

1 COMMISSIONER McCARTY: Okay. Agenda item
2 number 2 is request approval for repeal of rule
3 690-164.030, and the application of this rule
4 is to various product designs. This rule
5 relates to actuarial guideline 38 which is a
6 reserving approach used for universal life
7 products with guarantees. The current rule is
8 inconsistent with the recently adopted NAIC
9 changes to the deserving practices and we would
10 request repeal of the rule.

11 GOVERNOR SCOTT: Is there a motion to
12 approve?

13 ATTORNEY GENERAL BONDI: So moved.

14 GOVERNOR SCOTT: Is there a second?

15 COMMISSIONER PUTNAM: Second.

16 GOVERNOR SCOTT: Any comments or
17 objections?

18 (No response.)

19 GOVERNOR SCOTT: All in favor say aye.

20 ATTORNEY GENERAL BONDI: Aye

21 GOVERNOR SCOTT: Any opposed say nay.

22 (No response.)

23 GOVERNOR SCOTT: The ayes have it.

24 COMMISSIONER McCARTY: The third agenda
25 item is request for approval for adoption of

1 proposed amendments to rules 690-137.001 and
2 138.001. These are referring to NAIC annual
3 and quarterly reporting requirements and NAIC
4 *Financial Condition Examiners Handbook* of
5 reporting requirements. These rules adopt the
6 most recent versions of the NAIC standards and
7 they explored and it's consistent with national
8 standards and other states.

9 GOVERNOR SCOTT: Is there a motion to
10 approve?

11 CFO ATWATER: So moved.

12 GOVERNOR SCOTT: Is there second?

13 COMMISSIONER PUTNAM: Second.

14 GOVERNOR SCOTT: Any comments or
15 objections?

16 ATTORNEY GENERAL BONDI: No.

17 GOVERNOR SCOTT: All in favor of approving
18 say aye.

19 ATTORNEY GENERAL BONDI: Aye.

20 CFO ATWATER: Aye.

21 GOVERNOR SCOTT: All opposed say nay.

22 (No response.)

23 GOVERNOR SCOTT: The ayes have it. The
24 motion carries.

25 COMMISSIONER McCARTY: The agenda item

1 number 4 is a request for approval for repeal
2 of Rule 690-143.045, which is part of the
3 definition section. This rule was originally
4 promulgated in the 1970s. It defines a list of
5 insurance terms some of which are inconsistent
6 with current law and certain portions of
7 administrative code. As a result of these
8 inconsistencies, the Office recommends that
9 this rule should be repealed.

10 GOVERNOR SCOTT: Is there a motion to
11 approve?

12 COMMISSIONER PUTNAM: So move.

13 GOVERNOR SCOTT: Is there a second?

14 ATTORNEY GENERAL BONDI: Second.

15 GOVERNOR SCOTT: Any comments or
16 objections?

17 (No response.)

18 GOVERNOR SCOTT: All in favor say aye.

19 ATTORNEY GENERAL BONDI: Aye.

20 COMMISSIONER PUTNAM: Aye.

21 GOVERNOR SCOTT: Any opposed say nay.

22 (No response.)

23 GOVERNOR SCOTT: The ayes have it.

24 COMMISSIONER McCARTY: Agenda item number
25 4 [sic] is a request for approval for repeal

1 rules the rights to return policy-free look,
2 advertisement of mortgage insurance, failure to
3 comply provisions, refund of premium rule, and
4 license requirement, and sinkhole insurance.
5 These rules are being -- or requested to be
6 repealed because the rules and statutes have
7 been modified, repealed, or the rules simply
8 misstate the law, and are not necessary making
9 them obsolete or redundant.

10 GOVERNOR SCOTT: Is there a motion to
11 approve?

12 CFO ATWATER: So move.

13 ATTORNEY GENERAL BONDI: Is there a
14 second?

15 COMMISSIONER PUTNAM: Second.

16 GOVERNOR SCOTT: Any comments or
17 objections?

18 (No response.)

19 GOVERNOR SCOTT: All in favor say aye.

20 ATTORNEY GENERAL BONDI: Aye

21 COMMISSIONER PUTNAM: Aye

22 GOVERNOR SCOTT: All opposed say nay.

23 (No response.)

