

FINANCIAL SERVICES COMMISSION
Office of Insurance Regulation
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August 23, 2022

MEMBERS
Governor Ron DeSantis
Attorney General Ashley Moody
Chief Financial Officer Jimmy Patronis
Commissioner Nicole “Nikki” Fried

Contact: Stephen Marante
(850-413-2427)

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

ITEM	SUBJECT	RECOMMENDATION
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1. Request for Approval of Minutes of the Financial Services Commission for March 29, 2022.

(ATTACHMENT 1)

FOR APPROVAL

2. Request for Approval for Publication and Final Adoption of Rule 69O-200.011; Disapproval of Forms

Rule 69O-200.011 will be repealed.

(ATTACHMENT 2) APPROVAL FOR PUBLICATION OF PROPOSED RULE AND FOR FINAL ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING OR IF A HEARING IS REQUESTED AND NO NOTICE OF CHANGE IS NEEDED.

3. Request for Approval for Adoption of Rules 69O-144.002; .007; .009; .011; .012; Approval Procedures; Credit for Reinsurance From Certified Reinsurers; Credit for Reinsurance: Other Requirements and Provisions; Credit for Reinsurance from Reinsurers Domiciled in Reciprocal Jurisdictions; Term and Universal Life Insurance Reserve Financing

Rule 69O-144.002 is amended to contain all reinsurance applications and renewals. Rule 69O-144.007 is amended to contain requirements for certified reinsurers. Rule 69O-144.008 is created to implement Chapter 2021-101, Laws of Florida. Rule 69O-144.009 is created to cover requirements that apply to all types of credit for reinsurance. Rule 69O-144.011 is created to cover reinsurers domiciled in reciprocal jurisdictions. 69O-144.012 is created to adopt NAIC Term and Universal Life Insurance Reserve Financing Model Regulation.

A notice of change was published on July 6, 2022.

(ATTACHMENT 3)

APPROVAL FOR FINAL ADOPTION

4. Request for Approval for Adoption of Rule 69O-171.011; Property Claims Litigation Data Call

Chapter 2021-77, Laws of Florida, amended 624.424, F.S., and added subsection (11), which requires the Financial Services Commission to create a form and requires each authorized insurer or insurer group issuing personal lines or commercial lines residential property insurance policies in this state to file with the Office on an annual basis a supplemental property claims litigation report on an individual and group basis for closed claims.

A notice of change was published on July 1, 2022 and August 10, 2022.

(ATTACHMENT 4)

APPROVAL FOR FINAL ADOPTION

5. Request for Approval for Adoption of Rule 69O-191.027; Application for Certificate of Authority

Rule 69O-191.027 is amended to transfer all aspects of the applications process from other rules in the chapter to one single rule. A notice of change was published on June 1, 2022.

A notice of change was published on June 1, 2022.

(ATTACHMENT 5)

APPROVAL FOR FINAL ADOPTION

6. Request for Approval for Adoption of Rule 69O-192.008; General Eligibility

Rule 69O-192.008 is amended to transfer all aspects of the applications process from other rules in the chapter to one single rule. A notice of change was published on June 1, 2022.

A notice of change was published on June 1, 2022.

(ATTACHMENT 6)

APPROVAL FOR FINAL ADOPTION

7. Request for Approval for Adoption of Rules 69O-194.003; .009; Application; Reporting Requirements

Rule 69O-194.003 is amended to transfer all aspects of the applications process from other rules in the chapter to one single rule. Rule 69O-194.009 is amended to correct references of "PHAGE" to "PHC," delete the Monthly Marketing Statistical Report, and incorporate electronic versions of the annual report. A notice of change was published on June 1, 2022.

A notice of change was published on June 1, 2022.

(ATTACHMENT 7)

APPROVAL FOR FINAL ADOPTION

8. Request for Approval for Adoption of Rule 69O-200.004; Qualification to Obtain and Hold a License

Rule 69O-200.004 is amended to include all applications for motor vehicle service agreement companies in one rule. A notice of change was published on June 1, 2022.

A notice of change was published on June 1, 2022.

(ATTACHMENT 8)

APPROVAL FOR FINAL ADOPTION

9. Request for Approval for Adoption of Rules 69O-203.020; .070; .210; Application for Certificate of Authority; Annual and Quarterly Reports; Prescribed Forms

Rule 69O-203.020, F.A.C., is amended to contain all application materials for Prepaid Limited Health Service Organizations. Rule 69O-203.070, F.A.C., is amended to incorporate the two annual reports and include the Office's website for how the reports must be filed with the Office. Rule 69O-203.210, F.A.C., is amended to make the Discount Plan Organization application rule consistent with other application rules. A notice of change was published on June 3, 2022.

A notice of change was published on June 3, 2022.

(ATTACHMENT 9)

APPROVAL FOR FINAL ADOPTION

1 Fiddler's Creek Community Development District,
2 located in entirely in Collier County. The district
3 recommends deleting 38.5 acres and adding 11.87 acres
4 to the boundary. The Board of Supervisors conducted a
5 hearing as authorized by the statutes, issued a
6 report, and recommends that the petition be granted.
7 Staff agrees upon review of the report the hearing
8 record and the statutory requirements. We see no
9 reason not to grant it. We're asking permission for
10 the Secretary to, one, publish notices of rule making
11 to amend Rule 42X-1.002, the boundary for the
12 Fiddler's Creek Community Development District; and
13 two, file the rule for final adoption if no requests
14 for public hearing are received or if no changes are
15 needed in response to a hearing.

16 Once again, we have no scheduled speakers, but we
17 have the attorney here.

18 GOVERNOR DESANTIS: If there's no questions, I
19 move to approve the item. Is there a second?

20 COMMISSIONER MOODY: Second.

21 GOVERNOR DESANTIS: Hearing no objection, the
22 motion carries. Thank you.

23 MR. BUCKLES: Thank you.

24 GOVERNOR DESANTIS: OIR, Altmaier.

25 OFFICE OF INSURANCE REGULATION

1 David Altmaier

2 * * * * *

3 MR. ALTMAIER: Good morning, Governor and
4 Cabinets. Before I get started on the agenda, I just
5 wanted to take one moment and let you all know that I
6 know you have been reading reports in the media about
7 the condition of Florida's property insurance market.
8 I have had the opportunity to talk with you or your
9 teams about some of the things that we've been working
10 on with respect to Florida's property insurance
11 market, and I'm certain you're likely hearing from
12 your constituents about their experiences with the
13 property insurance market, as are we. And I just want
14 to take the moment to let you all know we continue to
15 work around the clock on this. This is our top
16 priority at the agency, is to ensure that products
17 continue to remain available for our consumers and
18 affordable for our consumers.

19 We are entering into a pretty critical couple of
20 months coming up, as our carriers are going into the
21 reinsurance market to place their 2022 catastrophe
22 reinsurance programs. That could potentially be a
23 challenging experience for several of these carriers,
24 so we're staying in close communication with our
25 entire industry, and as this situation develops we'll

1 make sure that we continue to keep you and your teams
2 apprised of how things go and look for an opportunity
3 to work together on that.

4 COMMISSIONER MOODY: Thank you so much for paying
5 particular attention to that. I think we have all
6 heard from Floridians about this, or we've been
7 affected ourselves. It's something that needs to be
8 at the top of mind of your agency. I know a lot of
9 the discussions and questions surround roofing claims.
10 What particularly are you doing to assess how that is
11 affecting the market?

12 MR. ALTMAIER: So thank you very much for the
13 question. So we have a couple of different options
14 that we are putting into the marketplace for consumers
15 to choose from. And the key here is that it's at the
16 consumer's choice. But you are correct in that what
17 seems to be the issue of the day are roof claims, and
18 not only the large number of them, but the cost of
19 those roof claims as well. So what's happening is
20 that there are situations where a roof might be
21 damaged and it could potentially be repaired; and
22 instead, people are choosing to replace the entire
23 roof, which makes the claim considerably more
24 expensive.

25 So one of the things that we are doing is

1 allowing companies to offer a roof deductible
2 endorsement. We're also allowing companies to offer a
3 schedule that would have a stated dollar amount for
4 roof replacements. So again, these are at the options
5 for the consumers to choose, if they wish, and so it's
6 an opportunity for them to mitigate a significant rate
7 increase against taking on a little bit extra risk
8 themselves. So we're starting to see some companies
9 pick those up and put those into their policy forms,
10 and we're going to track those to see if they're,
11 number one, effective; and number two, if there's some
12 significant cost savings for the consumers on that
13 one.

14 COMMISSIONER MOODY: Not this legislative session
15 but the last legislative session there were some
16 attempts to help protect this market a little bit.
17 Have those legislative attempts made their way into
18 effecting the market, in your opinion, or is there
19 more time needed to get those implemented and see
20 those results?

21 MR. ALTMAIER: I think that the initial data
22 points that we're seeing after the implementation of
23 Senate Bill 76 are very encouraging. Like any good
24 reform it's going to take some time for those to start
25 impacting how much consumers pay for their premiums,

1 which I know is the critical piece here. But the goal
2 for Senate Bill 76 was to decrease excessive
3 litigation in our property insurance market. We've
4 been monitoring on a weekly basis data from the DFS
5 service of process database with respect to service of
6 process filings, civil remedy notices, and prior
7 notices of intent to litigate. All of those numbers
8 appear to be encouraging and suggesting that Senate
9 Bill 76 is having the impact that we hoped that it
10 would.

11 We've put out a call to our industry to ask them
12 their assessment of that, because of course, they're
13 going to see that experience firsthand. So we're
14 working closely with our industry and one of the rules
15 later on we'll continue to facilitate that to continue
16 to gauge the effectiveness of Senate Bill 76. But so
17 far it's very encouraging, and I just appreciate all
18 of your support as we worked hard on that litigation.

19 GOVERNOR DESANTIS: Before that bill was passed
20 in Florida -- what was the statistics? We had about
21 18 percent of the property claims in the country but
22 over 75 percent of the total litigation?

23 MR. ALTMAIER: Yes, sir. We actually had 8
24 percent of all homeowner's insurance.

25 GOVERNOR DESANTIS: Eight. 8 percent.

1 MR. ALTMAIER: Of all homeowner's insurance
2 claims in Florida, and yet Florida had 76 percent of
3 all litigation associated with homeowner's claims.

4 GOVERNOR DESANTIS: So do we have any sense -- I
5 know it's going to take some time, as to how much
6 that's going down? Because it seems to me that --
7 well, we're in an inflationary period, so it costs
8 more to do a roof, so there's going to be a lot more
9 pressure apart from the dysfunction of the market.
10 But it seems like it may have helped. But we were
11 working with the legislature, and I know you worked
12 with the Senate on trying to do even more reforms,
13 because there were things that were done, and then you
14 still have a lot of these excessive litigation without
15 the presuit notice being filed and all of this.

16 So it seems to me that -- you know, hopefully,
17 there will be some benefits realized -- but that at
18 least from an administrative perspective that's not
19 going to get us all the way. You do need to do
20 legislative reforms to make -- to align the incentive
21 so you have a functioning market.

22 MR. ALTMAIER: I agree with you, Governor, and
23 you are right. We've been working with both the House
24 and the Senate this past session, and we will continue
25 to do so legislatively in upcoming sessions to offer

1 our insights into that very issue.

2 The data points we shared with you were from
3 2019. We have some initial 2020 data points. Of
4 course, all of that is pre-Bill 76. So that 76
5 percent number appears to have climbed up to 79
6 percent of all litigation in the country as of 2020.
7 So you are right, that as we monitor the impact of
8 Senate Bill 76, I think that there will be continued
9 opportunities to work with the legislature to continue
10 to implement consumer reforms for our property
11 insurance market.

12 GOVERNOR DESANTIS: I know there were some
13 companies were undercapitalized and obviously had a
14 lot of problems. Since SB 76 has been enacted have
15 there been companies that have now come into the
16 market because they have confidence that the reforms
17 are going to make it at least viable to offer
18 products?

19 MR. ALTMAIER: Yes. We've had -- since the
20 passage of Senate Bill 76, we have had two new
21 property insurance carriers form. I think those might
22 be the first two we've had form in several years. One
23 of them specifically attributed the timing of their
24 entry in Florida on the passage of Senate Bill 76.
25 And the second agreed, one of the carriers you

1 mentioned we had exit from the marketplace, had
2 147,000 policy owners. The second re-entry took every
3 single policyholders, same policy forms, same policy
4 rates, which reduced significantly the disruption that
5 that market exit could have had. So those with two
6 very favorable shows of support for the passage of
7 Senate Bill 76, and the trajectory that that could
8 potentially put our property insurance market on.
9 Again, like any good reform, that will take some time.
10 We're in a transition period in monitoring a lot of
11 different data points to see ultimately how this
12 progresses and look forward to opportunities to
13 continue that monitoring as we go forward.

14 GOVERNOR DESANTIS: So there will be different
15 reports about someone will maybe have a roof claim in
16 a neighborhood, and then someone goes around and
17 solicits like everyone in the neighborhood, and then
18 they'll just replace all the roofs, like full value,
19 which, obviously, is going to cause upward pressure on
20 the rates. Is that true, do we actually see things
21 like that happening throughout Florida?

22 MR. ALTMAIER: We do. We do. And one of the
23 goals of Senate Bill 76 was to address the roof
24 solicitation issue. Unfortunately, that was struck
25 down or is in the process of being struck down on

1 First Amendment grounds. But these are claims that
2 are unique in the sense that it's generally not a
3 consumer calling their insurance company and filing a
4 claim. It's generally somebody knocking on their door
5 and saying you probably have an insurance claim, that
6 otherwise might not have been filed.

7 And you are also correct that instead of I can
8 just fix a few shingles here, it's let get you a whole
9 new roof. And they do go door to door. We've seen
10 some pretty egregious door hangers and signs in the
11 yard advertising the free roof at the expense of your
12 insurance company and things of that nature. And for
13 your average consumer, when somebody knocks on their
14 door and says, "You need a new roof," I'm not a
15 roofer, so where I'm not in this business, I would
16 probably heed that advice and get a new roof without
17 realizing.

18 GOVERNOR DESANTIS: If they're offering it, I
19 don't begrudge anyone for taking it. And it's
20 interesting, because Hurricane Irma came and hit --
21 obviously, it hit a lot of parts of this state, and
22 that was 2017, and yet you still had -- so you have
23 roof claims being filed like a couple of years later
24 from supposedly Irma damage, right?

25 MR. ALTMAIER: That's correct. You can see this

1 experience both with Hurricane Irma and with Michael.
2 There's a three-year statute of limitations, you have
3 to file your claim within three years. We've
4 legislatively changed that down to two years, so now
5 you have two years to file a hurricane claim.

6 But you can see in the data that when you get to
7 the end of that statute of limitations, there is an
8 upward influx of claims that suddenly come in. This
9 is hurricane damage, which presumably, if you're in
10 area that's impact by a hurricane, it likely would not
11 take you three years or even two years, I would argue,
12 to notice you have hurricane damage. So again,
13 another cost driver.

14 To put that into context, the reinsurance
15 community that is so vital to Florida's insurance
16 marketplace, particularly the property space, one
17 reinsurer told me that that type of activity that he
18 just described was so bad, that their loss of
19 experience was as if Hurricane Irma impacted our state
20 three years in a row. So that kind of puts into
21 context how costly this is for the industry. And the
22 insurance companies and the reinsurance companies
23 don't mind paying claims, they do mind paying claims
24 that are three times as much as they thought that they
25 were going to be. That makes Florida an unattractive

1 place for them to deploy their capital, and that's a
2 bad outcome for the consumers as well.

3 GOVERNOR DESANTIS: And all of the stuff that's
4 led up to this, is it safe to say that Florida is an
5 outlier as compared to how other states regulate their
6 property insurance markets?

7 MR. ALTMAIER: In terms of their experience in
8 the marketplace, I would say yes, we are an outlier.
9 We talked to a lot of other coastal states, we talked
10 to states that have other catastrophe perils, and none
11 of them have the litigation experience we have. And
12 that's borne out in the statistics that you shared a
13 few minutes ago. They all don't seem to have these
14 issues.

15 So we're hopeful that between the legislative
16 reforms that we've enacted and the continuing
17 partnership with you all, and with the legislature
18 that we will continue to make positive steps forward
19 on this issue.

20 GOVERNOR DESANTIS: People should know SB76, I
21 mean there were some good things in that, but that was
22 very much compromised where there were other measures
23 that needed to be done to reform this market and
24 realign the incentives in a better way. I know there
25 was an effort this legislative session, and I

1 certainly supported what was being done in the Senate.
2 I know you work with them, and it did not seem to get
3 any traction in the House, but I think it's wrong to
4 say since you did Senate Bill 76 that you just don't
5 do anything more.

6 The fact of the matter is, the things you're
7 doing, good, do it, but you're not administratively
8 going to be able to fix all of the dysfunctions that
9 still persist, so there is going to be a need to do
10 more legislative reforms. And we were very clear
11 about that during this session. We may have another
12 bite at the apple very shortly, but we need to just
13 understand that there is going to be a need for the
14 legislature to do more.

15 Do you have anything?

16 COMMISSIONER PATRONIS: Yes, sir. Thanks,
17 Governor. You're on point today. David, elaborate a
18 little bit more in depth what the inflation crisis is
19 going to cost doing business, especially when it comes
20 to premiums.

21 MR. ALTMAIER: So certainly, it's causing an
22 increase in the cost of materials and labor to repair
23 homes. The unfortunate part about it is it's a
24 somewhat difficult question to answer because of the
25 litigation situation we're dealing with. Claims are

1 so significantly inflated to begin with, that it's
2 hard to attribute what part of that is due to the fact
3 that somebody replaced their roof as opposed to repair
4 it, versus how much of that is inflationary.

5 We're having a lot of conversations with
6 companies, we're having a lot of conversations with
7 auto companies as well, because they're obviously
8 experiencing that phenomenon as well. We'll continue
9 to likely to see some cost impacts from the inflation
10 situation. I would expect, though, that the roof
11 issue and the litigation issue is going to be more of
12 a cost driver than some of the inflation aspects in
13 follow up.

14 COMMISSIONER PATRONIS: And correct me if I'm
15 wrong, in the case of the state of Florida when it
16 comes to roof replacement, Florida is the only state
17 in the union that a roof can be replaced with only 25
18 percent damaged. I guess the other 50 states it's 50
19 percent damage for full replacement?

20 MR. ALTMAIER: That's my understanding as well.
21 I think that's actually in Florida's Building Code, if
22 I recall correctly, that if it's 25 percent or more
23 damaged, then it's an entirely new roof. And then, of
24 course, there's arguments about whether or not it's 25
25 percent damaged or not, so there's a lot of -- I'm

1 trying to think of the right word -- maybe some
2 gamesmanship, as people start to discuss whether or
3 not the roof is 25 percent damaged or not. A lot of
4 it comes down to matching.

5 If there's only a couple shingles damaged, but I
6 can't find shingles to match the rest of the roof, so
7 now I get to replace the entire roof, and things like
8 that, get over the 25 percent relatively quickly.

9 GOVERNOR DESANTIS: If you look at the general
10 inflation, like the home building, I mean they say
11 it's like 8 percent for inflation. It's way more than
12 8 percent. Way more. They have communities where
13 some of these areas starting at \$199,000 a year ago,
14 there's an X on that and now it's starting at
15 \$249,000, because all of the costs of input have gone
16 up dramatically, 20, 25, 30 percent. So there's no
17 way that the market for replacing roofs is going to be
18 immune to that. I mean the fact of the matter is all
19 of these materials are more expensive, you have a lot
20 of the contractors are stretched thin, there's a need
21 for more. So there's a whole host of different
22 pressures. That -- of course, the federal government
23 has presented trillions and trillions of dollars. So
24 that is real.

25 They said it wasn't real last year, and it's just

1 going to be a blip, and I think most people are seeing
2 this is across the board. And it's really, really
3 damaging, because you could have people that end up
4 making 6, 7 percent, 8 percent more in a year, but if
5 the inflation is 8 to 10 percent, then you've actually
6 lost ground.

7 And then the gas, people have to commute.
8 They're paying \$4 a gallon, and it may go up much
9 higher as we get into the summer, and what are they
10 going to do, just not go to work? And then you have a
11 situation we have all of this energy in our country,
12 and they refuse to use the energy. They will go to
13 Maduro and beg for oil from him, but somehow that
14 doesn't impact global warming, but if we get it from
15 Anwar or Keystone, then that's somehow a big problem.
16 That's a deliberate choice to make people have more
17 pain at the pump to suit your ideology. And that is
18 harming a lot of people and it is just flat wrong. So
19 with that --

20 COMMISSIONER FRIED: Governor, I have some
21 questions.

22 GOVERNOR DESANTIS: Go ahead.

23 COMMISSIONER FRIED: Thanks, David, for being
24 here and everything you guys do. I know we were
25 talking a little bit earlier about the couple of the

1 companies that are either insolvent or into
2 receivership. Can you kind of go through a little bit
3 more on where we are on those companies? And I did
4 see that we are now at over a million policy at
5 Citizens. Can you walk through where Citizens is
6 today, and as well as the Cat fund, because,
7 obviously, that's an impact we have on those.

8 MR. ALTMAIER: Yeah, sure. And thanks for your
9 question. So with respect to the two companies that
10 became insolvent, I mentioned one of them had 147,000
11 policies. We were very, very fortunate to have a
12 carrier that agreed to take all 147,000 policies, same
13 policy forms and same policy rate. So what would
14 generally happen in insolvency, is when it goes to the
15 receiver's office, the receiver will tell all of those
16 147,000 policies your policy is canceled in 30 days.
17 So you've got 30 days to go and find new coverage.
18 And that's a very stressful letter for you to get in
19 the mailbox.

20 So the 147,000 customers that were insured by
21 that particular company didn't get that letter, they
22 got a letter instead that said welcome to your new
23 insurance company, and oh, by the way, if you would
24 rather not have us, you can still go talk to an agent
25 and find coverage somewhere else if you would like to.

1 So that was a good outcome for consumers. So that
2 carrier went to the receiver's office. Now, the
3 claims that existed when that carrier failed, they
4 don't go to the new companies, so they go to the
5 receiver's office, and ultimately, they're handled by
6 FIGA, and I think you probably all saw the FIGA
7 assessment that came from there.

8 The second company that became insolvent had
9 significantly fewer policyholders. I think they had
10 around 45,000 policyholders. We had a number of
11 carriers that were very interested in those policies,
12 but in this case we didn't have one single carrier
13 interested in the entire book of business. So in a
14 circumstance like that, we will communicate to the
15 agents that here is a list of companies that are
16 interested, and so if you have a policyholder that's
17 insured with this company, here is a good place to
18 start in placing those policies with those private
19 carriers.

20 So the goal is, obviously, to get those
21 policyholders, first of all, reinsured as quickly as
22 possible; but second of all, with the private carrier
23 and not Citizens. But as you mentioned Barry Gilway
24 announced in his most recent board meeting, they are
25 back over a million policies, which is very

1 unfortunate. It's not entirely surprising, though,
2 given the market conditions that we are in. Because
3 one of the challenges with the Citizens is that their
4 rates are on a glide path, so despite the fact that
5 they have an actuarial indication that their rates
6 need to be much higher, they can only raise them by 10
7 percent each year. So the impact of that is that
8 while they're only raising their rates 10 percent each
9 year, the private market is raising them considerably
10 more.

11 So the functions that we've implemented to keep
12 policies out of Citizens like the Clearing House, the
13 takeout program, things of that nature, they become
14 less effective when Citizens' rates get so out of
15 synch with the private insurance market. When agents
16 go to place coverage, the denial requirement is only
17 15 percent, so if you get an offer from a private
18 carrier within 15 percent from Citizens, you've got to
19 put it with one of those private carriers. It's
20 becoming harder and harder to find competition with
21 Citizens; and therefore, easier and easier to get into
22 Citizens.

23 So I think this is going to be a continuation for
24 a little while until some of the impacts of Senate
25 Bill 76 can start to take ahold and we get some market

1 stabilization and carriers can start lowering their
2 rates to be competitive with Citizens again, or
3 changing the rate structure with Citizens, which I
4 know is another idea that's come up legislatively in
5 the past.

6 With respect to the Cat fund, I know that Lamar,
7 I think he's in here, so I'll let him speak to the
8 specifics on this later, but the Cat fund is, at the
9 moment, well funded. And I think from the Cat fund
10 standpoint, with over 6 million policies in the state
11 insured by carriers that are required to purchase
12 coverage from the Cat fund, I would imagine that it
13 doesn't have as significant an impact on them as it
14 does Citizens, because they're going to insure it
15 regardless of the private carrier. Now, of course,
16 the impact that they may have with the private carrier
17 that private area becomes insolvent, they may have an
18 issue collecting premium and things of that nature,
19 but we're hopeful that that is a scenario that doesn't
20 play out this storm season, but I'm happy to let Lamar
21 go into it more specifically during this.

22 COMMISSIONER FRIED: All right. And we talked a
23 little bit about some legislative challenges that
24 either working through the process this session or
25 potentially if a special is called. Is there

1 recommendations that are seeing from this past session
2 or ones that you are making to the legislature that
3 you believe would have been effective to kind of help
4 with the property market or things -- what are some
5 tools that you need in your shed that are going to
6 help with this property insurance market problem?

7 MR. ALTMAIER: So as we look at what we're
8 dealing with, and when we pull the lens back a little
9 bit -- I mean right now we're dealing with a roof
10 issue, but if you pull the lens back on Florida's
11 property insurance market, we've gone from a mold
12 issue to a sink hole issue, to an assignment of
13 benefits issues, to the water issue, and now a roof
14 issue. So there's a lot of issues that deal with the
15 roof issue -- or excuse me, a lot of ideas that deal
16 with the roof issue. And I have no doubt that they
17 would be effective for the roof issue, but I also have
18 no doubt that we'll be coming back in the following
19 session to talk about the pipe issue or whatever it is
20 that comes next.

21 So in my opinion -- what was great about Senate
22 Bill 76, in my opinion, is that it directly addressed
23 what we think that the office is driving our tendency
24 to go from issue to issue in our state, which is a
25 very favorable environment to litigate against

1 insurance companies. So as we've seen initially
2 favorable data from the impact of Senate Bill 76, I
3 would advocate that we continue to build on that
4 momentum, address the actual cost driver, the things
5 that are causing these things to happen in our state.

6 Because at the end of the day, not only are we
7 going to decrease the amount of litigation we have in
8 our state, we have excessive litigation, we're going
9 to continue to allow an avenue for consumers to
10 litigate against their insurance companies, as they
11 have indeed been wronged, but we'll also be able to
12 allow them to get full coverage, as opposed to telling
13 them because of this issue created by people that
14 weren't you, now you've got a \$10,000 cap on this, or
15 now you have an actual cash value on this. So I think
16 I would much rather the continuum we've built up with.
17 House Bill 765, which addressed AOBs and Senate Bill
18 76 after that, both of which dealt with the attorney
19 framework in our state.

20 COMMISSIONER FRIED: And are you seeing from
21 current bill either SB 76 or just where we are in the
22 marketplace and things that we're looking at, is there
23 other companies that have been in contact with your
24 office looking to either domicile here or increase
25 their lines? Where are we as far as new companies

1 coming into the market?

2 MR. ALTMAIER: So we've had some casual
3 conversations but nothing really formal. And even if
4 we had a perfect market conditions right now, I think
5 the closer we get to hurricane season the less likely
6 it is for carriers to form in Florida at that point in
7 time. So as we start to get towards the end of
8 summer, and start to have a few more months of data
9 from Senate Bill 76, and as we get closer to the end
10 of hurricane season, we'll probably likely see some of
11 those conversations start to pick up.

12 We are hearing from existing carriers in our
13 marketplace that will casually call and say if you do
14 have other situations like the two companies that
15 failed, give us a call, because we can potentially be
16 open to writing you business. So I think, despite
17 market conditions, there is an appetite to conduct
18 business in Florida. It's the ninth largest insurance
19 jurisdiction in the world. People have an appetite to
20 be here, I think we just need to create a positive
21 framework for them to provide a good service to our
22 consumers.

23 COMMISSIONER FRIED: Thank you.

24 GOVERNOR DESANTIS: Okay. Item 1.

25 MR. ALTMAIER: Item 1. So Item 1 is the adoption

1 of our minutes from the May 4, 2021, Cabinet Meeting,
2 and respectfully request your approval of those.

3 GOVERNOR DESANTIS: All right. I move to
4 approve. Is there a second?

5 COMMISSIONER MOODY: Second.

6 GOVERNOR DESANTIS: Hearing no objection, the
7 motion carries.

8 Item two.

9 MR. ALTMAIER: All right. Item number 2 is a
10 request for approval for publication and final
11 adoption of a rule that goes along with our
12 applications process. And we'll talk more about our
13 applications process in just a moment, but these are
14 just, essentially, process applications that deal with
15 companies that come to us and seek licensure. You
16 probably know we're undertaking projects to revise
17 these rules and to kind of streamline the way that
18 companies interact with our agency.

19 No feedback on this one, no workshop was
20 requested, so we would request -- respectfully request
21 approval for publication of the proposed rule and for
22 final adoption if no member of the public timely
23 requests a rule hearing, or if a hearing is requested
24 and no notice of change is needed.

25 GOVERNOR DESANTIS: All right. I move to approve

1 the item. Is there a second?

2 COMMISSIONER PATRONIS: Second.

3 GOVERNOR DESANTIS: Hearing no objection, the
4 motion carries.

5 MR. ALTMAIER: Thank you. Item number 3 is
6 another rule. These -- our carriers file annual and
7 quarterly reports with us. These annual and quarterly
8 reporting forms are adopted by rule, so every year we
9 have to update the years on these forms, and that's
10 what this rule does. We respectfully request your
11 approval for publication of the proposed rule and for
12 final adoption if no member timely requests a hearing
13 or if no change is needed.

14 GOVERNOR DESANTIS: I move to approve the item.
15 Is there a second?

16 COMMISSIONER FRIED: Second.

17 GOVERNOR DESANTIS: Hearing no objection, motion
18 carries.

19 MR. ALTMAIER: Agenda item number 4 is very
20 similar to the last rule. Our auditors examiners use
21 an examiners handbook to conduct their work every
22 year, and we kind of incorporate the newly-installed
23 edition into the rule. So we would respectfully
24 request the approval for publication of this proposed
25 rule, and for upon adoption, if no member timely

1 requests a hearing or if no changes are needed.

2 GOVERNOR DESANTIS: Move to approve. Is there a
3 second?

4 COMMISSIONER PATRONIS: Second.

5 GOVERNOR DESANTIS: No objection, the motion
6 carries.

7 MR. ALTMAIER: Item number 5, you might remember
8 in the 2021 Legislative Session, we passed one easy
9 bill, this is our credit for reinsurance bill. Not
10 Senate Bill 76, this one actually was fairly
11 straightforward. This was to comply our regulations
12 with the newly-enacted covered agreement between the
13 U.S. And the EU, and subsequently, the UK. This rule
14 conforms our existing rules to that newly-enacted
15 statute, and we respectfully request your approval for
16 publications of proposed rule, and for final adoption
17 if no member of the public timely requests a hearing
18 or if no change is needed.

19 GOVERNOR DESANTIS: I move to approve. Is there
20 a second?

21 COMMISSIONER FRIED: Second.

22 GOVERNOR DESANTIS: Hearing no objection, the
23 motion carries.

24 MR. ALTMAIER: Agenda item number 6 is also
25 legislatively related. This is actually related to

1 Senate Bill 76. So you might recall that Senate Bill
2 76 requires insurance companies to report to a variety
3 of different data points about their litigation
4 experience. It requires the office to develop that
5 data call via rule. So this is it. This the only
6 rule on our agenda that a workshop was requested. We
7 got a considerable amount of feedback. We believe
8 that what you're presenting with us -- what we're
9 presenting to you today is reflective of that input.
10 I have no doubt that if it's not our industry will let
11 us know in the next phase of this process.

12 So with that being said, we would respectfully
13 request your approval of this publication of the
14 proposed rule and on the chance that no one does
15 request a hearing or no changes needed, would request
16 your final adoption of that.

17 GOVERNOR DESANTIS: All right. I move to
18 approve. Is there a second?

19 COMMISSIONER FRIED: Second.

20 GOVERNOR DESANTIS: Hearing no objection, the
21 motion carries.

22 MR. ALTMAIER: Thank you. I know we have long
23 agenda rules. Items number 7 through 12 are all
24 essentially the same thing, so if there's no
25 objections, I can lump those together.

1 GOVERNOR DESANTIS: Yeah.

2 MR. ALTMAIER: At a high level, what we are doing
3 here, I mentioned our applications process, depending
4 on what kind of company you want to be in Florida you
5 have to go through a variety of different in the
6 administrative code to find out how to get licensed.
7 What we're doing with agenda items number 7 through 12
8 is consolidating all of that together and streamlining
9 that, so it's much easier for you to apply the rule
10 that's applicable to you.

11 So if there aren't any question for items number
12 7 through 12, we'll request your approval to publish
13 and final adoption if no member timely requests a
14 hearing or no changes are needed.

15 GOVERNOR DESANTIS: All right. I move to approve
16 those items. Is there a second?

17 COMMISSIONER FRIED: Second.

18 GOVERNOR DESANTIS: Hearing no objection, the
19 motion carries.

20 Item 13.

21 MR. ALTMAIER: Item number 13 simply updates a
22 rule to allow for electronic notaries, notarization.
23 So would request your approval for that publication,
24 and if hearing is requested, a final adoption.

25 GOVERNOR DESANTIS: All right. I approve the

1 item. Is there a second?

2 COMMISSIONER MOODY: Second.

3 GOVERNOR DESANTIS: Hearing no objection, motion
4 carries.

5 MR. ALTMAIER: And last, but not least, item 14.
6 This rule refers to the Florida Windstorm Underwriting
7 Association which no longer exists. That's now
8 Citizens. So we are proposing that we repeal this
9 rule. So with no objections, we would request your
10 approval for publication of this rule and final
11 adoption if there aren't any hearings requested.

12 GOVERNOR DESANTIS: Move to approve the item. Is
13 there a second?

14 COMMISSIONER PATRONIS: Second.

15 GOVERNOR DESANTIS: Hearing no objection, the
16 motion carries. Thank you.

17 MR. ALTMAIER: Thank you so much.

18 GOVERNOR DESANTIS: SBA, Lamar Taylor.

19 STATE BOARD OF ADMINISTRATION

20 Lamar Taylor

21 * * * * *

22 MR. TAYLOR: Good morning, Governor and Trustees.
23 Governor, before I jump into the agenda, if I could
24 just take a moment to thank you and your staff for
25 some legislative accomplishments that occurred this

M E M O R A N D U M

DATE: August 8, 2022

TO: David Altmaier, Commissioner, Office of Insurance Regulation

THROUGH: Anoush Brangaccio, General Counsel

FROM: Michael Lawrence, Jr., Chief Legal Counsel

SUBJECT: Cabinet Agenda for August 23, 2022
Request for Final Approval to Adopt Amendments to
Rules 69O-144.002, .007, .009, .011, and .012
Assignment # 284509-21

The Office of Insurance Regulation ("Office") requests that these proposed rule amendments be presented to the Cabinet aides on or before August 17, 2022, and to the Financial Services Commission on August 23, 2022, with a request for approval for final adoption.

The notice of development of rulemaking was published on October 1, 2021, in Volume 47, No. 191 of the *Register*. The notice of proposed rule was published on April 19, 2022, in Volume 48, No. 76, of the *Register*. In response to comments received, a notice of change was published on July 1, 2022, in Volume 48, No. 128, of the *Register*. A hearing was held on July 25, 2022.

The Office did not receive a request to hold a workshop. Rule 69O-144.002 is amended to contain all reinsurance applications and renewals. Rule 69O-144.007 is amended to contain requirements for certified reinsurers. Rule 69O-144.009 is created to cover requirements that apply to all types of credit for reinsurance. Rule 69O-144.011 is created to cover reinsurers domiciled in reciprocal jurisdictions. Rule 69O-144.012 is created to cover term and universal life insurance reserve financing.

Sections 624.307, 624.308, 624.316, 624.317, 624.318, 624.321, 624.624, 624.34, 624.401, 624.404, 624.407, 624.413, 624.424, 624.501, 624.5091, 624.610, 625.012, 626.9641, 628.051, 628.061, 628.801, 629.081, 631.051, 631.071, and 631.081, F.S., are the rulemaking authority and laws implemented for this rule.

Attached are the proposed rules.

Approved for signature:

Anoush Brangaccio, General Counsel

Approved for submission to Financial Services
Commission:

David Altmaier, Commissioner
Office of Insurance Regulation

69O-144.002 ~~Approval~~ Reinsurance Application Procedures.

Substantial rewording of rule 69O-144.002, F.A.C., follows. See Florida Administrative Code for present text.

(1) Filing requirements and costs.

(a) Insurers making the required filings under the provisions of section 624.610, F.S., and the rules of this chapter shall submit such filings electronically to the Office at www.flair.com/iportal.

1. Application filings shall be submitted to the Office's Company Admissions System, "iApply."

2. Other annual, quarterly, or requested filings shall be submitted to the Office's Regulatory Electronic Filing System, "REFS."

(b) The costs and expenses incurred by the Office to review an application for, and subsequent reviews of accredited reinsurer status under section 624.610, F.S., and the rules of this chapter shall be charged to and collected from the applicant assuming insurer. Costs are defined as the sum of the time spent by Office personnel calculated at payroll rates inclusive of personnel benefit expenses and overhead expenses for each Office employee, and other Office expenses related to processing the application; or, the actual charges incurred by a third party retained to assist in the Office's review of the application.

1. Should it become necessary to hire an outside consultant in the process of the review, the insurer shall be contacted in advance to consent to this and agree to the cost. In the event that the Office and the insurer agree to utilize the services of an outside consultant to conduct the review, the following applies:

a. The acceptability of a person or firm to the Office shall be determined based on consideration of the person or firm's professional competence, objectivity, and cost.

b. Consent of the insurer shall be demonstrated by written confirmation from an officer of the insurer agreeing to an examination or the specific services to be performed by the person or firm, and acknowledgment that the person or firm is acceptable to the insurer and that the cost will be paid by the applicant.

c. All payments for services under this provision shall be made directly to the person or firm in accordance with the rates and terms agreed to by the Office, the insurer, and the person or firm performing the examination.

(c) Failure to pay the assessed costs under paragraph (b) may be grounds for revocation of the insurer's application or accreditation, pursuant to section 624.610, F.S.

(2)(a) An assuming insurer seeking accredited reinsurer status in this state, pursuant to section 624.610(3), F.S. and rule 69O-144.005, F.A.C., shall file an application in compliance with the directions in Form OIR-C1-923, "Application for Accredited Reinsurer Status," effective 9/21, which is hereby incorporated by reference and available at www.flrules.org/XXXXX. The insurer shall further submit, or otherwise comply with, the following:

1. Form OIR-A1-2116, "Form C Summary of Changes to Registration Statement," effective 9/21, is hereby incorporated by reference and available at www.flrules.org/XXXXX;

2. Form OIR-C1-905, "Instructions for Furnishing Background Investigative Reports," effective 9/21, is hereby incorporated by reference and available at www.flrules.org/XXXXX;

3. Form OIR-C1-938, "Fingerprint Payment and Submission Procedure," effective 6/20, is hereby incorporated by reference and available at www.flrules.org/XXXXX;

4. Form OIR-C1-1423, "Uniform Certificate of Authority Application (UCAA) Biographical Affidavit," effective 9/21, is hereby incorporated by reference and available at www.flrules.org/XXXXX;

5. Form OIR-C1-1464, "Florida Certificate of Assuming Insurer," effective 9/21, which is hereby incorporated by reference and available at www.flrules.org/XXXXX, as required by rule 69O-144.005(2)(a), F.A.C.;

6. Form OIR-C1-1524, "Uniform Certificate of Authority Application (UCAA) Uniform Consent to Service of Process," effective 12/19, is hereby incorporated by reference and available at www.flrules.org/XXXXX;

7. Form OIR-D0-516, "Form B Insurance Holding Company System Registration Statement," effective 9/21, is hereby incorporated by reference and available at www.flrules.org/XXXXX; and,

8. Form OIR-C1-2221, "Management Information Form," effective 6/20, is hereby incorporated by reference and available at www.flrules.org/XXXXX.

(b) An assuming insurer seeking to maintain its accredited reinsurer status in this state, pursuant to rule 69O-144.005(2)(c), F.A.C., shall submit the following:

1. Annually, a copy of its annual statements prepared in accordance with the National Association of Insurance Commissioners (NAIC) manuals adopted in rule 69O-137.001, F.A.C., as filed with the insurance regulator of the assuming insurer's state of domicile or, in the case of a U.S. branch of an alien assuming insurer, as filed with the state through which it is entered and in which it is licensed to transact insurance or reinsurance;

2. If quarterly statements are required by the assuming insurer's state of domicile, or if quarterly statements are not required by the state of domicile but the Office makes a written request of them from the assuming insurer: then

quarterly, a copy of the assuming insurer's quarterly statements prepared in accordance with the NAIC manuals adopted in rule 69O-137.001, F.A.C., with the insurance regulator of the assuming insurer's state of domicile or, in the case of a U.S. branch of an alien assuming insurer, with the state through which it is entered and in which it is licensed to transact insurance or reinsurance; and,

3. Annually, a copy of the assuming insurer's most recent audited financial statement.

(3)(a) An assuming insurer seeking trustee reinsurer status in this state, pursuant to section 624.610(3)(c), F.S. and rule 69O-144.006(1)(a)1., F.A.C., shall file an application in compliance with the directions in Form OIR-C1-1466, "Application for Trustee Reinsurer Status," effective 9/21, which is hereby incorporated by reference and available at www.flrules.org/XXXXX. The insurer shall further submit, or otherwise comply with, the following:

1. A copy of its annual statement with information substantially the same as that required to be reported in the NAIC Annual Statement form by authorized insurers, as incorporated by reference in rule 69O-137.001, F.A.C., in the same format required by such form and including all supporting documents;

2. A certified copy of the trust agreement and any trust amendments, including an approval from the insurance regulator of the state in which the trust is domiciled or of the insurance regulator of another state who, pursuant to the terms of the trust instrument, has accepted principal regulatory oversight of the trust;

3. A statement from the trustee of the trust to the insurance regulator having regulatory oversight of the trust certifying the balance of the trust and the trust's investments at the preceding year end with certification that the trust will not expire prior to the following December 31;

4. Form OIR-C1-1423, incorporated by reference in subsection (1);

5. Form OIR-C1-1469, "Certificate of Assuming Insurer to Submit to Examination and Bear the Cost of Examination," effective 9/21, is hereby incorporated by reference and available at www.flrules.org/XXXXX;

6. Form OIR-C1-1524, incorporated by reference in subsection (1);

7. Form OIR-C1-2221, incorporated by reference in subsection (1); and,

8. Any other information required by section 624.610(3), F.S., or rule 69O-144.006(1), F.A.C.

(b) An assuming insurer seeking to maintain its trustee reinsurer status in this state, pursuant to section 624.610(3)(c), F.S., and rule 69O-144.006(1)(a)2., F.A.C., shall:

1. File annually with the Office substantially the same information as that required to be reported on the NAIC Annual Statement form by authorized insurers, which is incorporated in rule 69O-137.001, F.A.C., to enable the Office to determine the sufficiency of the trust fund; and,

2. Comply with the ongoing requirements in rule 69O-144.006(1), F.A.C.

(4)(a) An assuming insurer seeking certified reinsurer status in this state, pursuant to section 624.610(3), F.S. and rule 69O-144.007(8)(a), F.A.C., shall file an application in compliance with the directions in Form OIR-C1-996, "Application for Certified Reinsurer Status," effective 9/21, which is hereby incorporated by reference and available at www.flrules.org/XXXXX. The insurer shall further submit, or otherwise comply with, the following:

1. Audited annual financial statements for the last two (2) years, as filed with the assuming insurer's domiciliary jurisdiction;

2. The report(s) of the independent auditor for the financial statements of the assuming insurer's insurance enterprise from the last two (2) years, as filed with the assuming insurer's domiciliary jurisdiction;

3. The most recent actuarial opinion as filed with the assuming insurer's domiciliary jurisdiction;

4. Form OIR-C1-2116, "Certificate of Certified Reinsurer," effective 9/21, which is hereby incorporated by reference and available at www.flrules.org/XXXXX, as required by rule 69O-144.007(8)(a)4., F.A.C.;

5. Form OIR-C1-2117, "NAIC Form CR-F" (for property/casualty), effective 9/21, which is hereby incorporated by reference and available at www.flrules.org/XXXXX, or Form OIR-C1-2118, "NAIC Form CR-S" (for life and health), effective 9/21, which is hereby incorporated by reference and available at <https://www.flrules.org/XXXXX>;

6. A list of all disputed or overdue recoverables due to or claimed by ceding insurers, whether or not the claims are in litigation or arbitration;

7. A certification from the domiciliary jurisdiction of the assuming insurer that the insurer is in good standing with that jurisdiction and that the insurer maintains capital in excess of the jurisdiction's highest regulatory action level;

8. Form OIR-C1-1416, "Uniform Certificate of Authority Application (UCAA) Lines of Insurance," effective 9/21, which is hereby incorporated by reference and available at www.flrules.org/XXXXX;

9. Form OIR-C1-1524, incorporated by reference in subsection (1);

10. Form OIR-C1-2221, incorporated by reference in subsection (1); and,

11. Any other information that the Office reasonably requires to evaluate the application, including any information required by rule 69O-144.007(8)(a), F.A.C.

(b) An assuming insurer seeking to maintain its certified reinsurer status in this state, pursuant to section 624.610(3), F.S., and rule 69O-144.007(8)(h), F.A.C., shall annually submit the following, no later than July 1:

1. Form OIR-C1-2117, "NAIC Form CR-F" (for property/casualty), or Form OIR-C1-2118, "NAIC Form CR-S" (for life and health), both of which are incorporated in paragraph (3)(a) of this rule;

2. The assuming insurer's most recent audited financial statements, as filed with its domiciliary jurisdiction;

3. The report(s) of the independent auditor for the most recent financial statements of the assuming insurer's insurance enterprise, as filed with the assuming insurer's domiciliary jurisdiction;

4. The most recent actuarial opinion as filed with the assuming insurer's domiciliary jurisdiction;

5. A statement from the assuming insurer's domiciliary jurisdiction that the assuming insurer is in good standing and maintains capital in excess of the jurisdiction's highest regulatory action level;

6. A statement certifying that there has been no change in the provisions of the assuming insurer's domiciliary license or any of its financial strength ratings, or a statement describing such changes and the reasons therefore;

7. Any change in the assuming insurer's directors and officers;

8. An updated list of all disputed and overdue reinsurance claims regarding reinsurance assumed from ceding insurers; and,

9. Any other information that the Office reasonably requires to evaluate the assuming insurer's status, including any information required by rule 69O-144.007(8)(h), F.A.C.

(c) If an NAIC accredited jurisdiction has determined that a certified reinsurer has met the conditions in that jurisdiction to become a certified reinsurer, the Office may accept documentation filed with that NAIC accredited jurisdiction or with the NAIC to satisfy the certified reinsurer's status in this state.

(5)(a) An assuming insurer seeking reciprocal jurisdiction reinsurer status in this state, pursuant to section 624.610(4), F.S., and rule 69O-144.011(3)(e), F.A.C., shall, on behalf of itself and any legal predecessors, file an application in compliance with the directions in Form OIR-C1-518, "Application for Reciprocal Jurisdiction Reinsurer Status," effective 9/21, which is hereby incorporated by reference and available at www.flrules.org/XXXXX. The insurer shall further submit, or otherwise comply with, the following:

1. Form OIR-C1-517, "Certificate of Reinsurer Domiciled in Reciprocal Jurisdiction," effective 9/21, which is hereby incorporated by reference and available at www.flrules.org/XXXXX, as required by rule 69O-144.011(3)(d), F.A.C.;

2. Written confirmation from the assuming insurer's reciprocal jurisdiction that as of the preceding December 31 or as of the most recent date otherwise statutorily reported to the jurisdiction, the assuming insurer has complied with the requirements set forth in rules 69O-144.011(3)(b) and (3)(c), F.A.C.;

3. For the two (2) years preceding entry into the reinsurance agreement, the assuming insurer's annual audited financial statements, in accordance with the applicable law of the assuming insurer's reciprocal jurisdiction, including the external audit report;

4. For the two (2) years preceding entry into the reinsurance agreement, the solvency and financial condition report or actuarial opinion, if filed with the assuming insurer's supervisor;

5. Prior to entry into the reinsurance agreement, a current list of all disputed and overdue reinsurance claims outstanding for 90 days or more, regarding reinsurance assumed from ceding insurers domiciled in the United States;

6. Prior to entry into the reinsurance agreement, information regarding the assuming insurer's assumed reinsurance by ceding insurer, ceded reinsurance by the assuming insurer, and reinsurance recoverable on paid and unpaid losses by the assuming insurer to allow for the evaluation of the criteria set forth in rule 69O-144.011(3)(f), F.A.C.;

7. Form OIR-C1-1524, incorporated by reference in subsection (1);

8. Form OIR-C1-2221, incorporated by reference in subsection (1); and,

9. Any other information required or requested by the Office, pursuant to section 624.610(4), F.S., or rule 69O-144.011(3), F.A.C.

(b) An assuming insurer seeking to maintain its reciprocal jurisdiction reinsurer status in this state, pursuant to section 624.610(4), F.S., and rule 69O-144.011(3)(g), F.A.C., shall annually submit the following, no later than each July 1:

1. Written confirmation from the assuming insurer's reciprocal jurisdiction that as of the preceding December 31 or as of the annual date otherwise statutorily reported to the jurisdiction, the assuming insurer complies with the requirements set forth in rules 69O-144.011(3)(b) and (3)(c), F.A.C.;

2. The assuming insurer's most recent audited financial statements, in accordance with the applicable law of the assuming insurer's reciprocal jurisdiction, including the external audit report;

3. The assuming insurer's most recent solvency and financial condition report or actuarial opinion, if filed with its supervisor;

4. An updated list of all disputed and overdue reinsurance claims outstanding for 90 days or more, regarding reinsurance assumed from ceding insurers domiciled in the United States;

5. Information regarding the assuming insurer's assumed reinsurance by ceding insurer, ceded reinsurance by the assuming insurer, and reinsurance recoverable on paid and unpaid losses by the assuming insurer, to allow for the evaluation of the criteria set forth in rule 69O-144.011(3)(f), F.A.C.; and

6. Any other information required or requested by the Office, pursuant to section 624.610(4), F.S., or rule 69O-144.011(3)(g), F.A.C.

(c) If an NAIC accredited jurisdiction has determined that a reciprocal jurisdiction reinsurer has met the conditions in that jurisdiction to become a reciprocal jurisdiction reinsurer, the Office may accept documentation filed with that NAIC accredited jurisdiction or with the NAIC to satisfy the reciprocal jurisdiction reinsurer's status in this state.

(d) This subsection does not limit the authority of the Office to request additional information pertaining to the reinsurance agreement, or any subsequent reinsurance agreement entered into by the assuming insurer and Florida ceding insurers, under section 624.610(4)(e), F.S.

(6) An assuming insurer meeting any other eligibility criteria under the rules of this chapter or under section 624.610, F.S., shall make the necessary and applicable filings with the Office.

Rulemaking Authority 624.308, 624.610(15)(44) FS. Law Implemented 624.307(1), (2), (3), (5), 624.316, 624.317, 624.318, 624.321, 624.324, 624.34, 624.401, 624.404, 624.407, 624.413, 624.424, 624.501(20), 624.5091, 624.610, 628.051, 628.061, 628.801, 629.081 FS. History—New 1-30-91, Formerly 4-108.002, Amended 5-12-94, 10-13-02, Formerly 4-144-002, Amended 9-14-06,_____.

69O-144.007 Credit for Reinsurance from Certified Reinsurers.

(1) Purpose. Section 624.610(3)(e), F.S., gives the Office the option to allow credit for reinsurance without full collateral for transactions involving assuming insurers not meeting the requirements of section 624.610(3)(a), (b), (c), or (d), F.S. ~~These rules implement that subsection.~~ This rule does not apply to assuming insurers that meet the requirements of section 624.610(3)(a), (b), (c), or (d), F.S. This rule is not an attempt to assert extra-territorial jurisdiction. Insurers that write in states other than Florida will need to comply with the laws of those states.

(2) Definitions. As used in this rule the following terms have the following meanings:

~~(a) "Ceding insurer" means a domestic insurer, as defined by section 624.06(1), F.S.~~

~~(a)(b)~~ "Certified reinsurer" means an assuming insurer that may not meet the requirements of section 624.610(3)(a), (b), (c), or (d), F.S., and that has been determined by the Office ~~by order~~ to have met the requirements set forth in subsections (7) and (8) of this rule.

~~(b)(c)~~ "Qualified jurisdiction" means a jurisdiction which has met the requirements set forth in subsection (9) of this rule.

(3) Credit for reinsurance under this ~~rule section~~ shall apply only to reinsurance contracts entered into renewed or amended on or after the effective date of the certification of the assuming insurer, provided that the certified reinsurer holds surplus in excess of \$250 million and maintains a secure financial strength rating from at least two of the rating agencies indicated in ~~paragraphs (3)(a) through (e), of~~ this subsection. Due consideration shall be given to the group rating where appropriate. The credit is subject to the limitations set forth in this rule. As provided in section 624.610(3)(e), F.S., ~~acceptable~~ the rating agencies are:

- (a) Standard and Poor's;
- (b) Moody's Investors Service;
- (c) Fitch Ratings;
- (d) A.M. Best Company; ~~and,~~
- (e) Demotech; ~~and,~~ -

(f) Any other rating agency deemed acceptable by order of the Office. Copies of the orders issued by the Office deeming rating agencies as having experience and expertise in rating insurers doing business in Florida pursuant to section 624.610(3)(e), Florida Statutes, are located at <https://www.floir.com/resources-and-reports/certified-reinsurers>.

(4) The collateral required to allow one hundred percent (100%) credit shall be no less than the percentage specified for the lowest rating as indicated below:

Rating	Collateral Required	Best	S&P	Moody's	Fitch	Demotech
Secure – 1	0%	A++	AAA	Aaa	AAA	A"
Secure – 2	10%	A+	AA+, AA, AA-	Aa1, Aa2, Aa3	AA+, AA, AA-	A'
Secure – 3	20%	A	A+, A	A1, A2	A+, A	A
Secure – 4	50%	A-	A-	A3	A-	n/a
Secure – 5	75%	B++, B+	BBB+, BBB, BBB-	Baa1, Baa2, Baa3	BBB+, BBB, BBB-	n/a
Vulnerable – 6	100%	B, B-, C++, C+, C, C-, D, E, F	BB+, BB, BB-, B+, B, B-, CCC, CC, C, D, R	Ba1, Ba2, Ba3, B1, B2, B3, Caa, Ca, C	BB+, BB, BB-, B+, B, B-, CCC+, CC, CCC-, DD	n/a

For reinsurance ceded by Florida domestic property insurers for short-tailed lines as defined below, any collateral required to be posted may be subject to a one-year deferral from the date of the first instance of a liability reserve entry as a result of a catastrophic loss from a named Hurricane. For these purposes, a short-tailed line of business is defined as any one of the following lines of business as reported on the NAIC annual financial statement:

- Line 1 Fire
- Line 2 Allied Lines
- Line 3 Farmowners multiple peril
- Line 4 Homeowners multiple peril
- Line 5 Commercial multiple peril
- Line 9 Inland marine
- Line 12 Earthquake
- Line 21 Auto physical damage

(5) Nothing in this rule shall be construed to deny the ceding insurer the ability to take credit for reinsurance for the remainder of its liabilities with a certified reinsurer so long as those amounts are secured with acceptable collateral pursuant to section ~~624.610(5)~~ ~~624.610(4)~~, F.S., and subsections ~~690-144.005(5)~~ and (6), F.A.C.

(6) In addition to the trust fund required under section 624.610(3)(c), F.S., the Office shall permit an assuming insurer that maintains a trust fund in a qualified U.S. financial institution, as that term is defined in section ~~624.610(6)(b)~~ ~~624.610(5)(b)~~, F.S., for the payment of the valid claims of its U.S. ~~ceding cedent~~ insurers and their assigns and successors in interest to also maintain in a qualified U.S. financial institution a trust fund constituting a trustee amount at least equal to the collateral required in accordance with subsection (4) of this rule, to secure the liabilities attributable to U.S. ~~ceding cedent~~ insurers under reinsurance policies (contracts) entered into or renewed by such assuming insurer on or after the effective date of this rule or such other date as may be established in other states for ~~ceding cedent~~ insurers domiciled in such states, but only when maintenance of such a trust fund serves to protect the interests of the public and the interests of insurer solvency.

(7) A ceding insurer may not take credit pursuant to this rule unless:

(a) The assuming insurer has been determined, by order of the Office, to be ~~a an~~ certified reinsurer, pursuant to subsection (8) of this rule;

(b) The ceding insurer maintains satisfactory evidence that the ~~eligible~~ certified reinsurer meets the standards of solvency, including standards for capital adequacy, established by its domestic regulator; and,

(c) All reinsurance contracts between the ceding insurer and the certified reinsurer provide for:

1. ~~An~~ ~~For an~~ insolvency clause in conformance with section ~~624.610(9)~~ ~~624.610(8)~~, F.S.;
2. ~~A submission to jurisdiction clause in conformance with sections 624.610(3)(f)1. and 2., F.S.~~ ~~The For a service of process clause in conformance with sections 624.610(3)(f)1. and 2., F.S.; and,~~
3. ~~A service of process clause in conformance with sections 624.610(3)(f)1.b. and 2., F.S.~~ ~~For a submission to jurisdiction clause in conformance with sections 624.610(3)(f)1. and 2., F.S.~~

(8) Status as certified reinsurer:

(a) An assuming insurer seeking certified reinsurer status in this state pursuant to this rule, shall file an application in accordance with rule 690-144.002(4)(a), F.A.C., and the requirements of this rule. The application shall include written confirmation, in the form of a properly executed Form OIR-C1-2116, "Certificate of Certified Reinsurer," which is incorporated by reference in rule 690-144.002(4)(a), F.A.C., that the assuming insurer submits to the jurisdiction of the U.S. courts, appoints the Chief Financial Officer, pursuant to section 48.151, F.S., as its agent for service of process in this state, and agrees to post one hundred percent (100%) collateral for its Florida liabilities if it resists enforcement of a valid and final judgment from a court in the United States, or if otherwise required by the

Office pursuant to this rule. If an NAIC accredited jurisdiction has determined that a certified reinsurer has met the conditions in that jurisdiction to become a certified reinsurer, the Office may accept documentation filed with that NAIC accredited jurisdiction or with the NAIC to satisfy the certified reinsurer's status in this state.

Application for a determination as a certified reinsurer under this rule shall be made by cover letter from the insurer requesting a finding of certification as a reinsurer pursuant to this rule and shall be filed electronically via the Office's Online Company Admissions system, "iApply," located at <http://www.flor.com/iportal>. The cover letter shall be accompanied with the following:

1. Audited financial statements prepared on a basis for the last three (3) years as filed with the insurer's domiciliary jurisdiction. With permission of the Office, an insurer may provide audited International Financial Reporting Standards (IFRS) basis statements so long as they include an audited reconciliation of equity and net income on a U.S. GAAP basis, or, with the permission of the Office, audited IFRS statements with a reconciliation of equity and net income on a U.S. GAAP basis certified by an officer of the company;

2. An actuarial opinion as filed with the insurer's domiciliary jurisdiction;

3. Documentation, in the form of a properly executed Form OIR C1 2116, "Certificate of Certified Reinsurer," (New 6/15), which is hereby adopted and incorporated by reference <https://www.flrules.org/Gateway/reference.asp?No=Ref 05566>, that the insurer submits to the jurisdiction of the U.S. courts, appoints an agent for service of process in Florida, and agrees to post one hundred percent (100%) collateral for its Florida liabilities if it resists enforcement of a valid and final judgment from a court in the United States, or if otherwise required by the Office pursuant to this rule;

4. At the request of the Office, any other regulatory filing made with the insurer's domiciliary jurisdiction;

5. Form OIR C1 2117 <https://www.flrules.org/Gateway/reference.asp?No=Ref 05567> "NAIC Form CR F" (New 6/15) (for property/casualty) or Form OIR C1 2118 <https://www.flrules.org/gateway/reference.asp?No=Ref 05568> "NAIC Form CR S" (New 6/15) (for life and health), which are hereby adopted and incorporated by reference;

6. A list of all disputed or overdue recoverables due to or claimed by ceding insurers, whether or not the claims are in litigation or arbitration;

7. A certification from the domiciliary jurisdiction of the insurer that the company is in good standing and that the domiciliary jurisdiction will provide financial and operational information to the Office; and,

8. Any other information that the Office may reasonably deem appropriate to clarify or explain information submitted with the application.

(b) Upon receipt of an application for a determination as a certified reinsurer, the Office shall post notice on the Office's website. Such notice shall include instructions on how members of the public may respond to the application. The Office shall not take final action on the application until at least thirty (30) days after posting the notice required by this paragraph.

(c) The determination of certified reinsurer status ~~eligibility~~ will be made by order issued by the Office.

(d) To become a certified reinsurer, the assuming insurer, at a minimum:

1. Shall hold surplus in excess of \$250 million. This requirement may also be satisfied by an association including incorporated and individual unincorporated underwriters having minimum capital and surplus equivalents (net of liabilities) of at least \$250 million and a central fund containing a balance of at least \$250 million,

2. Shall be authorized in its domiciliary jurisdiction to assume the kind or kinds of reinsurance ceded by the ceding insurer; and,

3. Shall be domiciled in a qualified jurisdiction, as defined in subsection (9) of this rule.

(e) Each certified reinsurer shall be rated on a legal entity basis, with due consideration being given to the group rating where appropriate, except that an association including incorporated and individual unincorporated underwriters that has been approved to do business as a single certified reinsurer may be evaluated on the basis of its group rating. Factors that may be considered as part of the evaluation process include, but are not limited to, the following:

1. The certified reinsurer's financial strength rating from an acceptable rating agency. The maximum rating that a certified reinsurer may be assigned will correspond to its financial strength rating as outlined in subsection (4) of this rule. The Office shall use the lowest financial strength rating received from a rating agency indicated in subsection (3) paragraphs (3)(a) - (e) of this rule, in establishing the maximum rating of a certified reinsurer. A failure to obtain or maintain at least two financial strength ratings from acceptable rating agencies pursuant to subsection (3), will result in loss of eligibility for certification;

2. The business practices of the certified reinsurer in dealing with its ceding insurers, including its record of compliance with reinsurance contractual terms and obligations;

3. For certified reinsurers domiciled in the U.S., a review of the most recent applicable NAIC Annual Statement Blank, either Schedule F (for property/casualty reinsurers) or Schedule S (for life and health reinsurers);

4. The reputation of the certified reinsurer for prompt payment of claims under reinsurance agreements, based on an analysis of ceding insurers' Schedule F or equivalent reporting of overdue reinsurance recoverables, including the proportion of obligations that are more than ninety (90) days past due or are in dispute, with specific attention given to obligations payable to companies that are in administrative supervision or receivership;

5. Regulatory actions against the certified reinsurer;

6. The liquidation priority of obligations to a ceding insurer in the certified reinsurer's domiciliary jurisdiction in the context of an insolvency proceeding; and,

7. ~~The A~~ certified reinsurer's participation in any solvent schemes of arrangement, or similar procedure, that involves U.S. ceding insurers. ~~The A~~ certified reinsurer shall notify the Office prior to participation in any ~~a~~ solvent scheme of arrangement.

(f) If the Office determines, based upon the material submitted, and any other relevant information, that it is in the best interests of market stability and the solvency of ceding insurers, the Office will find, by order, that the insurer is a certified reinsurer and will set an amount of credit allowed for the reinsurer if lower than the amount set forth in subsection (4).

(g) The Office shall publish and maintain a list of certified reinsurers on the Office's website. Such list shall disclose the rating assigned to the certified reinsurer pursuant to subsection (4) of this rule.

(h) ~~An assuming insurer seeking to maintain its Every~~ certified reinsurer status in this state shall annually file the following information required by rule 69O-144.002(4)(b), F.A.C. If an NAIC accredited jurisdiction has determined that a certified reinsurer has met the conditions in that jurisdiction to become a certified reinsurer, the Office may accept documentation filed with that NAIC accredited jurisdiction or with the NAIC to satisfy the certified reinsurer's status in this state. ~~annually with the Office electronically via the Office's Regulatory Electronic Filing System, "REFS," located at <http://www.flor.com/iportal>, no later than July 1:~~

1. Form OIR-C1-2117, "NAIC Form CR-F," (New 6/15) (for property/casualty) or Form OIR-C1-2118, "NAIC Form CR-S," (New 6/15) (for life and health);

2. ~~The report of the independent auditor on the financial statements of the insurance enterprise, filed on a U.S. GAAP basis. If a U.S. GAAP audit is not reasonably available, the Office may allow the reinsurer to provide audited IFRS basis statements so long as a reconciliation of equity and net income are provided on a U.S. GAAP basis. The reconciliation of equity and net income to U.S. GAAP must either be audited or certified by an officer of the company;~~

3. ~~Actuarial opinion as filed with the certified reinsurer's domiciliary jurisdiction;~~

4. ~~A statement from the certified reinsurer's domiciliary jurisdiction that the certified reinsurer is in good standing and maintains capital in excess of the jurisdiction's highest regulatory action level;~~

5. ~~A statement certifying that there has been no change in the provisions of its domiciliary license or any of its financial strength ratings, or a statement describing such changes and the reasons therefore;~~

6. ~~At the request of the Office, a copy of any regulatory filings made with the certified reinsurer's domiciliary jurisdiction;~~

7. ~~Any change in its directors and officers;~~

8. ~~An updated list of all disputed and overdue reinsurance claims regarding reinsurance assumed from ceding insurers; and,~~

9. ~~Any other information that the Office may require to assure market stability and the solvency of ceding insurers.~~

(i) A certified reinsurer must advise the Office within ten (10) days of any changes in its ratings assigned by rating agencies, domiciliary license status, or of any regulatory actions taken against the certified reinsurer. Such notice shall include a statement describing such actions and the reasons therefore.

(j) At any time, if the Office determines that it is in the best interests of market stability and the solvency of ceding insurers, the Office will withdraw, by order, any determination of an insurer as a certified reinsurer or require the certified reinsurer to post additional collateral.

(k) If the rating of a certified reinsurer rises above that used by the Office in its determination of the credit allowed for the reinsurer, an affected party may petition the Office for a redetermination of the credit allowed. If it is in the best interests of market stability and the solvency of ceding insurers, the Office will raise the credit allowed for the certified reinsurer.

(9) Qualified Jurisdictions. Status as a qualified jurisdiction:

(a) The determination of a jurisdiction as a qualified jurisdiction is to be made by the Office. No jurisdiction shall be determined to be a qualified jurisdiction unless:

1. The insurance regulatory body of the jurisdiction agrees that it will provide information requested by the Office regarding its certified domestic reinsurers;

2. The Office has determined that the jurisdiction has a satisfactory structure and authority with regard to solvency regulation, acceptable financial and operating standards for reinsurers in the domiciliary jurisdiction, acceptable

transparent financial reports filed in accordance with generally accepted accounting principles, and verifiable evidence of adequate and prompt enforcement of valid U.S. judgments or arbitration awards;

3. The Office has determined that the history of performance by reinsurers in the jurisdiction is such that the insuring public will be served by a finding of qualification;

4. For non-U.S. jurisdictions, the jurisdiction allows U.S. reinsurers access to the market of the domiciliary jurisdiction on terms and conditions that are at least as favorable as those provided in Florida law and regulations for unaccredited non-U.S. assuming insurers; and,

5. There is no other documented information that it would not serve the best interests of the insuring public and the solvency of ceding insurers to make a finding of qualification.

(b) If the NAIC issues findings that certain jurisdictions should be considered qualified jurisdictions, the Office shall, if it would serve the best interests of the insuring public and the solvency of ceding insurers, make a determination that jurisdictions on the NAIC list are qualified jurisdictions.

(c) A U.S. jurisdiction that meets the requirements for accreditation under the NAIC financial standards and accreditation program shall be recognized as a qualified jurisdiction.

(d) The Office shall publish a list of a jurisdictions that have been determined to be qualified on its website.

(e) If the Office determines that it is in the best interests of market stability and the solvency of ceding insurers, the Office shall withdraw, by order, the determination of a jurisdiction as a qualified jurisdiction.

(10) A certified reinsurer shall secure obligations assumed from U.S. ceding insurers under this rule and section 624.610(3)(e), F.S., at a level consistent with its rating pursuant to subsections (3) and (4) of this rule, or by order of the Office pursuant to section 624.610(5), F.S.

(a) In order for a domestic ceding insurer to qualify for full financial statement credit for reinsurance ceded to a certified reinsurer, the certified reinsurer shall maintain security as allowed by section 624.610(5), F.S., and consistent with section 624.610(3)(e), F.S., or in a multibeneficiary trust in accordance with section 624.610(3)(c), F.S., and rule 69O-144.006, F.A.C., except as otherwise provided in this subsection.

(b) If a certified reinsurer maintains a trust to fully secure its obligations subject to section 624.610(3)(c), F.S., and rule 69O-144.006, F.A.C., and chooses to secure its obligations incurred as a certified reinsurer in the form of a multibeneficiary trust, the certified reinsurer shall maintain separate trust accounts for its obligations incurred under reinsurance agreements issued or renewed as a certified reinsurer with reduced security as permitted by this subsection or comparable laws of other U.S. jurisdictions and for its obligations subject to section 624.610(3)(c), F.S., and rule 69O-144.006, F.A.C. It shall be a condition to the grant of certification under section 624.610(3)(e), F.S., and this rule, that the certified reinsurer shall have bound itself, by the language of the trust and agreement with the insurance regulator with principal regulatory oversight of each such trust account, to fund, upon termination of any such trust account, out of the remaining surplus of such trust any deficiency of any other such trust account.

(c) The minimum trustee surplus requirements provided in section 624.610(3)(c), F.S., and rule 69O-144.006, F.A.C., are not applicable with respect to a multibeneficiary trust maintained by a certified reinsurer for the purpose of securing obligations incurred under this subsection, except that such trust shall maintain a minimum trustee surplus of \$10 million.

(d) With respect to obligations incurred by a certified reinsurer under this subsection, if the security is insufficient, the Office shall reduce the allowable credit by an amount proportionate to the deficiency, and has the discretion to impose further reductions in allowable credit upon finding that there is a material risk that the certified reinsurer's obligations will not be paid in full when due.

(e) For purposes of this subsection, a certified reinsurer whose certification has been terminated for any reason shall be treated as a certified reinsurer required to secure one hundred percent (100%) of its obligations.

1. As used in this subsection, the term "terminated" refers to revocation, suspension, voluntary surrender and inactive status.

2. If the Office continues to assign a higher rating as permitted by other provisions of this rule, this requirement does not apply to a certified reinsurer in inactive status or to a reinsurer whose certification has been suspended.

~~(11)(10)~~ (a) If the rating of a certified reinsurer is below or falls below that required in subsection (4) of this rule, for the respective amount of credit, the Office shall upon written notice assign a new rating to the certified reinsurer in accordance with subsection (4) of this rule. Notwithstanding the change or withdrawal of a certified reinsurer's rating, the Office, upon a determination that the interest of ensuring market stability and the solvency of the ceding insurer requires it, shall, upon request by the ceding insurer, authorize the ceding insurer to continue to take credit for the reinsurance recoverable, or part thereof, relating to the rating change or withdrawal for some specified period of time following such change or withdrawal, unless the reinsurance recoverable is deemed uncollectible.

(b) If the ceding insurer's experience in collecting recoverables from any certified reinsurer indicates that the credit to the ceding insurer should be lower, the ceding insurer shall notify the Office of this.

(c) The Office shall have the authority to suspend, revoke, or otherwise modify a certified reinsurer's certification at any time if the certified reinsurer fails to meet its obligations or security requirements under this rule section, or if other financial or operating results of the certified reinsurer, or documented significant delays in payment by the certified reinsurer, would cause the Office to determine that the certified reinsurer is unwilling or unable to meet its contractual obligations.

(d) If the rating of a certified reinsurer is upgraded by the Office, the certified reinsurer may meet the security requirements applicable to its new rating on a prospective basis, but the Office shall require the certified reinsurer to post security under the previously applicable security requirements as to all contracts in force on or before the effective date of the upgraded rating. If the rating of a certified reinsurer is downgraded by the Office, the Office shall require the certified reinsurer to meet the security requirements applicable to its new rating for all business it has assumed as a certified reinsurer.

(e) Upon revocation of the certification of a certified reinsurer by the Office, the assuming insurer shall be required to post security in accordance with section 624.610, F.S., in order for the ceding insurer to continue to take credit for reinsurance ceded to the assuming insurer.

~~(12)(11)~~ The ceding insurer shall give immediate notice to the Office and provide for the necessary increased reserves with respect to any reinsurance recoverables applicable, in the event:

(a) That obligations of a certified reinsurer for which credit for reinsurance was taken under this rule are more than ninety (90) days past due and not in dispute, or

(b) That there is any indication or evidence that any certified reinsurer, with whom the ceding insurer has a contract, fails to substantially comply with the solvency requirements under the laws of its domiciliary jurisdiction.

~~(13)(12)~~ The Office shall disallow all or a portion of the credit based on a review of the ceding insurer's reinsurance program, the financial condition of the certified reinsurer, the certified reinsurer's claim payment history, or any other relevant information when such action is in the best interests of market stability and the solvency of the ceding insurer. At any time, the Office may request additional information from the certified reinsurer. The failure of a certified reinsurer to cooperate with the Office is grounds for the Office to withdraw the status of the insurer as a certified reinsurer or for the disallowance or reduction of the credit granted under this rule.

~~(14)(13)~~(a) Upon the entry of an order of rehabilitation, liquidation, or conservation against the ceding insurer, pursuant to chapter 631, part I, F.S., or the equivalent law of another jurisdiction, a certified reinsurer, within thirty (30) days of the order, shall fund the entire amount that the ceding insurer has taken, as an asset or deduction from reserves, for reinsurance recoverable from the certified reinsurer. The insurer may request a variance and waiver from this provision as provided by section 120.542, F.S.

(b) If a certified reinsurer fails to comply on a timely basis with paragraph (a) of this subsection, the Office shall withdraw the reinsurer's certification under this rule.

~~(15)(14)~~ The Office may, by order, determine that credit shall not be allowed to any ceding insurer for reinsured risk pursuant to this rule if it appears to the Office that granting of the credit to the ceding insurer would not be in the public interest or serve the best interests of the ceding insurer's solvency.

~~(16)(15)~~ Nothing in this rule prohibits a ceding insurer and a reinsurer from entering into agreements establishing collateral requirements in excess of those set forth in this rule.

~~(16) A ceding insurer shall notify the Office within thirty (30) days after reinsurance recoverables from any single assuming insurer, or group of assuming insurers, exceeds fifty percent (50%) of the ceding insurer's last reported surplus to policyholders, or after it is determined that reinsurance recoverables from any single assuming insurer, or group of assuming insurers, is likely to exceed this limit. The notification shall demonstrate that the exposure is safely managed by the domestic ceding insurer.~~

~~(17) A ceding insurer shall notify the Office within thirty (30) days after ceding to any single assuming insurer, or group of assuming insurers, more than twenty percent (20%) of the ceding insurer's gross written premium in the prior calendar year, or after it is determined that the reinsurance ceded to any single assuming insurer, or group of assuming insurers, is likely to exceed this limit. The notification shall demonstrate that the exposure is safely managed by the ceding insurer.~~

~~(18) All filings shall be submitted electronically to <http://www.flor.com/portal>. Forms are available at <http://www.flor.com/portal>.~~

Rulemaking Authority 624.308, 624.610(4), (15) (14) FS. Law Implemented 624.307(1), 624.424, 624.610 FS. History—New 10-29-08, Amended 7-28-15, 7-30-17, _____.

690-144.009 Credit for Reinsurance: Other Requirements and Provisions.

(1) Credit shall be allowed for foreign and alien insurers when the reinsurance is ceded to an assuming insurer

which is domiciled or licensed in, or, in the case of a U.S. branch of an alien assuming insurer, which is entered through, a state which employs standards regarding credit for reinsurance substantially similar to those applicable under this chapter, provided the Office verifies that the assuming insurer and reinsurance agreement meet the requirements established by this chapter and section 624.610, F.S. Verification by the Office under this subsection may be made via direct review of the information that the assuming insurer has filed with the state in which it is domiciled, licensed, or entered through.

(2) Concentration risk requirements for domestic ceding insurers. The following requirements apply to all domestic ceding insurers in this state that seek to claim credit for reinsurance from assuming insurers under sections 624.610(2) through (4), F.S., or the respective rules of this chapter.

(a) A ceding insurer shall notify the Office within thirty (30) days after reinsurance recoverables from any single assuming insurer, or group of assuming insurers, exceeds fifty percent (50%) of the ceding insurer's last reported surplus to policyholders, or after it is determined that reinsurance recoverables from any single assuming insurer, or group of assuming insurers, is likely to exceed this limit. The notification shall demonstrate that the exposure is safely managed by the domestic ceding insurer.

(b) A ceding insurer shall notify the Office within thirty (30) days after ceding to any single assuming insurer, or group of assuming insurers, more than twenty percent (20%) of the ceding insurer's gross written premium in the prior calendar year, or after it is determined that the reinsurance ceded to any single assuming insurer, or group of assuming insurers, is likely to exceed this limit. The notification shall demonstrate that the exposure is safely managed by the ceding insurer.

(3) Trust agreements qualified under section 624.610(5), F.S. The provisions of this subsection and subsection (4) concern assuming insurers that do not meet the requirements of sections 624.610(2) through (4), F.S., or the respective rules of this chapter, including rule 69O-144.007, F.A.C.

(a) As used in this subsection:

1. "Beneficiary" means the entity for whose sole benefit the trust has been established and any successor of the beneficiary by operation of law. If a court of law appoints a successor in interest to the named beneficiary, then the named beneficiary includes and is limited to the court appointed domiciliary receiver (including conservator, rehabilitator or liquidator).

2. "Grantor" means the entity that has established a trust for the sole benefit of the beneficiary. When established in conjunction with a reinsurance agreement, the grantor is the unlicensed, unaccredited assuming insurer.

3. "Obligations," as used in sub-subparagraphs (3)(b)11.b. and c. of this subsection, means:

a. Reinsured losses and allocated loss expenses paid by the ceding company, but not recovered from the assuming insurer;

b. Reserves for reinsured losses reported and outstanding;

c. Reserves for reinsured losses incurred but not reported; and,

d. Reserves for allocated reinsured loss expenses and unearned premiums.

(b) Required conditions:

1. The trust agreement shall be entered into between the beneficiary, the grantor and a trustee, which shall be a qualified U.S. financial institution as defined in section 624.610(6)(b), F.S.

2. The trust agreement shall create a trust account into which assets shall be deposited.

3. All assets in the trust account shall be held by the trustee at the trustee's office in the United States.

4. The trust agreement shall provide that:

a. The beneficiary shall have the right to withdraw assets from the trust account at any time, without notice to the grantor, subject only to written notice from the beneficiary to the trustee;

b. No other statement or document is required to be presented to withdraw assets, except that the beneficiary may be required to acknowledge receipt of withdrawn assets;

c. It is not subject to any conditions or qualifications outside of the trust agreement; and,

d. It shall not contain references to any other agreements or documents except as provided for in sub-subparagraph (3)(b)11. below.

5. The trust agreement shall be established for the sole benefit of the beneficiary.

6. The trust agreement shall require the trustee to:

a. Receive assets and hold all assets in a safe place;

b. Determine that all assets are in such form that the beneficiary, or the trustee upon direction by the beneficiary, may whenever necessary negotiate any such assets, without consent or signature from the grantor or any other person or entity;

c. Furnish to the grantor and the beneficiary a statement of all assets in the trust account upon its inception and at intervals no less frequent than the end of each calendar quarter;

d. Notify the grantor and the beneficiary within ten (10) days of any deposits to or withdrawals from the trust account;

e. Upon written demand of the beneficiary, immediately take any and all steps necessary to transfer absolutely and unequivocally all right, title and interest in the assets held in the trust account to the beneficiary and deliver physical custody of the assets to the beneficiary; and,

f. Allow no substitutions or withdrawals of assets from the trust account, except on written instructions from the beneficiary, except that the trustee may, without the consent of but with notice to the beneficiary, upon call or maturity of any trust asset, withdraw the asset upon condition that the proceeds are paid into the trust account.