24 GOVERNOR SCOTT: The ayes have it.

25 COMMISSIONER McCARTY: With regard to

1 agenda item number 6, at this time, Governor, I
2 would request that we withdraw this for further
3 review.

4 GOVERNOR SCOTT: All right. Is there a
5 motion to withdraw?

6 COMMISSIONER PUTNAM: So move.

7 GOVERNOR SCOTT: Is there second?

8 CFO ATWATER: Second.

9 GOVERNOR SCOTT: Any comments or
10 objections?

11 (No response.)

12 GOVERNOR SCOTT: All in favor of approval
13 say aye.

14 ATTORNEY GENERAL BONDI: Aye.

15 COMMISSIONER PUTNAM: Aye.

16 GOVERNOR SCOTT: All opposed say nay.

17 (No response.)

18 GOVERNOR SCOTT: The ayes have it.

19 COMMISSIONER McCARTY: Agenda item number
20 7 is a request for approval of adoption of
21 proposed amendments to Rule 690-149.022
22 regarding forms. The purpose of this rule is
23 to update and edit the contents of the
24 universal standardized data letter which is
25 form instructions used by licensed life and

1 health insurers to make electronic filings via
2 the IFile system. The proposed revisions will
3 streamline the process to submitting data and
4 information to the Office by insurers.

5 GOVERNOR SCOTT: Is there a motion to
6 approve?

7 CFO ATWATER: So moved.

8 GOVERNOR SCOTT: Is there a second?

9 ATTORNEY GENERAL BONDI: Second.

10 GOVERNOR SCOTT: Any comments or
11 objections?

12 (No response.)

13 GOVERNOR SCOTT: All in favor say aye.

14 CFO ATWATER: Aye.

15 ATTORNEY GENERAL BONDI: Aye.

16 GOVERNOR SCOTT: Opposed say nay.

17 (No response.)

18 GOVERNOR SCOTT: The ayes have it.

19 COMMISSIONER McCARTY: Agenda item number
20 8 is a request for approval for publication of
21 proposed amendments to rules 690-170.0155
22 176.013. Notification of insurance rights and
23 standard disclosure from and the personal
24 injury protection benefits.

25 As we are all aware in the last session,

1 the Legislature enacted House Bill 119 which
2 made significant changes to the provisions of
3 our PIP benefits in Florida. Rules -- one
4 rule, 0155, adopts a new form called the health
5 care provider certification of eligibility
6 which requires health care professionals
7 provided PIP benefits to certify they are
8 eligible PIP providers. The amendments to this
9 form are technical in nature and are designed
10 to conform the form with the language of the
11 statute.

12 The next rule is 176.013 which adopts
13 modifications to the notification of personal
14 injury protection benefits which is required
15 notice to be given to PIP claimants upon filing
16 a claim. This form explains the rights and
17 benefits claimants are entitled to under the
18 Florida no-fault law as being revised in
19 accordance with changes in the House Bill 119.
20 Specifically the form is revised to reflect
21 that PIP benefits are now allocated for
22 emergency medical treatment. The form was also
23 revised to incorporate technical edits
24 regarding fraud and billing disclosures.

25 GOVERNOR SCOTT: Is there a motion to

1 approve?

2 ATTORNEY GENERAL BONDI: Can I just ask a
3 question on this?

4 GOVERNOR SCOTT: Absolutely.

5 ATTORNEY GENERAL BONDI: Kevin, can you --
6 as chief legal officer, I agree with what you
7 want to do. My concern is just enacting --
8 enacting on rule 9, an emergency rule -- item
9 9. Can you just give us a justification --

10 COMMISSIONER McCARTY: Sure.

11 ATTORNEY GENERAL BONDI: -- because for an
12 emergency rule -- for an emergency rule, for us
13 to agree to an emergency rule, you have to show
14 that there's an immediate danger to the health,
15 safety, and welfare of Florida. And if you can
16 just point that out legally to document for us,
17 as the Cabinet, before we vote on that, I would
18 appreciate it.

19 COMMISSIONER McCARTY: Certainly. We are
20 approaching this on a parallel path.

21 ATTORNEY GENERAL BONDI: Right.

22 GOVERNOR SCOTT: Right now we're voting on
23 a --

24 ATTORNEY GENERAL BONDI: Right.

25 GOVERNOR SCOTT: In other words, just

1 going to discuss 9.