7. The trust agreement shall provide that at least thirty (30) days prior to termination of the trust account written notification of termination shall be delivered by the trustee to the beneficiary and to the Office.

8. The trust agreement shall be made subject to and be governed by the laws of the state in which the trust is domiciled.

9. The trust agreement shall prohibit invasion of the trust corpus for the purpose of paying compensation to, or reimbursing the expenses of, the trustee.

10. The trust agreement shall provide that the trustee shall be liable for its negligence, willful misconduct, or lack of good faith. The failure of the trustee to draw against the letter of credit in circumstances where such draw would be required shall be deemed to be negligence and willful misconduct.

11. Notwithstanding any other provisions of this rule, when a trust agreement is established to meet the requirements of section 624.610(5), F.S., in conjunction with a reinsurance agreement covering risks other than life, annuities, and accident and health, where it is customary practice to provide a trust agreement for a specific purpose, the trust agreement may provide that the ceding insurer shall undertake to use and apply amounts drawn upon the trust account, without diminution because of the insolvency of the ceding insurer or the assuming insurer, only for the following purposes:

a. To pay or reimburse the ceding insurer for the assuming insurer's share under the specific reinsurance agreement regarding any losses and allocated loss expenses paid by the ceding insurer, but not recovered from the assuming insurer, or for unearned premiums due to the ceding insurer if not otherwise paid by the assuming insurer;

b. To make payment to the assuming insurer of any amounts held in the trust account that exceed 102 percent of the actual amount required to fund the assuming insurer's obligations under the specific reinsurance agreement; or

c. Where the ceding insurer has received notification of termination of the trust account and where the assuming insurer's entire obligations under the specific reinsurance agreement remain unliquidated and undischarged ten (10) days prior to the termination date, to withdraw amounts equal to the obligations and deposit those amounts in a separate account, in the name of the ceding insurer in any qualified U.S. financial institution apart from its general assets, in trust for such uses and purposes specified in sub-subparagraphs a. and b., above, as may remain executory after the withdrawal and for any period after the termination date.

12. Notwithstanding other provisions of this rule, when a trust agreement is established to meet the requirements of section 624.610(5), F.S., in conjunction with a reinsurance agreement covering life, annuities, or accident and health risks, where it is customary to provide a trust agreement for a specific purpose, the trust agreement may provide that the ceding insurer shall undertake to use and apply amounts drawn upon the trust account, without diminution because of the insolvency of the ceding insurer or the assuming insurer, only for the following purposes:

a. To pay or reimburse the ceding insurer for:

(I) The assuming insurer's share under the specific reinsurance agreement of premiums returned, but not yet recovered from the assuming insurer, to the owners of policies reinsured under the reinsurance agreement on account of cancellations of the policies; and,

(II) The assuming insurer's share under the specific reinsurance agreement of surrenders and benefits or losses paid by the ceding insurer, but not yet recovered from the assuming insurer, under the terms and provisions of the policies reinsured under the reinsurance agreement;

b. To pay to the assuming insurer amounts held in the trust account in excess of the amount necessary to secure the credit or reduction from liability for reinsurance taken by the ceding insurer; or

c. Where the ceding insurer has received notification of termination of the trust and where the assuming insurer's entire obligations under the specific reinsurance agreement remain unliquidated and undischarged ten (10) days prior to the termination date, to withdraw amounts equal to the assuming insurer's share of liabilities, to the extent that the liabilities have not yet been funded by the assuming insurer, and deposit those amounts in a separate account, in the name of the ceding insurer in any qualified U.S. financial institution apart from its general assets, in trust for the uses and purposes specified in a. and b. above as may remain executory after withdrawal and for any period after the termination date.

13. The reinsurance agreement may, but need not, contain the provisions required in paragraph (5)(d) of this

subsection, so long as these required conditions are included in the trust agreement.

14.a. Notwithstanding any other provisions in the trust instrument, if the grantor of the trust has been declared insolvent or placed into receivership, rehabilitation, liquidation, or similar proceedings under the laws of its state or country of domicile, the trustee shall comply with an order of the insurance regulator with regulatory oversight over the trust or court of competent jurisdiction directing the trustee to transfer to the insurance regulator with regulatory oversight or other designated receiver all of the assets of the trust fund.

b. The assets shall be applied in accordance with the priority statutes and laws of the state in which the trust is domiciled applicable to the assets of insurance companies in liquidation.

c. If the insurance regulator with regulatory oversight determines that the assets of the trust fund or any part thereof are not necessary to satisfy claims of the U.S. beneficiaries of the trust, the assets or any part of them shall be returned to the trustee for distribution in accordance with the trust agreement.

(c) Permitted conditions:

1.a. The trust agreement may provide that the trustee may resign upon delivery of a written notice of resignation, effective not less than ninety (90) days after the beneficiary and grantor receive the notice and that the trustee may be removed by the grantor by delivery to the trustee and the beneficiary of a written notice of removal, effective not less than ninety (90) days after the trustee and the beneficiary receive the notice.

b. The resignation or removal shall not be effective until a successor trustee has been duly appointed and approved by the beneficiary, and the grantor and all assets in the trust have been duly transferred to the new trustee.

2.a. The grantor may have the full and unqualified right to vote any shares of stock in the trust account and to receive from time to time payments of any dividends or interest upon any shares of stock or obligations included in the trust account.

b. Any interest or dividends shall be either forwarded promptly upon receipt to the grantor or deposited in a separate account established in the grantor's name.

3. The trustee may be given authority to invest, and accept substitutions of, any funds in the account, provided that no investment or substitution shall be made without prior approval of the beneficiary, unless the trust agreement specifies categories of investments acceptable to the beneficiary and authorizes the trustee to invest funds and to accept substitutions that the trustee determines are at least equal in market value to the assets withdrawn and that are consistent with the restrictions in sub-subparagraph (3)(d)1.b. of this subsection.

4.a. The trust agreement may provide that the beneficiary may at any time designate a party to which all or part of the trust assets are to be transferred.

b. Transfer may be conditioned upon the trustee receiving, prior to or simultaneously, other specified assets.

5. The trust agreement may provide that, upon termination of the trust account, all assets not previously withdrawn by the beneficiary shall, with written approval by the beneficiary, be delivered over to the grantor.

(d) A reinsurance agreement may contain provisions that stipulate that assets deposited in the trust account shall be valued according to their current fair market value and shall consist only of cash in U.S. dollars, certificates of deposit issued by a U.S. bank and payable in U.S. dollars, and investments permitted by part II of chapter 625, F.S., or any combination of the above, provided investments in or issued by an entity controlling, controlled by or under common control with either the grantor or the beneficiary of the trust shall not exceed five percent (5%) of total investments. The reinsurance agreement may further specify the types of investments to be deposited. Where a trust agreement is entered into in conjunction with a reinsurance agreement covering risks other than life, annuities and accident and health, then the trust agreement may contain the provisions required by this paragraph in lieu of including such provisions in the reinsurance agreement.

(e) A trust agreement may be used to reduce any liability for reinsurance ceded to an unauthorized assuming insurer in financial statements required to be filed with the Office in compliance with this chapter when established on or before the date of filing of the financial statement of the ceding insurer. Further, the reduction for the existence of an acceptable trust account may be up to the current fair market value of acceptable assets available to be withdrawn from the trust account at that time, but such reduction shall be no greater than the specific obligations under the reinsurance agreement that the trust account was established to secure.

(4) Letters of credit qualified under section 624.610(5), F.S.

(a)1. The letter of credit shall be clean, irrevocable, unconditional, and issued or confirmed by a qualified U.S. financial institution.

2. As used in this subsection, a qualified U.S. financial institution is one which meets the definition set forth in section 624.610(6)(a), F.S.

3. The letter of credit shall contain an issue date and expiration date and shall stipulate that the beneficiary need only draw a sight draft under the letter of credit and present it to obtain funds and that no other document need be presented.

4. The letter of credit also shall indicate that it is not subject to any condition or qualifications outside of the letter of credit.

5. The letter of credit shall not contain reference to any other agreements, documents, or entities, except as provided in subparagraph (4)(f)1. of this subsection.

6.a. As used in this subsection, “beneficiary” means the domestic insurer for whose benefit the letter of credit has been established and any successor by operation of law of the named beneficiary, including without limitation any liquidator, rehabilitator, receiver or conservator.

b. If a court of law appoints a successor in interest to the named beneficiary, then the named beneficiary includes and is limited to the court appointed domiciliary receiver, including conservator, rehabilitator, or liquidator.

(b)1. The heading of the letter of credit may include a boxed section containing the name of the applicant and other appropriate notations to provide a reference for the letter of credit.

2. The boxed section shall be clearly marked to indicate that such information is for internal identification purposes only.

(c) The letter of credit shall contain a statement to the effect that the obligation of the qualified U.S. financial institution under the letter of credit is in no way contingent upon reimbursement with respect thereto.

(d)1. The term of the letter of credit shall be for at least one year and shall contain an “evergreen clause” that prevents the expiration of the letter of credit without due notice from the issuer.

2. The “evergreen clause” shall provide for a period of no less than sixty (60) days’ notice prior to expiration date or nonrenewal.

(e)1. The letter of credit shall be subject to and governed by the laws of the state of Florida;

2. All drafts drawn on the letter of credit shall be presentable at an office in the United States of a qualified U.S. financial institution.

(f) Reinsurance agreement provisions.

1. The reinsurance agreement in conjunction with which the letter of credit is obtained may contain provisions that:

a. Require the assuming insurer to provide letters of credit to the ceding insurer and specify what they are to cover.

b. Stipulate that the assuming insurer and ceding insurer agree that the letter of credit provided by the assuming insurer pursuant to the provisions of the reinsurance agreement may be drawn upon at any time, notwithstanding any other provisions in the agreement, and shall be utilized by the ceding insurer or its successors in interest only for one or more of the following reasons:

(I) To pay or reimburse the ceding insurer for:

(A) The assuming insurer’s share under the specific reinsurance agreement of premiums returned, but not yet recovered from the assuming insurers, to the owners of policies reinsured under the reinsurance agreement on account of cancellations of such policies; and,

(B) The assuming insurer’s share, under the specific reinsurance agreement, of surrenders and benefits or losses paid by the ceding insurer, but not yet recovered from the assuming insurers, under the terms and provisions of the policies reinsured under the reinsurance agreement; and,

(C) Any other amounts necessary to secure the credit or reduction from liability for reinsurance taken by the ceding insurer.

(II) Where the letter of credit will expire without renewal or be reduced or replaced by a letter of credit for a reduced amount and where the assuming insurer’s entire obligations under the specific reinsurance remain unliquidated and undischarged ten (10) days prior to the termination date, to withdraw amounts equal to the assuming insurer’s share of the liabilities, to the extent that the liabilities have not yet been funded by the assuming insurer and exceed the amount of any reduced or replacement letter of credit, and deposit those amounts in a separate account in the name of the ceding insurer in a qualified U.S. financial institution apart from its general assets, in trust for such uses and purposes specified in sub-sub-subparagraph (4)(f)1.b.(I) of this subsection, as may remain after withdrawal and for any period after the termination date.

c. All of the provisions of this subparagraph (4)(f)1., shall be applied without diminution because of insolvency on the part of the ceding insurer or assuming insurer.

2. Nothing in this paragraph (4)(f), shall preclude the ceding insurer and assuming insurer from providing for:

a. An interest payment, at a rate not in excess of the prime rate of interest, on the amounts held pursuant to sub-subparagraph (4)(f)1.b., above; or

b. The return of any amounts drawn down on the letters of credit in excess of the actual amounts required for the above or any amounts that are subsequently determined not to be due.

69O-144.011 Credit for Reinsurance from Reinsurers Domiciled in Reciprocal Jurisdictions.

(1) Pursuant to section 624.610(4), F.S., the Office shall allow credit for reinsurance ceded by a domestic insurer to an assuming insurer that is licensed to write reinsurance by, and has its head office or is domiciled in, a reciprocal jurisdiction, and which meets the other requirements of the statute and this rule.

(2) As used in this chapter, a “reciprocal jurisdiction” is a jurisdiction, as designated by the Office pursuant to subsection (4) of this rule, that is one of the following:

(a) A non-United States jurisdiction that is subject to an in-force covered agreement with the United States, each within its legal authority; or, in the case of a covered agreement between the United States and the European Union, a jurisdiction that is a member state of the European Union. As used in this rule, the term “covered agreement” has the same definition as that within section 624.610(4)(a)1., F.S.

(b) A United States jurisdiction that meets the requirements for accreditation under the Financial Regulation Standards and Accreditation Program of the National Association of Insurance Commissioners.

(c) A qualified jurisdiction, as defined in rule 69O-144.007(9), F.A.C., which meets the additional requirements present in section 624.610(4)(a)3., F.S.

(3) Credit shall be allowed when the reinsurance is ceded from an insurer domiciled in this state to an assuming insurer meeting each of the conditions set forth below.

(a) The assuming insurer must be licensed to transact reinsurance by, and have its head office or be domiciled in, a reciprocal jurisdiction.

(b) The assuming insurer must have and maintain on an ongoing basis minimum capital and surplus, or its equivalent, calculated on at least an annual basis as of the preceding December 31 or at the annual date otherwise statutorily reported to the reciprocal jurisdiction, and confirmed as set forth in paragraph (3)(g) according to the methodology of its domiciliary jurisdiction, in the following amounts:

1. No less than \$250 million; or

2. If the assuming insurer is an association, including incorporated and individual unincorporated underwriters:

a. Minimum capital and surplus equivalents (net of liabilities) or own funds of the equivalent of at least \$250 million; and

b. A central fund containing a balance of the equivalent of at least \$250 million.

(c) The assuming insurer must have and maintain on an ongoing basis a minimum solvency or capital ratio, as applicable, as follows:

1. If the assuming insurer has its head office or is domiciled in a reciprocal jurisdiction as defined in section 624.610(4)(a)1., F.S., the ratio specified in the applicable covered agreement;

2. If the assuming insurer is domiciled in a reciprocal jurisdiction as defined in section 624.610(4)(a)2., F.S., a risk-based capital (RBC) ratio of three hundred percent (300%) of the authorized control level, calculated in accordance with the formula developed by the NAIC; or

3. If the assuming insurer is domiciled in a reciprocal jurisdiction as defined in section 624.610(4)(a)3., F.S., after consultation with the reciprocal jurisdiction and considering any recommendations published through the NAIC Committee Process, such solvency or capital ratio as the Office determines to be an effective measure of solvency.

(d) The assuming insurer must agree to and provide adequate assurance, in the form of a properly executed Form OIR-C1-517, “Certificate of Reinsurer Domiciled in Reciprocal Jurisdiction,” of its agreement to the following:

1. The assuming insurer must agree to provide prompt written notice and explanation to the Office if it falls below the minimum requirements set forth in paragraphs (2)(b) or (2)(c) of this subsection, or if any regulatory action is taken against it for serious noncompliance with applicable law.

2. The assuming insurer must consent in writing to the jurisdiction of the courts of this state and to the appointment of the Chief Financial Officer, pursuant to section 48.151, F.S., as its agent for service of process in this state.

a. The Office may also require that such consent be provided and included in each reinsurance agreement under the Office’s jurisdiction.

b. Nothing in this provision shall limit or in any way alter the capacity of parties to a reinsurance agreement to agree to alternative dispute resolution mechanisms, except to the extent such agreements are unenforceable under applicable insolvency or delinquency laws.

3. The assuming insurer must consent in writing to pay all final judgments, wherever enforcement is sought, obtained by a ceding insurer, that have been declared enforceable in the territory where the judgment was obtained.

4. The assuming insurer must agree to include a provision in each reinsurance agreement requiring the assuming insurer to provide security in an amount equal to one hundred percent (100%) of the assuming insurer’s liabilities

attributable to reinsurance ceded pursuant to that agreement if the assuming insurer resists enforcement of a final judgment that is enforceable under the law of the jurisdiction in which it was obtained or a properly enforceable arbitration award, whether obtained by the ceding insurer or by its legal successor on behalf of its estate, if applicable.

5. The assuming insurer must confirm that it is not presently participating in any solvent scheme of arrangement, which involves this state's ceding insurers, and agrees to notify the ceding insurer and the Office and to provide one hundred percent (100%) security to the ceding insurer consistent with the terms of the scheme, should the assuming insurer enter into such a solvent scheme of arrangement. Such security shall be in a form consistent with the provisions of sections 624.610(3) and (5), F.S., and rule 69O-144.009, F.A.C. For purposes of this rule, the term "solvent scheme of arrangement" means a foreign or alien statutory or regulatory compromise procedure subject to requisite majority creditor approval and judicial sanction in the assuming insurer's domiciliary jurisdiction either to finally commute liabilities of duly noticed classed members or creditors of a solvent debtor, or to reorganize or restructure the debts and obligations of a solvent debtor on a final basis, and which may be subject to judicial recognition and enforcement of the arrangement by a governing authority outside the ceding insurer's domiciliary jurisdiction.

6. The assuming insurer must agree in writing to meet the applicable information filing requirements as set forth in paragraphs (3)(e) and (3)(g) of this subsection.

(e) The assuming insurer must file an application for reciprocal jurisdiction reinsurer status, in accordance with rule 69O-144.002(5)(a), F.A.C., and the requirements of this rule. If an NAIC accredited jurisdiction has determined that a reciprocal jurisdiction reinsurer has met the conditions in that jurisdiction to become a reciprocal jurisdiction reinsurer, the Office may accept documentation filed with that NAIC accredited jurisdiction or with the NAIC to satisfy the reciprocal jurisdiction reinsurer's status in this state.

(f) The assuming insurer must maintain a practice of prompt payment of claims under reinsurance agreements. The lack of prompt payment will be evidenced if any of the following criteria is met:

1. More than fifteen percent (15%) of the reinsurance recoverables from the assuming insurer are overdue and in dispute as reported to the Office;

2. More than fifteen percent (15%) of the assuming insurer's ceding insurers or reinsurers have overdue reinsurance recoverable on paid losses of 90 days or more which are not in dispute and which exceed for each ceding insurer \$100,000, or as otherwise specified in a covered agreement; or

3. The aggregate amount of reinsurance recoverable on paid losses which are not in dispute, but are overdue by 90 days or more, exceeds \$50 million, or as otherwise specified in a covered agreement.

(g) To maintain its reciprocal jurisdiction reinsurer status in this state, the assuming insurer or its legal successor must annually provide the information required by rule 69O-144.002(5)(b), F.A.C. If an NAIC accredited jurisdiction has determined that a certified reinsurer has met the conditions in that jurisdiction to become a certified reinsurer, the Office may accept documentation filed with that NAIC accredited jurisdiction or with the NAIC to satisfy the certified reinsurer's status in this state.

(h) Nothing in this chapter precludes an assuming insurer from providing the Office with information on a voluntary basis.

(i) The provisions of this chapter do not limit the authority of the Office to request additional information pertaining to the reinsurance agreement, or any subsequent reinsurance agreement entered into by the assuming insurer and Florida ceding insurers, under section 624.610(4)(e), F.S.

(4) The Office shall publish and maintain a list of approved reciprocal jurisdictions on its website.

(5) The Office shall publish and maintain a list of reciprocal jurisdiction reinsurers on its website.

(6) The determination of reciprocal jurisdiction reinsurer status shall be made by order issued by the Office.

(7) If the Office determines that an assuming insurer no longer meets one or more of the requirements under section 624.610, F.S., or this chapter, the Office may revoke or suspend the status of the assuming insurer.

(a) While an assuming insurer's status is suspended, no reinsurance agreement issued, amended or renewed after the effective date of the suspension qualifies for credit except to the extent that the assuming insurer's obligations under the contract are secured in accordance with section 624.610(5), F.S.

(b) If an assuming insurer's status is revoked, no credit for reinsurance may be granted after the effective date of the revocation with respect to any reinsurance agreements entered into by the assuming insurer, including reinsurance agreements entered into prior to the date of revocation, except to the extent that the assuming insurer's obligations under the contract are secured in a form acceptable to the Office and consistent with the provisions of section 624.610(4), F.S..

(8) Before denying statement credit or imposing a requirement to post security with respect to subsection (7) of this rule or adopting any similar requirement that will have substantially the same regulatory impact as security, the Office shall:

(a) Communicate with the ceding insurer, the assuming insurer, and the assuming insurer's supervisory authority that the assuming insurer no longer satisfies one of the conditions listed in subsection (2) of this rule;

(b) Provide the assuming insurer with 30 days from the initial communication to submit a plan to remedy the defect, and 90 days from the initial communication to remedy the defect, except in exceptional circumstances in which a shorter period is necessary for policyholder and other consumer protection;

(c) After the expiration of 90 days or less, as set out in paragraph (8)(b), if the Office determines that no or insufficient action was taken by the assuming insurer, the Office may impose any of the requirements as set out in this subsection; and

(d) Provide a written explanation to the assuming insurer of any of the requirements set out in this subsection.

(9) If subject to a legal process of rehabilitation, liquidation or conservation, as applicable, the ceding insurer, or its representative, may seek and, if determined appropriate by the court in which the proceedings are pending, may obtain an order requiring that the assuming insurer post security for all outstanding liabilities.

Rulemaking Authority 624.308(1); 624.610(15). Law Implemented 624.610 FS. History-New _____.

69O-144.012 Term and Universal Life Insurance Reserve Financing.

(1) The purpose and intent of this rule is to establish uniform, national standards governing reserve financing arrangements pertaining to life insurance policies containing guaranteed nonlevel gross premiums, guaranteed nonlevel benefits and universal life insurance policies with secondary guarantees; and to ensure that, with respect to each such financing arrangement, funds consisting of primary security and other security, as defined in subsection (3) of this rule, are held by or on behalf of ceding insurers in the forms and amounts required herein. In general, reinsurance ceded for reserve financing purposes has one or more of the following characteristics: some or all of the assets used to secure the reinsurance treaty or to capitalize the reinsurer:

(a) Are issued by the ceding insurer or its affiliates; or

(b) Are not unconditionally available to satisfy the general account obligations of the ceding insurer; or

(c) Create a reimbursement, indemnification or other similar obligation on the part of the ceding insurer or any of its affiliates (other than a payment obligation under a derivative contract acquired in the normal course and used to support and hedge liabilities pertaining to the actual risks in the policies ceded pursuant to the reinsurance treaty).

(2) This rule shall apply to reinsurance treaties that cede liabilities pertaining to covered policies, as that term is defined in paragraph (3)(b) of this rule, issued by any life insurance company domiciled in this state.

(3) Definitions

(a) "Actuarial method" means the methodology used to determine the required level of primary security, as described in subsection (5) of this rule.

(b) "Covered policies" means policies, other than grandfathered policies and the exemptions described in subsection (4) of this rule, of the following policy types:

1. Life insurance policies with guaranteed nonlevel gross premiums and/or guaranteed nonlevel benefits, except for flexible premium universal life insurance policies; or

2. Flexible premium universal life insurance policies with provisions resulting in the ability of a policyholder to keep a policy in force over a secondary guarantee period.

(c) "Grandfathered policies" means policies of the types described in subparagraphs (b)1. and (b)2. of this rule that were:

1. Issued prior to January 1, 2015; and

2. Ceded, as of December 31, 2014, as part of a reinsurance treaty that would not have met one of the exemptions set forth in subsection (4) of this rule, had the rule then been in effect.

(d) "NAIC" means the National Association of Insurance Commissioners.

(e) "Non-covered policies" means any policy that does not meet the definition of covered policies, including grandfathered policies.

(f) "Required level of primary security" means the dollar amount determined by applying the actuarial method to the risks ceded with respect to covered policies, but not more than the total reserve ceded.

(g) "Primary security" means the following forms of security:

1. Cash meeting the requirements of section 624.610(5)(a), F.S.;

2. Securities listed by the NAIC Securities Valuation Office meeting the requirements of section 624.610(5)(b), F.S., but excluding any synthetic letter of credit, contingent note, credit-linked note or other similar security that

operates in a manner similar to a letter of credit, and excluding any securities issued by the ceding insurer or any of its affiliates; and

3. For security held in connection with funds-withheld and modified coinsurance reinsurance treaties:

a. Commercial loans in good standing of CM3 quality and higher as defined and calculated pursuant to section 624.4085(1)(m), F.S.;

b. Policy loans; and

c. Derivatives acquired in the normal course and used to support and hedge liabilities pertaining to the actual risks in the policies ceded pursuant to the reinsurance treaty.

(h) "Other security" means any security acceptable to the office pursuant to section 625.151, F.S., other than security meeting the definition of primary security.

(i) "Valuation Manual" means the valuation manual adopted by the NAIC as defined in section 625.1212(1)(k), F.S., with all amendments adopted by the NAIC that are effective for the financial statement date on which credit for reinsurance is claimed.

(j) "VM-20" means "Requirements for Principle-Based Reserves for Life Products," including all relevant definitions, from the Valuation Manual defined in section 625.1212(1k).

(4) This rule does not apply to the following situations:

(a) Reinsurance of:

1. Policies that satisfy the criteria for exemption set forth in rule 69O-164.020(6)(f) or (g), F.A.C.; and which are issued before the later of:

a. The effective date of this rule, and

b. The date on which the ceding insurer begins to apply the provisions of VM-20 (as defined in subsection (3) of this rule) to establish the ceded policies' statutory reserves, but in no event later than January 1, 2020;

2. Portions of policies that satisfy the criteria for exemption set forth in rule 69O-164.020(6)(e) and which are issued before the later of:

a. The effective date of this rule, and

b. The date on which the ceding insurer begins to apply the provisions of VM-20 to establish the ceded policies' statutory reserves, but in no event later than January 1, 2020;

3. Any universal life policy that meets all of the following requirements:

a. Secondary guarantee period, if any, is five (5) years or less;

b. Specified premium for the secondary guarantee period is not less than the net level reserve premium for the secondary guarantee period based on the Commissioners Standard Ordinary (CSO) valuation tables and valuation interest rate applicable to the issue year of the policy as provided in section 625.121(5), F.S.; and

c. The initial surrender charge is not less than 100 percent of the first year annualized specified premium for the secondary guarantee period;

4. Credit life insurance;

5. Any variable life insurance policy that provides for life insurance, the amount or duration of which varies according to the investment experience of any separate account or accounts; nor

6. Any group life insurance certificate unless the certificate provides for a stated or implied schedule of maximum gross premiums required in order to continue coverage in force for a period in excess of one year.

(b) Reinsurance ceded to an assuming insurer that meets the applicable requirements of section 624.610(3)(c), F.S.;

(c) Reinsurance ceded to an assuming insurer that meets the applicable requirements of sections 624.610(3)(a) or (3)(b), F.S., and that, in addition:

1. Prepares statutory financial statements in compliance with the NAIC Accounting Practices and Procedures Manual, which are incorporated by reference in Rule 69O-137.001, F.A.C., without any departures from NAIC statutory accounting practices and procedures pertaining to the admissibility or valuation of assets or liabilities that increase the assuming insurer's reported surplus and are material enough that they need to be disclosed in the financial statement of the assuming insurer pursuant to Statement of Statutory Accounting Principles No. 1 ("SSAP 1"); and

2. Is not in a company action level event, regulatory action level event, authorized control level event, or mandatory control level event (as those terms are defined in section 624.4085, F.S.), when its risk-based capital ("RBC") is calculated in accordance with the life RBC report including overview and instructions for companies, as the same may be amended by the NAIC from time to time, without deviation;

(d) Reinsurance ceded to an assuming insurer that meets the applicable requirements of sections 624.610(3)(a) or (3)(b), F.S., and that, in addition:

1. Is not an affiliate, as that term is defined in section 624.10(1), F.S., of:

a. The insurer ceding the business to the assuming insurer; or
b. Any insurer that directly or indirectly ceded the business to that ceding insurer;
2. Prepares statutory financial statements in compliance with the NAIC Accounting Practices and Procedures Manual;
3. Is both:
a. Licensed or accredited in at least 10 states (including its state of domicile), and
b. Not licensed in any state as a captive, special purpose vehicle, special purpose financial captive, special purpose life reinsurance company, limited purpose subsidiary, or any other similar licensing regime; and
4. Is not, or would not be, below 500 percent of the authorized control level RBC (as that term is defined in section 624.4085, F.S.) when its RBC is calculated in accordance with the life RBC report including overview and instructions for companies, as the same may be amended by the NAIC from time to time, without deviation, and without recognition of any departures from NAIC statutory accounting practices and procedures pertaining to the admission or valuation of assets or liabilities that increase the assuming insurer's reported surplus;
(e) Reinsurance ceded to an assuming insurer that:
1. Meets this state's conditions for reciprocal jurisdiction reinsurers, as set forth in section 624.610(4), F.S., and rule 69O-144.011, F.A.C.; or
2. Is certified as a reinsurer in this state, in accordance with rule 69O-144.007, F.A.C.; or
3. Maintains at least \$250 million in capital and surplus when determined in accordance with the NAIC Accounting Practices and Procedures Manual, including all amendments thereto adopted by the NAIC, excluding the impact of any permitted or prescribed practices; and is:
a. Licensed in at least 26 states; or
b. Licensed in at least 10 states, and licensed or accredited in a total of at least 35 states;
(f) Reinsurance not otherwise exempt under paragraphs (a) through (e) if the office, after consulting with the NAIC Financial Analysis Working Group (FAWG) or other group of regulators designated by the NAIC, as applicable, determines under all the facts and circumstances that all of the following apply:
1. The risks are clearly outside of the intent and purpose of this rule (as described in subsection (1) of this rule);
2. The risks are included within the scope of this rule only as a technicality; and
3. The application of this rule to those risks is not necessary to provide appropriate protection to policyholders.
The office shall publicly disclose any decision made pursuant to this paragraph to exempt a reinsurance treaty from this rule, as well as the general basis therefor (including a summary description of the treaty).
(5) The actuarial method
(a) Actuarial Method
The actuarial method to establish the required level of primary security for each reinsurance treaty subject to this rule shall be VM-20, applied on a treaty-by-treaty basis, including all relevant definitions, from the Valuation Manual as then in effect, applied as follows:
1. For covered policies described in subparagraph (3)(b)1. of this rule, the actuarial method is the greater of the deterministic reserve or the net premium reserve (NPR) regardless of whether the criteria for exemption testing can be met. However, if the covered policies do not meet the requirements of the stochastic reserve exclusion test in the Valuation Manual, then the actuarial method is the greatest of the deterministic reserve, the stochastic reserve, or the NPR. In addition, if such covered policies are reinsured in a reinsurance treaty that also contains covered policies described in subparagraph (3)(b)2. of this rule, the ceding insurer may elect to instead use subparagraph 2. of this paragraph as the actuarial method for the entire reinsurance agreement. Whether subparagraph 1. or 2. is used, the actuarial method must comply with any requirements or restrictions that the Valuation Manual imposes when aggregating these policy types for purposes of principle-based reserve calculations.
2. For covered policies described in subparagraph (3)(b)2. of this rule, the actuarial method is the greatest of the deterministic reserve, the stochastic reserve, or the NPR regardless of whether the criteria for exemption testing can be met.
3. Except as provided in subparagraph 4., the actuarial method is to be applied on a gross basis to all risks with respect to the covered policies as originally issued or assumed by the ceding insurer.
4. If the reinsurance treaty cedes less than 100 percent of the risk with respect to the covered policies then the required level of primary security may be reduced as follows:
a. If a reinsurance treaty cedes only a quota share of some or all of the risks pertaining to the covered policies, the required level of primary security, as well as any adjustment under sub-subparagraph c. below, may be reduced to a pro rata portion in accordance with the percentage of the risk ceded;
b. If the reinsurance treaty in a non-exempt arrangement cedes only the risks pertaining to a secondary guarantee, the required level of primary security may be reduced by an amount determined by applying the actuarial

method on a gross basis to all risks, other than risks related to the secondary guarantee, pertaining to the covered policies, except that for covered policies for which the ceding insurer did not elect to apply the provisions of VM-20 to establish statutory reserves, the required level of primary security may be reduced by the statutory reserve retained by the ceding insurer on those covered policies, where the retained reserve of those covered policies should be reflective of any reduction pursuant to the cession of mortality risk on a yearly renewable term basis in an exempt arrangement;

c. If a portion of the covered policy risk is ceded to another reinsurer on a yearly renewable term basis in an exempt arrangement, the required level of primary security may be reduced by the amount resulting by applying the actuarial method including the reinsurance section of VM-20 to the portion of the covered policy risks ceded in the exempt arrangement, except that for covered policies issued prior to January 1, 2017, this adjustment is not to exceed $[cx / (2 * \text{number of reinsurance premiums per year})]$ where cx is calculated using the same mortality table used in calculating the NPR; and

d. For any other treaty ceding a portion of risk to a different reinsurer, including but not limited to stop loss, excess of loss and other non-proportional reinsurance treaties, there will be no reduction in the required level of primary security.

It is possible for any combination of sub-subparagraphs a., b., c., and/or d. to apply. Such adjustments to the required level of primary security will be done in the sequence that accurately reflects the portion of the risk ceded via the treaty. The ceding insurer should document the rationale and steps taken to accomplish the adjustments to the required level of primary security due to the cession of less than 100 percent of the risk.

The adjustments for other reinsurance will be made only with respect to reinsurance treaties entered into directly by the ceding insurer. The ceding insurer will make no adjustment as a result of a retrocession treaty entered into by the assuming insurers.

5. In no event will the required level of primary security resulting from application of the actuarial method exceed the amount of statutory reserves ceded.

6. If the ceding insurer cedes risks with respect to covered policies, including any riders, in more than one reinsurance treaty subject to this rule, in no event will the aggregate required level of primary security for those reinsurance treaties be less than the required level of primary security calculated using the actuarial method as if all risks ceded in those treaties were ceded in a single treaty subject to this rule;

7. If a reinsurance treaty subject to this rule cedes risk on both covered and non-covered policies, credit for the ceded reserves shall be determined as follows:

a. The actuarial method shall be used to determine the required level of primary security for the covered policies, and subsection (6) of this rule shall be used to determine the reinsurance credit for the covered policy reserves; and

b. Credit for the non-covered policy reserves shall be granted only to the extent that security, in addition to the security held to satisfy the requirements of sub-subparagraph a., is held by or on behalf of the ceding insurer in accordance with sections 624.610(3) through (5), F.S. Any primary security used to meet the requirements of this sub-subparagraph may not be used to satisfy the required level of primary security for the covered policies.

(b) Valuation used for Purposes of Calculations

For the purposes of both calculating the required level of primary security pursuant to the actuarial method and determining the amount of primary security and other security, as applicable, held by or on behalf of the ceding insurer, the following shall apply:

1. For assets, including any such assets held in trust, that would be admitted under the NAIC Accounting Practices and Procedures Manual if they were held by the ceding insurer, the valuations are to be determined according to statutory accounting procedures as if such assets were held in the ceding insurer's general account and without taking into consideration the effect of any prescribed or permitted practices; and

2. For all other assets, the valuations are to be those that were assigned to the assets for the purpose of determining the amount of reserve credit taken in compliance with the valuation manual defined in section 625.1212(2)(k), F.S.

(6) Requirements Applicable to covered policies to Obtain Credit for Reinsurance: Opportunity for Remediation

(a) Requirements

Subject to the exemptions described in subsection (4) of this rule and the provisions of paragraph (6)(b) of this rule, credit for reinsurance shall be allowed with respect to ceded liabilities pertaining to covered policies pursuant to sections 624.610(2) through (5), F.S., if, and only if, in addition to all other requirements imposed by law or regulation, the following requirements are met on a treaty-by-treaty basis:

1. The ceding insurer's statutory policy reserves with respect to the covered policies are established in full and in accordance with the applicable requirements of section 625.121, F.S., and related regulations and actuarial

guidelines, and credit claimed for any reinsurance treaty subject to this rule does not exceed the proportionate share of those reserves ceded under the contract; and

2. The ceding insurer determines the required level of primary security with respect to each reinsurance treaty subject to this rule and provides support for its calculation as determined to be acceptable to the office; and

3. Funds consisting of primary security, in an amount at least equal to the required level of primary security, are held by or on behalf of the ceding insurer, as security under the reinsurance treaty within the meaning of section 624.610(5), F.S., on a funds withheld, trust, or modified coinsurance basis; and

4. Funds consisting of other security, in an amount at least equal to any portion of the statutory reserves as to which primary security is not held pursuant to subparagraph 3. above, are held by or on behalf of the ceding insurer as security under the reinsurance treaty within the meaning of section 624.610(5), F.S.; and

5. Any trust used to satisfy the requirements of this subsection shall comply with all of the conditions and qualifications of section 624.610(5), F.S., except that:

a. Funds consisting of primary security or other security held in trust, shall for the purposes identified in paragraph (5)(b) of this rule, be valued according to the valuation rules set forth in that paragraph, as applicable; and

b. There are no affiliate investment limitations with respect to any security held in such trust if such security is not needed to satisfy the requirements of subparagraph (a)3.; and

c. The reinsurance treaty must prohibit withdrawals or substitutions of trust assets that would leave the fair market value of the primary security within the trust (when aggregated with primary security outside the trust that is held by or on behalf of the ceding insurer in the manner required by subparagraph (a)3.) below 102 percent of the level required by subparagraph (a)3. at the time of the withdrawal or substitution; and

d. The determination of reserve credit under Rule 69O-69O-144.009(3)(e), F.A.C., shall be determined according to the valuation rules set forth in paragraph (5)(b) of this rule, as applicable; and

6. The reinsurance treaty has been approved by the office.

(b) Requirements at Inception Date and on an Ongoing Basis; Remediation

1. The requirements of paragraph (6)(a) must be satisfied as of the date that risks under covered policies are ceded (if such date is on or after the effective date of this rule) and on an ongoing basis thereafter. Under no circumstances shall a ceding insurer take or consent to any action or series of actions that would result in a deficiency under subparagraphs (6)(a)3. or 4. with respect to any reinsurance treaty under which covered policies have been ceded, and in the event that a ceding insurer becomes aware at any time that such a deficiency exists, it shall use its best efforts to arrange for the deficiency to be eliminated as expeditiously as possible.

2. Prior to the due date of each Quarterly or Annual Statement required by Rule 69O-137.001, F.A.C., each life insurance company that has ceded reinsurance within the scope of subsection (2) shall perform an analysis, on a treaty-by-treaty basis, to determine, as to each reinsurance treaty under which covered policies have been ceded, whether as of the end of the immediately preceding calendar quarter (the valuation date) the requirements of subparagraphs (6)(a)3. or 4. were satisfied. The ceding insurer shall establish a liability equal to the excess of the credit for reinsurance taken over the amount of primary security actually held pursuant to subparagraph (6)(a)3., unless either:

a. The requirements of subparagraphs (6)(a)3. or 4. were fully satisfied as of the valuation date as to such reinsurance treaty; or

b. Any deficiency has been eliminated before the due date of the Quarterly or Annual Statement to which the valuation date relates through the addition of primary security and/or other security, as the case may be, in such amount and in such form as would have caused the requirements of subparagraphs (6)(a)3. or 4. to be fully satisfied as of the valuation date.

3. Nothing in subparagraph (6)(b)2. shall be construed to allow a ceding company to maintain any deficiency under subparagraphs (6)(a)3. or 4. for any period of time longer than is reasonably necessary to eliminate it.

(7) No insurer that has covered policies as to which this rule applies (as set forth in subsection (3) of this rule) shall take any action or series of actions, or enter into any transaction or arrangement or series of transactions or arrangements if the purpose of such action, transaction or arrangement or series thereof is to avoid the requirements of this rule, or to circumvent its purpose and intent, as set forth in subsection (1) of this rule.

Rulemaking Authority 624.308(1), 624.610(15), 625.121(3), 625.1212(5), (8). Law Implemented 624.4085, 624.610, 625.012, 625.121, 625.1212, 625.151 FS. History-New _____.

Notice of Change/Withdrawal

DEPARTMENT OF FINANCIAL SERVICES

OIR – Insurance Regulation

RULE NOS.: RULE TITLES:

69O-144.002: Approval Procedures

69O-144.007: Credit for Reinsurance from Certified Reinsurers

69O-144.011: Credit for Reinsurance from Reinsurers Domiciled in Reciprocal Jurisdictions

69O-144.012: Term and Universal Life Insurance Reserve Financing

NOTICE OF CHANGE

Notice is hereby given that the following changes have been made to the proposed rule in accordance with subparagraph 120.54(3)(d)1., F.S., published in Vol. 48 No. 76, April 19, 2022 issue of the Florida Administrative Register.