2 COMMISSIONER McCARTY: We're running in a
3 parallel path, we're asking for an emergency
4 rule. The PIP version of a notification of PIP
5 benefits describe the PIP benefits under the
6 old law, which is going to be inconsistent. So
7 you run the risk that a claimant will be
8 notified of benefits that they don't have, and
9 they go out and get medical services for which
10 they won't get paid. So this really makes --
11 codifies, makes it legally binding that
12 consumers are advised of their rights and
13 benefits under the law.

14 GOVERNOR SCOTT: What's the standard?

15 ATTORNEY GENERAL BONDI: The standard is
16 an immediate danger to the health, safety, and
17 welfare of Floridians.

18 COMMISSIONER McCARTY: We believe that it
19 is -- can be construed that it is in the
20 immediate risk to the welfare of the people of
21 Florida for claimants to be notified the
22 benefits that are not covered under their PIP
23 policy.

24 ATTORNEY GENERAL BONDI: And, I mean, I
25 agree with the concept fully of what you want

1 to do. It's just whether we believe that falls
2 somewhere in the emergency rule. I mean, is
3 that your legal opinion that it's a danger to
4 Floridians?

5 COMMISSIONER McCARTY: We have legal --
6 that's not my legal opinion. We confer with a
7 number of members of industry to present this.
8 This is an issue that has kind of emerged over
9 the last five to seven days.

10 Ordinarily the companies would be
11 permitted to use the first path under 8, which
12 would be during the regular rule promulgation,
13 they could use the form in the process of being
14 adopted. In abundance of caution for the
15 industry as well as protect consumers, you want
16 to make sure that consumers are advised of
17 their benefits specifically with regard to the
18 new policies after January 1st.

19 ATTORNEY GENERAL BONDI: If perhaps they
20 could put some cases on record before we vote
21 on that one for documentation, I think that
22 would help me.

23 GOVERNOR SCOTT: Sorry. We'll finish the
24 vote on 8. So there's a motion and a second --
25 all right. Let's do it again. Is there a

1 motion to approve number 8?

2 CFO ATWATER: So move.

3 GOVERNOR SCOTT: Do I hear a second?

4 COMMISSIONER PUTNAM: Second.

5 GOVERNOR SCOTT: Any objections, any
6 comments?

7 ATTORNEY GENERAL BONDI: No.

8 GOVERNOR SCOTT: All right. Okay. The
9 motion carries. Now we're on 9 and so the
10 request is, is there anybody -- Kevin, is there
11 anybody that can cite any case law?

12 COMMISSIONER McCARTY: Yes. There are a
13 couple of cases that were provided to the
14 Office, and I would request that Ms. Tunnickliff
15 will give you a background with record to those
16 cases, and the precedence for the emergency
17 rule. Thank you.

18 MS. TUNNICLIFF: Thank you, Governor,
19 Members of the Cabinet: I'm Cynthia Tunnickliff
20 and I'm here today representing the Personal
21 Insurance Federation of Florida. PIF members
22 write over 45 percent of all auto insurance in
23 Florida today.

24 The Legislature, as you know, requires
25 this form to be enacted and in place by January

1 1. That doesn't give them sufficient time for
2 a permanent rule. There are two cases,
3 Attorney General, that as you said that this
4 was an appropriate use of emergency rule power
5 when there wasn't sufficient time. One is
6 *Little vs. Coler* --

7 ATTORNEY GENERAL BONDI: Is that the
8 elections case?

9 MS. TUNNICLIFF: No, that's AFDC case.

10 ATTORNEY GENERAL BONDI: AFDC.

11 MS. TUNNICLIFF: Uh-huh. And the *Florida*
12 *Democratic Party vs. Hood*.

13 ATTORNEY GENERAL BONDI: The elections
14 case.

15 MS. TUNNICLIFF: The elections case. And
16 both of those cases said that the fact there
17 wasn't sufficient time for the enactment of
18 permanent rule was appropriate -- it was
19 appropriate under those circumstances to use
20 the emergency rulemaking power. *The Florida*
21 *Democratic Party vs. Hood* case went a step
22 further said, if there was confusion that it
23 was going to be created by the lack of
24 criteria, that it was an appropriate emergency
25 for the emergency rulemaking power.

1 What happened here is a tremendous
2 confusion in the marketplace that will require
3 insurers to use the old form or a new form
4 that's not been adopted, or some form that they
5 maybe have created. And given the litigious
6 nation -- the litigious nature of the PIP
7 marketplace, it would create great confusion
8 and harm to insurers. That's our position.

9 ATTORNEY GENERAL BONDI: Thank you for
10 putting that on the record.

11 MS. TUNNICLIFF: Thank you.

12 GOVERNOR SCOTT: Okay. So, Kevin, the
13 issue is hundreds of Floridians are going to be
14 misinformed of their medical benefits, right?

15 COMMISSIONER McCARTY: We have that
16 potential, yes, sir.

17 GOVERNOR SCOTT: And so they're going
18 to -- they might go out and believe they're
19 going to be paid for treatment and they're not.

20 COMMISSIONER McCARTY: That's a real
21 risk.

22 GOVERNOR SCOTT: And do you believe
23 citizens ought to get accurate information?

24 COMMISSIONER McCARTY: Yes. I believe
25 this will make it mandatory that insurers

1 provide accurate information to the claimants
2 under the new law and under the old law
3 depending on what policy that's issued or
4 renewed.

5 GOVERNOR SCOTT: Is there any other
6 questions on number 9?

7 ATTORNEY GENERAL BONDI: No.

8 GOVERNOR SCOTT: Is there a motion to
9 approve item 9?

10 ATTORNEY GENERAL BONDI: So moved.

11 GOVERNOR SCOTT: Is there a second?

12 COMMISSIONER PUTNAM: Second.

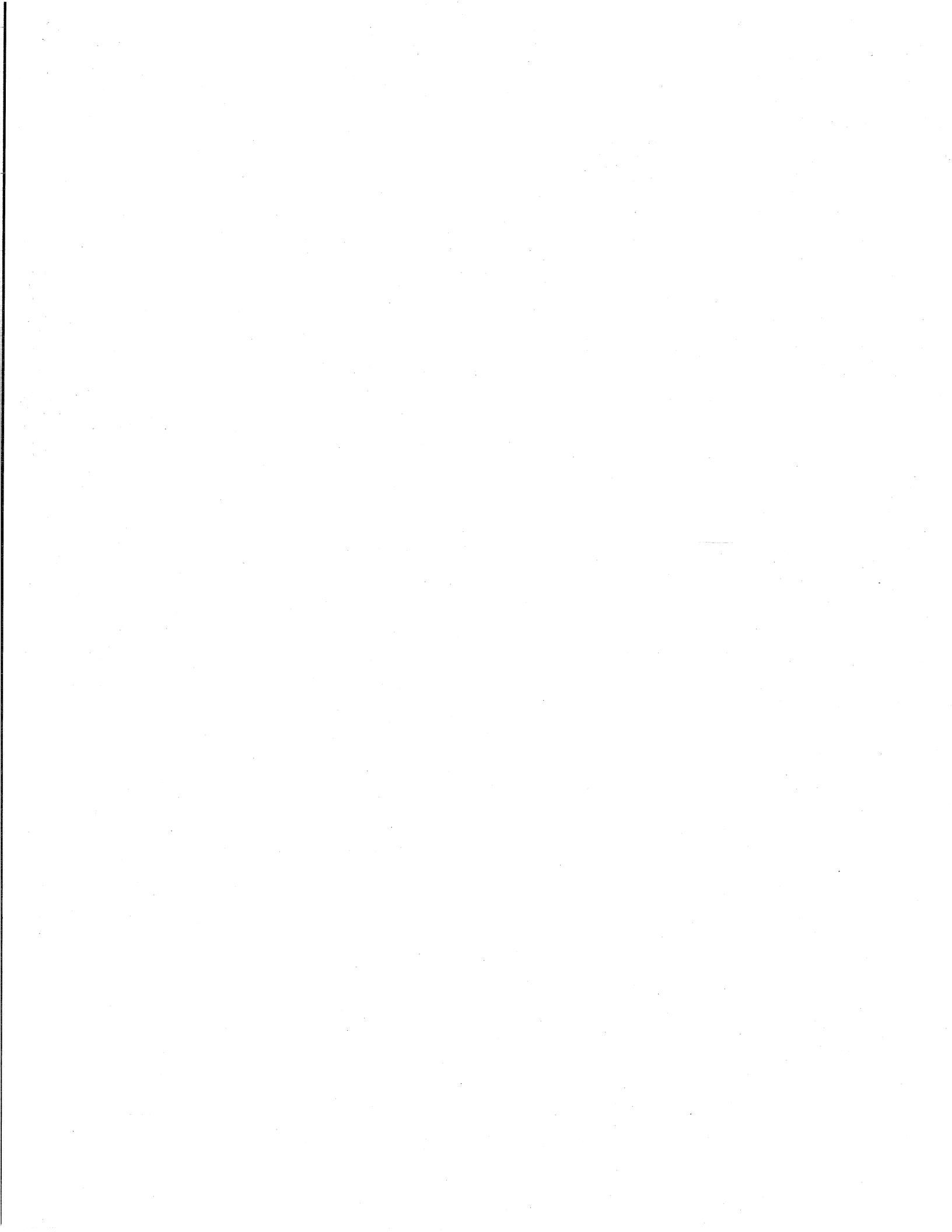
13 GOVERNOR SCOTT: Any objections?