69O-144.002 Reinsurance Application Procedures.

(1) Filing requirements and costs.

(a) though (b) No change.

(c) Failure to pay the assessed costs under paragraph (1)(b) ~~(b)~~ may be grounds for revocation of the insurer's application or accreditation, pursuant to section 624.610, F.S.

(2)(a) An assuming insurer seeking accredited reinsurer status in this state, pursuant to section 624.610(3), F.S. and rule 69O-144.005, F.A.C., shall file an application in compliance with the directions in Form OIR-C1-923, "Application for Accredited Reinsurer Status," effective 5/22 ~~9/21~~, which is hereby incorporated by reference and available at www.flrules.org/XXXXX. The forms incorporated by reference in this paragraph may be obtained from <https://www.floir.com/iportal>. The insurer shall further submit, or otherwise comply with, the following:

1. through 8. No change.

(b) An assuming insurer seeking to maintain its accredited reinsurer status in this state, pursuant to rule 69O-144.005~~(2)(c)~~, F.A.C., shall submit the following:

1. through 3. No change.

(3)(a) An assuming insurer seeking trustee reinsurer status in this state, pursuant to section 624.610(3)(c), F.S. and rule 69O-144.006(1)(a)1., F.A.C., shall file an application in compliance with the directions in Form OIR-C1-1466, "Application for Trustee Reinsurer Status," effective 5/22 ~~9/21~~, which is hereby incorporated by reference and available at www.flrules.org/XXXXX. The insurer shall further submit, or otherwise comply with, the following:

1. through 3. No change.

4. Form OIR-C1-1423, incorporated by reference in subsection (2) ~~(1)~~;

5. No change.

6. Form OIR-C1-1524, incorporated by reference in subsection (2) ~~(1)~~; and

7. Form OIR-C1-2221, incorporated by reference in subsection (2) ~~(1)~~; and;

~~8. Any other information required by section 624.610(3), F.S., or rule 69O-144.006(1), F.A.C.~~

(b) No change.

(4)(a) An assuming insurer seeking certified reinsurer status in this state, pursuant to section 624.610(3), F.S. and rule 69O-144.007(8)(a), F.A.C., shall file an application in compliance with the directions in Form OIR-C1-996, "Application for Certified Reinsurer Status," effective 5/22 ~~9/21~~, which is hereby incorporated by reference and available at www.flrules.org/XXXXX. The insurer shall further submit, or otherwise comply with, the following:

1. through 8. No change.

9. Form OIR-C1-1524, incorporated by reference in subsection (2) ~~(1)~~; and

10. Form OIR-C1-2221, incorporated by reference in subsection (2) ~~(1)~~; and;

~~11. Any other information that the Office reasonably requires to evaluate the application, including any information required by rule 69O-144.007(8)(a), F.A.C.~~

(b) An assuming insurer seeking to maintain its certified reinsurer status in this state, pursuant to section 624.610(3), F.S., and rule 69O-144.007(8)(h), F.A.C., shall annually submit the following, no later than

July 1:

1. Form OIR-C1-2117, "NAIC Form CR-F" (for property/casualty), or Form OIR-C1-2118, "NAIC Form CR-S" (for life and health), both of which are incorporated in paragraph (4)(a) ~~(3)(a)~~ of this rule;

2. through 9. No change.

(c) No change.

(5)(a) An assuming insurer seeking reciprocal jurisdiction reinsurer status in this state, pursuant to section 624.610(4), F.S., and rule 69O-144.011(3)(e), F.A.C., shall, on behalf of itself and any legal predecessors, file an application in compliance with the directions in Form OIR-C1-518, "Application for Reciprocal Jurisdiction Reinsurer Status," effective 5/22 ~~9/24~~, which is hereby incorporated by reference and available at www.flrules.org/XXXXX. The insurer shall further submit, or otherwise comply with, the following:

1. through 6. No change.

7. Form OIR-C1-1524, incorporated by reference in subsection (2) ~~(4)~~;

8. Form OIR-C1-2221, incorporated by reference in subsection (2) ~~(4)~~; and,

9. Any other information required or requested by the Office, pursuant to section 624.610(4), F.S., or rule 69O-144.011(3), F.A.C., provided that such requirements are not in conflict with an applicable covered agreement.

(b) An assuming insurer seeking to maintain its reciprocal jurisdiction reinsurer status in this state, pursuant to section 624.610(4), F.S., and rule 69O-144.011(3)(g), F.A.C., shall annually submit the following, no later than each July 1:

1. through 5. No change.

6. Any other information required or requested by the Office, pursuant to section 624.610(4), F.S., or rule 69O-144.011(3)(g), F.A.C., provided that such requirements are not in conflict with an applicable covered agreement.

(c) No change.

(d) This subsection does not limit the authority of the Office to request additional information pertaining to the reinsurance agreement, or any subsequent reinsurance agreement entered into by the assuming insurer and Florida ceding insurers, under section 624.610(4)(e), F.S., provided that such requirements are not in conflict with an applicable covered agreement.

(6) An assuming insurer meeting any other eligibility criteria under the rules of this chapter or under section 624.610, F.S., shall make the necessary and applicable filings with the Office.

Rulemaking Authority 624.308, 624.610(15) FS. Law Implemented 624.307(1), ~~(2)~~, (3), ~~(5)~~, 624.316, 624.317, 624.318, 624.321, 624.324, 624.34, 624.401, 624.404, 624.407, 624.413, 624.424, ~~624.501(20)~~, ~~624.5091~~, 624.610, 628.051, 628.061, 628.801, ~~629.081~~ FS. History—New 1-30-91, Formerly 4-108.002, Amended 5-12-94, 10-13-02, Formerly 4-144-002, Amended 9-14-06, _____.

69O-144.007 Credit for Reinsurance from Certified Reinsurers.

(1) through (4) No change.

(5) Nothing in this rule shall be construed to deny the ceding insurer the ability to take credit for reinsurance for the remainder of its liabilities with a certified reinsurer so long as those amounts are secured with acceptable collateral pursuant to section 624.610(5), F.S., and subsection ~~subsections~~ 69O-144.005(5) ~~and (6)~~, F.A.C.

(6) through (7)

(8) Status as certified reinsurer:

(a) through (d) No change.

(e) Each certified reinsurer shall be rated on a legal entity basis, with due consideration being given to the group rating where appropriate, except that an association including incorporated and individual unincorporated underwriters that has been approved to do business as a single certified reinsurer may be evaluated on the basis of its group rating. Factors that may be considered as part of the evaluation process include, but are not limited to, the following:

1. through 7. No change.

(f) through (g) No change.

(h) An assuming insurer seeking to maintain its certified reinsurer status in this state shall annually file the ~~following~~ information required by rule 69O-144.002(4)(b), F.A.C. If an NAIC accredited jurisdiction has determined that a certified reinsurer has met the conditions in that jurisdiction to become a certified reinsurer, the

Office may accept documentation filed with that NAIC accredited jurisdiction or with the NAIC to satisfy the certified reinsurer's status in this state.

(i) through (k) No change.

(9) through (16) No change.

Rulemaking Authority 624.308, 624.610(4), (15) ~~(14)~~ FS. Law Implemented 624.307(1), 624.424, 624.610 FS. History—New 10-29-08, Amended 7-28-15, 7-30-17, _____.

690-144.011 Credit for Reinsurance from Reinsurers Domiciled in Reciprocal Jurisdictions.

(1) through (2) No change.

(3) Credit shall be allowed when the reinsurance is ceded from an insurer domiciled in this state to an assuming insurer meeting each of the conditions set forth below.

(a) through (c) No change.

(d) The assuming insurer must agree to and provide adequate assurance, in the form of a properly executed Form OIR-C1-517, "Certificate of Reinsurer Domiciled in Reciprocal Jurisdiction," which may be obtained from <https://www.floir.com/iportal>, of its agreement to the following:

1. through 6. No change.

(e) through (f) No change.

(g) To maintain its reciprocal jurisdiction reinsurer status in this state, the assuming insurer or its legal successor must annually provide the information required by rule 690-144.002(5)(b), F.A.C. If an NAIC accredited jurisdiction has determined that a reciprocal jurisdiction ~~certified~~ reinsurer has met the conditions in that jurisdiction to become a reciprocal jurisdiction ~~certified~~ reinsurer, the Office may accept documentation filed with that NAIC accredited jurisdiction or with the NAIC to satisfy the ~~certified~~-reinsurer's status in this state.

(h) through (i) No change.

(4) The Office shall publish and maintain a list of approved reciprocal jurisdictions on its website. The Office shall timely create and publish a list of Reciprocal Jurisdictions.

(a) A list of Reciprocal Jurisdictions is published through the NAIC Committee Process. The Office's list shall include any Reciprocal Jurisdiction as defined under paragraphs (2)(a) and (2)(b) and shall consider any other Reciprocal Jurisdiction included on the NAIC list. The Office may approve a jurisdiction that does not appear on the NAIC list of Reciprocal Jurisdictions as provided by applicable law, regulation, or in accordance with criteria published through the NAIC Committee Process.

(b) The Office may remove a jurisdiction from the list of Reciprocal Jurisdictions upon a determination that the jurisdiction no longer meets one or more of the requirements of a Reciprocal Jurisdiction, as provided by applicable law, regulation, or in accordance with a process published through the NAIC Committee Process, except that the Office shall not remove from the list a Reciprocal Jurisdiction as defined under paragraphs (2)(a) and (2)(b). Upon removal of a Reciprocal Jurisdiction from this list credit for reinsurance ceded to an assuming insurer domiciled in that jurisdiction shall be allowed, if otherwise allowed pursuant to this rule and section 624.610(4), F.S.

(5) The Office shall publish and maintain a list of reciprocal jurisdiction reinsurers on its website. The Office shall timely create and publish a list of assuming insurers that have satisfied the conditions set forth in this section and to which cessions shall be granted credit in accordance with this section.

(a) If an NAIC accredited jurisdiction has determined that the conditions set forth in subsection (3) have been met, the Office has the discretion to defer to that jurisdiction's determination, and add such assuming insurer to the list of assuming insurers to which cessions shall be granted credit in accordance with this subsection. The Office may accept financial documentation filed with another NAIC accredited jurisdiction or with the NAIC in satisfaction of the requirements of subsection (3).

(b) When requesting that the Office defer to another NAIC accredited jurisdiction's determination, an assuming insurer must submit a properly executed Form OIR-C1-517, "Certificate of Reinsurer Domiciled in Reciprocal Jurisdiction," incorporated by reference in paragraph (3)(d), and additional information as the Office may require. A state that has received such a request will notify other states through the NAIC Committee Process and provide relevant information with respect to the determination of eligibility.

(6) through (9) No change.

Rulemaking Authority 624.308(1); 624.610(15). Law Implemented 624.610(4), (15) FS. History-New ____.

69O-144.012 Term and Universal Life Insurance Reserve Financing.

(1) The purpose and intent of this rule is to implement the ~~establish uniform~~, national standards governing reserve financing arrangements pertaining to life insurance policies containing guaranteed nonlevel gross premiums, guaranteed nonlevel benefits and universal life insurance policies with secondary guarantees; and to ensure that, with respect to each such financing arrangement, funds consisting of primary security and other security, as defined in subsection (3) of this rule, are held by or on behalf of ceding insurers in the forms and amounts required herein. In general, reinsurance ceded for reserve financing purposes has one or more of the following characteristics: some or all of the assets used to secure the reinsurance treaty or to capitalize the reinsurer:

(a) through (c) No change.

(2) No change.

(3) Definitions

(a) through (h) No change.

(i) "Valuation Manual" means the valuation manual adopted by the NAIC as defined in section 625.1212(2)(k) ~~625.1212(1)(k)~~, F.S., with all amendments adopted by the NAIC that are effective for the financial statement date on which credit for reinsurance is claimed.

(j) "VM-20" means "Requirements for Principle-Based Reserves for Life Products," including all relevant definitions, from the Valuation Manual defined in section 625.1212(2)(k), F.S., ~~625.1212(1k)~~.

(4) This rule does not apply to the following situations:

(a) thorough (e) No change.

(f) If a person submits a petition under section 120.542, F.S., to the office, reinsurance ~~Reinsurance~~ not otherwise exempt under paragraphs (a) through (e) if the office, after consulting with the NAIC Financial Analysis Working Group (FAWG) or other group of regulators designated by the NAIC, as applicable, determines under all the facts and circumstances that all of the following apply:

1. through 3. No change.

(5) through (7) No change.

Rulemaking Authority 624.308(1), 624.610(15), 625.121(3), 625.1212(5), (8). Law Implemented 624.4085, 624.610, 625.012, 625.121, 625.1212, 625.151 FS. History-New ____.



Florida Office of Insurance Regulation

APPLICATION FOR RECIPROCAL JURISDICTION REINSURER STATUS

This packet is designed to assist individuals in preparing the application in accordance with Florida Statutes and Rules and to facilitate expeditious processing of the application by the Florida Office of Insurance Regulation ("Office").

Please submit all documents required by this packet in English and in searchable PDF format unless otherwise indicated or required by Florida Statutes.

If this packet requires submission of forms or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <https://www.floir.com/iportal> and select "Insurance Regulation Filing System (IRFS)" to begin the submission of forms and/or rates.

In order for a submission to be considered a complete application, all required information must be included in the filing, including the completed application checklist.

The completed application packet must be submitted to the Office by selecting iApply – Online Company Admissions at the following link:

<https://www.floir.com/iportal>

Any questions concerning this application packet or iApply for Life and Health applicants may be directed to lhappcoord@floir.com. Property and Casualty applicants are directed to pcappcoord@floir.com.

APPLICATION FOR RECIPROCAL JURISDICTION REINSURER STATUS

INSTRUCTIONS

***Filing Requirements for Reciprocal Jurisdiction Reinsurer Recognized by Another NAIC-Accredited Jurisdiction**

In lieu of the entire Application for Reciprocal Jurisdiction Reinsurer Status, Applicants that have already been recognized as a reciprocal jurisdiction reinsurer in an NAIC accredited jurisdiction may instead choose to submit:

- 1) Service of Process (Section II-1),
- 2) Authorization Letter (Section II-3, if applicable), and
- 3) Documents meeting the requirements of the checklist on page 9 of this application.

SECTION I - APPLICATION

Section I-1 Application

Applicants for Reciprocal Jurisdiction Reinsurer status in Florida must submit the Checklist and Application Certification (pages 7-9) included in this form, in addition to all other documentation and forms required herein.

Section I-2 Domiciled in a Reciprocal Jurisdiction

An Applicant for status as a Reciprocal Jurisdiction Reinsurer in Florida must be licensed in, and have its head office in or be domiciled in, as applicable, a Reciprocal Jurisdiction. The Office maintains a list of current Reciprocal Jurisdictions on its website at:

<https://www.flor.com/Sections/PandC/ReciprocalJurisdictionReinsurers.aspx>

APPLICATION FOR RECIPROCAL JURISDICTION REINSURER STATUS

SECTION II - LEGAL

Section II-1 Service of Process Consent and Agreement

Provide an executed Form OIR-C1-1524, "Uniform Certificate of Authority Application (UCAA) Uniform Consent to Service of Process."

Section II-2 Certificate of Reinsurer Domiciled in Reciprocal Jurisdiction

Complete Form OIR-C1-517, "Certificate of Reinsurer Domiciled in Reciprocal Jurisdiction." This form must be executed by an officer of Applicant.

Section II-3 Authorization Letter

Provide a letter of authorization for any person, other than Applicant's personnel, who is authorized to represent the Applicant before the Office in this matter. This letter should be dated within the last year.

APPLICATION FOR RECIPROCAL JURISDICTION REINSURER STATUS

SECTION III – FINANCIAL

Section III-1 Minimum Capital and Surplus

Applicant must have and maintain on an ongoing basis minimum capital and surplus, or its equivalent, calculated on at least an annual basis as of the preceding December 31 or at the annual date otherwise statutorily reported to its Reciprocal Jurisdiction, of no less than \$250 million USD.

This requirement may also be satisfied by an association, including incorporated and individual unincorporated underwriters, having minimum capital and surplus equivalents (net of liabilities) or own funds of the equivalent of at least \$250 million USD and a central fund containing a balance of at least \$250 million USD.

Written confirmation must be provided from its Reciprocal Jurisdiction that Applicant is in compliance with the minimum capital and surplus requirements as set forth above.

Section III-2 Minimum Solvency or Capital Ratio

Applicant must have and maintain on an ongoing basis a minimum solvency or capital ratio as follows:

- a) For Applicants qualifying pursuant to Section 624.610(4)(a)1., Florida Statutes, the ratio specified in the applicable in-force Covered Agreement where the assuming insurer is domiciled;
- b) For Applicants qualifying pursuant to Section 624.610(4)(a)2., Florida Statutes, a risk-based capital (“RBC”) ratio of 300 percent of the authorized control level calculated in accordance with Section 624.4085, Florida Statutes; or
- c) For Applicants qualifying pursuant to Section 624.610(4)(a)3., Florida Statutes, such solvency or capital ratio as determined by the Office to be an effective measure of solvency.

Written confirmation must be provided from its Reciprocal Jurisdiction that Applicant is in compliance with the minimum solvency or capital ratio requirements as set forth above.

Section III-3 Audited Financial Statements

Applicant’s annual audited financial statements for the 2 years preceding filing of this application, as filed with its Reciprocal Jurisdiction, including the external audit report.

APPLICATION FOR RECIPROCAL JURISDICTION REINSURER STATUS

Section III-4 Actuarial Opinion

The two most recent actuarial opinions, as filed with Applicant's Reciprocal Jurisdiction. If Applicant's Reciprocal Jurisdiction did not require actuarial opinions, Applicant may file solvency and financial condition reports instead.

Section III-5 List of Disputed and Overdue Claims Information

Applicant should provide a list of all disputed or overdue reinsurance claims outstanding for 90 days or more regarding reinsurance assumed from ceding insurers domiciled in the United States.

Section III-6 Prompt Payment of Claims Information

Applicant should provide information regarding assumed reinsurance by ceding insurer, ceded reinsurance by the assuming insurer, and reinsurance recoverable on paid and unpaid losses by the assuming insurer for the Office to evaluate the prompt payment of claims pursuant to Rule 69O-144.011(3)(f), F.A.C.

APPLICATION FOR RECIPROCAL JURISDICTION REINSURER STATUS

SECTION IV - MANAGEMENT

Section IV-1 Management Information

Submit Form OIR-C1-2221, "Management Information Form" fully describing Applicant's management and ownership. This form should include the First, Middle, and Last name of listed individuals. Please state if a middle name does not exist.

APPLICATION FOR RECIPROCAL JURISDICTION REINSURER STATUS

CHECKLIST

Applicant Name: _____

Home Office Address: _____
(Street Address) (City)

(State/Province) (Country) (Zip Code or Equivalent)

Phone Number: _____

Please complete and check off all items prior to submission. Applicant should provide an explanation for any items that have not been checked off and submitted.

SECTION I - APPLICATION

- ☐ 1. Completed Checklist and Certification
- ☐ 2. Applicant is licensed in, and has its head office or is domiciled in, as applicable, a Reciprocal Jurisdiction

SECTION II – LEGAL DOCUMENTS

- ☐ 1. Uniform Certificate of Authority Application (UCAA) Uniform Consent to Service of Process (Form OIR-C1-1524)
- ☐ 2. Certificate of Reinsurer Domiciled in Reciprocal Jurisdiction (Form OIR-C1-517)
- ☐ 3. Authorization Letter, if applicable

APPLICATION FOR RECIPROCAL JURISDICTION REINSURER STATUS

CHECKLIST

Company Name: _____

SECTION III – FINANCIAL

- ☐ 1. Written confirmation from its domiciliary jurisdiction that Applicant is in compliance with the minimum capital and surplus requirements
- ☐ 2. Written confirmation from its domiciliary jurisdiction that Applicant is in compliance with the minimum solvency or capital ratio requirements
- ☐ 3. Two years of audited financial statements as filed with Applicant's Reciprocal Jurisdiction, including the external audit reports
- ☐ 4. Two most recent actuarial opinions as filed with Applicant's Reciprocal Jurisdiction, or solvency and financial condition reports, as applicable
- ☐ 5. List of all disputed or overdue claims outstanding more 90 days or more
- ☐ 6. Prompt payment of claims information as covered in Section III-5

SECTION IV – MANAGEMENT

- ☐ 1. Completed Management Information Form (Form OIR-C1-2221)

Uniform Checklist for Reciprocal Jurisdiction Reinsurers

Reciprocal Jurisdiction Reinsurer Information:

Company Name:

Address:

Primary Contact:

Domiciliary Jurisdiction / Supervisory Authority:

Applicable Lines of Business:

I. Filing Requirements for Reciprocal Jurisdiction Reinsurer Recognized by Another NAIC-Accredited Jurisdiction

If an NAIC accredited jurisdiction has determined that a reciprocal jurisdiction reinsurer has met the conditions in that jurisdiction to become a reciprocal jurisdiction reinsurer, the Office may accept documentation filed with that NAIC accredited jurisdiction or with the NAIC to satisfy the reciprocal jurisdiction reinsurer's status in this state.

This does not limit the authority of the Office to request additional information pertaining to the reinsurance agreement, or any subsequent reinsurance agreement entered into by the assuming insurer and Florida ceding insurers, under section 624.610(4)(e), F.S.

Citation to State Law / Regulation	<u>Requirements</u>	Y or N	<u>Reference and Supporting Documents</u>
69O-144.002(5)(a)1., F.A.C.	Form RJ-1: An assuming insurer must submit a properly executed Form RJ-1 (OIR-C1-517, Certificate of Reinsurer Domiciled in Reciprocal Jurisdiction) and additional information as the commissioner may require, except to the extent that they conflict with a Covered Agreement.		
69O-144.002(5)(c), F.A.C.	Lead State: If an NAIC accredited jurisdiction has determined that a reciprocal jurisdiction reinsurer has met the conditions in that jurisdiction to become a reciprocal jurisdiction reinsurer, the Office may accept documentation filed with that NAIC accredited jurisdiction or with the NAIC to satisfy the reciprocal jurisdiction reinsurer's status in this state.		



Florida Office of Insurance Regulation

APPLICATION FOR ACCREDITED REINSURER STATUS

This packet is designed to assist individuals in preparing the application in accordance with Florida Statutes and Rules and to facilitate expeditious processing of the application by the Florida Office of Insurance Regulation ("Office").

Please submit all documents required by this packet in English and in searchable PDF format, unless otherwise indicated or required by Florida Statutes.

If this packet requires submission of forms or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <https://www.floir.com/iportal> and select "Insurance Regulation Filing System (IRFS)" to begin the submission of forms and/or rates.

In order for a submission to be considered a complete application, all required information must be included in the filing, including the completed application checklist.

The completed application packet must be submitted to the Office by selecting iApply – Online Company Admissions at the following link:

<https://www.floir.com/iportal>

Any questions concerning this application packet or iApply for Life and Health applicants may be directed to lhappcoord@floir.com. Property and Casualty applicants are directed to pcappcoord@floir.com.

APPLICATION FOR ACCREDITED REINSURER STATUS

INSTRUCTIONS

SECTION I - APPLICATION FORM & FEES

Section I-1 Application Fees

Pursuant to Section 624.610(3)(b)(4), Florida Statutes, and Rule 69O-144.002(1), F.A.C, the actual costs and expenses incurred by the Office to review a reinsurer's request for accreditation must be charged to and collected from the requesting reinsurer. Should an outside consultant become necessary, the hiring and fees will be discussed with Applicant in advance as per the above.

An invoice will be provided to the reinsurer after the application has been processed.

Section I-2 Fingerprint Fees

Applicants are required to pay a fee for the processing of the fingerprint cards required in Section IV-4. Please see Form OIR-C1-938, "Fingerprint Payment and Submission Procedure," for instructions.

Section I-3 Application Checklist & Certification

Applicants for Accredited Reinsurer status in Florida must submit the Checklist and Application Certification (pages 8-13) included in this form, in addition to all other documentation and forms required herein. Applicant should list the lines of business (and respective code numbers) the company intends to reinsure in the state of Florida on the Application Certification page. When Accredited Reinsurer Status is granted by the Office of Insurance Regulation, it will include only those lines listed on this form. The company must be authorized in its state of domicile for the lines of business requested.

APPLICATION FOR ACCREDITED REINSURER STATUS

SECTION II - LEGAL

Section II-1 Service of Process Consent and Agreement

Provide an executed Form OIR-C1-1524, "Uniform Certificate of Authority Application (UCAA) Uniform Consent to Service of Process."

Section II-2 Certificate of Status

Submit a certificate of status dated within the last year. A certificate of status is a document issued by the public official having supervision of the records of corporations in the Applicant's home state or jurisdiction of domicile, usually the Secretary of State or equivalent office, that shows the company is duly organized in the state or jurisdiction of domicile and that all taxes and fees have been paid.

Section II-3 Attorney-in-Fact (Reciprocal Applicants Only)

Provide a copy of Applicant's power of attorney certified by the attorney-in-fact. The power of attorney submitted must comply with Sections 629.101 and 629.111, Florida Statutes.

Section II-4 Subscriber Agreement (Reciprocal Applicants Only)

Provide a copy of the subscriber agreement certified by Applicant's attorney-in-fact.

Section II-5 Appointment and Authority-of-United States Manager (Alien Applicants Only)

Provide a copy of the appointment and authority of Applicant's United States Manager certified by its officer having custody of its records. This document must be certified by the officer in the state of domicile having custody of the records.

Section II-6 Certificate of Assuming Insurer

Complete Form OIR-C1-1464, "Florida Certificate of Assuming Insurer." This form must be executed by an officer of Applicant.

Section II-7 Authorization Letter

Provide a letter of authorization for any person, other than Applicant's personnel, who is authorized to represent Applicant before the Office in this matter. This letter should be dated within the last year

APPLICATION FOR ACCREDITED REINSURER STATUS

SECTION III – FINANCIAL

Section III-1 Holding Company Registration Statement

Provide a Holding Company Registration Statement certified by the state of domicile if the insurer is a member of an insurance holding company system. An insurance holding company system consists of two or more affiliated persons, one or more of which is an insurer. If the insurer is not a member of an insurance holding company system, submit a statement to such fact signed by two executive officers and under the insurer's corporate seal.

Provide a copy of the SEC 10K report if the ultimate parent is required to file this report with the Federal Securities and Exchange Commission. Applicant should also provide a copy of any other audited consolidated financial statements in which it is included.

Section III-2 Annual Statement

Submit the most recent year-end annual statement on the National Association of Insurance Commissioners' ("NAIC") format. The statement must be sworn by at least two executive officers of the insurer. All schedules must be complete. Provide verification that the general interrogatories, notes to financial statements, and the Schedule Y are included as part of the annual statement.

Section III-3 Actuarial Opinion

The most recent actuarial opinion as filed with Applicant's domiciliary jurisdiction.

Section III-4 Quarterly Statements

Provide all quarterly financial statements in NAIC format covering the current year-to-date period. These statements do not have to be certified by the state of domicile, but must be signed by the company's officers and must be notarized. Supplemental loss developmental schedules (also in NAIC format) must be included for each quarter.

Section III-5 Statutorily Mandated Examination Reports

Provide the most recent report of examination performed and certified by the state of domicile. If the most recent period covered by the examination is not within three years, the Office may accept an audited certified public accountant's report for the previous two annual periods, prepared on a basis consistent with the insurance laws of the state of domicile. Reports on a consolidated basis do not meet this requirement. This must be a separate (stand-alone) audited report on Applicant or must include breakout schedules for Applicant individually.

Section III-6 Statutory Financial Statements Audited by Certified Public Accountants

Applicant must provide a copy of the latest audited certified public accountant's report on the insurer prepared on a basis consistent with the insurance laws of the insurer's state of domicile.

OIR-C1-923

Rev.: 9/21

69O-144.002

APPLICATION FOR ACCREDITED REINSURER STATUS

Section III-7 Certificate of Compliance

Submit a Certificate of Compliance. A certificate of compliance is a document issued by the public official having supervision of insurance in Applicant's state of domicile which verifies the company is duly organized and authorized to transact insurance or reinsurance and lists the lines of business it is authorized to transact. The certificate must be sealed by the insurer's state of domicile and list the lines of business the company is authorized to write.

Section III-8 Previous Florida Business History

Provide a brief history of the company since its incorporation. Include any changes of ownership or actions taken by governmental agencies that have or had jurisdiction over the insurer. Include any history that Applicant has had in withdrawing from Florida as a whole or in discontinuing a particular line of business in this state. The statement should include any parent companies or subsidiaries.

Section III-9 Certificate of Deposit (Foreign Applicants Only)

Provide an Certificate of Deposit under the seal of Applicant's state of domicile or state of entry into the United States. This is a document issued by the public official having supervision of insurance in the relevant jurisdiction showing the amount and composition of the deposit maintained by the insurer in that state.

APPLICATION FOR ACCREDITED REINSURER STATUS

SECTION IV - MANAGEMENT

Section IV-1 Management Information Forms

Submit Form OIR-C1-2221, "Management Information Form," fully describing the management, ownership, and control, direct or indirect, of the insurer up to and including any 10% or greater interest holders of the ultimate parent. A Management Information Form should be submitted for each entity in the ownership chain.

Forms should contain the First, Middle, and Last name of listed individuals. Please state if a middle name does not exist.

Section IV-2 Biographical Affidavits as to Officers, Directors, and Shareholders

Provide a copy of Form OIR-C1-1423, the "Uniform Certificate of Authority (UCAA) Biographical Affidavit" (NAIC Form 11), for each individual listed in Section IV-1. Applicant may omit individuals listed for those entities in the organizational structure between the immediate parent and the ultimate parent. Please note that if an individual has a Biographical Affidavit with an associated background report on file with the Office, and the Biographical Affidavit was signed and notarized within 2 years of the date of the Application being filed, a Biographical Affidavit and associated background report need not be submitted for that individual.

All questions must be answered. All "Yes" answers must be explained.

Each Biographical Affidavit must be signed and notarized.

The affiant's social security number must be submitted to the Office. Section 119.071(5), Florida Statutes, gives authority for an agency to collect social 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 to insure that the owners, management, officers, and directors of any entity regulated by the Office 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.

However, pursuant to Section 119.071(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, please include the affiant's name and social security number on the separate page marked CONFIDENTIAL and provided in this packet and attach that page to the NAIC Biographical Affidavit (NAIC Form 11) that is also included in this packet.

APPLICATION FOR ACCREDITED REINSURER STATUS

Section IV-3 Background Investigative Report

A Background Investigative Report must be provided for each person for whom a Biographical Affidavit is required, as described above. Background reports must be submitted by an approved background investigation vendor directly to the Office. Attach proof of payment confirming that all background reports have been ordered when submitting the application. Please refer to Form OIR-C1-905, "Instructions for Furnishing Background Investigative Reports," included in this packet.

The NAIC approved background investigation vendor list can be found at:

https://www.naic.org/documents/industry_ucaa_third_party.pdf

Section IV-4 Fingerprint Cards

Fingerprint cards must be provided to the Office for each person for whom a Biographical Affidavit is required. Please refer to Form OIR-C1-938, "Fingerprint Payment and Submission Procedure," for instructions. If an individual has submitted a fingerprint card dated within 5 years of the date of the Application filing, a fingerprint card need not be submitted for that individual.

APPLICATION FOR ACCREDITED REINSURER STATUS

CHECK LIST

SECTION I - APPLICATION FORM & FEES

Applicant Name: _____

Home Office Address: _____
(Street Address) (City)

(State/Province) (Country) (Zip Code or Equivalent)

Phone Number: _____

Please complete and check off all items prior to submission. Applicant should provide an explanation for any items that have not been checked off and submitted.

- ☐ 1. Fingerprint fee paid electronically
 - ☐ a. Copy of on-line payment confirmation
- ☐ 2. Application Checklist and Certification
 - ☐ a. All lines of reinsurance to be transacted listed by code number
 - ☐ b. Signed and dated by
 - ☐ i. President or Chief Executive Officer
 - ☐ ii. Secretary

APPLICATION FOR ACCREDITED REINSURER STATUS

CHECK LIST

SECTION II – LEGAL DOCUMENTS

Company Name: _____

Please check off all completed items prior to submission.

- ☐ 1. Uniform Certificate of Authority Application (UCAA) Uniform Consent to Service of Process (Form OIR-C1-1524)
- ☐ 2. Certificate of Status issued by the Florida Secretary of State evidencing registration as a foreign corporation.
- ☐ 3. Attorney-in-Fact Power of Attorney (Reciprocal Applicants Only)
 - ☐ a. Power of attorney certified by applicant's attorney-in-fact
 - ☐ b. Power of attorney complies with Sections 629.101 and 629.111, Florida Statutes
- ☐ 4. Subscriber Agreement (Reciprocals Applicants Only)
 - ☐ a. Certified by attorney-in-fact
- ☐ 5. Certified Appointment and Authority by Applicant's officer
- ☐ 6. Form AR-1, Florida Certificate of Assuming Insurer (OIR-C1-1464)
 - ☐ a. Signed and dated by the President or Chief Executive Officer
- ☐ 7. Authorization Letter (if applicable)

APPLICATION FOR ACCREDITED REINSURER STATUS

CHECK LIST

SECTION III – FINANCIAL

Company Name: _____

- ☐ **1. Holding Company Registration Statement**
- ☐ **a. Registration Provided**
- ☐ **i. Certified by state of domicile**
- or**
- ☐ **a. Statement that company is not a member of a holding company system**
- ☐ **i. Signed by two officers**
- ☐ **ii. Under corporate seal of Company**
- ☐ **b. SEC 10K report if ultimate parent is required to file with the SEC (most current year, if available)**
- ☐ **c. Audited consolidated financial statement (most current year, if available)**
- ☐ **2. Annual Statement (most current year)**
- ☐ **a. Supplemental schedules included**
- ☐ **b. Signed by two officers**
- and**
- ☐ **c. Notarized**
- or**
- ☐ **d. Certified by state of domicile**
- ☐ **3. Most recent actuarial opinion**
- ☐ **4. Quarterly Financial Statements (Supplemental Financial Statements) in NAIC format**
- ☐ **a. All statements for current year-to-date included.**

APPLICATION FOR ACCREDITED REINSURER STATUS

- ☐ b. Signed by company officers
- ☐ c. Notarized
- ☐ d. Includes supplemental loss development schedules
- ☐ 5. Most recent Statutory Examination Report (by state of domicile)
 - ☐ a. Original certification by state of domicile
 - ☐ b. Three-year period timely as to application

If over a three-year period also include:

- ☐ c. Audited certified public accountant's report (in lieu of state of domicile exam report)
- ☐ d. Under seal of state of domicile with certification letter
- ☐ 6. Statutory Financial Statements audited by Certified Public Accountant, including letter of internal control
 - ☐ a. Report provided (most current year)
- ☐ 7. Certificate of Compliance from state or country of domicile
 - ☐ a. List of lines of reinsurance authorized to transact
- ☐ 8. Previous Florida Business History statement
- ☐ 9. Certificate of Deposit (foreign reinsurer only)
 - ☐ a. Certification under seal of state of domicile
 - ☐ b. Deposited assets or securities listed

APPLICATION FOR ACCREDITED REINSURER STATUS

CHECK LIST

SECTION IV – MANAGEMENT

Company Name: _____

- ☐ 1. Management Information Forms (Form OIR-C1-2221) submitted for all required entities
- ☐ 2. Biographical affidavits (Form OIR-C1-1423) submitted for all required individuals
 - ☐ a. All information completed (no blanks)
 - ☐ b. "Yes" answers explained
 - ☐ c. Signed
 - ☐ d. Notarized
- ☐ 3. Background investigative reports for all required individuals. The reports must be based on the Biographical Affidavits submitted to the Office with this Application.
 - ☐ a. Proof of order and confirmation of payment submitted to the Office
- ☐ 4. Fingerprint cards for all required individuals
 - ☐ a. All information completed (no blanks)
 - ☐ b. Signed

APPLICATION FOR ACCREDITED REINSURER STATUS

APPLICATION CERTIFICATION

The below certification must be executed by two officers of applicant, one of whom must be the President or Chief Financial Officer, and the other the Secretary.

The undersigned state that they are officers having personal knowledge of the application submitted to the Florida Office of Insurance Regulation in connection with the intention of _____ ("Applicant") to seek status as an Accredited Reinsurer in Florida, that they have read said application, and that they know the contents thereof and verify that the items indicated in the application checklist are true and complete to the best of their knowledge and have been submitted with the application. The undersigned represent that they have the authority to bind the Applicant, and that by their signatures on the instrument, the Applicant on behalf of which they have 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.

By: _____ **Lines of Business** **Code Number**

Print Name: _____

Title: _____

Date: _____

By: _____

Print Name: _____

Title: _____

Date: _____

*Other officers will be accepted only if the applicant does not have these positions.

APPLICATION FOR ACCREDITED REINSURER STATUS

FLORIDA OFFICE OF INSURANCE REGULATION LINES OF BUSINESS BY COMPANY CODES

R010	Reinsurance - Fire
R020	Reinsurance - Allied Lines
R030	Reinsurance - Farmowners Multi-Peril
R040	Reinsurance - Homeowners Multi-Peril
R050	Reinsurance - Commercial Multi-Peril
R080	Reinsurance - Ocean Marine
R090	Reinsurance - Inland Marine
R100	Reinsurance - Financial Guaranty
R106	Reinsurance - Auto Warranties
R110	Reinsurance - Medical Malpractice
R120	Reinsurance - Earthquake
R160	Reinsurance - Workers' Compensation
R170	Reinsurance - Other Liability
R173	Reinsurance - Prepaid Legal
R192	Reinsurance - Private Passenger Auto Liability
R194	Reinsurance - Commercial Auto Liability
R211	Reinsurance - Private Passenger Auto Physical Damage
R212	Reinsurance - Commercial Auto Physical Damage
R220	Reinsurance - Aircraft
R230	Reinsurance – Fidelity
R240	Reinsurance - Surety
R245	Reinsurance - Bail Bonds
R250	Reinsurance - Glass
R260	Reinsurance - Burglary and Theft
R270	Reinsurance - Boiler and Machinery
R280	Reinsurance - Credit
R285	Reinsurance - Title
R290	Reinsurance - Livestock
R300	Reinsurance - Industrial Fire
R310	Reinsurance - Mortgage Guaranty
R400	Reinsurance - Ordinary Life and Annuity
R405	Reinsurance - Individual/Group Variable Annuities
R410	Reinsurance - Group Life and Annuity
R420	Reinsurance - Variable Life
**R425	Reinsurance - Fraternal Life
**R430	Reinsurance - Fraternal Health
R440	Reinsurance - Credit Life
R441	Reinsurance - Credit Disability
R450	Reinsurance - Accident and Health
R520	Reinsurance - Industrial Extended Coverage
R540	Reinsurance - Mobile Home Multi Peril
R550	Reinsurance - Mobile Home Physical Damage
R570	Reinsurance - Crop Hail
R607	Reinsurance - Home Warranties
R608	Reinsurance - Service Warranties
R610	Reinsurance - Other Warranty
R620	Reinsurance – Miscellaneous Casualty

**A Fraternal Benefit Society can cede business but can only reinsure another society as part of a merger or consolidation. [632.614, Florida Statutes]



Florida Office of Insurance Regulation

APPLICATION FOR CERTIFIED REINSURER STATUS

This packet is designed to assist individuals in preparing the application in accordance with Florida Statutes and Rules and to facilitate expeditious processing of the application by the Florida Office of Insurance Regulation ("Office").

Please submit all documents required by this packet in English and in searchable PDF format, unless otherwise indicated or required by Florida Statutes.

If this packet requires submission of forms or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <https://www.floir.com/iportal> and select "Insurance Regulation Filing System (IRFS)" to begin the submission of forms and/or rates.

In order for a submission to be considered a complete application, all required information must be included in the filing, including the completed application checklist.

The completed application packet must be submitted to the Office by selecting iApply – Online Company Admissions at the following link:

<https://www.floir.com/iportal>

Any questions concerning this application packet or iApply for Life and Health applicants may be directed to lhappcoord@floir.com. Property and Casualty applicants are directed to pcappcoord@floir.com.