14 (No response.)



15 GOVERNOR SCOTT: Hearing none the motion
16 carries.

17 COMMISSIONER McCARTY: Thank you,
18 Governor. Happy holidays. Thank you very
19 much.

20 GOVERNOR SCOTT: Thank you.
21
22
23
24
25



M E M O R A N D U M

DATE: February 14, 2013
TO: Kevin M. McCarty, Commissioner, Office of Insurance Regulation
THROUGH: Belinda Miller, General Counsel
FROM: Dennis Threadgill 
Jason Nelson 
SUBJECT: Cabinet Agenda for March 7, 2013
Request for Approval to Publish Amendments to
Rule 69O-137.001
Annual and Quarterly Reporting Requirements
Assignment # 129087-12

The Office of Insurance Regulation requests that this proposed rule amendment be presented to the Cabinet aides on or before February 27, 2013 and to the Financial Services Commission on March 7, 2013, with a request to approve for publication the proposed rules.

This rule is being amended to adopt the 2012 NAIC Annual Statement Instructions Manuals.

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

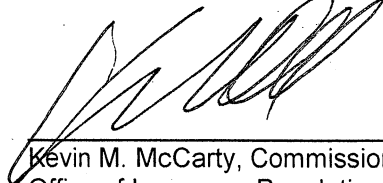
Will Spicola is the attorney handling this rule. Attached are: 1) the proposed rule(s), 2) any incorporated materials, such as forms; and 3) copies of the rulemaking statutory authority and law implemented.

Approved for signature:



Belinda Miller, General Counsel

Approved for submission to Financial Services
Commission:



Kevin M. McCarty, Commissioner
Office of Insurance Regulation

69O-137.001 Annual and Quarterly Reporting Requirements.

(1) through (3) No change.

(4) Manuals Adopted.

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

1. The NAIC's Annual Statement Instructions, Property and Casualty, 20122011;
2. The NAIC's Annual Statement Instructions, Life, Accident and Health, 20122011;
3. The NAIC's Annual Statement Instructions, Health, 20122011;
4. The NAIC's Annual Statement Instructions, Title, 20122011; and
5. The NAIC's Accounting Practices and Procedures Manual, as of March 20122011.

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

1. The NAIC's Quarterly Statement Instructions, Property and Casualty, 20132012;
2. The NAIC's Quarterly Statement Instructions, Life, Accident and Health, 20132012;
3. The NAIC's Quarterly Statement Instructions, Health, 20132012;
4. The NAIC's Quarterly Statement Instructions, Title, 20132012; and
5. The NAIC's Accounting Practices and Procedures Manual, as of March 20132012.

(c) No change

~~(5) Adoption of revised Actuarial Guideline 38.~~

~~(a) Revised NAIC Accounting Practices and Procedures Manual Actuarial Guideline 38 which is Attachment Three in the agenda for the September 12, 2012 Executive (Ex) Committee and Plenary conference call at~~

~~http://www.naic.org/documents/jt_ex_plenary_120912_agenda_materials.pdf is hereby~~

~~adopted and incorporated by reference and replaces the Guideline published in the Manual for annual and quarterly statements submitted to the Office on and after December 31, 2012.~~

~~(b) Sections of the draft version of the Valuation Manual, adopted by NAIC Life Insurance and Annuities (A) Committee on August 17, 2012, referenced in Revised Actuarial Guideline 38 which is Attachment One in the agenda for the September 12, 2012 Executive (Ex) Committee and Plenary conference call at http://www.naic.org/documents/jt_ex_plenary_120912_agenda_materials.pdf are hereby adopted and incorporated by reference.~~

~~(c) Reserves reported in the 2012 annual and subsequent quarterly and annual statements to which Accounting Practices and Procedures Manual Actuarial revised Guideline 38 applies will not be based upon future versions of a draft Valuation Manual unless adopted by statute or amendment to this rule.~~

~~(d) A printed copy of the NAIC Executive (Ex) Committee and Plenary conference call agenda including attachments is available for inspection at the Office at its headquarters in Tallahassee, Florida, during regular business hours.~~

Specific Authority 624.308(1), 624.424(1) FS. Law Implemented 624.424(1) FS.

History—New 3-31-92, Amended 8-24-93, 4-9-95, 4-9-97, 4-4-99, 11-30-99, 2-11-01, 4-5-01, 12-4-01, 12-25-01, 8-18-02, 7-27-03, Formerly 4-137.001, Amended 1-6-05, 9-15-05, 1-25-07, 3-16-08, 3-4-09, 1-4-10, 9-28-11, 1-28-13, _____.

624.308 Rules.--

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

624.424 Annual statement and other information.--

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

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

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

M E M O R A N D U M

DATE: February 14, 2013
TO: Kevin M. McCarty, Commissioner, Office of Insurance Regulation
THROUGH: Belinda Miller, General Counsel
FROM: Dennis Threadgill
Jason Nelson
SUBJECT: Cabinet Agenda for March 7, 2013
Request for Approval to Publish Amendments to
Rule 69O-138.001
NAIC Financial Condition Examiners Handbook Adopted
Assignment # 130907-13

The Office of Insurance Regulation requests that this proposed rule amendment be presented to the Cabinet aides on or before February 27, 2013 and to the Financial Services Commission on March 7, 2013, with a request to approve for publication the proposed rules.

This rule is being amended to adopt the 2013 NAIC Financial Condition Examiners Handbook. The current rule adopted the 2011 version.

Sections 624.308(1), 624.316(1)(c), F.S., provide rulemaking authority and laws implemented for this rule.

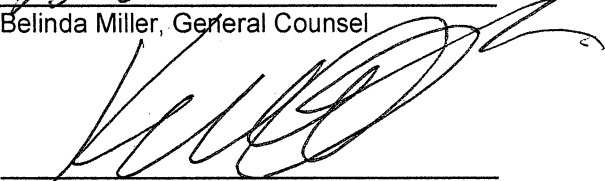
Will Spicola is the attorney handling this rule. Attached are: 1) the proposed rule(s), 2) any incorporated materials, such as forms; and 3) copies of the rulemaking statutory authority and law implemented.

Approved for signature:



Belinda Miller, General Counsel

Approved for submission to Financial Services
Commission:



Kevin M. McCarty, Commissioner
Office of Insurance Regulation

690-138.001 NAIC Financial Condition Examiners Handbook Adopted.

(1)(a) The National Association of Insurance Commissioners Financial Condition Examiners Handbook 2013 2014 is hereby adopted and incorporated by reference.

(b) No change

(2) – (3) No change.

Rulemaking Authority 624.308(1), 624.316(1)(c) FS. Law Implemented 624.316(1)(c) FS. History—New 3-30-92, Amended 4-9-97, 4-4-99, 11-30-99, 2-11-01, 12-25-01, 8-18-02, 7-27-03, Formerly 4-138.001, Amended 1-6-05, 9-15-05, 1-25-07, 3-16-08, 3-4-09, 1-4-10, 11-2-11, 1-28-13, _____.

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.

624.316 Examination of insurers.--

- (1)(c) The office shall examine each insurer according to accounting procedures designed to fulfill the requirements of generally accepted insurance accounting principles and practices and good internal control and in keeping with generally accepted accounting forms, accounts, records, methods, and practices relating to insurers. To facilitate uniformity in examinations, the commission may adopt, by rule, the Market Conduct Examiners Handbook and the Financial Condition Examiners Handbook of the National Association of Insurance Commissioners, 2002, and may adopt subsequent amendments thereto, if the examination methodology remains substantially consistent.