APPLICATION FOR CERTIFIED REINSURER STATUS

INSTRUCTIONS

***Applicants Already Certified in an NAIC Accredited Jurisdiction**

In lieu of the entire Application for Certified Reinsurer Status, Applicants that have already been certified as a reinsurer in a NAIC accredited jurisdiction may instead choose to submit:

- 1) Service of Process (Section II-1),
- 2) Authorization Letter (Section II-3, if applicable), and
- 3) Documents meeting the requirements of the checklist on pages 10-12 of this application.

SECTION I - APPLICATION FORM & FEES

Section I-1 Application

Applicants for Certified Reinsurer status in Florida must submit the Checklist (page 6-7) and Application Certification (page 8) included in this form, in addition to all other documentation and forms required herein.

Section I-2 Domiciled in a Qualified Jurisdiction

An Applicant for status as a Certified Reinsurer in Florida must be licensed and domiciled in a Qualified Jurisdiction as described in Rule 69O-144.007, F.A.C. The Office maintains a list of current Qualified Jurisdictions on its website at:

<https://www.floir.com/Sections/PandC/CertifiedReinsurers.aspx>

APPLICATION FOR CERTIFIED REINSURER STATUS

SECTION II - LEGAL

Section II-1 Service of Process Consent and Agreement

Provide an executed Form OIR-C1-1524, "Uniform Certificate of Authority Application (UCAA) Uniform Consent to Service of Process."

Section II-2 Certificate of Certified Reinsurer

Complete Form OIR-C1-2116, "Certificate of Certified Reinsurer." This form must be executed by an officer of Applicant.

Section II-3 Authorization Letter

Provide a letter of authorization for any person, other than Applicant's personnel, who is authorized to represent the Applicant before the Office in this matter. This letter should be dated within the last year.

APPLICATION FOR CERTIFIED REINSURER STATUS

SECTION III - FINANCIAL

Section III-1 Lines of Insurance

Submit Form OIR-C1-1416, "Uniform Certificate of Authority Application (UCAA) – Lines of Insurance," with all lines of business the reinsurer intends to reinsure. Use the Florida section and mark the lines beginning with "R" accordingly. When Certified Reinsurer Status is granted by the Office of Insurance Regulation, it will include only those lines listed on this form. The company must provide documentation that it is authorized in its state or country of domicile for the lines of business requested.

Section III-2 Domiciliary Certification

A certification from the domiciliary jurisdiction of the assuming insurer that the company is in good standing with that jurisdiction and that the insurer maintains capital in excess of the jurisdiction's highest regulatory action level.

Section III-3 Audited Financial Statements

Applicant's audited financial statements prepared on a U.S. GAAP basis for the last 2 years, as filed with the insurer's domiciliary jurisdiction.

Section III-4 Annual Auditor's Report

Annual reports of the independent auditor on the financial statements of Applicant's insurance enterprise for the last 2 years, as filed with the insurer's domiciliary jurisdiction.

Section III-5 Actuarial Opinion

The most recent actuarial opinion as filed with the insurer's domiciliary jurisdiction.

Section III-6 Financial Strength Ratings

Submit proof of a secure financial strength rating from at least two of the rating agencies approved on the Office's website at:

<https://www.flor.com/Sections/PandC/CertifiedReinsurers.aspx>

Section III-7 Assumed Reinsurance

A completed form OIR-C1-2117, "NAIC Form CR-F" (for Property & Casualty) or form OIR-C1-2118, "NAIC Form CR-S" (for Life & Health).

APPLICATION FOR CERTIFIED REINSURER STATUS

Section III-8 List of Disputed and Overdue Claims Information

Provide a list of all disputed or overdue recoverables due to or claimed by ceding insurers, whether or not the claims are in litigation or arbitration.

APPLICATION FOR CERTIFIED REINSURER STATUS

SECTION IV – MANAGEMENT

Section IV-1 Management Information

Submit Form OIR-C1-2221, “Management Information Form,” fully describing Applicant’s management and ownership. This form should include the First, Middle, and Last name of listed individuals. Please state if a middle name does not exist.

APPLICATION FOR CERTIFIED REINSURER STATUS

CHECKLIST

Applicant Name: _____

Home Office Address: _____
(Street Address) (City)

(State/Province) (Country) (Zip Code or Equivalent)

Phone Number: _____

Please complete and check off all items prior to submission. Applicant should provide an explanation for any items that have not been checked off and submitted.

SECTION I - APPLICATION

- ☐ 1. Application Checklist (page 6-7) and Certification (page 8)
- ☐ 2. Applicant is domiciled in a Qualified Jurisdiction

SECTION II – LEGAL DOCUMENTS

- ☐ 1. Uniform Certificate of Authority Application (UCAA) Uniform Consent to Service of Process (Form OIR-C1-1524)
- ☐ 2. Certificate of Certified Reinsurer (Form OIR-C1-2116)
- ☐ 3. Authorization Letter, if applicable

APPLICATION FOR CERTIFIED REINSURER STATUS

CHECKLIST

Company Name: _____

SECTION III – FINANCIAL

- ☐ 1. Uniform Certificate of Authority (UCAA) Lines of Insurance, Form OIR-C1-1416
- ☐ 2. Domiciliary certification indicating that the entity is in good standing and maintains capital in excess of the jurisdiction's highest regulatory action level
- ☐ 3. Audited Financial Statements prepared on a U.S. GAAP basis, provided for last 2 years, as filed with the insurer's domiciliary jurisdiction
- ☐ 4. Annual Auditor's Report – reports from the independent auditor on the financial statements of the last 2 years, as filed with the insurer's domiciliary jurisdiction
- ☐ 5. Most recent Actuarial Opinion as filed with the insurer's domiciliary jurisdiction
- ☐ 6. Secure financial strength rating from at least two of the rating agencies approved by the Office
- ☐ 7. Assumed Reinsurance (Form OIR-C1-2117 "NAIC Form CR-F" or Form OIR-C1-2118 "NAIC Form CR-S")
- ☐ 8. List of Disputed and Overdue Claims Information

SECTION IV – MANAGEMENT

- ☐ 1. Completed Management Information Form OIR-C1-2221.

APPLICATION FOR CERTIFIED REINSURER STATUS

APPLICATION CERTIFICATION

The below certification must be executed by two officers of Applicant, one of whom must be the President or Chief Financial Officer, and the other the Secretary*.

The undersigned state that they are officers having personal knowledge of the application submitted to the Florida Office of Insurance Regulation in connection with the intention of _____ ("Applicant") to seek status as a Certified Reinsurer in Florida, that they have read said application, and that they know the contents thereof and verify that the items indicated in the application checklist are true and complete to the best of their knowledge and have been submitted with the application. The undersigned represent that they have the authority to bind the Applicant, and that by their signatures on the instrument, the Applicant on behalf of which they have acted executed the instrument.

The undersigned 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, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

By: _____

Print Name: _____

Title: _____

Date: _____

By: _____

Print Name: _____

Title: _____

Date: _____

*Other officers will be accepted only if the applicant does not have these positions.

OIR-C1-996
Rev.: 9/21
Rule 690-144.002

Uniform Application Checklist for Certified Reinsurers

Applicant Information

Company Name:

Address:

Primary Contact:

Domiciliary Jurisdiction / Supervisory Authority:

Applicable Lines of Business:

I. Filing Requirements for Reinsurer Currently Certified by Another NAIC-Accredited Jurisdiction

If an NAIC accredited jurisdiction (“Lead state”) has determined that an applicant for certified reinsurer status has met the conditions in that jurisdiction to become a certified reinsurer, the Office may accept documentation filed with that NAIC accredited jurisdiction or with the NAIC to satisfy the certified reinsurer’s status in this state.

- a. Has the applicant been certified by an NAIC accredited jurisdiction? (Yes or No).

[If “Yes,” the Lead state will confirm that the initial or renewal certification has been reviewed by the NAIC Reinsurance Financial Analysis (E) Working Group (“ReFAWG”).]

- b. If the answer to question I.a. (above) is “No,” please complete the Application for Certified Reinsurer Status in its entirety.
- c. If the answer to question I.a. (above) is “Yes,” the applicant shall provide the information specified in the table below. In the alternative, the Commissioner may permit the applicant to provide written certification that some or all the required information was previously filed with the Lead State and the ReFAWG.

Note: The ReFAWG and the Lead State may have already collected, reviewed and approved relevant documentation such as; Biographical Affidavits, Certificates of Good Standing, Licenses, Rating Agency Reports, Reports of Auditors and other certification documents. States are encouraged to accept these prior filings as complete, in lieu of duplicative filing requests.

Citation to State Law / Regulation	<u>Requirements</u>	Y or N	<u>Reference and Supporting Documents</u>
69O-144.007(8), F.A.C.	Status of Domiciliary Jurisdiction: The applicant must be domiciled and licensed in a Qualified Jurisdiction, as determined by this state.		

Citation to State Law / Regulation	<u>Requirements</u>	Y or N	<u>Reference and Supporting Documents</u>
69O-144.002(5)(c), F.A.C	<p>Verification of Certification Issued by an NAIC Accredited Jurisdiction:</p> <p>If the applicant is requesting that the Commissioner recognize the certification issued by another NAIC accredited jurisdiction, the applicant must provide a copy of the approval letter or other documentation provided to the applicant by such NAIC accredited jurisdiction. At a minimum, this letter must confirm the following information:</p> <ul style="list-style-type: none"> a. Name of state(s) in which applicant is currently certified. b. The rating and collateral percentage assigned by the accredited jurisdiction with respect to the applicant. c. The effective and expiration dates with respect to the certification. d. The lines of business to which the certification is applicable. e. The applicant's commitment to comply with all requirements necessary to maintain certification. 		
69O-144.002(4)(a)11, F.A.C.	<p>Mechanisms Used to Secure Obligations Incurred as a Certified Reinsurer:</p> <p>The applicant must specify the mechanisms it will use to secure obligations incurred as a Certified Reinsurer. If the applicant intends to utilize a multi-beneficiary trust for this purpose, the applicant must submit (1) a copy of the approval from the domiciliary regulator with regulatory oversight of the 100% collateral and reduced collateral multi-beneficiary trusts or its intention to secure the approval of the domiciliary regulator of the trust before either trust can be used. (2) the form of the trust that will be used to secure obligations incurred as a certified reinsurer; and (3) the form of the trust that will be used to secure obligations incurred outside of the applicant's certified reinsurer status, i.e., the applicant's 100% collateralized trust (if applicable). The form of each trust is required to be submitted pursuant to state law in order to ensure that security for these obligations will be kept separate and to ensure that each trust meets the requirements of the state's Credit for Reinsurance statute and/or regulation.</p>		

Citation to State Law / Regulation	<u>Requirements</u>	Y or N	<u>Reference and Supporting Documents</u>
69O-144.002(4)(a)11, F.A.C.	<p>NOTE:</p> <p><i>The MBT includes a provision that: The certified reinsurer must bind itself by the language of the multi-beneficiary trust and agreement with the commissioner with principal regulatory oversight of each such trust account, to fund, upon termination of any such trust account, out of the remaining surplus of such trust any deficiency of any other such trust account.</i></p>		
69O-144.002(4)(a)4, F.A.C.	<p>Form CR-1 (For Initial and Renewal Applications):</p> <p>The applicant must provide Certificate of Certified Reinsurer, Form OIR-C1-2116 (based on NAIC CR-1), which must be properly executed by an officer authorized to bind the applicant to the commitments set forth in the form.</p>		
69O-144.002(4)(a)11, F.A.C.	<p>Other Requirements:</p> <p>The applicant must:</p> <ol style="list-style-type: none"> Commit to comply with other reasonable requirements deemed necessary for certification by the certifying state. Failure to comply with such other requirement could disqualify the reinsurer from certification. Provide a statement that the applicant agrees to post 100% security upon the entry of an order of rehabilitation or conservation against the ceding insurer or its estate. 		
69O-144.007(8)(b), F.A.C.	<p>Public Notice Requirement:</p> <p>The Commissioner is required to post notice on the insurance department's website promptly upon receipt of any application for certification, including instructions on how members of the public may respond to the application. The Commissioner may not take final action on the application until at least 30 days after posting notice. The Commissioner will consider any comments received during the public notice period with respect to this application.</p>		



Florida Office of Insurance Regulation

APPLICATION FOR TRUSTEED REINSURER STATUS

This packet is designed to assist individuals in preparing the application in accordance with Florida Statutes and Rules and to facilitate expeditious processing of the application by the Florida Office of Insurance Regulation ("Office").

Please submit all documents required by this packet in English and in searchable PDF format, unless otherwise indicated or required by Florida Statutes.

If this packet requires submission of forms or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <https://www.floir.com/iportal> and select "Insurance Regulation Filing System (IRFS)" to begin the submission of forms and/or rates.

In order for a submission to be considered a complete application, all required information must be included in the filing, including the completed application checklist.

The completed application packet must be submitted to the Office by selecting iApply – Online Company Admissions at the following link:

<https://www.floir.com/iportal>

Any questions concerning this application packet or iApply for Life and Health applicants may be directed to lhappcoord@floir.com. Property and Casualty applicants are directed to pcappcoord@floir.com.

APPLICATION FOR TRUSTEED REINSURER STATUS

INSTRUCTIONS

SECTION I – APPLICATION

Section I-1 Checklist and Application Certification

Applicants for Trusteed Reinsurer Status in Florida must submit the Checklist (pages 6-8) and Application Certification (page 12) included in this form, in addition to all other documentation and forms required herein. Applicant should list the lines of business (and respective code numbers) the company intends to reinsure in the state of Florida on the Application Certification.

Section I-2 Applicant Groups

Applicants that are groups including incorporated and individual unincorporated underwriters are subject to the requirements of Section 624.610(3)(c)3.b., Florida Statutes.

APPLICATION FOR TRUSTEED REINSURER STATUS

SECTION II - LEGAL

Section II-1 Authorization Letter

Provide a letter of authorization for any person, other than Applicant's personnel, who is authorized to represent the Applicant before the Office in this matter. This letter should be dated within the last year.

Section II-2 Service of Process Consent & Agreement

Provide an executed Form OIR-C1-1524, "Uniform Certificate of Authority Application (UCAA) Uniform Consent to Service of Process."

Section II-3 Trust Agreement

Provide a copy of the trust agreement and all amendments certified by the insurance regulator of the state of domicile of the trust or the insurance regulatory of another state who, pursuant to the terms of the trust agreement, has accepted principal regulatory oversight of the trust.

Section II-4 Trust Agreement Checklist

Complete the checklist in regard to the trust agreement (pages 9-11). Any NO answer on the checklist indicates that the trust agreement does not meet the requirements of the Florida Statutes or Florida Administrative Code.

APPLICATION FOR TRUSTEED REINSURER STATUS

SECTION III - FINANCIAL

Section III-1 Financial Statements

Submit a copy of the latest financial statements consisting of the most recent Annual Statement of the trust prepared using the form approved by the National Association of Insurance Commissioners (“NAIC”) for financial reporting which is signed and notarized as required by such form and including all supporting documents required to be included or filed in accordance with the NAIC Annual Statement Instructions.

Section III-2 Trustee Statement

Submit a statement from the trustee of the trust certifying the total amount of assets in the trust; a listing of all assets in the trust in sufficient detail to determine if these assets are of a quality substantially similar to that required in Part II of Chapter 625, Florida Statutes; and certification that the trust will not expire prior to the following December 31st.

Note that the amount in the trust must meet the requirements of Section 624.610(3)(c)3.a. Florida Statutes, which requires an amount not less than the assuming insurer’s liabilities attributable to reinsurance ceded by U.S. domiciled insurers, and in addition, a trusteed surplus of not less than \$20,000,000, USD. Such statement shall be the most recent available but in no event prior to December 31st of the preceding year.

Section III-3 Letter from Insurance Regulator with Regulatory Oversight

Provide a letter from the insurance regulator of the state of domicile or of the insurance regulator that has accepted principal regulatory oversight of the trust stating that the trust is authorized and showing the kinds of reinsurance or lines of business that the reinsurer is authorized to transact.

Section III-4 Certificate of Assuming Insurer to Submit to Examination

Submit form OIR-C1-1469, “Certificate of Assuming Insurer to Submit to Examination and Bear the Cost of Examination.” To aid the Office in determining if an examination of the trust or reinsurer is needed, please include a copy of the latest independent audit report, quarterly statement, and state examination report, or a statement that these do not exist.

APPLICATION FOR TRUSTEED REINSURER STATUS

SECTION IV - MANAGEMENT

Section IV-1 Management Information

Submit Form OIR-C1-2221, "Management Information Form," fully describing the management, ownership, and control, direct or indirect, of the insurer up to and including any 10 percent or greater interest holders of the ultimate parent. A Management Information Form should be submitted for each entity in the ownership chain.

Forms should contain the First, Middle, and Last name of listed individuals. Please state if a middle name does not exist.

Section IV-2 Biographical Affidavits as to Officers, Directors, and Shareholders

Provide a copy of Form OIR-C1-1423, the "Uniform Certificate of Authority (UCAA) Biographical Affidavit" (NAIC Form 11) for each individual listed in Section IV-1. Applicant may omit individuals listed for those entities in the organizational structure between the immediate parent and the ultimate parent. Please note that if an individual has a Biographical Affidavit with an associated background report on file with the Office, and the Biographical Affidavit was signed and notarized within 2 years of the date of the Application being filed, a Biographical Affidavit and associated background report need not be submitted for that individual.

All questions must be answered. All "Yes" answers must be explained.

Each Biographical Affidavit must be signed and notarized.

The affiant's social security number must be submitted to the Office. Section 119.071(5), Florida Statutes, gives authority for an agency to collect social 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 to insure that the owners, management, officers, and directors of any entity regulated by the Office 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.

However, pursuant to Section 119.071(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, please include the affiant's name and social security number on the separate page marked CONFIDENTIAL and provided in this packet and attach that page to the NAIC Biographical Affidavit (NAIC Form 11) that is also included in this packet.

APPLICATION FOR TRUSTEED REINSURER STATUS

CHECKLIST

Applicant Name: _____

Home Office Address: _____
(Street Address) (City)

(State/Province) (Country) (Zip Code or Equivalent)

Phone Number: _____

Please complete and check off all items prior to submission. Applicant should provide an explanation for any items that have not been checked off and submitted.

SECTION I - APPLICATION

- ☐ 1. Checklist (pages 6-8)
- ☐ 2. Application Certification (page 12)

SECTION II – LEGAL DOCUMENTS

- ☐ 1. Authorization letter, if applicable
- ☐ 2. Uniform Certificate of Authority Application (UCAA) Uniform Consent to Service of Process (Form OIR-C1-1524)
- ☐ 3. Trust agreement
 - ☐ a. Includes all amendments
 - ☐ b. Certified by the insurance regulator having oversight of the Trust
- ☐ 4. Trust Agreement Checklist (pages 9-11)

APPLICATION FOR TRUSTEED REINSURER STATUS

CHECKLIST

Applicant Name: _____

SECTION III – FINANCIAL

- ☐ 1. Financial Statements
 - ☐ a. Most recent Annual Statement for the trust on NAIC forms
 - ☐ i. Signed
 - ☐ ii. Notarized
 - ☐ iii. Includes all supporting documents as per NAIC instructions
- ☐ 2. Trustee statement
 - ☐ a. Certifies the total amount of assets in the trust in compliance with Section 624.610(3)(c)3.a., Florida Statutes
 - ☐ b. Listing of all trust assets as per the instructions in Section III-2
 - ☐ c. Certifies that the trust will not expire before the following December 31st
 - ☐ d. Statement is the most recent, and not prior to December 31st of preceding year
- ☐ 3. Letter from insurance regulator with regulatory oversight
 - ☐ a. Indicates that the trust is authorized
 - ☐ b. Shows kind of reinsurance or lines of business trust is authorized to transact
- ☐ 4. Certificate of Assuming Insurer to Submit to Examination (OIR-C1-1469)
 - ☐ a. Latest independent audit report; and
 - ☐ b. Quarterly statement; and
 - ☐ c. State examination report; or
 - ☐ d. Statement that the documents in items a.-c. do not exist

APPLICATION FOR TRUSTEED REINSURER STATUS

CHECKLIST

Applicant Name: _____

SECTION IV – MANAGEMENT

- ☐ 1. Management Information Forms (Form OIR-C1-2221) submitted for all required entities
- ☐ 2. Biographical Affidavits (Form OIR-C1-1423) submitted for all required individuals
 - ☐ a. All information completed (no blanks)
 - ☐ b. "Yes" answers explained
 - ☐ c. Signed
 - ☐ d. Notarized

APPLICATION FOR TRUSTEED REINSURER STATUS

TRUST AGREEMENT FOR TRUSTEED REINSURER

Reinsurer Name: _____

Grantor of the Trust: _____

Trust Dated: _____

1. Is the trustee, as evidenced in the trust agreement, a bank or trust company that is subject to supervision by any state of the U.S. or that is a member of the Federal Reserve System?

Yes: _____ No: _____

2. Does the trust agreement create a trust account into which the assets shall be deposited to provide security for ceding insurers in order that credit may be allowed for the reinsurance ceded?

Yes: _____ No: _____ Section where located _____

3. Does the trust agreement provide for the following:

- a) The trust agreement provides for the payment of valid claims for business written in the U.S.

Yes: _____ No: _____ Section where located _____

- b) Contested claims shall be valid and enforceable out of funds in trust to the extent remaining unsatisfied thirty (30) days after entry of the final order of any court of competent jurisdiction in the U.S.

Yes: _____ No: _____ Section where located _____

- c) Legal title to the assets of the trust shall be vested in the trustee (bank or trust company) for the benefit of the grantor's (reinsurer) U.S. ceding insurers, their assigns, and successors in interest.

Yes: _____ No: _____ Section where located _____

- d) The trust shall be subject to examination by the Office.

Yes: _____ No: _____ Section where located _____

- e) The trust shall remain in effect for as long as the assuming insurer, or any member or former member of a group of insurers, shall have outstanding obligations under reinsurance agreements subject to the trust.

Yes: _____ No: _____ Section where located _____

APPLICATION FOR TRUSTEED REINSURER STATUS

- f) No later than February 28 of each year, the trustee of the trust shall report to the Office of Insurance Regulation in writing setting forth the balance in the trust and listing the trust's investments at the preceding year-end, and shall certify the date of termination of the trust, if so planned, or certify that the trust shall not expire prior to the following December 31.

Yes: ____ No: ____ Section where located _____

- g) Trustee shall notify in writing the domiciliary and non-domiciliary insurance regulators within 10 days of receipt of a claim that would reduce the trust to an amount below the minimum.

Yes: ____ No: ____ Section where located _____

- h) If the trust is inadequate because it contains an amount less than the amount required by the Office of Insurance Regulation or, if the grantor (reinsurer) of the trust has been declared insolvent or placed into receivership, rehabilitation, liquidation, or similar proceedings under the laws of its state or country of domicile, the trustee (bank or trust company) shall comply with an order of the insurance regulator with regulatory oversight over the trust or with an order of a court of competent jurisdiction directing the trustee (bank or trust company) to transfer to the insurance regulator with regulatory oversight over the trust, or other designated receiver all of the assets of the trust.

Yes: ____ No: ____ Section where located _____

- i) The assets shall be distributed by, and claims shall be filed with and valued by the insurance regulator with regulatory oversight over the trust in accordance with the laws of the state in which the trust is domiciled that are applicable to the liquidation of domestic insurance companies.

Yes: ____ No: ____ Section where located _____

- j) If the insurance regulator with regulatory oversight over the trust determines that the assets of the trust account or any part thereof are not necessary to satisfy the claims of the U.S. beneficiaries of the trust, the insurance regulator with regulatory oversight over the trust shall return the assets, or any part thereof, to the trustee (bank or trust company) for distribution in accordance with the trust agreement.

Yes: ____ No: ____ Section where located _____

- k) The grantor agrees to waive any rights otherwise available to it under United States law that is inconsistent with the provisions outlined in (h), (i), and (j) above.

Yes: ____ No: ____ Section where located _____

APPLICATION FOR TRUSTEED REINSURER STATUS

- l) Are the trust assets required to be comprised and maintained with cash or securities of a quality substantially similar to those which will qualify as admitted assets under Part II of Chapter 625 Florida Statutes?

Yes: _____ No: _____ Section where located _____

- m) Trust agreement contains a condition that any amendments to the trust approved by the insurance regulator having jurisdiction shall be reported in a manner that the Florida Office of Insurance Regulation will receive notice of any amendment no later than 30-days after such approval. The Florida Office of Insurance Regulation does not have to be specifically named, but the trust provision must inclusive enough that such notice is assured.

Yes: _____ No: _____ Section where located _____

Name of Person preparing this form _____

Title _____

Date _____

APPLICATION FOR TRUSTEED REINSURER STATUS

APPLICATION CERTIFICATION

The below certification must be executed by two officers of applicant, one of whom must be the President or Chief Financial Officer, and the other the Secretary.

The undersigned state that they are officers having personal knowledge of the application submitted to the Florida Office of Insurance Regulation in connection with the intention of _____ ("Applicant") to seek status as an Trusteed Reinsurer in Florida, that they have read said application, and that they know the contents thereof and verify that the items indicated in the application checklist are true and complete to the best of their knowledge and have been submitted with the application. The undersigned represent that they have the authority to bind the Applicant, and that by their signatures on the instrument, the Applicant on behalf of which they have 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.

By: _____ **Lines of Business** **Code Number**

Print Name: _____

Title: _____

Date: _____

By: _____

Print Name: _____

Title: _____

Date: _____

*Other officers will be accepted only if the applicant does not have these positions.

OIR-C1-1466
Rev.: 9/21
690-144.002

APPLICATION FOR TRUSTEED REINSURER STATUS

FLORIDA OFFICE OF INSURANCE REGULATION LINES OF BUSINESS BY COMPANY CODES

R010	Reinsurance - Fire
R020	Reinsurance - Allied Lines
R030	Reinsurance - Farmowners Multi-Peril
R040	Reinsurance - Homeowners Multi-Peril
R050	Reinsurance - Commercial Multi-Peril
R080	Reinsurance - Ocean Marine
R090	Reinsurance - Inland Marine
R100	Reinsurance - Financial Guaranty
R106	Reinsurance - Auto Warranties
R110	Reinsurance - Medical Malpractice
R120	Reinsurance - Earthquake
R160	Reinsurance - Workers' Compensation
R170	Reinsurance - Other Liability
R173	Reinsurance - Prepaid Legal
R192	Reinsurance - Private Passenger Auto Liability
R194	Reinsurance - Commercial Auto Liability
R211	Reinsurance - Private Passenger Auto Physical Damage
R212	Reinsurance - Commercial Auto Physical Damage
R220	Reinsurance - Aircraft
R230	Reinsurance – Fidelity
R240	Reinsurance - Surety
R245	Reinsurance - Bail Bonds
R250	Reinsurance - Glass
R260	Reinsurance - Burglary and Theft
R270	Reinsurance - Boiler and Machinery
R280	Reinsurance - Credit
R285	Reinsurance - Title
R290	Reinsurance - Livestock
R300	Reinsurance - Industrial Fire
R310	Reinsurance - Mortgage Guaranty
R400	Reinsurance - Ordinary Life and Annuity
R405	Reinsurance - Individual/Group Variable Annuities
R410	Reinsurance - Group Life and Annuity
R420	Reinsurance - Variable Life
**R425	Reinsurance - Fraternal Life
**R430	Reinsurance - Fraternal Health
R440	Reinsurance - Credit Life
R441	Reinsurance - Credit Disability
R450	Reinsurance - Accident and Health
R520	Reinsurance - Industrial Extended Coverage
R540	Reinsurance - Mobile Home Multi Peril
R550	Reinsurance - Mobile Home Physical Damage
R570	Reinsurance - Crop Hail
R607	Reinsurance - Home Warranties
R608	Reinsurance - Service Warranties
R610	Reinsurance - Other Warranty
R620	Reinsurance – Miscellaneous Casualty

**A Fraternal Benefit Society can cede business but can only reinsure another society as part of a merger or consolidation.
[632.614, Florida Statutes]

OIR-C1-1466

Rev.: 9/21

69O-144.002

M E M O R A N D U M

DATE: August 8, 2022

TO: David Altmaier, Commissioner, Office of Insurance Regulation

THROUGH: Anoush Brangaccio, General Counsel

FROM: Michael Lawrence, Jr., Chief Legal Counsel

SUBJECT: Cabinet Agenda for August 23, 2022
Request for Final Approval to Adopt Amendments to
Rules 69O-191.027
Assignment # 246070-19

The Office of Insurance Regulation ("Office") requests that these proposed rule amendments be presented to the Cabinet aides on or before August 17, 2022 and to the Financial Services Commission on August 23, 2022, with a request for approval for final adoption.

The notice of development of rulemaking was published on June 15, 2021, in Volume 47, No. 115, of the *Register*. The Office did not receive a request to hold a workshop. The notice of proposed rule was published on April 8, 2022, in Volume 48, No. 68, of the *Register*. In response to comments received from JAPC, a notice of change was published on June 1, 2022, in Volume 48, No. 106, of the *Register*. A hearing was held on July 26, 2022.

Rule 69O-191.027 is amended to transfer all aspects of the applications process from other rules in the chapter to one single rule.

Sections 641.21, 641.22, 641.29, and 641.36, F.S., are the rulemaking authority and laws implemented for this rule.

Attached are the proposed rules.

Approved for signature:

Anoush Brangaccio, General Counsel

Approved for submission to Financial Services
Commission:

David Altmaier, Commissioner
Office of Insurance Regulation

69O-171.011 – Property Claims Litigation Data Call.

(1) Each authorized insurer or insurer group issuing personal lines or commercial lines residential property insurance policies shall report, for each such line of insurance, the information required by Section 624.424(11), F.S., or required by rule, on and pursuant to the instructions in Form OIR-B1-2222, “Florida Property Claims Litigation Data Call Reporting Form,” effective 08/22, hereby incorporated by reference and available at www.flrules.org/XXXXX. The form may be obtained from <https://www.floir.com/iportal>.

(2) For purposes of this rule, “personal lines or commercial lines residential property insurance” includes the following lines of business:

- (a) Allied Lines;
- (b) Commercial Multiple Peril;
- (c) Farmowners Multiple Peril;
- (d) Homeowners Multiple Peril;
- (e) Industrial Extended Coverage;
- (f) Industrial Fire;
- (g) Mobile Homeowners Multiple Peril;
- (h) Mobile Homeowners Physical Damage Only; and
- (i) Property (Fire).

(3) The first report will be due on March 1, 2023, for claims closed in Calendar Year 2022. Reports for the preceding calendar year are due on or before March 1 of each year and shall be filed electronically at <https://www.floir.com/iportal>.

Rulemaking Authority 624.308(1), 624.424(1)(c), (11) FS. Law Implemented 624.307(1), 624.424 FS. History—
New _____.

Notice of Change/Withdrawal

DEPARTMENT OF FINANCIAL SERVICES

OIR – Insurance Regulation

RULE NO. RULE TITLE:

69O-171.011: Property Claims Litigation Data Call

NOTICE OF CHANGE

Notice is hereby given that the following changes have been made to the proposed rule in accordance with subparagraph 120.54(3)(d)1., F.S., published in Vol. 48 No. 124, June 27, 2022 issue of the Florida Administrative Register.

69O-171.011 – Property Claims Litigation Data Call.

(1) Each authorized insurer or insurer group issuing personal lines or commercial lines residential property insurance policies shall report, for each such line of insurance, the information required by Section 624.424(11), F.S., or required by rule, on and pursuant to the instructions in Form OIR-B1-2222, “Florida Property Claims Litigation Data Call Reporting Form,” effective 06/22 ~~03/22~~, hereby incorporated by reference and available at www.flrules.org/XXXXX.

(2) through (3) No change.

*Rulemaking Authority 624.308(1), 624.424(1)(c), (11) FS. Law Implemented 624.307(1), 624.424 FS. History—
New_____.*

Notice of Change/Withdrawal

DEPARTMENT OF FINANCIAL SERVICES

OIR – Insurance Regulation

RULE NO. RULE TITLE:

69O-171.011: Property Claims Litigation Data Call

NOTICE OF CHANGE

Notice is hereby given that the following changes have been made to the proposed rule in accordance with subparagraph 120.54(3)(d)1., F.S., published in Vol. 48 No. 124, June 27, 2022 issue of the Florida Administrative Register.

69O-171.011 – Property Claims Litigation Data Call.

(1) Each authorized insurer or insurer group issuing personal lines or commercial lines residential property insurance policies shall report, for each such line of insurance, the information required by Section 624.424(11), F.S., or required by rule, on and pursuant to the instructions in Form OIR-B1-2222, “Florida Property Claims Litigation Data Call Reporting Form,” effective 08/22 ~~06/22~~, hereby incorporated by reference and available at www.flrules.org/XXXXX. The form may be obtained from <https://www.floir.com/iportal>.

(2) through (3) No change.

*Rulemaking Authority 624.308(1), 624.424(1)(c), (11) FS. Law Implemented 624.307(1), 624.424 FS. History—
New_____.*

VERSION
XX.XX.XX

Florida Property Claims and Litigation Data Call Reporting Form

pursuant to Section 624.424(11), Florida Statutes

If you need any assistance during the filing process,
please contact OIR at:
Research@florir.com



Due by March 1, 20__

Form OIR-B1-2222
Effective Date **08/22**
69O-171.011

NO DATA: A “No data” option may only be used by insurers with no personal or commercial residential closed claims in the prior calendar year for the lines of business listed above.

FIELDS TO BE COMPLETED: Insurers are required to complete all fields in Sections A-1, A-2, A-3, and A-4. Section A-5 includes supplemental information insurers are also asked to provide if available.

If an insurer is unable to complete a field in Sections A1-A4, describe in detail why they are unable to provide the data and what steps will be taken to remedy this in the future.

INDIVIDUAL SUBMISSIONS: Data should be submitted on an individual company basis. Once submitted, data may be aggregated at the group level by OIR.

TRADE SECRET SUBMISSIONS: An affidavit must accompany a filing that is submitted as a trade secret per section 624.4213, Florida Statutes. Refer to the Contacts tab for additional information.

DUE DATE: 5 PM ET, March 1, 20__

Responses to the data call are required to be submitted to OIR no later than the due date using the Insurance Regulation Filing System (IRFS) located at:

<https://irfs.fldfs.com>

Failure to respond to the data call may result in administrative action.

HELP: Contact IRFS Support at 850-413-3147 or by email at:

Research@flor.com

Instructions for using the IRFS Filing System are found at

<https://flor.com/sitedocuments/IRFSFilingInstructions.pdf>

Definitions and Additional Guidance:

Commercial lines residential coverage, per section 627.4025(1), Florida Statutes, “consists of the type of coverage provided by condominium association, cooperative association, apartment building, and similar policies, including policies covering the common elements of a homeowners association.”

Litigation is defined as when a lawsuit has been filed and served on an insurer.

Supplemental claim is defined as a claim for additional loss or damage from the same peril which the insurer has previously adjusted or for which costs have been incurred while completing repairs or replacement pursuant to an open claim for which timely notice was previously provided to the insurer.

Reopened claim is a claim that an insurer has previously closed, but that has been reopened upon an insured's request for additional costs for loss or damage previously disclosed to the insurer.

Name of Attorney should be the first attorney listed on the claim.

No deductions for salvage, subrogation or reinsurance received or expected should be made.

Wind only policies should be reported in the corresponding policy form—eg HO, DP or MH.

Responses for the fields "Type of Policy," "County," "Peril," and "Type of Vendor" are limited to the responses shown in the 'Valid Responses' worksheet.

There should only be one row per claim on Section A-1, but there may be multiple rows per claim for Sections A-2, A-3, and A-4. For example, if there are multiple vendors on a claim, submit multiple rows of data.

Contact Information		VALIDATION CHECKS
Please provide company and individual contact information on this worksheet		Required Data Field Complete?
Report Date (Date Completed) mm/dd/yyyy		FALSE
Please provide the name of the individual who completed this form.		FALSE
What is this individual's email address?		FALSE
What is the best number where this individual can be reached?		FALSE
What is the Company's name?		FALSE
What is the Company's NAIC Code? (Enter five zeroes if none)		FALSE
What is the Company's Florida Company Code?		FALSE
What is the Company's FEIN?		FALSE
What is the Company's NAIC group code? ("0000" if no NAIC group code exists)		FALSE
Is this supplemental report being submitted as trade secret? If yes, once this supplemental report is uploaded, you must upload the affidavit as required by section 624.4213, Florida Statutes.		FALSE
Comments regarding information in the data call. If you do not have any comments, type N/A.		FALSE

Section A-1: Main Claim Information

DETAILED CLAIM INFORMATION FOR EVERY PROPERTY CLAIM CLOSED BETWEEN JANUARY 1, 20__ AND DECEMBER 31, 20__

Claim ID	Type of Policy (See Valid Responses)	Location of Claim		Date of Initial Loss/Incident mm/dd/yyyy	Date Reported to Insurer mm/dd/yyyy	Date Initially Closed mm/dd/yyyy	Date Most Recently Closed mm/dd/yyyy	Peril As Reported to Insurer in Column G (See Valid Responses)	Date Claim Initially Closed with Payment in Column G? (Y/N/Unknown)	Date Re-Opened Claim Reported to Insurer (if applicable) mm/dd/yyyy	Date Supplemental Claim Reported to Insurer (if applicable) mm/dd/yyyy	Total Amount Paid by Insurer		Trade Secret?
		Zip Code	County (See Valid Responses)									Indemnity	LAE	
s. 624.424(11)(a)	s. 624.424(11)(b)	s. 624.424(11)(c)	s. 624.424(11)(d)	s. 624.424(11)(e)	s. 624.424(11)(g)	s. 624.424(11)(h)	s. 624.424(11)(k)	s. 624.424(11)(f)	s. 624.424(11)(h)	s. 624.424(11)(i)	s. 624.424(11)(j)	s. 624.424(11)(n)	s. 624.424(11)(o)	No

Section A-	
DETAILED	
Claim ID	
	Is Date Supplemental Claim Reported Correct?
s. 624.424(11)(a)	
	TRUE

Section A-2: Vendor Information						
DETAILED CLAIM INFORMATION FOR EVERY PROPERTY CLAIM CLOSED BETWEEN JANUARY 1, 20__ AND DECEMBER 31, 20__						
Claim ID	Type of Vendor (See Valid Responses)	Vendor/ Company Name	Trade Secret?	VALIDATION CHECKS?		
				Row Complete?	Required Fields Complete?	Is Type of Vendor Valid?
s. 624.424(11)(a)	s. 624.424(11)(f)	s. 624.424(11)(f)				
			No	TRUE	TRUE	TRUE

Section A-3: Attorney Information										
DETAILED CLAIM INFORMATION FOR EVERY PROPERTY CLAIM CLOSED BETWEEN JANUARY 1, 20__ AND DECEMBER 31, 20__										
Claim ID	Litigation? (Y/N/Unknown)	Florida Bar Number	Name of Attorney	Amount Paid for Attorney Fees Named in Column C	Amount Paid for Attorney Expenses Named in Column C	Contingency Fee Multiplier Requested by Attorney in Column C	Contingency Fee Multiplier Awarded to Attorney in Column C	Trade Secret?		
									Row Complete?	Required Fields Complete?
s. 624.424(11)(a)	s. 624.424(11)(t)	s. 624.424(11)(m)	s. 624.424(11)(m)	s. 624.424(11)(p)	s. 624.424(11)(q)	s. 624.424(11)(r)	s. 624.424(11)(s)			
Claim_ID	Litigation	Attorney_Num	Attorney_Nm	Attorney_Fee_Pd	Attorney_Exp_Pd	Contingency_Fee_Req	Contingency_Fee_Awd	Trade_Secret	RowValidation	RowValidation
								No	TRUE	TRUE

Section A-3: A					
DETAILED CLAIM					
Claim ID	VALIDATION CHECKS?				
	Is Y/N/Unknown Data Correct (Column B)?	Is Data Correct (Column E)?	Is Data Correct (Column F)?	Is Data Correct (Column G)?	Is Data Correct (Column H)?
s. 624.424(11)(a)					
Claim_ID	RowValidation	RowValidation	RowValidation	RowValidation	RowValidation
	TRUE	TRUE	TRUE	TRUE	TRUE

Section A-4: Public Adjuster Information				
DETAILED CLAIM INFORMATION FOR EVERY PROPERTY CLAIM CLOSED BETWEEN JANUARY 1, 20__ AND DECEMBER 31, 20__				
Claim ID	Name of Adjuster	Trade Secret?	VALIDATION CHECKS?	
			Row Complete?	Required Fields Complete?
s. 624.424(11)(a)	s. 624.424(11)(l)			
		No	TRUE	TRUE

Section A-5: Supplemental Information

DETAILED CLAIM INFORMATION FOR EVERY PRO

Claim ID	Initial Invoice/ Demand Amount from Vendor	Initial Estimate Amount by Insurer	Final Paid Amount to Vendor by Insurer
s. 624.424(11)(a)			

PROPERTY CLAIM CLOSED BETWEEN JANUARY

Did You Receive a Property Insurance Intent to Initiate Litigation Notice? (Y/N/Unknown)	Amount of Insurer's Defense Costs for this Claim	Trade Secret?	
			Required Fields Complete?
		No	TRUE

1, 20__ AND DECEMBER 31, 20__	
VA	
Is Data Correct (Column B)?	Is Data Correct (Column C)?
TRUE	TRUE

VALIDATION CHECKS?	
Is Data Correct (Column D)?	Is Y/N/Unknown Data Correct (Column E)?
TRUE	TRUE

Is Data Correct (Column F)?
TRUE

Type of Policy	
Code	Description
DP-1	Dwelling Fire - Basic Coverage
DP-3	Dwelling-Fire - Broad Coverage
DP-Oth	Dwelling-Fire - Other than DP-1 and DP-3
HO-3	Owners type policy, includes HO-1, HO-2, HO-3, HO-5
HO-4	Tenants policy
HO-6	Condo Unit Owners policy
HO-8	Modified Coverage Form policy
MDP	Mobile Home Dwelling policy
MHO-3	Mobile Homeowners Multi-Peril policy
MHO-Oth	Mobile Homeowners policy - Other than MHO-3
CRC	Commercial Residential - Condo Only policy (CMP and CP)
CRO	Commercial Residential - Non-Condo policy (CMP and CP)
OTH	Other than listed above



County of Loss	Type of Peril
Alachua	Code
Baker	AOP
Bay	FIRE
Bradford	HURR
Brevard	OBJ
Broward	OTH WATER
Calhoun	SINK
Charlotte	WATER
Citrus	WIND
Clay	
Collier	
Columbia	Type of Vendor
De Soto	Code
Dixie	ELEC
Duval	FLOOR
Escambia	GEN
Flagler	INSPECT
Franklin	MOLD
Gadsden	OTH
Gilchrist	PLUMB
Glades	ROOF
Gulf	WATER
Hamilton	UNKNOWN
Hardee	
Hendry	Y/N
Hernando	Y
Highlands	N
Hillsborough	Unknown
Holmes	
Indian River	
Jackson	Policyholder
Jefferson	Vendor
Lafayette	
Lake	
Lee	
Leon	
Levy	
Liberty	
Madison	
Manatee	
Marion	
Martin	
Miami-Dade	
Monroe	
Nassau	
Okaloosa	

Okeechobee
Orange
Osceola
Palm Beach
Pasco
Pinellas
Polk
Putnam
Saint Johns
Saint Lucie
Santa Rosa
Sarasota
Seminole
Sumter
Suwannee
Taylor
Union
Volusia
Wakulla
Walton
Washington
UNKNOWN

Description
All Other Perils
Fire or Lightning Peril
Hurricane
Falling Objects Peril
Water - Other than Accidental Discharge or Overflow of Water or Steam Peril
Sinkhole
Accidental Discharge or Overflow of Water or Steam Peril
Windstorm or Hail Peril - Other than Hurricane

Description
Electrical
Flooring
General Contracting
Inspection
Mold
Other
Plumbing
Roof repairs
Water Mitigation
Unknown Vendor Type



M E M O R A N D U M

DATE: August 8, 2022

TO: David Altmaier, Commissioner, Office of Insurance Regulation

THROUGH: Anoush Brangaccio, General Counsel

FROM: Michael Lawrence, Jr., Chief Legal Counsel

SUBJECT: Cabinet Agenda for August 23, 2022
Request for Final Approval to Adopt Amendments to
Rules 69O-191.027
Assignment # 246070-19

The Office of Insurance Regulation ("Office") requests that these proposed rule amendments be presented to the Cabinet aides on or before August 17, 2022 and to the Financial Services Commission on August 23, 2022, with a request for approval for final adoption.

The notice of development of rulemaking was published on June 15, 2021, in Volume 47, No. 115, of the *Register*. The Office did not receive a request to hold a workshop. The notice of proposed rule was published on April 8, 2022, in Volume 48, No. 68, of the *Register*. In response to comments received from JAPC, a notice of change was published on June 1, 2022, in Volume 48, No. 106, of the *Register*. A hearing was held on July 26, 2022.

Rule 69O-191.027 is amended to transfer all aspects of the applications process from other rules in the chapter to one single rule.

Sections 641.21, 641.22, 641.29, and 641.36, F.S., are the rulemaking authority and laws implemented for this rule.

Attached are the proposed rules.

Approved for signature:

Anoush Brangaccio, General Counsel

Approved for submission to Financial Services
Commission:

David Altmaier, Commissioner
Office of Insurance Regulation

69O-191.027 Application for Certificate of Authority.

Substantial rewording of Rule 69O-191.027, F.A.C. follows. See Florida Administrative Code for present text.

(1) An application for a person applying for a certificate of authority as a health maintenance organization consists of the following:

(a) Form OIR-C1-942, "Application for Certificate of Authority Health Maintenance Organization," effective 5/22, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(b) Form OIR-C1-1263, "Application for Certificate of Authority Health Maintenance Organization Rehabilitation Administrative Expense Fund (Pursuant to Section 641.227, F.S.," effective 6/96, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(c) Form OIR-B2-1093, "Small Employer Carrier's Application to Become a Risk Assuming Carrier or a Reinsuring Carrier, as Required by Section 627.6699(9), Florida Statutes," effective 12/19, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(d) Form OIR-C1-905, "Instructions for Furnishing Background Investigative Reports," effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(e) Form OIR-C1-938, "Fingerprint Payment and Submission Procedure," effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(f) Form OIR-C1-1423, "Biographical Affidavit," 12/20, hereby incorporated by reference and available at www.flrules.org/XXXXX; and

(g) Form OIR-C1-2221, "Management Information Form," effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX.

(2) A person applying for a certificate of authority as a health maintenance organization shall submit forms in subsection (1) as directed by the Office electronically at <https://www.floir.com/iportal>. The forms may be obtained from <https://www.floir.com/iportal>.

Rulemaking Authority 627.6699, 641.36 FS. Law Implemented ~~420.60(2)~~, 627.6699, 62641.21, 641.22, 641.227, 641.29(1) FS. History—New 2-22-88, Amended 10-25-89, Formerly 4-31.027, Amended 5-28-92, Formerly 4-191.027, Amended _____.

Notice of Change/Withdrawal

DEPARTMENT OF FINANCIAL SERVICES

OIR – Insurance Regulation

RULE NO.: RULE TITLE:

69O-191.027 Application for Certificate of Authority

NOTICE OF CHANGE

Notice is hereby given that the following changes have been made to the proposed rule in accordance with subparagraph 120.54(3)(d)1., F.S., published in Vol. 48 No. 69, April 8, 2022 issue of the Florida Administrative Register.

(1) An application for a person applying for a certificate of authority as a health maintenance organization consists of the following:

(a) Form OIR-C1-942, “Application for Certificate of Authority Health Maintenance Organization,” effective 5/22 ~~6/20~~, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(b) No change.

(c) Form OIR-B2-1093, “Small Employer Carrier’s Application to Become a Risk Assuming Carrier or a Reinsuring Carrier, as Required by Section 627.6699(9), Florida Statutes,” effective 12/19 ~~8/03~~, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(d) No change.

(e) Form OIR-C1-938, “Fingerprint Payment and Submission Procedure ~~Procedures~~,” effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(f) through (g) No change.

(2) A person applying for a certificate of authority as a health maintenance organization shall submit forms in subsection (1) as directed by the Office electronically at <https://www.floir.com/iportal>. The forms may be obtained from <https://www.floir.com/iportal>.

Rulemaking Authority 627.6699, 641.36 FS. Law Implemented 627.6699, 62641.21, 641.22, 641.227, 641.29(1) FS. History—New 2-22-88, Amended 10-25-89, Formerly 4-31.027, Amended 5-28-92, Formerly 4-191.027, Amended



Florida Office of Insurance Regulation

APPLICATION FOR CERTIFICATE OF AUTHORITY HEALTH MAINTENANCE ORGANIZATION

This packet is designed to assist individuals in preparing the application in accordance with Florida Statutes and Rules and to facilitate expeditious processing of the application by the Florida Office of Insurance Regulation ("Office").

Please submit all documents required by this packet in searchable PDF format unless otherwise indicated or required by Florida Statutes.

If this packet requires submission of forms or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <https://www.floir.com/iportal> and select "Insurance Regulation Filing System (IRFS)" to begin the submission of forms and/or rates.

In order for a submission to be considered a complete application, all required information must be included in the filing, including the completed application checklist.

The completed application packet must be submitted to the Office by selecting iApply – Online Company Admissions at the following link:

<https://www.floir.com/iportal>

Any questions concerning this application packet or iApply for Life and Health applicants may be directed to lhappcoord@floir.com. Property and Casualty applicants are directed to pcappcoord@floir.com.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

Pursuant to Section 641.2015 and 641.19, Florida Statutes, in order to qualify as a Health Maintenance Organization, an entity must:

- A. Be incorporated or be a division of a corporation formed under the provisions of either chapter 607 or Chapter 617, or shall be a public entity that is organized as a political subdivision. [s. 641.2015, F.S.];
- B. Provide emergency care, inpatient hospital services, physician care including care provided by physicians licensed under Chapters 458, 459, 460, and 461, ambulatory diagnostic treatment, and preventive health care services. [s.641.19(12)(a), F.S.];
- C. Provide either directly or through arrangements with other persons, health care services to persons enrolled with such organization, on a prepaid per capita or prepaid aggregate fixed-sum basis. [s.641.19(12)(b), F.S.];
- D. Provide either directly or through arrangements with other persons, comprehensive health care services which subscribers are entitled to receive pursuant to a contract. [s.641.19(12)(c), F.S.];
- E. Provide physician services, by physicians licensed under Chapters 458, 459, 460 and 461, directly through physicians who are either employees or partners of such organization or under arrangements with a physician or any group of physicians. [s.641.19(12)(d),F.S.]; and
- F. If an HMO offers services through a managed care system, then the managed care system must be a system in which a primary physician licensed under chapter 458 or Chapter 459 and Chapters 460 and 461 is designated for each subscriber upon request of a subscriber requesting service by a physician licensed under any of those chapters, and is responsible for coordinating the health care of the subscriber of the respectively requested service and for referring the subscriber to other providers of the same discipline when necessary. Each female subscriber may select as her primary physician an obstetrician/gynecologist who has agreed to serve as a primary physician and is in the health maintenance organization's provider network [s.641.19(12)(e), F.S.]

Although a pre-filing conference is not a statutory requirement, it has proven beneficial to both the applicant and the Office. To schedule a conference, please email lhappcoord@florir.com or call (850) 413-2512.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

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

Section I-1 Application Fee

The application filing fee is \$1,000. [s.641.29(1),F.S.]

Secure the check to the invoice, which is included in this package, and send to:

Department of Financial Services
Revenue Processing Section
PO Box 6100
Tallahassee, Florida 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 fees.

Section I-2 Fingerprint Processing Fees

Applicants are required to pay a fee for the processing of the fingerprint cards required in Section IV-4. Florida residents have the option of having their fingerprints digitally scanned rather than providing paper fingerprint cards. Please see Form OIR-C1-938, Fingerprint Payment and Submission Procedure for instructions.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

Section I-3 Deposits and Assessments

- A. Submit a check for \$10,000 made payable to "Commissioner of Insurance Regulation, State of Florida-Rehabilitation Administrative Expense Fund" to comply with Section 641.227(1), Florida Statutes. Mail the check to:

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

Submit a copy of the invoice and a copy of the check with your application filing.

- B. Submit a check for \$25,000 made payable to "Florida HMO Consumer Assistance Plan" to cover the special assessment required by Section 641.228(1), Florida Statutes. Mail the check to:

Bruce D. Platt, Plan Manager
201 E. Park Ave, Suite 300
Tallahassee, FL 32301
(850) 425-1628

Submit a copy of your transmittal letter to the Plan Manager and the check with your application filing.

Section I-4 Application for Certificate of Authority (Official Form Attached)

An original signature by the president or chief executive officer and one other authorized officer must appear on the application form under corporate seal.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

SECTION II - LEGAL

Section II-1 Articles of Incorporation

Submit Articles of Incorporation and all amendments certified by the Florida Secretary of State's office. The certification must be an original.

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

Submit an original certificate of status by the Florida Secretary of State's office demonstrating that the company is in good standing. You may contact the Florida Secretary of State's office at (850) 245-6052 for further information in obtaining this certificate.

Section II-3 Company Bylaws

Submit a copy of the company's bylaws, rules and regulations or similar form of document, if any, regulating the conduct of the affairs of the applicant. These documents must be accompanied by a Board Resolution signed and dated by the secretary of the corporation, stating that the documents are a true and correct copy. The signature must be original and under the company's corporate seal.

Section II-4 Health Care Provider Certificate

Submit documentation demonstrating that the entity has filed an application for a Health Care Provider Certificate to be issued by the Agency for Health Care Administration (AHCA) pursuant to Chapter 641, Part III, Florida Statutes. Documentation may be provided in the form of an acknowledgement from the Agency for Health Care that the application has been received by them.

NOTE: The Office will begin its review of an application for a Certificate of Authority any time after an organization has filed an application for the certificate with the Agency for Health Care Administration. The Office shall not issue a Certificate of Authority to any applicant, which does not possess a valid Health Care Provider Certificate. Once the Health Care Provider Certificate is issued, a copy must be provided to the Office of Insurance Regulation.

Section II-5 Authorization Letter

A letter of authorization is required for anyone other than company personnel or the company sponsoring agent, designating the named individual to represent the applicant.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

SECTION III - FINANCIAL AND RELATED INFORMATION

Section III-1 Insurance

- A. Furnish evidence of adequate insurance coverage or an adequate plan for self-insurance to respond to claims for injuries arising from the provision of health care services. If not self-insured, submit executed copies of the following policies, with the Office of Insurance Regulation listed on the policies for purposes of notification of any modification, cancellation or termination of the policies:
- (1) General liability
 - (2) Medical malpractice or professional liability. The HMO must secure this coverage. The fact that the medical provider has this coverage does not release the HMO from the obligation to secure it. A binder for the policies along with a specimen copy of each policy can be submitted initially. Prior to licensure, executed copies of the policies must be submitted.
- B. Furnish a photocopy of an executed fidelity bond in the minimum amount of \$100,000, issued by an **authorized insurance carrier** in this State and covering all employees handling funds.
- C. Describe how the HMO limits or proposes to limit its financial risk. If the HMO secures catastrophic or reinsurance coverage, it is required to submit executed copies of the applicable policy with the Office of Insurance Regulation. Any reinsurance agreement must comply with Section 624.610, Florida Statutes and Rule Chapter 69O-144, Florida Administrative Code.

NOTE: Describe any risk sharing arrangements with providers or any other parties. Reference by application page number, the application sections of any provider contracts, which demonstrate the sharing of risk between the HMO and providers.

APPLICATION FOR CERTIFICATE OF AUTHORITY HEALTH MAINTENANCE ORGANIZATION

Section III-2 Financial Statements

- A. Provide a copy of the most recent audited certified public accountant's report prepared on the basis of statutory accounting principles. If the applicant is a development stage company that has not begun operations, an audited balance sheet should be provided. The financial statements should reflect sufficient surplus to meet the requirements of s. 641.225, Florida Statutes.
- B. Provide all quarterly financial statements covering the current year-to-date reporting period signed by the company's officers under notary seal.

Section III-3 Plan of Operations

Provide a statement generally describing present and proposed operations. State whether the HMO will be organized for profit or not for profit and whether it will be a Staff Model, IPA Model, or Combination Model HMO. Also, identify the HMO's fiscal year end date. The plan of operations should be for the greater of three years or until the health maintenance organization has been projected to be profitable for twelve consecutive months.

If the HMO intends to market to small groups as defined by the Employee Health Care Access Act, s. 627.6699, Florida Statutes, please complete and submit the attached small employer carrier's application.

If the plan of operation indicates that the HMO will receive Medicaid funds, list all contracts and agreements and any information relative to any payment or agreement to pay, directly or indirectly, a consultant fee, a broker fee, a commission, or other fee or charge related in any way to the application for a certificate of authority or the issuance of a certificate authority. Such list shall provide the following, including, but not limited to, the name of the person or entity paying the fee; the name of the person or entity receiving the fee; the date of payment; and a brief description of the work performed.

Section III-3(a) Marketing and Growth

Submit a description of the proposed method of marketing, including the target groups, types of coverage to be offered, and advertising media to be used. Include a statement describing with reasonable certainty the geographic area or areas to be served by the HMO. Identify competing HMOs operating in the same geographic service area, as well as the market penetration of each. Also, identify the major differences between the applicant HMO and its competitors.

APPLICATION FOR CERTIFICATE OF AUTHORITY HEALTH MAINTENANCE ORGANIZATION

Section III-3(b) Pro Forma Statements

Submit a pro forma balance sheet and income statement on a statutory basis at monthly intervals (with an annual total) for a minimum three-year period (greater of three years or until the health maintenance organization has been projected to be profitable for twelve consecutive months.) All assumptions used in deriving the pro forma statements must be provided. A Statement of Changes in Financial Position and a Statement of Cash Flows should be provided for the three-year period (or break-even), as well.

Section III-3(c) Statement of Initial Cash

Submit a statement of the proposed initial cash and cash reserves summary, including loan receipts, loan repayments, stock sales, etc. Also, describe the sources and terms of the funding. In the case of guaranteeing organizations, audited financial statements should be submitted for these entities.

Section III-3(d) History

Provide a brief history of the company since its incorporation. Include any predecessor corporations or organizations, mergers, reorganizations, or changes of ownership. Specify the parties and dates involved.

Section III-3(e) Insolvency Protection

Provide the method in which the applicant will comply with the insolvency protection requirements of Section 641.285, Florida Statutes, including all relevant documentation necessary to meet the requirements. Each HMO must comply with the insolvency protection requirements of Florida law. This is accomplished through a deposit with the Office of Insurance Regulation in the amount of \$300,000.00.

Section III-3(f) Contingency Plans

Provide any contingency plans for additional capital should the HMO fail to maintain minimum surplus requirements as mandated by Section 641.225, Florida Statutes.

APPLICATION FOR CERTIFICATE OF AUTHORITY HEALTH MAINTENANCE ORGANIZATION

Section III-3(g) Feasibility Study

Submit a comprehensive feasibility study, performed by a certified actuary in conjunction with a certified public accountant, which includes a rate and financial analysis, as well as enrollment projections and assumptions and competitor information. The study shall be for the greater of three years or until the HMO has been projected to be profitable for twelve consecutive months. The study shall show that the HMO will maintain, at all times, the minimum surplus required by Section 641.225, Florida Statutes, and will not, at the end of any month of the projection period, have less than the minimum surplus as required by Section 641.225, Florida Statutes. The feasibility study shall contain an opinion by the CPA and actuary performing the study which shall opine as to the reasonableness of the assumptions used in the feasibility study and that the assumptions are reasonably applied.

The financial portion of the study shall be prepared in accordance with standards promulgated by the American Institute of Certified Public Accountants in its "Guide for Prospective Financial Statements" and opined accordingly. The actuarial portion of the study shall be prepared in accordance with standards promulgated by the American Academy of Actuaries and opined accordingly. The feasibility study shall contain nothing less than an "examination opinion."

Section III-4 **Contracts**

- A. A copy of each type of contract made, or to be made, between the applicant and any providers (i.e hospitals, physicians, physician groups) regarding the provision of health care services to enrollees. All such contracts shall comply with Section 641.315, Florida Statutes.

- B. A copy of the form of any contract made or to be made between the applicant and senior management employment, as well as any person, corporation, partnership, or other entity for the performance on the applicant's behalf of any function including, but not limited to, marketing, administration, enrollment, investment management, and subcontracting for the provision of health care services to enrollees. All such contracts shall comply with Section 641.234, Florida Statutes and 641.315, F.S. if applicable.

Section III-5 **Grievance Procedure**

A statement describing the HMO's grievance procedure that will facilitate the resolution of subscriber grievances. The grievance procedure must include both formal and informal steps for resolving grievances and must be in compliance with all requirements set forth in Rule 69O-191.078, F.A.C., s.641.21(1)(e), & s. 641.22(9), F.S.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

Section III-6 Bankruptcy Proceedings

Submit evidence of compliance with Section 641.215, Florida Statutes. This documentation should contain:

- A. An acknowledgment that a delinquency proceeding pursuant to Part I of Chapter 631 or supervision by the Office pursuant to s. 624.80-624.87, Florida Statutes, constitutes the sole and exclusive method for the liquidation, rehabilitation, reorganization, or conservation of a health maintenance organization.
- B. A waiver of any right to file or be subject to a bankruptcy proceeding; and
- C. An acknowledgment that the commencement of a bankruptcy proceeding either by or against a health maintenance organization shall, by operation of law, terminate the health maintenance organization's certificate of authority and vest in the Office for the use and benefit of the subscribers of the health maintenance organization the title to any deposits of the insurer held by the Office.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

SECTION IV - MANAGEMENT

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

Section IV-1 List of All Officers, Directors and Stockholders

- A. List the names, addresses and official positions of each officer, director and person having direct or indirect control of the organization, including but not limited to contracted management company personnel (Management Information Form, OIR-C1-2221).
- B. List the names of each stockholder owning five percent or more of voting securities of the applicant or any person having the right to acquire in excess of ten percent of the voting securities of the applicant (issued and outstanding warrants/options, etc.). Such persons shall fully disclose to the Office and to the directors the extent and nature of any contracts or arrangements between them and the HMO, including any possible conflicts of interest.
- C. If the applicant is a subsidiary of a parent or holding company, provide an organizational chart showing the relationship of all related companies.

Section IV-2 Biographical Affidavits for Officers, Directors and Stockholders

Provide a Biographical Affidavit (Form OIR-C1-1423) for each officer, director, and shareholder listed in Section IV-1 except for those companies in the organizational structure between the immediate parent and the ultimate parent. All questions must be answered.

The requirements for the affiant's social security number as part of the Biographical Affidavit is mandatory. However, pursuant to sections 119.071(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 Biographical Affidavit, please include the affiant's name and social security on a separate page and attach it to the Biographical Affidavit. Also, please mark CONFIDENTIAL at the top and bottom of the separate page.

Section 119.071(5), Florida Statutes, gives authority for an agency to collect social 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.

OIR-C1-942

REV 5/22

69O-191.027

**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

Section IV-3 Background Investigative Reports

A Background Investigative Report must be provided for each person listed in Section IV-1 above except for those companies in the organizational structure between the immediate parent and the ultimate parent. 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 person listed in Section IV-1. **No fingerprint cards other than those furnished by the Office will be accepted.** The cards will be furnished by the Office upon request. These cards must be completed at a law enforcement or similar type agency and returned to this Office for processing. Please refer to Form OIR-C1-938, Fingerprint Payment and Submission Procedure for instructions.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

SECTION V - FORMS AND RATES

Note: submit three (3) original copies of each referenced form and rate filing.

Section V-1 Forms

- A. Submit three copies of each policy, master contract, certificate of coverage, member handbook, application, or any other form the applicant proposes to offer the subscriber. This includes any form showing the benefits to which the subscriber is entitled and any form used in the enrollment process. Every form which the HMO will use in connection with its subscriber contracts must be submitted and must be identified by a unique form number located on the lower left corner of the form.
- B. Each subscriber contract must state the procedures for offering comprehensive health care services and offering and terminating contracts to subscribers which will not unfairly discriminate on the basis of age, sex, race, handicap, health, or economic status.

Section V-2 Rates

- A. Submit three copies of the complete schedule of proposed premium rates for each type of contract. The submission for each separate contract should contain an opinion from a qualified independent actuary. The opinion shall:
 - (1) Certify that the rates are neither inadequate nor excessive nor unfairly discriminatory;
 - (2) Certify that the rates are appropriate for the classes or risks for which they have been computed;
 - (3) Present an adequate description of the rating methodology, following consistent and equitable actuarial principles.
- B. Furnish a statement from a qualified independent actuary that the HMO is actuarially sound.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

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

Company Name: _____

<u>Item #</u>		<u>Completion Check List</u>
1.	Application Fees Paid	<input type="checkbox"/>
	(a) Copy of invoice included (Official Form)	<input type="checkbox"/>
	(b) Copy of check included	<input type="checkbox"/>
	(c) Check mailed to address on Invoice	<input type="checkbox"/>
2.	Fingerprint fee paid electronically	<input type="checkbox"/>
	(a) Copy of on-line payment confirmation	<input type="checkbox"/>
3.	Deposits and Assessments	<input type="checkbox"/>
	(a) Copy of \$10,000 check and copy of Invoice	<input type="checkbox"/>
	(b) Copy of \$25,000 check and copy of cover letter	<input type="checkbox"/>
4.	Application for Certificate of Authority (Official Form)	<input type="checkbox"/>
	(a) Application form completed	<input type="checkbox"/>
	(b) Sealed by corporation	<input type="checkbox"/>
	(c) Signed by President and other authorized officer (original signature)	<input type="checkbox"/>
	(d) Notarized	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

SECTION II - LEGAL

<u>Item #</u>		<u>Completion Check List</u>
1.	Articles of Incorporation	<input type="checkbox"/>
	(a) Original certification by Florida Secretary of State	<input type="checkbox"/>
	(b) Articles with all amendments attached	<input type="checkbox"/>
2.	Certificate of Status from Florida Secretary of State, signed by proper public official (original document)	<input type="checkbox"/>
3.	Corporate bylaws, rules and regulations, and/or Constitution	<input type="checkbox"/>
	(a) Signed and dated by corporate secretary	<input type="checkbox"/>
	(b) Corporate seal affixed.....	<input type="checkbox"/>
	(d) Board Resolution	<input type="checkbox"/>
4.	Health Care Provider Certificate	<input type="checkbox"/>
	Documentation of a Health Care Provider Certificate or proof of a pending application with AHCA	<input type="checkbox"/>
5.	Outside Representative Authorization Letter	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

SECTION III - FINANCIAL AND RELATED INFORMATION

<u>Item #</u>		<u>Completion Check List</u>
1.	Insurance	<input type="checkbox"/>
(a)	Copy of current general liability policy or plan for self-insurance	<input type="checkbox"/>
	and Current medical malpractice policy or plan for self-insurance	<input type="checkbox"/>
(b)	Evidence of current fidelity bond	<input type="checkbox"/>
(c)	Reinsurance treaty	<input type="checkbox"/>
2.	Financial Statements	<input type="checkbox"/>
(a)	Current audited financial statements	<input type="checkbox"/>
(b)	Quarterly financial statement	<input type="checkbox"/>
3.	Plan of Operations	<input type="checkbox"/>
	(Small Employer Carrier Application, if applicable)	<input type="checkbox"/>
(a)	Marketing and Growth	<input type="checkbox"/>
(1)	Description of marketing methods	<input type="checkbox"/>
(2)	A statement describing the applicant, facilities and personnel, etc	<input type="checkbox"/>
(3)	Statement of geographic area to be served	<input type="checkbox"/>

APPLICATION FOR CERTIFICATE OF AUTHORITY HEALTH MAINTENANCE ORGANIZATION

<u>Item #</u>	<u>Completion Check List</u>
(b) Pro Forma Statements	<input type="checkbox"/>
(1) Balance sheet	<input type="checkbox"/>
(2) Income statement	<input type="checkbox"/>
(3) Cash flow analysis	<input type="checkbox"/>
(4) Change in financial position	<input type="checkbox"/>
(c) Statement of Initial Cash	<input type="checkbox"/>
Provisions for contingencies	<input type="checkbox"/>
(d) History	<input type="checkbox"/>
(e) Insolvency Protection Deposit with the Office	<input type="checkbox"/>
(1) Deposit with the Office	<input type="checkbox"/>
or	
(2) Reinsurance Policy	<input type="checkbox"/>
or	
(3) Guarantee Arrangement	<input type="checkbox"/>
(f) Contingency Plans	<input type="checkbox"/>
(g) Feasibility study	<input type="checkbox"/>
4. Contracts	<input type="checkbox"/>
(a) Provider contract form and signature pages	<input type="checkbox"/>
(b) Other forms of contracts	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

<u>Item #</u>		<u>Completion Check List</u>
5.	Grievance Procedure	<input type="checkbox"/>
	(a) Formal and informal steps included	<input type="checkbox"/>
6.	Bankruptcy Proceedings	<input type="checkbox"/>
	(a) Acknowledgement filed	<input type="checkbox"/>
	(b) Waiver for bankruptcy proceeding	<input type="checkbox"/>
	(c) Acknowledgement for bankruptcy proceeding	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

SECTION IV - MANAGEMENT

<u>Item #</u>		<u>Completion Check List</u>
1.	Listing of all officers, directors, and shareholders (including entities owning 10% or more of applicant (Form OIR-C1-2221).....	<input type="checkbox"/>
2.	Listing of all immediate parent(s) officers, directors and shareholders (including entities) owning 10% or more of parent company's stock (Form OIR-C1-2221).	<input type="checkbox"/>
3.	Listing of all intermediary parent(s) (between immediate parent(s) and ultimate parent(s)), officers and shareholders (including entities) owning 10% or more of parent company's stock (Form OIR-C1-2221). Note, do not complete Form OIR-C1-1423 (Biographical Affidavits), or order investigative reports or fingerprint cards.....	<input type="checkbox"/>
4.	Listing of all ultimate parent(s) officers, directors and shareholders (including entities) owning 10% or more of parent company's stock (Form OIR-C1-2221)	<input type="checkbox"/>
5.	Organizational Chart including all entities within the ultimate parent company structure	<input type="checkbox"/>
6.	Biographical Affidavits for company officers, directors and shareholders (including entities) owning 10% or more of applicant (Form OIR-C1-1423)	<input type="checkbox"/>
As to each biographical:		
(a)	All blanks completed	<input type="checkbox"/>
(b)	"Yes" answers explained	<input type="checkbox"/>
(c)	Contains original signature	<input type="checkbox"/>
(d)	Notarized (original)	<input type="checkbox"/>
(e)	Original of each affidavit submitted.....	<input type="checkbox"/>
(f)	SSN on a separate page.....	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

<u>Item #</u>		<u>Completion Check List</u>
7.	Biographical Affidavits for immediate parent(s) officers, directors and shareholders (including entities) owning 10% or more of parent Company's stock (Form OIR C1-1423).....	<input type="checkbox"/>
	As to each biographical:	
(a)	All blanks completed	<input type="checkbox"/>
(b)	"Yes" answers explained	<input type="checkbox"/>
(c)	Contains original signature	<input type="checkbox"/>
(d)	Notarized (original)	<input type="checkbox"/>
(e)	Original and one copy of each affidavit submitted	<input type="checkbox"/>
(f)	SSN on a separate page.....	<input type="checkbox"/>
8.	Biographical Affidavits for ultimate parent(s) officers, directors and Shareholders (including entities) owning 10% or more of parent company's stock (Form OIR-C1-1423)	
	As to each biographical:	
(a)	All blanks completed	<input type="checkbox"/>
(b)	"Yes" answers explained	<input type="checkbox"/>
(c)	Contains original signature	<input type="checkbox"/>
(d)	Notarized (original)	<input type="checkbox"/>
(e)	Original and one copy of each affidavit submitted	<input type="checkbox"/>
(f)	SSN on a separate page.....	<input type="checkbox"/>

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**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

9. Background investigative reports for company officers, directors and shareholders (including entities) owning 10% or more of applicant..... ☐
10. Background Investigative reports for immediate parent(s) officers, directors and shareholders (including entities) owning 10% or more of parent company's stock..... ☐
11. Background Investigative reports for ultimate parent(s) officers, directors and shareholders (including entities) owning 10% or more of parent company's stock..... ☐
12. Fingerprint cards enclosed for each company officer, director, and shareholder (including entities) owning 10% or more of applicant ☐

As to each fingerprint card:

- (a) Contains original signature ☐
- (b) Florida cards only ☐
- (c) All information completed (DOB, citizenship, vital statistics, SSN on a separate page) ☐
13. Fingerprint cards enclosed for each immediate parent(s) officer, director, and shareholder (including entities) owning 10% or more of parent company's stock..... ☐

As to each fingerprint card:

- (a) Contains original signature ☐
- (b) Florida cards only ☐
- (c) All information completed (DOB, citizenship, vital statistics, SSN on a separate page) ☐
14. Fingerprint cards enclosed for each ultimate parent(s) officer, director, and shareholder (including entities) owning 10% or more of parent company's stock..... ☐

**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

As to each fingerprint card:

- (a) Contains original signature ☐
- (b) Florida cards only ☐
- (c) All information completed (DOB, citizenship,
vital statistics, SSN on a separate page) ☐

**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

SECTION V - FORMS AND RATES

<u>Item #</u>		<u>Completion Check List</u>
1.	Forms	<input type="checkbox"/>
	(a) 3 copies of each form	<input type="checkbox"/>
	(b) Identified by unique form number	<input type="checkbox"/>
2.	Rates	<input type="checkbox"/>
	(a) 3 copies of each rate schedule and or contract placed with original application	<input type="checkbox"/>
	(b) Rates are neither inadequate, excessive, nor unfairly discriminatory	<input type="checkbox"/>
	(c) Rates are appropriate for class	<input type="checkbox"/>
	(d) Description of rating methodology	<input type="checkbox"/>
	(e) Statement from a qualified actuary that the HMO is actuarially sound	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

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

(Entity Name)

he/she has read said 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 _____

RETURN THE COMPLETED CHECK LIST WITH THE APPLICATION PACKAGE.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

Pursuant to Chapter 641, Part I, Florida Statutes, application is hereby submitted to form and operate a Health Maintenance Organization.

Proposed name of Health Maintenance Organization:

NAME: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

FEDERAL IDENTIFICATION NUMBER: _____

PHONE: _____

SOLVENCY CONTACT PERSON: _____

ATTORNEY OR PRINCIPAL FILING THIS APPLICATION:

NAME: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

PHONE: _____

This company, through its duly authorized officers, hereby applies for a certificate of authority authorizing and empowering it to operate as a Health Maintenance Organization in the state of Florida, under the laws thereof, and do hereby swear or affirm that all of the responses, information, exhibits, and documentary evidence submitted in support of this application are true and correct.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

APPLICATION CERTIFICATION

The undersigned states that they are an officer having personal knowledge of the application submitted to the Florida Office of Insurance Regulation in connection with the intention of _____ ("Applicant") to acquire a Florida insurer, either directly, indirectly, or via merger; that they have read all of the responses, information, exhibits, and documents submitted with, and in support of, this application; and that the submissions are true, correct, and complete to the best of their knowledge. The undersigned further represent that they have the authority to bind the Applicant, and that by their signatures on the instrument, the Applicant has executed the instrument.

The undersigned 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, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

(Corporate Seal)

By: _____

Print Name: _____

Title: _____

Date: _____

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ☐ physical presence

or ☐ online notarization, this ____ day of _____, 20__, by _____ as

(type of authority; e.g., officer, trustee, attorney in fact) for _____ (name of person)
(company name)

(Signature of the Notary)

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known _____ OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: _____

**OIR-C1-942
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**APPLICATION FOR CERTIFICATE OF AUTHORITY
HEALTH MAINTENANCE ORGANIZATION**

INVOICE

NAME OF HEALTH MAINTENANCE ORGANIZATION: _____

FEIN#: _____

ADDRESS: _____

CITY, STATE & ZIP CODE: _____

PHONE NUMBER: _____

ADDRESS (IF DIFFERENT FROM ARRANGEMENT ADDRESS)

(CITY) (STATE) (ZIP CODE)

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

PLEASE NOTE:

1. Send a check in the proper amount made payable to the Florida Department of Financial Services and mail check and invoice only to the Florida Department of Financial Services, Revenue Processing Section, P.O. Box 6100, Tallahassee, Florida 32314-6100.
2. Include a copy of the check and invoice with the application filing submitted electronically via iApply.

For Accounting Use Only

=====			
<u>B/T</u>	<u>TY/CL</u>	<u>F/T</u>	<u>AMOUNT</u>
C	12/47	F	\$1,000

**OIR-C1-942
REV 5/22
69O-191.027**

M E M O R A N D U M

DATE: August 8, 2022

TO: David Altmaier, Commissioner, Office of Insurance Regulation

THROUGH: Anoush Brangaccio, General Counsel

FROM: Michael Lawrence, Jr., Chief Legal Counsel

SUBJECT: Cabinet Agenda for August 23, 2022
Request for Final Approval to Adopt Amendments to
Rule 690-192.008
Assignment # 246071-19

The Office of Insurance Regulation ("Office") requests that these proposed rule amendments be presented to the Cabinet aides on or before August 17, 2022, and to the Financial Services Commission on August 23, 2022, with a request for approval for final adoption.

The notice of development of rulemaking was published on February 8, 2022, in Volume 48, No. 26, of the *Register*. The Office did not receive a request to hold a workshop. The notice of proposed rule was published on April 8, 2022, in Volume 48, No. 68, of the *Register*. In response to comments received from JAPC, a notice of change was published on June 1, 2022, in Volume 48, No. 106, of the *Register*. A hearing was held on July 26, 2022.

Rule 690-192.008 is amended to transfer all aspects of the applications process from other rules in the chapter to one single rule.

Sections 627.438, 624.439, and 624.4431 F.S., are the rulemaking authority and laws implemented for this rule.

Attached are the proposed rules.

Approved for signature:

Anoush Brangaccio, General Counsel

Approved for submission to Financial Services
Commission:

David Altmaier, Commissioner
Office of Insurance Regulation

69O-192.008 Multiple-Employer Welfare Arrangement Application ~~General Eligibility~~.

Substantial rewording of Rule 69O-192.008, F.A.C. follows. See Florida Administrative Code for present text.

(1) An application for a person applying for a certificate of authority as a multiple-employer welfare arrangement consists of the following:

(a) Form OIR-C1-983, "Application for Certificate of Authority Multiple Employer Welfare Arrangement," effective 5/22, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(b) Form OIR-C1-905, "Instructions for Furnishing Background Investigative Reports," effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(c) Form OIR-C1-938, "Fingerprint Payment and Submission Procedure," effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(d) Form OIR-C1-1423, "Biographical Affidavit," effective 12/20, hereby incorporated by reference and available at www.flrules.org/XXXXX; and

(e) Form OIR-C1-2221, "Management Information Form," effective 6/20, available at www.flrules.org/XXXXX.

(2) A person applying for a certificate of authority as a multiple-employer welfare arrangement shall submit forms in subsection (1) as directed by the Office electronically at <https://www.floir.com/iportal>. The forms may be obtained from <https://www.floir.com/iportal>.

Rulemaking Authority 624.439, 624.4431 FS. Law Implemented 624.438~~(1)(a), (b)~~, 624.439~~(7)(a)~~ FS. History—New 7-28-94, Formerly 4-192.008, Amended _____.

Notice of Change/Withdrawal

DEPARTMENT OF FINANCIAL SERVICES

OIR – Insurance Regulation

RULE NO.: RULE TITLE:

69O-192.008 General Eligibility

NOTICE OF CHANGE

Notice is hereby given that the following changes have been made to the proposed rule in accordance with subparagraph 120.54(3)(d)1., F.S., published in Vol. 48 No. 69, April 8, 2022 issue of the Florida Administrative Register.

(1) An application for a person applying for a certificate of authority as a multiple-employer welfare arrangement consists of the following:

(a) Form OIR-C1-983, “Application for Certificate of Authority Multiple Employer Welfare Arrangement,” effective 5/22 ~~2/22~~, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(b) No change.

(c) Form OIR-C1-938, “Fingerprint Payment and Submission ~~Procedure~~ Procedures,” effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(d) through (e) No change.

(2) A person applying for a certificate of authority as a multiple-employer welfare arrangement shall submit forms in subsection (1) as directed by the Office electronically at <https://www.floir.com/iportal>. The forms may be obtained from <https://www.floir.com/iportal>.

Rulemaking Authority 624.439, 624.4431 FS. Law Implemented 624.438 FS. History—New 7-28-94, Formerly 4-192.008, Amended.



Florida Office of Insurance Regulation

APPLICATION FOR CERTIFICATE OF AUTHORITY MULTIPLE EMPLOYER WELFARE ARRANGEMENT

This packet is designed to assist individuals in preparing the application in accordance with Florida Statutes and Rules and to facilitate expeditious processing of the application by the Florida Office of Insurance Regulation ("Office").

Please submit all documents required by this packet in searchable PDF format unless otherwise indicated or required by Florida Statutes.

If this packet requires submission of forms or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <https://www.floir.com/iportal> and select "Insurance Regulation Filing System (IRFS)" to begin the submission of forms and/or rates.

In order for a submission to be considered a complete application, all required information must be included in the filing, including the completed application checklist.

The completed application packet must be submitted to the Office by selecting Company Admissions – iApply Login at the following link:

<https://www.floir.com/iportal>

Any questions concerning this application packet or iApply for Life and Health applicants may be directed to lhappcoord@floir.com. Property and Casualty applicants are directed to pcappcoord@floir.com.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
MULTIPLE EMPLOYER WELFARE ARRANGEMENT**

INSTRUCTIONS

SECTION I - APPLICATION FEES AND FORM

Section I-1 Application Fees

Applicants must pay a filing fee of \$1,500 USD, pursuant to Section 624.501(1)(a), Florida Statutes. The fee is due at the time the application is filed and not refundable.

Secure your check to the Invoice on page 18 of this application and mail to:

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

Include copies of the completed Invoice and check with your application filing. This procedure will expedite the processing of your application and assure a timely recording of the fees.

Section I-2 Fingerprint Fees

Applicants are required to pay a fee for the processing of the fingerprint cards required in Section IV-4. Please see Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions.

Section I-3 Application Certification

The Application Certification on page 17 must be completed by two officers, notarized, and submitted with the application.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
MULTIPLE EMPLOYER WELFARE ARRANGEMENT**

SECTION II – LEGAL

Section II-1 Organizational Documents of Sponsoring Association

Submit a copy of the sponsoring association's organizational or charter documents, such as Articles of Incorporation, Partnership Agreements, etc., complete with all amendments, certified within the last year by the public official with whom the originals are on file in the state or jurisdiction of domicile. If the originals are not required to be on file with a public official in the state or jurisdiction of domicile, then the copies should be certified by an appropriate representative of Applicant. If the sponsoring association is not incorporated, and has no similar organizational documents, please provide a statement that no such documents exist.

Section II-2 Florida Certificate of Status of Sponsoring Association

Submit a Florida certificate of status for the sponsoring association dated within the last year. This document is not required if the sponsoring association is not incorporated or otherwise required to be registered as a legal entity.

Section II-3 Bylaws of Sponsoring Association

Submit a copy of the sponsoring association's Bylaws, Operating Agreement, Constitution, Rules and Regulations, or similar document. This should be certified by sponsoring association's Secretary as a true and correct copy of the current document and dated within the last year. Only the Secretary's signature will be accepted, unless the sponsoring association does not have this position. If the sponsoring association does not have Bylaws, an Operating Agreement, Constitution, Rules and Regulations, or similar organizational document, please provide a statement that no such documents exist.

Section II-4 Organizational Documents of the Arrangement

Submit a copy of the arrangement's organizational or charter documents, such as Articles of Incorporation, Partnership Agreements, etc., complete with all amendments, certified within the last year by the public official with whom the originals are on file in the state or jurisdiction of domicile. If the originals are not required to be on file with a public official in the state or jurisdiction of domicile, then the copies should be certified by an appropriate representative of Applicant. If the arrangement is not incorporated, and has no similar organizational documents, please provide a statement that no such documents exist.

Section II-5 Florida Certificate of Status of the Arrangement

Submit a Florida certificate of status for the arrangement dated within the last year. This document is not required if the arrangement is not incorporated or otherwise registered as a legal entity.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
MULTIPLE EMPLOYER WELFARE ARRANGEMENT**

Section II-6 Bylaws of the Arrangement

Submit a copy of the arrangement's Bylaws, Operating Agreement, Constitution, Rules and Regulations, or similar document. This should be certified by the arrangement's Secretary as a true and correct copy of the current document and dated within the last year. Only the Secretary's signature will be accepted, unless the arrangement does not have this position. If the arrangement is not incorporated, and has no similar organizational documents, please provide a statement that no such documents exist. If the arrangement does not have Bylaws, Rules and Regulations or similar organizational document, please provide a statement that no such documents exist.

Section II-7 Trust Agreement Establishing the Arrangement

Provide a copy of the Trust Agreement by which the sponsoring association establishes the arrangement and its operations. The Trust Agreement must be signed by all of the trustees.

If the Trust Agreement or Bylaws do not specifically indicate the following, please attach other documents that establish the following and indicate where in the documents these provisions may be found:

1. The board of trustees shall have complete fiscal control over the arrangement;
2. The board of trustees shall be responsible for all operations of the arrangement;
3. The trustees selected shall be owners, partners, officers, directors, or employees of one or more employers in the arrangement;
4. A trustee may not be an owner, officer, or employee of the administrator or service company of the arrangement; and
5. The trustees shall have the authority to approve applications of association members for participation in the arrangement and to contract with an authorized administrator or service company to administer the day-to-day affairs of the arrangement.

Section II-8 Authorization Letter

Provide a letter of authorization for any person, other than Applicant's personnel, who is authorized to represent the Applicant before the Office in this matter. This letter should be dated within the last year.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
MULTIPLE EMPLOYER WELFARE ARRANGEMENT**

SECTION III - FINANCIAL AND RELATED INFORMATION

Section III-1 Financial Requirement

Existing arrangements must submit a copy of its most recent IRS Federal Form 5500, Annual Return/Report of Employee Benefit Plan.

Section III-2 Plan of Operations

It is important for the Office to have a clear understanding of the proposed operations of the arrangement and the goals it seeks to achieve. To fulfill this requirement, submit a plan of operations that includes all of the components below.

- A. Current Operations: Applicant should identify the number of employers currently participating in the arrangement, the number of covered employees, and the number of covered dependents.
- B. Management: Provide the name and address of the employer of each trustee and indicate which of the following positions the trustee holds with that employer: owner, partner, officer, director, or employee.

Applicant should also list the individuals responsible for managing or handling funds or assets of the arrangement.

- C. Administration: Provide the name of the service company or third party administrator responsible for servicing the program of the arrangement and attach a copy of the company's Florida license.

Attach a copy of the agreement between the service company or administrator and the trust. This agreement should be signed by the administrator and trustee.

- D. Claims Adjusting and Underwriting: Describe Applicant's plan for administering the arrangement, including the qualifications and amount of staff that will be required to service the program in the areas of claims adjusting, underwriting, and billing. The criteria for underwriting should be justified, and a description of procedures for a special health test pursuant to Section 627.429(4), Florida Statutes, should be included.
- E. Marketing and Growth: Provide an outline and description of management's marketing efforts.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
MULTIPLE EMPLOYER WELFARE ARRANGEMENT**

Section III-3 Fidelity Bond

In this section, provide a copy of the fidelity bond issued in the name of the arrangement covering its trustees, directors, officers, employees, administrator, or other individuals managing or handling the funds or assets of the arrangement. The bond should be in an amount not less than 10% of funds handled annually, but in no case may it be less than \$50,000 USD or more than \$500,000 USD, except for as provided in Section 624.439(5), Florida Statutes.

Section III-4 Excess Insurance Agreement

Submit a copy of the present or proposed excess insurance agreement/policy, which should provide that the net retention level for any one risk not exceed \$50,000 USD, and which shall otherwise be in accordance with sound actuarial principles. In addition to the agreement, please submit a summary of the agreement with enough detail to describe the nature of the coverage.

If Applicant would like to request a waiver or modification of the maximum net retention requirement, please provide evidence of the conditions set forth in Section 624.439(6)(b), Florida Statutes.

Section III-5 Fund Balance

Provide evidence that the arrangement has a fund balance equal to \$200,000 USD, which is in addition to the required statutory deposit. Evidence may include a current bank statement or a certified financial statement. The fund balance of at least \$200,000 USD should be reflected in the projections of the feasibility study.

Section III-6 Feasibility Study

The Applicant must submit a feasibility study done by an independent qualified actuary and an independent certified public (see Section V-3). The study should be for the greater of 3 years or until the arrangement has been projected to be profitable for 12 consecutive months.

The study must show that the arrangement would not, at any month-end of the projection period, have less than the minimum statutory deposit required by Section 624.441, Florida Statutes, or have a fund balance less than the amount required by Section 624.4392, Florida Statutes. The study must also reflect and support that initial gross premiums for the first year of operation will be at least \$100,000 USD, as required by Section 624.439(7)(b), Florida Statutes.

The feasibility study must include the following.

- A. A description of market potential, market penetration, and market competition.
- B. A current audited financial statement must be submitted for the proposed arrangement. The audited statement must be certified by an independent certified public accountant. If your group is already operating, submit an annual income statement developed on a statutory accounting principle basis for the past 5 years.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
MULTIPLE EMPLOYER WELFARE ARRANGEMENT**

NOTE: The current financial statement should include a balance sheet. If the organization is already in business, it should also include an income statement as well as a statement of changes in financial position. Each arrangement must demonstrate that it will have adequate funding to continually meet the minimum fund balance requirements of Section 624.4392, Florida Statutes. Surplus notes may be used in the calculation of surplus.

- C. Pro forma financial statements in Excel format including each of the following:
1. A projected income statement on a monthly basis, with an annual total, through break even. The income statement should be for a minimum of 3 years and should be developed on a statutory accounting principle basis.
 2. A projected cash flow analysis on a monthly basis, with an annual total through break even for a minimum of 3 years. Line by line documentation must be submitted. The surplus/ deficit must be the amount used on the cash and cash reserves summary to reflect operations cash flow.
 3. A projected balance sheet annually through break even. The balance sheet should be for a minimum of 3 years and should be developed on a statutory accounting principle basis. It should be accompanied by statements of changes in financial position for the same time period.
- D. A statement of the proposed initial cash and cash reserves summary. This should be all inclusive (loan receipts, loan repayments, stock sales, etc). Also, include a description of the source and terms of the funding.
- E. The method in which the Multiple Employer Welfare Arrangement will comply with the insolvency protection deposit requirements of Section 624.441, Florida Statutes, including all relevant documentation necessary to meet the requirements. The deposit amount should be the greater of 5% of gross annual premiums for the succeeding year, or 25% of claims expenditures for the previous twelve months.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
MULTIPLE EMPLOYER WELFARE ARRANGEMENT**

SECTION IV - MANAGEMENT

Section IV-1 Management

- A. Applicant must submit an alphabetical list of the names, address, and official capacity/title (trustee, president, vice-president, secretary, treasurer, chief financial officer, etc) of the individuals who are to be responsible for the management and conduct of affairs of the arrangement (Management Information Form, OIR-C1-2221). Including, but not limited to, all trustees, managers, officers, and directors. Names should contain the First, Middle, and Last name of listed individuals. Please state if a middle name does not exist.
- B. All individuals listed in part A above must disclose to the Office the extent and nature of any contracts or other understandings or agreements between themselves and the arrangement, including any possible conflicts of interest.

Section IV-2 Biographical Affidavits

Provide a National Association of Insurance Commissioners ("NAIC") Biographical Affidavit (NAIC Form 11) (Form OIR-C1-1423) for each individual listed in Section IV-1. Please note that if an individual has a Biographical Affidavit with an associated background report on file with the Office, and the Biographical Affidavit was signed and notarized within 2 years of the date of the Application being filed, a Biographical Affidavit and associated background report need not be submitted for that individual.

All questions must be answered. All "Yes" answers must be explained.

Each Biographical Affidavit must be signed and notarized.

The affiant's social security number must be submitted to the Office. Section 119.071(5), Florida Statutes, gives authority for an agency to collect social 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 to insure that the owners, management, officers, and directors of any entity regulated by the Office 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.

However, pursuant to Section 119.071(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, please include the affiant's name and social security number on the separate page marked CONFIDENTIAL and provided in this packet and attach that page to the NAIC Biographical Affidavit (NAIC Form 11) that is also included in this packet.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
MULTIPLE EMPLOYER WELFARE ARRANGEMENT**

Section IV-3 Background Investigative Report

A Background Investigative Report must be provided for each person for whom a Biographical Affidavit is required, as described above. Background reports must be submitted by an approved background investigation vendor directly to the Office. Attach proof of payment confirming that all background reports have been ordered when submitting the application. Please refer to Form OIR-C1-905, Instructions for Furnishing Background Investigative Reports, included in this packet.

The NAIC approved background investigation vendor list can be found at:

https://www.naic.org/documents/industry_ucaa_third_party.pdf

Section IV-4 Fingerprint Cards

Fingerprint cards must be provided to the Office for each person for whom a Biographical Affidavit is required. Please refer to Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions. If an individual has submitted a fingerprint card dated within 5 years of the date of the Application filing, a fingerprint card need not be submitted for that individual.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
MULTIPLE EMPLOYER WELFARE ARRANGEMENT**

SECTION V - FORMS AND RATES

Section V-1 Forms

No business may be written until the Office has approved forms. Submit the policy, contract, certificate of coverage, summary plan description, and/or other evidence of the benefits and coverages provided to each covered employee.

Evidence of benefits and coverages must contain in bold faced print of at least 12-point type in a conspicuous location, the following statement:

The benefits and coverages described herein are provided through a trust fund established and funded by a group of employers. It is not an insurance company and is not protected by a guaranty fund in the event of insolvency. Participating employers are assessable for any losses incurred by the trust.

Each policy issued by the arrangement must contain a statement of the contingent liability. Both the application for insurance and policy shall contain, in contrasting color and not less than 10-point type, the following statement: "This is a fully assessable policy. In the event the arrangement is unable to pay its obligations, policyholders (employers) will be required to contribute on a pro rata earned premium basis the money necessary to meet any unfilled obligations."

Forms must also meet the Flesch score requirements of Section 627.4145, Florida Statutes.

Section V-2 Rates

Submit a complete schedule of proposed premium rates for each type of contract.

Section V-3 Actuarial Rate Analysis

Applicant should submit a report prepared by a certified actuary, who is a member of the Society of Actuaries or the American Academy of Actuaries. The report should provide evidence that the arrangement will be operated in accordance with sound actuarial principles, that proposed rates are not inadequate, that the rates are appropriate for the class of risks for which they have been computed, and that an adequate description of the rating methodology has been filed with the Office and such methodology follows consistent and equitable actuarial principles. The actuarial justification of rates should be prepared in accordance with standards promulgated by the American Academy of Actuaries and opined accordingly. Specific elements that must be included are listed in item 3 on page 16 under Forms and Rates.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
MULTIPLE EMPLOYER WELFARE ARRANGEMENT**

CHECKLIST

Applicant Name: _____

Federal Identification Number: _____

Home Office Address: _____
(Street Address) (City) (State) (Zip Code)

Phone Number: _____

Please complete and check off all items prior to submission. Applicant should provide an explanation for any items that have not been checked off and submitted.

SECTION I - APPLICATION & FEES

- ☐ 1. Application fee paid
 - ☐ a. Copy of invoice included (page 20 of this form)
 - ☐ b. Copy of check included
- ☐ 2. All fingerprint fees paid electronically
 - ☐ a. Copies of online payment confirmation
- ☐ 3. Application Certification (page 17)
 - ☐ a. Two copies, each filled out by a different officer
 - ☐ b. Notarized

**APPLICATION FOR CERTIFICATE OF AUTHORITY
MULTIPLE EMPLOYER WELFARE ARRANGEMENT**

Applicant Name: _____

SECTION II – LEGAL

- ☐ 1. Organizational Documents of Sponsoring Organization (if applicable)
 - ☐ a. Certified by public official within the last year
- ☐ 2. Florida Certificate of Status of Sponsoring Organization (if applicable)
 - ☐ a. Certified within the last year
- ☐ 3. Bylaws of Sponsoring Organization (if applicable)
 - ☐ a. Certified by Secretary within the last year
- ☐ 4. Organizational Documents of the Arrangement (if applicable)
 - ☐ a. Certified by public official within the last year
- ☐ 5. Florida Certificate of Status of the Arrangement (if applicable)
 - ☐ a. Certified within the last year
- ☐ 6. Bylaws of the Arrangement (if applicable)
 - ☐ a. Certified by Secretary within the last year
- ☐ 7. Trust Agreement Establishing the Arrangement
 - ☐ a. Signed by all trustees
 - ☐ b. Additional documentation establishing II-7 #1-5, if necessary
- ☐ 8. Authorization Letter (if applicable)

**APPLICATION FOR CERTIFICATE OF AUTHORITY
MULTIPLE EMPLOYER WELFARE ARRANGEMENT**

Applicant Name: _____

SECTION III - FINANCIAL AND RELATED INFORMATION

- ☐ 1. Most recent IRS Federal Form 5500, Annual Return/Report of Employee Benefit Plan, if an existing arrangement.
- ☐ 2. Plan of Operations
 - ☐ a. Current Operations
 - ☐ i. Number of employers
 - ☐ ii. Number of employees
 - ☐ iii. Number of dependents
 - ☐ b. Management
 - ☐ i. Name and address of the employer of each trustee
 - ☐ ii. What position the trustee holds with their employer
 - ☐ iii. List of individuals responsible for managing or handling the arrangement's funds or assets
 - ☐ c. Administration
 - ☐ i. Name of Service Company or Administrator
 - ☐ ii. Copy of the Service Company or Administrator's Florida license
 - ☐ iii. Copy of the agreement between the Service Company or Administrator and the trust.
 - ☐ 1. Signed by the Service Company or Administrator and trustee.
 - ☐ d. Claims Adjustment and Underwriting
 - ☐ i. Description of plan for administering the arrangement
 - ☐ ii. Plan for servicing billings, claims, and underwriting
 - ☐ iii. Number of adjuster and underwriters
 - ☐ iv. Justification of underwriting criteria
 - ☐ v. Special health test procedures
 - ☐ e. Marketing and Growth
- ☐ 3. Fidelity Bond

**APPLICATION FOR CERTIFICATE OF AUTHORITY
MULTIPLE EMPLOYER WELFARE ARRANGEMENT**

- ☐ **4.** Excess Insurance Agreement
- ☐ **5.** Fund Balance
- ☐ **6.** Feasibility Study
 - ☐ **a.** Addresses market potential, market penetration, and market competition
 - ☐ **b.** Current audited financial statements
 - ☐ **c.** Projected income statement
 - ☐ **d.** Projected cash flow analysis
 - ☐ **e.** Projected balance sheet
 - ☐ **f.** Proposed initial cash and cash reserves summary
 - ☐ **g.** Insolvency protection deposit requirements

**APPLICATION FOR CERTIFICATE OF AUTHORITY
MULTIPLE EMPLOYER WELFARE ARRANGEMENT**

Applicant Name: _____

SECTION IV – MANAGEMENT

- ☐ 1. Management Information Form, OIR-C1-2221
 - ☐ a. Disclosure by all individuals as described in IV-1 (B)

- ☐ 2. Biographical affidavits (Form OIR-C1-1423) submitted for all required individuals
 - ☐ a. All information completed (no blanks)
 - ☐ b. "Yes" answers explained
 - ☐ c. Signed
 - ☐ d. Notarized

- ☐ 3. Background investigative reports for all required individuals. The reports must be based on the Biographical Affidavits submitted to the Office with this Application.
 - ☐ a. Proof of order and confirmation of payment submitted to the Office

- ☐ 4. Fingerprint cards for all required individuals
 - ☐ a. All information completed (no blanks)
 - ☐ b. Signed

**APPLICATION FOR CERTIFICATE OF AUTHORITY
MULTIPLE EMPLOYER WELFARE ARRANGEMENT**

Applicant Name: _____

SECTION V – FORMS AND RATES

- ☐ **1. Forms**
 - ☐ **a.** Contains assessability language
 - ☐ **b.** Contains statement of contingent liability
 - ☐ **c.** Meets Flesch score requirements
- ☐ **2. Complete schedule of proposed premium rates for each type of contract**
- ☐ **3. Actuarial Rate Analysis**
 - a.** Prepared by certified actuary
 - b.** Prepared in accordance with standards of the American Academy of Actuaries
 - c.** Includes description of assumptions
 - d.** Includes estimation of incurred but not reported claims (IBNR)
 - e.** Includes forecast of rates/claims
 - f.** Includes certification

**APPLICATION FOR CERTIFICATE OF AUTHORITY
MULTIPLE EMPLOYER WELFARE ARRANGEMENT**

APPLICATION CERTIFICATION

The below certification must be executed by two officers of the trust. Two completed copies of this page should be submitted with the application.

The undersigned states that they are an officer having personal knowledge of the application submitted to the Florida Office of Insurance Regulation in connection with the intention of _____ ("Applicant") to apply for a Certificate of Authority as a Multiple Employer Welfare Arrangement; that they have read all of the responses, information, exhibits, and documents submitted with, and in support of, this application; and that the submissions are true, correct, and complete to the best of their knowledge. The undersigned further represents that they have the authority to bind the Applicant, and that by their signature on the instrument, the Applicant has executed the instrument.

The undersigned 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, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

By: _____

Print Name: _____

Title: _____

Date: _____

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ☐ physical presence

or ☐ online notarization, this ____ day of _____ 20____, by _____
(name of person)

as _____ for _____
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

(Signature of the Notary)

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known _____ OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: _____

**APPLICATION FOR CERTIFICATE OF AUTHORITY
MULTIPLE EMPLOYER WELFARE ARRANGEMENT**

INVOICE

NAME OF ARRANGEMENT: _____

FEIN: _____

ADDRESS: _____

CITY, STATE, ZIP CODE: _____

PHONE NUMBER: _____

MAILING ADDRESS (IF DIFFERENT FROM ARRANGEMENT ADDRESS ABOVE):

(city)

(state)

(zip code)

1. Make payable to the Department of Financial Services and mail check and invoice only to:

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

2. Include a copy of the check and invoice with the application filing submitted electronically via iApply.

RECEIPT	AMOUNT	TYPE	CLASS	FUND	ACCOUNT	SOURCE	NUMBER
	\$1,500	12	07	3	09		02

M E M O R A N D U M

DATE: August 8, 2022

TO: David Altmaier, Commissioner, Office of Insurance Regulation

THROUGH: Anoush Brangaccio, General Counsel

FROM: Michael Lawrence, Jr., Chief Legal Counsel

SUBJECT: Cabinet Agenda for August 23, 2022
Request for Final Approval to Adopt Amendments to
Rules 69O-194.003, .009
Assignment # 246074-19

The Office of Insurance Regulation ("Office") requests that these proposed rule amendments be presented to the Cabinet aides on or before August 17, 2022, and to the Financial Services Commission on August 23, 2022, with a request for approval for final adoption.

The notice of development of rulemaking was published on June 15, 2021, in Volume 47, No. 115, of the *Register*. The notice of proposed rule was published on April 8, 2022, in Volume 48, No. 68, of the *Register*. In response to comments received from JAPC, a notice of change was published on June 1, 2022, in Volume 48, No. 106, of the *Register*. A hearing was held on July 27, 2022.

Rule 69O-194.003 is amended to transfer all aspects of the applications process from other rules in the chapter to one single rule. Rule 69O-194.009 is amended to correct references of "PHAGE" to "PHC," delete the Monthly Marketing Statistical Report, and incorporate electronic versions of the annual report.

Sections 641.403, 641.405, 641.406, and 641.41, F.S., are the rulemaking authority and laws implemented for this rule.

Attached are the proposed rules.

Approved for signature:

Anoush Brangaccio, General Counsel

Approved for submission to Financial Services
Commission:

David Altmaier, Commissioner
Office of Insurance Regulation

69O-194.003 Prepaid Health Clinic Application.

Substantial rewording of Rule 69O-194.003, F.A.C. follows. See Florida Administrative Code for present text.

(1) An application for a person applying for a certificate of authority as a prepaid health clinic consists of the following:

(a) Form OIR-C1-483, "Application for Certificate of Authority Prepaid Health Clinic," effective 5/22, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(b) Form OIR-C1-905, "Instructions for Furnishing Background Investigative Reports," effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(c) Form OIR-C1-938, "Fingerprint Payment and Submission Procedure," effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX; and

(d) Form OIR-C1-1423, "Biographical Affidavit," effective 12/20, hereby incorporated by reference and available at www.flrules.org/XXXXX.

(2) A person applying for a certificate of authority as a prepaid health clinic shall submit forms in subsection (1) as directed by the Office electronically at <https://www.floir.com/iportal>. The forms may be obtained from <https://www.floir.com/iportal>.

Rulemaking Authority 641.403 FS. Law Implemented 641.405, 641.406 FS. History—New 5-9-85, Formerly 4-69.03, 4-69.003, 4-194.003, Amended _____.

69O-194.009 Reporting Requirements.

Substantial rewording of Rule 69O-194.009, F.A.C. follows. See Florida Administrative Code for present text.

(1) Each PHC shall file with the Office a full and true report of its financial condition, transactions, and affairs.

(a) An annual report covering the preceding fiscal year shall be filed on or before April 1 or within 3 months of the end of the reporting period of the clinic.

1. The executed Jurat page of said report shall be transmitted electronically to the Office via the Regulatory Electronic Filing System, "REFS." The date affixed by the Office's electronic data processing system shall serve as evidence of the timeliness of the report. A report in any other format shall not be submitted to the Office.

2. Each PHC shall submit its report electronically to the National Association of Insurance Commissioners in accordance with the electronic filing instructions incorporated by reference in paragraph 69O-137.001(3)(b), F.A.C.

3. The report shall be prepared in accordance with the manuals incorporated by reference in paragraph 69O-137.001(4)(a), F.A.C.

4. Copies of the manuals are available:

a. From the National Association of Insurance Commissioners at <http://www.naic.org> and

b. For inspection during regular business hours at the Office of Insurance Regulation, Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300.

(b) Form OIR-A2-949, "Annual Report Contracts Issued & Outstanding," effective 12/20, hereby incorporated by reference and available www.flrules.org/XXXXX. Form OIR-A2-949 shall be submitted electronically on or before March 1 or within 3 months of the end of the reporting period of the clinic via the Office's system at <https://www.floir.com/iportal>. The form may be obtained at <https://www.floir.com/iportal>.

(c) Form OIR-A2-950, "Annual Report Damage Claims & Medical Injury," effective 12/20, hereby incorporated by reference and available at www.flrules.org/XXXXX. Form OIR-A2-950 shall be submitted electronically on or before March 1 or within 3 months of the end of the reporting period of the clinic via the Office's system at <https://www.floir.com/iportal>. The form may be obtained at <https://www.floir.com/iportal>.

(2) The Office shall grant an extension of time to file an annual report in subsection (1) if there exist conditions beyond the control of the authorized PHC, such as rehabilitation pursuant to section 641.419, F.S., or the laws of the state of domicile; severe damage to the PHC's physical premises by a natural or man-made disaster; or some other reason of similar gravity and severity. The request for an extension of time for filing an annual report shall be submitted to the Office at least 10 days before the filing is due. The extension shall be for the amount of time reasonable to file under the conditions which justified the extension.

Rulemaking Authority 641.403, 641.41(1) FS. Law Implemented 641.41 FS. History—New 5-9-85, Formerly 4-69.09, 4-69.009, 4-194.009, Amended _____.

Notice of Change/Withdrawal

DEPARTMENT OF FINANCIAL SERVICES

OIR – Insurance Regulation

RULE NOS.:RULE TITLES:

69O-194.003 Application

69O-194.009 Reporting Requirements

NOTICE OF CHANGE

Notice is hereby given that the following changes have been made to the proposed rule in accordance with subparagraph 120.54(3)(d)1., F.S., published in Vol. 48 No. 69, April 8, 2022 issue of the Florida Administrative Register.

69O-194.003 Prepaid Health Clinic Application.

(1) An application for a person applying for a certificate of authority as a prepaid health clinic consists of the following:

(a) Form OIR-C1-483, “Application for Certificate of Authority Prepaid Health Clinic,” effective 5/22 ~~6/20~~, hereby incorporated by reference and available at www.flrules.org/XXXXXX;

(b) No change.

(c) Form OIR-C1-938, “Fingerprint Payment and Submission Procedure ~~Procedures~~,” effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXXX; and

(d) Form OIR-C1-1423, “Biographical Affidavit,” effective 12/20 ~~6/20~~, hereby incorporated by reference and available at www.flrules.org/XXXXXX.

(2) A person applying for a certificate of authority as a prepaid health clinic shall submit forms in subsection (1) as directed by the Office electronically at <https://www.floir.com/iportal>. The forms may be obtained from <https://www.floir.com/iportal>.

Rulemaking Authority 641.403 FS. Law Implemented 641.405, 641.406 FS. History—New 5-9-85, Formerly 4-69.03, 4-69.003, 4-194.003, Amended _____.

69O-194.009 Reporting Requirements.

(1) Each PHC shall file with the Office a full and true report of its financial condition, transactions, and affairs.

(a) No change.

(b) Form OIR-A2-949, “Annual Report Contracts Issued & Outstanding,” effective 12/20, hereby incorporated by reference and available www.flrules.org/XXXXXX. Form OIR-A2-949 shall be submitted electronically on or before March ~~April~~ 1 or within 3 months of the end of the reporting period of the clinic via the Office’s system at <https://www.floir.com/iportal>. The form may be obtained at <https://www.floir.com/iportal>.

(c) Form OIR-A2-950, “Annual Report Damage Claims & Medical Injury,” effective 12/20, hereby incorporated by reference and available at www.flrules.org/XXXXXX. Form OIR-A2-950 shall be submitted electronically on or before March ~~April~~ 1 or within 3 months of the end of the reporting period of the clinic via the Office’s system at <https://www.floir.com/iportal>. The form may be obtained at <https://www.floir.com/iportal>.

(2) No change.

Rulemaking Authority 641.403, 641.41(1) FS. Law Implemented 641.41 FS. History—New 5-9-85, Formerly 4-69.09, 4-69.009, 4-194.009, Amended _____.



Florida Office of Insurance Regulation

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID HEALTH CLINIC**

This packet is designed to assist individuals in preparing the application in accordance with Florida Statutes and Rules and to facilitate expeditious processing of the application by the Florida Office of Insurance Regulation ("Office").

Please submit all documents required by this packet in searchable PDF format unless otherwise indicated or required by Florida Statutes.

If this packet requires submission of forms or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <https://www.floir.com/iportal> and select "Insurance Regulation Filing System (IRFS)" to begin the submission of forms and/or rates.

In order for a submission to be considered a complete application, all required information must be included in the filing, including the completed application checklist.

The completed application packet must be submitted to the Office by selecting Company Admissions – iApply Login at the following link:

<https://www.floir.com/iportal>

Any questions concerning this application packet or iApply for Life and Health applicants may be directed to lhappcoord@floir.com. Property and Casualty applicants are directed to pcappcoord@floir.com.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID HEALTH CLINIC**

Statutory Authority

S. 641.405(1)

Pursuant to Chapter 641, Part III, Florida Statutes, application is hereby made to operate a Prepaid Health Clinic.

Proposed name of Prepaid Health Clinic:

Name: _____

Address: _____

Phone: _____

FEIN: _____

How long has the PHC been in operation:
(Specify beginning date): _____

Please be specific in your answers and provide supporting documentation for each item. The items are as follows:

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID HEALTH CLINIC**

ORGANIZATIONAL

Statutory Authority

- | | | |
|------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _ 1. | S. 641.405(2)(f) | Enclose a copy of the Health Care Provider Certificate, as issued by the Agency for Health Care Administration or evidence that application has been made for a Health Care Provider Certificate. |
| _ 2. | S. 641.412(1)(a) | A check for \$150 made payable to "Department of Financial Services" covering the filing fee for this application. |
| _ 3. | S. 641.405(2)(a) | A copy of the PHC's basic organizational documents including Articles of Incorporation, Articles of Association, Partnership Agreement(s), Trust Agreement, or other applicable documents and all amendments thereto. |
| _ 4. | S. 641.405(2)(a) | If the proposed PHC is already incorporated, a copy of the Certificate of Incorporation as filed with the Secretary of State. |
| _ 5. | S. 641.405(2)(b) | A copy of the proposed PHC's Bylaws, Rules or Regulations, or similar form of document. |
| _ 6. | S. 641.405(2)(c) | A list of names, addresses, and official capacities of all persons who are to be responsible for the conduct of the PHC's affairs including officers and directors, trustees, partners, and associates. |
| _ 7. | S. 641.406(7) | A list of the owners of the PHC, including the number of shares of stock or ownership interest of each person. |
| _ 8. | S. 641.406(7) | Complete biographical information, to be submitted on forms provided in this application packet, on all persons controlling 10% or more of the ownership interest of the PHC, and all officers, directors, trustees, partners, or associates of the Prepaid Health Clinic. |

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID HEALTH CLINIC**

Statutory Authority

The requirements for the affiant's social security number (SSN) as part of the Biographical Affidavit is mandatory. However, pursuant to sections 119.071(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 Biographical Affidavit, please include the affiant's name and social security on a separate page and attach it to the Biographical Affidavit. Also, please mark CONFIDENTIAL at the top and bottom of the separate page.

Section 119.071(5), Florida Statutes, gives authority for an agency to collect social 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 ensure 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.

- _ 9. S. 641.405(2)(c) Copies of all contracts, past or current, between the PHC and any person listed in item "6", or with any entity of which any of these persons is an officer, director, partner, trustee, or associate, in which he or any member of his family owns 10% or more of stock or other financial interest including any possible conflicts of interest.
- _ 10. S. 641.406(7) Documentary evidence that the governing body of the PHC has designated a qualified administrator to manage the PHC's operations. This should include a resume of the administrator.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID HEALTH CLINIC**

CONTRACTUAL

Statutory Authority

- _ 11. S. 641.405(2)(e) One copy of every contract, rider, endorsement, certificate, application, or other form the PHC proposes to offer to its subscribers. Follow the list of requirements for individual and group contracts enclosed in this application kit, as well as the requirements in the law concerning the definition of basic services and for PHC contracts. Every subscriber contract must be identified by a unique form number located on the lower left corner of each page of the contract.
- _ 12. S. 641.427 A list of the reasons for which the PHC can terminate a subscriber's contract and the reasons for which the subscriber can terminate his or her contract.
- _ 13. S. 641.405(2)(e) A table of rates proposed to be charged for each form of subscriber contract.
- _ 14. S. 641.42(5) A complete description of the procedure established for handling subscriber grievances.

MARKETING

- _ 15. S. 641.405(2)(d) A statement generally describing the clinic and its operations.
- _ 16. S. 641.441 A copy of all advertising to be used or currently in use. This includes print advertising and scripts for TV or radio advertising.
- _ 17. S. 641.406(4) A complete explanation of the manner in which the PHC will merchandise subscriber contracts.
- _ 18. S. 641.405(2)(c) A list of the names and addresses of all sales representatives.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID HEALTH CLINIC**

FINANCIAL

Statutory Authority

- | | | |
|----------|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ____ 19. | S. 641.406(6) | Executed copies of the insurance policies covering general liability and medical malpractice insurance for the PHC. |
| ____ 20. | S. 641.406(6) | An executed copy of the PHC's fidelity bond covering employee dishonesty. |
| ____ 21. | S. 641.406(6) | If the PHC has secured catastrophic or back-up insurance coverage (reinsurance for the excess loss coverage), you are required to submit executed copies of the policy or policies. |
| ____ 22. | S. 641.405(2)(g) | A current financial statement, including all assets and liabilities of the PHC, also contingent liabilities, unpaid obligations, and actions or suits pending against or anticipated, prepared on the basis of generally accepted accounting principles. |
| ____ 23. | S. 641.407 | A statement of the proposed initial working capital reserves of the PHC. |
| ____ 24. | S. 641.405(2)(g) | If your group is already operating as a clinic, a profit and loss statement and balance sheet for the past three years. |
| ____ 25. | S. 641.405(2)(g) | If your group has not been operating as a PHC, a pro-forma (projected) operating statement for the first year and a projected balance sheet (statement of financial position) at the end of the first year. |
| ____ 26. | S. 641.406(3) | The method in which the PHC shall comply with the minimum surplus requirement of Section 641.407, Florida Statutes. |
| ____ 27. | S. 641.405(2)(g) | A cash flow analysis of the PHC for the period until the PHC shows three months of profitability. (If the PHC is already profitable, provide one year analysis). |
| ____ 28. | S. 641.409(1)(a)
S. 641.409(1)(b)
S. 641.409(3) | The method in which the PHC shall comply with the minimum surplus requirement of Section 641.409, Florida Statutes. All PHCs must make a deposit with the Office of Insurance Regulation in the amount of \$30,000. Also, PHCs must purchase insurance or a surety bond in the amount acceptable to the Office, which shall cover the subscribers in the event of insolvency of the PHC. |

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID HEALTH CLINIC**

Statutory Authority

- _ 29. S. 641.406(2) An actuarial analysis of the rates of the PHC, showing that the proposed rates are actuarially sound for the benefits provided, including administrative costs.
- _ 30. S. 641.43 Written contracts identifying each physician or physician group that will be providing service to PHC subscribers. Such contracts must include the hold-harmless clause for subscribers which is required by Section 641.43, Florida Statutes.

This application must be signed by two officers of the PHC and notarized by a notary public.

Signed this _____ day of _____, 20_____.

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ☐ physical presence

or ☐ online notarization, this ____ day of _____ 20__, by _____
(name of person)

as _____ for _____
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

(Signature of the Notary)

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known _____ OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: _____

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID HEALTH CLINIC**

**STATE OF FLORIDA
DEPARTMENT OF FINANCIAL SERVICES
OFFICE OF INSURANCE REGULATION
PREPAID HEALTH CLINIC**

Company Name

Address

City, State, Zip

(Fee 641.412, Florida Statutes)

Application	\$100.00	12-43	3092
Filing Fee	\$ 50.00	12-43	2062
Annual Report	\$100.00	12-44	3091
Filing Fee	\$ 50.00	12-44	2062

Please mail fees to:

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

All other correspondence and requests should be sent to:

Office of Insurance Regulation
Applications Coordination Section
200 East Gaines Street, Room 316.16
Tallahassee, Florida 32399-0332

M E M O R A N D U M

DATE: August 8, 2022

TO: David Altmaier, Commissioner, Office of Insurance Regulation

THROUGH: Anoush Brangaccio, General Counsel

FROM: Michael Lawrence, Jr., Chief Legal Counsel

SUBJECT: Cabinet Agenda for August 23, 2022
Request for Final Approval to Adopt Amendments to
Rule 690-200.004
Assignment # 264575-20

The Office of Insurance Regulation ("Office") requests that these proposed rule amendments be presented to the Cabinet aides on or before August 17, 2022, and to the Financial Services Commission on August 23, 2022, with a request for approval for final adoption.

The notice of development of rulemaking was published on February 9, 2022, in Volume 48, No. 27, of the *Register*. The Office did not receive a request to hold a workshop. The notice of proposed rule was published on April 8, 2022, in Volume 48, No. 68, of the *Register*. In response to comments received from JAPC, a notice of change was published on June 1, 2022, in Volume 48, No. 106, of the *Register*. A hearing was held on July 28, 2022

Rule 690-200.004 is amended to include all applications for motor vehicle service agreement companies in one rule.

Sections 634.021 and 634.041, F.S., are the rulemaking authority and laws implemented for this rule.

Attached are the proposed rules.

Approved for signature:

Anoush Brangaccio, General Counsel

Approved for submission to Financial Services
Commission:

David Altmaier, Commissioner
Office of Insurance Regulation

69O-200.004 Application for License and License Renewal. ~~Qualification to Obtain and Hold a License.~~

Substantial rewording of Rule 69O-200.004, F.A.C. follows. See Florida Administrative Code for present text.

(1) Application for License as a Motor Vehicle Service Agreement Company

(a) An application for a license as a motor vehicle service agreement company consists of the following:

1. Form OIR-C1-994, "Application for License Motor Vehicle Service Agreement Company," effective 5/22, hereby incorporated by reference and available at www.flrules.org/XXXXXX;

2. Form OIR-C1-144, "Service of Process Consent & Agreement," effective 6/04, hereby incorporated by reference and available at www.flrules.org/XXXXXX;

3. Form OIR-C1-905, "Instructions for Furnishing Background Investigative Reports," effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXXX;

4. Form OIR-C1-938, "Fingerprint Payment and Submission Procedure," effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXXX;

5. Form OIR-C1-995, "List of Proposed Sales Representatives," effective 10/05, hereby incorporated by reference and available at www.flrules.org/XXXXXX;

6. Form OIR-C1-1423, "Biographical Affidavit," effective 12/20, hereby incorporated by reference and available at www.flrules.org/XXXXXX; and

7. Form OIR-C1-2221, "Management Information Form," effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXXX;

(b) A person applying for a license as a motor vehicle service agreement company shall submit the forms listed in paragraph (1)(a) as directed by the Office electronically at <https://www.floir.com/iportal>. The forms may be obtained from <https://www.floir.com/iportal>.

(2) License Continuance for Motor Vehicle Service Agreement Company

(a)1. All motor vehicle service agreement company licenses shall continue in force as long as licensee is entitled thereto under chapter 634, Part I, Florida Statutes.

2. Failure to submit the application for continuance by March 1 shall result in expiration of the license and will require the filing of a new application for licensure.

(b) A licensee seeking to continue operating as a motor vehicle service agreement company shall submit Form OIR-A3-467 LR, "Application for License Continuance Motor Vehicle Service Agreement Company," effective 5/21, hereby incorporated by reference and available at www.flrules.org/XXXXXX, filed electronically at <https://www.floir.com/iportal>. The form may be obtained from <https://www.floir.com/iportal>.

Rulemaking Authority 634.021, 634.061(1), (2)(c) FS. Law Implemented 634.041 FS. History—New 5-26-93, Formerly 4-200.004, Amended 8-13-12,_____.

Notice of Change/Withdrawal

DEPARTMENT OF FINANCIAL SERVICES

OIR – Insurance Regulation

RULE NO.: RULE TITLE:

69O-200.004 Qualification to Obtain and Hold a License

NOTICE OF CHANGE

Notice is hereby given that the following changes have been made to the proposed rule in accordance with subparagraph 120.54(3)(d)1., F.S., published in Vol. 48 No. 69, April 8, 2022 issue of the Florida Administrative Register.

(1) Application for License as a Motor Vehicle Service Agreement Company

(a) An application for a license as a motor vehicle service agreement company consists of the following:

1. Form OIR-C1-994, "Application for License Motor Vehicle Service Agreement Company," effective 5/22 ~~3/21~~, hereby incorporated by reference and available at www.flrules.org/XXXXX;

2. through 3. No change.

4. Form OIR-C1-938, "Fingerprint Payment and Submission ~~Procedures~~ Procedures," effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX;

5. through 7. No change.

(b) A person applying for a license as a motor vehicle service agreement company shall submit the forms listed in paragraph (1)(a) as directed by the Office electronically at <https://www.flair.com/iportal>. The forms may be obtained from <https://www.flair.com/iportal>.

(2) License Continuance for Motor Vehicle Service Agreement Company

(a) No change.

(b) A licensee seeking to continue operating as a motor vehicle service agreement company shall submit Form OIR-A3-467 LR, "Application for License Continuance Motor Vehicle Service Agreement Company," effective 5/21, hereby incorporated by reference and available at www.flrules.org/XXXXX, filed electronically at <https://www.flair.com/iportal>. The form may be obtained from <https://www.flair.com/iportal>.

Rulemaking Authority 634.021, 634.061(1), (2)(c) FS. Law Implemented 634.041 FS. History--New 5-26-93, Formerly 4-200.004, Amended 8-13-12, _____.

Office of Insurance Regulation

**FLORIDA COMPANY
CODE:**

**FEDERAL EMPLOYER
IDENTIFICATION NUMBER:**

**ANNUAL REPORT
FOR MOTOR
VEHICLE SERVICE
AGREEMENT COMPANY
OF THE**

(Motor Vehicle Service Agreement)

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

Specialty Product Administration
200 East Gaines Street
Tallahassee, FL 32399 - 0331

FOR CALENDAR YEAR ENDED

**DUE ON OR BEFORE
MARCH 1 EACH YEAR**

GENERAL INFORMATION AND INSTRUCTIONS

1. Financial statements must be prepared in accordance with generally accepted accounting principles and as prescribed in the Florida Statutes.
2. The Balance Sheet, Statement of Operations and the Statement of Cash flows must be prepared based on year-end amounts.
3. All terms used in this report will have their general meaning except where specific statutory language applies under the applicable provisions of the Florida Insurance Code.
4. This form is submitted electronically. Adobe Reader version 7.0.5 or higher is required. If you do not have that version, please upgrade at <http://www.adobe.com> prior to downloading any forms.
5. When you downloaded this report, you were assigned a session key. This session key has an expiration date that was also assigned prior to downloading this form. **Please make sure you save or submit prior to this expiration date or all work up until the last save will be lost.**

This session will expire on:

Eastern Time

6. To assist you in completing this form click both "Highlight Fields" and "Highlight Required Fields" in the upper right hand corner of the report page. This will highlight the fields where you may enter data.
7. The report form will calculate all totals and pre-populate fields based upon your responses. Data cannot be entered into the total and pre-populated fields.
8. Please enter all numeric fields with numbers only (no commas, dashes, dollar signs, etc.). 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. Additionally, certain Schedules and Exhibits provide the option "Check if N/A" if the information requested is not applicable to your company.
9. Line descriptions may not be altered or added. When in doubt where to place an item, show the item in an appropriate "Other" line and include a supplemental schedule describing the items listed in the "Other" category. Any item which is of an extraordinary nature should also be entered on an appropriate "Other" line.
10. "Save" or "Submit" buttons are provided on the last page of this report. Hit the ALT+s keys to go to the last page. By clicking the Save button, all data entered on the form will be saved to our website. **It is strongly recommended that you save your data periodically as you fill in this form.** You will receive a confirmation message once the data is successfully saved.
11. When you either save or submit the form, all data is checked for completeness; you will be notified if errors have occurred. When submitting data, you will be asked to correct these validation errors. Once the form is successfully submitted, the form becomes read-only. **To update information after submission, an amended form must be filed through REFS.**
12. If additional explanations, supporting statements or schedules are added or are necessary, the additions should be properly cross-referenced to the item being answered. 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 attached and uploaded to the filing as a Miscellaneous Document through REFS.
13. When you have completed a form and selected "Submit Final," your report form is uploaded as a "Completed" document to your Component List; this does not submit the report to the Office of Insurance Regulation. Upon completion of all required items, the "Begin Submission Process" button (bottom right of the screen) will activate. You must select and complete the "Begin Submission Process" to successfully submit your entire filing to OIR.
14. Please print, sign, notarize and upload a PDF version of the Jurat/Attestation Page (see next page) under the corresponding component in REFS. If you do not have a component so named, please upload a signed PDF under the Miscellaneous Documents component.

STATEMENT

Please see the Instructions Page OR you may notarize this form electronically by entering the Notary Public, Commission Number and Expiration Date on the form prior to submitting.

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 all 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.

The foregoing instrument was acknowledged before me by _____ President/Owner

means of ☐ physical presence or ☐ online notarization, _____

_____ day of _____, 20 _____ Secretary

Notary Public: _____ Treasurer/CFO

Commission Number: _____

Expiration Date: _____

Print this page

BALANCE SHEET
ASSETS

	December 31	
CURRENT ASSETS:	Current Year	Last Year
1. Cash on Hand and on Deposit (Schedule A - Page 7)		
2. Investments (Schedule B - Page 8)		
3. Receivables (Schedule C - Page 9)		
Allowance for Doubtful Accounts	()	()
4. Prepaid Expenses		
5. Inventories		
6. Other Current Assets (Schedule D - Page 10)		
7. Total Current Assets		
NON-CURRENT ASSETS:		
8. Investments (Schedule B - Page 8)		
9. Receivables (Schedule C - Page 9)		
Allowance for Doubtful Accounts	()	()
10. Deferred Acquisition Expenses (Attach Details)		
11. Deferred Expenses		
12. Intangible Assets		
13. Other Non-Current Assets (Schedule D - Page 10)		
14. Total Non-Current Assets		
FIXED ASSETS (NET OF ACCUMULATED DEPRECIATION)		
15. Real Estate Owned		
16. Automobiles		
17. Office Equipment & Furniture		
18. Leasehold Improvements		
19. Other Fixed Assets (Schedule D - Page 10)		
20. Total Fixed Assets (Net of Accumulated Depreciation)		
21. Total Assets		
22. Less Non-Admitted Assets (Schedule E, Line 10, Page 11)	()	()
23. TOTAL ADMITTED ASSETS		

BALANCE SHEET
LIABILITIES AND STOCKHOLDERS' EQUITY

	December 31	
LIABILITIES:	Current Year	Last Year
1. Accounts Payable		
2. Commissions Payable		
3. Taxes Payable		
4. Current Portion of Notes Payable (Schedule F - Page 12)		
5. Accrued Interest Payable		
6. Claims Payable / Reserve		
a. Motor Vehicle Warranty (F.S. 634, Part I)		
b. Home Warranty (F.S. 634, Part II)		
c. Service Warranty (F.S. 634, Part III)		
7. Other Current Liabilities (Schedule G - Page 14)		
8. Total Current Liabilities		
9. Reserve for Unearned Premium		
a. Motor Vehicle Warranty (F.S. 634, Part I)		
b. Home Warranty (F.S. 634, Part II)		
c. Service Warranty (F.S. 634, Part III)		
10. Long Term Portion of Notes Payable (Schedule F - Page 12)		
11. Other Long Term Liabilities (Schedule G - Page 13)		
12. Total Long Term Liabilities		
13. Total Liabilities		
STOCKHOLDERS' EQUITY:		
14. Common Stock		
15. Preferred Stock		
16. Additional Paid-in Capital		
17. Retained Earnings (Line 17 - Page 6)		
18. Less Treasury Stock	()	()
19. Other (Attach Detail)		
20. Total Stockholders' Equity		
21. TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		
22. Total Stockholders' Equity (Line 20 above)		
23. Less Non-Admitted Assets (Schedule E, Line 10, Page 11)	()	()
24. Statutory Net Worth		

STATEMENT OF OPERATIONS AND RETAINED EARNINGS

	December 31	
INCOME:	Current Year	Last Year
1. Premiums Earned		
a. Motor Vehicle Warranty (F.S. 634, Part I)		
b. Home Warranty (F.S. 634, Part II)		
c. Service Warranty (F.S. 634, Part III)		
2. Total Net Investment Income Earned:		
a. Net Income Earned on all Reserves		
b. Net Income Earned on Other Investments		
3. Net Realized Capital Gains (or Losses)		
4. Other Income (Attach Schedule)		
5. Total Income		
EXPENSES:		
6. Claims		
a. Motor Vehicle Warranty (F.S. 634, Part I)		
b. Home Warranty (F.S. 634, Part II)		
c. Service Warranty (F.S. 634, Part III)		
7. Commissions to Agents		
8. General Expenses (Attach Schedule)		
9. Total Expenses		
10. Net Gain (or Loss) from operations before Federal and State Income Taxes and Extraordinary Item(s)		
11. Extraordinary Item(s) (Attach Schedule)		
12. Federal and State Income Taxes		
13. Net Gain (or Loss) from Operations		
14. Retained Earnings, December 31, Previous Year		
15. Other (Attach Details)		
16. Less Dividends to Stockholders	()	()
17. RETAINED EARNINGS (Enter on Line 17, Page 5)		

Year Ending:

☐ Check if Not Applicable[illegible]

Month	Balance	Month	Balance	Month	Balance	Month	Balance
JAN		APR		JUL		OCT	
FEB		MAY		AUG		NOV	
MAR		JUN		SEP		DEC	

Year Ending:

Place a check in the column marked with an asterisk (*) if this investment represents reserve funds invested. Show all stocks, bonds, debenture bonds, collateral or mortgage notes owned and list in the order of their maturity. If stocks and bonds are not traded on one of the major exchanges or over-the-counter, then sufficient information should be given so that the investments may be verified. Collateral and mortgage notes owned should also reflect sufficient data for confirmation. If investment is on deposit with the Department, indicate with a check in the column marked with a number sign (#).

Click Alt+s to jump to the Save/Submit page

Company Name:

Year Ending:

SCHEDULE C
RECEIVABLES

Place a check in the column marked with an asterisk (*) on all receivables which are past due over 90 days. Under **Description / Name of Debtor**, identify if the Debtor is an **Affiliate**, **Director**, **Officer**, **Shareholder**, or **Employee / Salesperson**.

Description / Name of Debtor	*	Security / Nature of Debt	Balance
Current:	<input type="checkbox"/> Check if Not Applicable		
	<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"/>		
	<input type="checkbox"/>		
	<input type="checkbox"/>		
		Total Current (Line 3, Page 4):	
Non-Current:	<input type="checkbox"/> Check if Not Applicable		
	<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"/>		
	<input type="checkbox"/>		
		Total Non-Current (Line 9, Page 4):	
		TOTAL RECEIVABLES:	

SCHEDULE D
OTHER ASSETS
(Net of Accumulated Depreciation)

Identify as current, non-current, or fixed where appropriate. Place a check in the column marked with an asterisk (*) if all or any part of the asset is assigned as collateral for a loan or is otherwise restricted.

Name	Nature of Asset	*	Balance
Other Current Assets:	<input type="checkbox"/> Check if Not Applicable		
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
Total Other Current Assets (Line 6, Page 4) :			
Non-Current Assets:	<input type="checkbox"/> Check if Not Applicable		
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
Total Other Non-Current Assets (Line 13, Page 4):			
Other Fixed Assets:	<input type="checkbox"/> Check if Not Applicable		
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
Total Other Fixed Assets (Line 19, Page 4):			
TOTAL OTHER ASSETS:			

SCHEDULE E
NON-ADMITTED ASSETS

1.	Notes, Accounts Receivables or Advances:		
a.	From Affiliates		
b.	From Controlling Stockholder / Ownership Interest		
c.	From Directors / Officers		
d.	From Employees / Salesmen		
e.	From Others		
Total (Line 1, entries a through e):			
2.	Fixed Assets costing less than \$200 each or amortized longer than five years		
3.	Leasehold Improvements in excess of Statute authorization		
4.	Investments:		
a.	In Subsidiaries		
b.	In Affiliates of Parent / Ultimate Parent		
Total (Line 4, entries a and b):			
5.	Prepaid Expenses in excess of Liquidation Value		
6.	Deferred Expenses		
7.	Intangible Assets:		
a.	Goodwill		
b.	Franchises		
c.	Customer Lists		
d.	Patents or Trademarks		
e.	Agreements not to Compete		
f.	Others (Identify)		
Total (Line 7, entries a through f):			
8.	Any Other asset pledged as collateral or otherwise restricted		
9.	Other Assets not allowed by Statute (Identify)		
Total (Line 9, all entries):			
10.	TOTAL NON-ADMITTED ASSETS (Line 22, Page 4 and Line 23, Page 5)		

SCHEDULE F
NOTES PAYABLE

Place a check in the column marked with an asterisk (*) to designate Notes due to Affiliates, Directors, Officers, or Controlling Shareholder / Interest.

Description		Balance
Current Portion of Notes Payable:	<input type="checkbox"/> Check if Not Applicable *	
	<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"/>	
	<input type="checkbox"/>	
	<input type="checkbox"/>	
Total Current Portion of Notes Payable (Line 4, Page 5):		
Long-Term Portion of Notes Payable:	<input type="checkbox"/> Check if Not Applicable *	
	<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"/>	
	<input type="checkbox"/>	
Total Long-Term Portion of Notes Payable (Line 10, Page 5):		
TOTAL NOTES PAYABLE:		

Year Ending:

SCHEDULE G OTHER LIABILITIES

Name	Nature of Liability	Balance
Other Current Liabilities:	<input type="checkbox"/> Check if Not Applicable	
Total Other Current Liabilities (Line 7, Page 5):		
Other Long-Term Liabilities:	<input type="checkbox"/> Check if Not Applicable	
Total Other Long-Term Liabilities (Line 11, Page 5):		
TOTAL OTHER LIABILITIES:		

SCHEDULE H
FUNDED UNEARNED PREMIUM RESERVE
Chapter 634, Florida Statutes

List all assets used to meet the Unearned Premium Reserve requirement(s) for any warranty license(s) held by the Licensee. The reserve is required to be funded with unencumbered assets. The assets shall be held as prescribed under Chapter 625.301 - 625.340, Florida Statutes. (Attach additional pages, if needed.) Please identify any assets on deposit with the Department of Financial Services, Division of Treasury, Bureau of Collateral Management with check in the column marked with an asterisk (*).

Description of Asset	Maturity or Number of Shares	*	Market Value	Original Cost
Motor Vehicle Service Agreement Company	<input type="checkbox"/> Check if Not Applicable			
		<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"/>		
MOTOR VEHICLE SERVICE AGREEMENT COMPANY RESERVES:				
Home Warranty Association	<input type="checkbox"/> Check if Not Applicable			
		<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"/>		
HOME WARRANTY ASSOCIATION RESERVES:				
Service Warranty Association	<input type="checkbox"/> Check if Not Applicable			
		<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"/>		
SERVICE WARRANTY ASSOCIATION RESERVES:				
TOTAL RESERVES:				

Company Name:

Year Ending:

EXHIBIT I
Recap of Premiums Written for 12 Months Ending
NATIONWIDE (Including FLORIDA)

	(A) 1-Year or Less Contracts	(B) 2-Year Contracts	(C) 3-Year Contracts	(D) 4-Year Contracts	(E) Others (5 Year or Longer)	(F) Totals
1. Gross Written Premium Current Year						
2. Less Cancellations and Refunds	()	()	()	()	()	()
3. Adjusted Premiums						

EXHIBIT II
Recap of In-Force Premiums
NATIONWIDE (Including FLORIDA)

	(A) Number of Warranties	(B) Premium Received and Outstanding	(C) Unearned Premium Reserve (UPR)	(D) Amount of Premium Covered by CLP **
1. In-Force end of prior year				
2. Audit adjustments to prior year				
3. Issued during the year				
4. Cancelled during the year	()	()	()	()
5. Expired during the year	()	()	()	()
6. Earned during the year			()	
7. In-Force end of current year			*	

* Amount must agree with Line 9a, Page 5 and the Total of Exhibit IV, Column E, Page 16.

** For companies with more than one CLP policy, attach a separate schedule listing the name and address of the insurer, the time period covered, the number of contracts and the total dollar amount covered by each policy.

PLEASE NOTE: Multiple policies of the same type of coverage are not permitted for the same time period.

EXHIBIT III
Recap of Earned Premiums
NATIONWIDE (Including FLORIDA)

	(A) Adjusted Premiums Written (from Exhibit I)	(B) Add Required UPR Prior Year	(C) Deduct Required UPR Current Year	(D) Premiums Earned (Enter on Line 1a, Current Year, Page 6)
1. Premiums Written				

Company Name:

Year Ending:

EXHIBIT IV
Detail of Unearned Premium Reserve
NATIONWIDE (Including FLORIDA)

(A)	(B)	(C)	(D)	(E)	(F)
Calendar Year	Term Year	Premium Received and Outstanding on Warranties Not Covered by CLP	Gross Unearned Premium	Unearned Premium Reserve	Column E Divided By Column D
Current	1 or Less				
	2				
	3				
	4				
	5				
	Other				
	2				
	3				
	4				
	5				
	Other				
	3				
	4				
	5				
	Other				
	4				
	5				
	Other				
	5				
	Other				
	Other				
	Totals			*	%

* Amount must equal Unearned Premium Reserve column on Exhibit II, Page 15.

EXHIBIT V
Recap of FLORIDA Premium Written for the 12 Months Ending

	(A) 1-Year or Less Contracts	(B) 2-Year Contracts	(C) 3-Year Contracts	(D) 4-Year Contracts	(E) Others (5 Year or Longer)	(F) Totals
1. Gross Written Premium Current Year						
2. Less Cancellations and Refunds	()	()	()	()	()	()
3. Adjusted Premiums						

EXHIBIT VI
Recap of FLORIDA In-Force Premiums

	(A) Number of Warranties	(B) Premium Received and Outstanding	(C) Unearned Premium Reserve (UPR)	(D) Amount of Premium Covered by CLP
1. In-Force end of prior year				
2. Audit adjustments to prior year				
3. Issued during the year				
4. Cancelled during the year	()	()	()	()
5. Expired during the year	()	()	()	()
6. Earned during the year			()	
7. In-Force end of current year				

EXHIBIT VII
Recap of FLORIDA Earned Premiums

	(A) Adjusted Premiums Written (from Exhibit V)	(B) Add Required UPR Prior Year	(C) Deduct Required UPR Current Year	(D) Premiums Earned
1. Premiums Written				

EXHIBIT VII-A
Recap of 15% Reserve

1. Gross Unearned Premium, From Exhibit VIII, Column D, Page 18, x 50%	0
2. Line 1 x 15%	0
3. Less Statutory Deposit Held Under Section 643.052, F.S.	
4. Required Reserve to be Held by the Department of Financial Services, Division of Treasury, Bureau of Collateral Management Under Section 634.041, F.S.	0

EXHIBIT VIII
Detail of FLORIDA Unearned Premium Reserve

(A)	(B)	(C)	(D)	(E)	(F)
Calendar Year	Term Year	Premium Received and Outstanding on Warranties Not Covered by CLP	Gross Unearned Premium	Unearned Premium Reserve	Column E Divided By Column D
Current	1 or Less				
	2				
	3				
	4				
	5				
	Other				
	2				
	3				
	4				
	5				
	Other				
	3				
	4				
	5				
	Other				
	4				
	5				
	Other				
	5				
	Other				
	Other				
	Totals			*	%

* Amount must equal Unearned Premium Reserve column on Exhibit VI, Page 17.

EXHIBIT IX
Reported Claims Incurred

Exclude All IBNR Claims	(A) Reported claims paid current year to date	(B) Total reported claims unpaid	(C) Reported claims unpaid at end of previous year	(D) Reported claims incurred current year (A+B-C=D)
1. Number				
2. Amount				

EXHIBIT X
Claims Adequacy

(A) Claims reserve previous year	(B) Claims paid during current year on claims incurred in previous years	(C) Excess or (deficiency) (A-B=C)

EXHIBIT XI
Compilation of Claims Payable / Reserve
(Page 6, Line 6a)

	(A) Claims incurred but not reported	(B) Claims reported but not paid	(C) Claims reserve (A+B=C)
1. Number			
2. Amount			

EXHIBIT XII
Ratios

1	<div>Reported claims paid current year to date</div>	<div>Premium earned year to date</div>	<div>%</div>
2	<div>Reported claims incurred</div>	<div>Premium earned (Plus reserve investment income from Statement of Operations, Line 2a, Current Year, Page 6).</div>	<div>%</div>

EXHIBIT XIII
Claims Exposure

	(A) Total Claims Paid	(B) Total Claims Covered by CLP	(C) % Claims Covered by CLP
1. Nationwide			%
2. Florida Only			%

Company Name:

Year Ending:

EXHIBIT XIV
Itemized Agreement Acquisition Costs

	(A) Current	(B) Deferred	(C) Total
1. Commissions			
2. Administrative Fees			
3. Underwriting Costs			
4. Other *			
5. Totals			

* Provide detailed breakdown on additional page(s).

EXHIBIT XV
Premiums Written and Claims Paid by State

State	Is Company Licensed?	Gross Premiums Written	Claims Paid		Number of Claims Resisted
			Number	Amount	
	<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"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				
All Additional States *					
TOTALS:					

Company Name:

Year Ending:

LIST OF OFFICERS/DIRECTORS AND KEY PERSONNEL

Complete the following for all officers, directors, partners, members, and facility executive director/administrators. Include shareholders and affiliates holding at least 10% interest in the operations of the provider. State the percentage owned. If such person and/or shareholder has been appointed, elected, nominated, designated or has been added to this list during this report period, place a check in the "New" column provided. If required biographical information has not been previously submitted on those checked, please refer to the instructions provided at <http://www.floir.com/siteDocuments/OfficeDirector.pdf>.

Name	Position/Title	Residence Address	City	State/ Prov.	Zip/Postal Code	Date of Birth	%	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"/>
								<input type="checkbox"/>
								<input type="checkbox"/>

Company Name:

Year 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"/>
							<input type="checkbox"/>

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

Save

Submit Final



Office of Insurance Regulation

FLORIDA
COMPANY CODE:
6 5 _ _ _

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

_____, 2 0 _ _

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.floir.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
all 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.

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization,

_____, day of _____, 20 _____
Notary Public: _____

Commissioner Number: _____

Expiration Date: _____

_____, President/Owner

_____, Secretary

_____, Treasurer/CFO

OIR-A3-1984

REV (5/21)

69O-200.017

Company Name:

Period Ending:

Print this page

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 OFFICERS/DIRECTORS AND KEY PERSONNEL

Complete the following for all officers, directors, partners, members, and facility executive director/administrators. Include shareholders and affiliates holding at least 10% interest in the operations of the provider. State the percentage owned. If such person and/or shareholder has been appointed, elected, nominated, designated or has been added to this list during this report period, place a check in the "New" column provided. If required biographical information has not been previously submitted on those checked, please refer to the instructions provided at <http://www.floir.com/pdf/OfficeDirector.pdf>.

Name	Position/Title	Residence Address	City	State/ Prov.	Zip/Postal Code	Date of Birth	%	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"/>

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"/>

Company Name:

Period Ending:

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

Save

Submit Final



Florida Office of Insurance Regulation

APPLICATION FOR LICENSE MOTOR VEHICLE SERVICE AGREEMENT COMPANY

This packet is designed to assist individuals in preparing the application in accordance with Florida Statutes and Rules and to facilitate expeditious processing of the application by the Florida Office of Insurance Regulation ("Office").

Please submit all documents required by this packet in searchable PDF format unless otherwise indicated or required by Florida Statutes.

If this packet requires submission of forms or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <https://www.floir.com/iportal> and select "Insurance Regulation Filing System (IRFS)" to begin the submission of forms and/or rates.

In order for a submission to be considered a complete application, all required information must be included in the filing, including the completed application checklist.

The completed application packet must be submitted to the Office by selecting iApply – Online Company Admissions at the following link:

<https://www.floir.com/iportal>

Any questions Applicants have concerning this application packet or iApply may be directed to Property and Casualty at pcappcoord@floir.com.

APPLICATION FOR LICENSE MOTOR VEHICLE SERVICE AGREEMENT COMPANY

INSTRUCTIONS

SECTION I - APPLICATION FEES

Section I-1 **Application Fees**

Applicants* must pay a license fee of \$100 U.S. Dollars ("USD"), pursuant to Sections 634.061 and 634.071, Florida Statutes. This fee is due at the time the application packet is filed and is not refundable.

Secure your check to the Invoice on page 14 of this application and mail to:

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

Include copies of the completed Invoice and check with your application filing submitted via iApply. This procedure will expedite the processing of your application and assure a timely recording of the fee payment.

Section I-II **Fingerprint Fees**

Applicants are required to pay a fee for the processing of the fingerprint cards required in Section IV-4. Please see Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions.

*See Section IV-5 on page 8 of this Application for entities wishing to apply as a Motor Vehicle Manufacturer rather than a Motor Vehicle Service Agreement Company.

APPLICATION FOR LICENSE MOTOR VEHICLE SERVICE AGREEMENT COMPANY

SECTION II - LEGAL

Section II-1 Articles of Incorporation

Submit a copy of Applicant's Articles of Incorporation or Partnership Agreement, unless entity is a sole proprietorship, complete with all amendments, and certified within the last year by the public official with whom the originals are on file in the state or jurisdiction of domicile. Partnership Agreements that are not on file in the jurisdiction of domicile should be certified as true and correct by one of the partners.

Section II-2 Certificate of Status from State of Domicile

If Applicant is not a Florida domestic company, submit a certificate of status from the domiciliary jurisdiction dated within the last year. A certificate of status is a document issued by the public official having supervision of the records of corporations in the Applicant's home state or jurisdiction of domicile, usually the Secretary of State or equivalent office, that shows the company is duly organized in the state or jurisdiction of domicile and that all taxes and fees have been paid.

Section II-3 Certificate of Status from Florida

Submit a certificate of status from the Florida Secretary of State dated within the last year.

Section II-4 Company Bylaws

Submit a copy of Applicant's Bylaws or equivalent document, if any. This document should be certified by Applicant's Secretary, or equivalent position, as a true and correct copy of the current document and dated within the last year. Only the Secretary's signature will be accepted, unless this position does not exist.

Section II-5 Service of Process Consent and Agreement

Submit the executed Service of Process Consent and Agreement Form OIR-C1-144. No signatures other than those of the President or Chief Executive Officer and the Secretary will be accepted.

Section II-6 Authorization Letter

Provide a letter of authorization for any person, other than Applicant's personnel, who is authorized to represent the Applicant before the Office in this matter. This letter should be dated within the last year.

Section II-7 Fictitious Name Filing

If the organization plans to utilize a fictitious name, submit evidence of compliance with Section 865.09, Florida Statutes.

APPLICATION FOR LICENSE MOTOR VEHICLE SERVICE AGREEMENT COMPANY

INSTRUCTIONS SECTION III – FINANCIAL

Section III-1 **Financial Statements**

Applicant must provide the most recent financial statement reflecting minimum net assets maintained in the United States of at least \$500,000 USD, and contain a balance sheet, income statement, and statement of cash flows. These statements should be certified as true and correct by two officers and may not be more than 12 months old. Applicant should also submit the same for its immediate parent.

Section III-2 **Financial Requirements**

1. Applicant must comply with one of the following two options:
 - a. Supply the Office with a copy of an approved executed contractual liability insurance policy as set forth in Section 634.041(8)(b), Florida Statutes. The insurance company issuing the policy must be a Florida admitted property and casualty insurance company whose Certificate of Authority allows it to write this type of policy. Policies issued by Surplus Lines insurers are not acceptable; **or**
 - b. Supply the Office with a sworn statement of Applicant's intentions to establish and maintain a 50% reserve as outlined by Section 634.041(8)(a), Florida Statutes. Applicants choosing this option must also place a deposit with Bureau of Collateral Management (see instructions in III-3 below) equal to 15% of unearned premium reserve, as explained in Section 634.041(8)(a)(3), Florida Statutes.

Section III-3 **Deposit**

Pursuant to Section 634.052, Florida Statutes, Applicant must, prior to the issuance of a license, provide evidence of the appropriate deposit or security bond as below.

- a. If Applicant has \$750,000 USD or less in unearned gross written premiums it shall place with the Bureau of Collateral Management a deposit of at least \$100,000 USD.
- b. If Applicant has more than \$750,000 USD in unearned gross written premiums it shall place with the Bureau of Collateral Management a deposit of at least \$200,000 USD.

APPLICATION FOR LICENSE MOTOR VEHICLE SERVICE AGREEMENT COMPANY

Deposits should be made in accordance with the provisions of Section 625.52, Florida Statutes. For information on how to make the required securities deposit, contact the Bureau of Collateral Management at (850) 413-3167, or:

Florida Department of Financial Services
Bureau of Collateral Management
200 East Gaines Street
Tallahassee, FL 32399-0345

Section III-4 **Plan of Operations**

It is important for the Office to have a clear understanding of the proposed operations of the specialty insurer and the goals it seeks to achieve. To fulfill this requirement, the plan of operations must consist of the following information:

- a. **History:** Applicant should prepare a brief history of the company since its incorporation. Indicate any changes of ownership or changes in operations. Indicate any actions taken by governmental agencies that have or had jurisdiction over the company.

In this section list all companies or individuals affiliated with the Applicant. If a company, indicate what its principal business is. In addition, provide a list of all d/b/a's, trade names, or fictitious names, plan or contract names, or any other name the general public may recognize.

- b. **Organizational Chart:** Furnish a complete organizational chart for Applicant fully disclosing the relationship between all entities in the organizational structure, including all parent, holding, and subsidiary entities, as well as any and all affiliated entities, and clearly stating all ownership percentages, if applicable.
- c. **Management:** Applicant should provide information regarding the motor vehicle service warranty experience of individuals in key areas of management and should outline specifically how each of the following will be handled: marketing, claims handling, accounting, and investments.
- d. **Products:** Applicant should give a description of each product it plans to market.
- e. **Marketing and Growth:** Applicant should furnish a plan of marketing including methods, rates, commissions, projected growth pattern, and other pertinent information affecting marketing plans.
- f. **Administration:** If Applicant chooses to use an administrator, the administrator must also obtain licensure as a Motor Vehicle Service Agreement Company, pursuant Section 634.031, Florida Statutes.

APPLICATION FOR LICENSE MOTOR VEHICLE SERVICE AGREEMENT COMPANY

Section III-5 States Where Applicant is Currently Doing Business

Applicant should provide a list of states in which it conducts motor vehicle service warranty business.

Section III-6 Financial Projections

Applicant should submit projected total premiums for the first three years of operation from the time of expected licensure. Submissions should include the underlying assumptions, the projected number of contracts sold, and the average premium under each type of contract. This information should be provided for Florida only, as well as separately for all business.

Section III-7 Alphabetical List of Proposed Sales Representatives

Applicant should provide a list of its proposed sales representatives using Form OIR-C1-995, List of Proposed Sales Representatives. It is understood that most 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 sales representatives may be obtained from the Florida Department of Financial Services, Division of Agent & Agency Services, by calling 1-877-MY-FL-CFO (1-877-693-5236), or (850) 413-3089, if calling from out of state.

APPLICATION FOR LICENSE MOTOR VEHICLE SERVICE AGREEMENT COMPANY

SECTION IV – MANAGEMENT

Section IV-1 Management Information Forms

Submit Management Information Form OIR-C1-2221 fully describing Applicant's management, ownership, and all individuals or entities having direct or indirect control up to and including any 10% or greater interest holders of the ultimate parent. A Management Information Form should be submitted for each entity in the ownership chain.

Forms should contain the First, Middle, and Last name of listed individuals. Please state if a middle name does not exist.

Section IV-2 Biographical Affidavits as to Officers, Directors, and Shareholders

Provide a National Association of Insurance Commissioners ("NAIC") Biographical Affidavit (NAIC Form 11) (Form OIR-C1-1423) for each individual listed in Section IV-1. Applicant may omit individuals for those companies in the organizational structure between the immediate parent and the ultimate parent. Please note that if an individual has a Biographical Affidavit with an associated background report on file with the Office, and the Biographical Affidavit was signed and notarized within 2 years of the date of the Application being filed, a Biographical Affidavit and associated background report need not be submitted for that individual.

All questions must be answered. All "Yes" answers must be explained.

Each Biographical Affidavit must be signed and notarized.

The affiant's social security number must be submitted to the Office. Section 119.071(5), Florida Statutes, gives authority for an agency to collect social 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 to insure that the owners, management, officers, and directors of any entity regulated by the Office 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.

However, pursuant to Section 119.071(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, please include the affiant's name and social security number on the separate page marked CONFIDENTIAL and provided in this packet and attach that page to the NAIC Biographical Affidavit (NAIC Form 11) that is also included in this packet.

APPLICATION FOR LICENSE MOTOR VEHICLE SERVICE AGREEMENT COMPANY

Section IV-3 Background Investigative Report

A Background Investigative Report must be provided for each person for whom a Biographical Affidavit is required, as described above. Background reports must be submitted by an approved background investigation vendor directly to the Office. Attach proof of payment confirming that all background reports have been ordered when submitting the application. Please refer to Form OIR-C1-905, Instructions for Furnishing Background Investigative Reports, included in this packet.

The NAIC approved background investigation vendor list can be found at:

https://www.naic.org/documents/industry_ucaa_third_party.pdf

Section IV-4 Fingerprint Cards

Fingerprint cards must be provided to the Office for each person for whom a Biographical Affidavit is required. Please refer to Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions. If an individual has submitted a fingerprint card dated within 5 years of the date of the Application filing, a fingerprint card need not be submitted for that individual.

Section IV-5 Motor Vehicle Manufacturers

Entities that qualify as Motor Vehicle Manufacturers pursuant to Section 634.011(7), Florida Statutes, may apply for licensure in accordance with Section 634.041(12), Florida Statutes.

APPLICATION FOR LICENSE MOTOR VEHICLE SERVICE AGREEMENT COMPANY

CHECKLIST

SECTION I - APPLICATION FORM & FEES

Applicant Name: _____

Federal Identification Number ("FEIN"): _____

Home Office Address: _____
(Street Address) (City) (State) (Zip Code)

Phone Number: _____

Please complete and check off all items prior to submission. Applicant should provide an explanation for any items that have not been checked off and submitted.

- ☐ 1. Application fee paid
 - ☐ a. Copy of invoice included (page 14 of this form)
 - ☐ b. Copy of check
- ☐ 2. All fingerprint fees paid electronically
 - ☐ a. Copies of online payment confirmation

APPLICATION FOR LICENSE MOTOR VEHICLE SERVICE AGREEMENT COMPANY

CHECKLIST

SECTION II – LEGAL

- ☐ 1. Articles of Incorporation or Partnership Agreement (if applicable)
 - ☐ a. Appropriately Certified
- ☐ 2. Certificate of Status from Domiciliary Jurisdiction (if applicable)
- ☐ 3. Certificate of Status from Florida
- ☐ 4. Company Bylaws or equivalent (if applicable)
 - ☐ a. Certified by Secretary
- ☐ 5. Service of Process Consent and Agreement Form OIR-C1-144
- ☐ 6. Authorization Letter (if applicable)
- ☐ 7. Fictitious Name Filing (if applicable)

APPLICATION FOR LICENSE MOTOR VEHICLE SERVICE AGREEMENT COMPANY

CHECKLIST

SECTION III – FINANCIAL

- ☐ 1. Financial Statements
 - ☐ a. Balance Sheet
 - ☐ b. Income Statement
 - ☐ c. Statement of Cash Flows
 - ☐ d. Certified by 2 Officers
 - ☐ e. Not more than 12 months old
 - ☐ f. Provided for Parent (as applicable)
- ☐ 2. Financial Requirements (a **or** b)
 - ☐ a. Executed Contractual Liability Policy, **or**
 - ☐ b. A sworn statement to establish and maintain an unearned premium reserve
- ☐ 3. Securities Deposit
 - ☐ a. Appropriate security deposit (see page 4); **or**
- ☐ 4. Plan of Operations
 - ☐ a. History
 - ☐ b. Organizational Chart
 - ☐ c. Management
 - ☐ d. Products
 - ☐ e. Marketing and Growth
- ☐ 5. List of states where Applicant and affiliates are currently doing business
- ☐ 6. Financial Projections for 3 years
 - ☐ a. Florida
 - ☐ b. Nationwide
- ☐ 7. Alphabetical List of Proposed Sales Representatives (Form OIR-C1-995)

APPLICATION FOR LICENSE MOTOR VEHICLE SERVICE AGREEMENT COMPANY

CHECKLIST

SECTION IV – MANAGEMENT

- ☐ 1. Management Information (Form OIR-C1-2221) submitted for all required entities
- ☐ 2. Biographical affidavits (Form OIR-C1-1423) submitted for all required individuals
 - ☐ a. All information completed (no blanks)
 - ☐ b. “Yes” answers explained
 - ☐ c. Signed
 - ☐ d. Notarized
- ☐ 3. Background investigative reports for all required individuals. The reports must be based on the Biographical Affidavits submitted to the Office with this Application.
 - ☐ a. Proof of order and confirmation of payment submitted to the Office
- ☐ 4. Fingerprint cards for all required individuals
 - ☐ a. All information completed (no blanks)
 - ☐ b. Signed

APPLICATION FOR LICENSE MOTOR VEHICLE SERVICE AGREEMENT COMPANY

APPLICATION CERTIFICATION

The below certification must be executed by two officers of Applicant, one of whom must be the President or Chief Financial Officer, and the other the Secretary*.

The undersigned state that they are officers having personal knowledge of the application submitted to the Florida Office of Insurance Regulation in connection with the intention of _____ (“Applicant”) to seek licensure as a Motor Vehicle Service Agreement Company or Manufacturer; that they have read all of the responses, information, exhibits, and documents submitted with, and in support of, this application; and that the submissions are true, correct, and complete to the best of their knowledge. The undersigned further represent that they have the authority to bind the Applicant, and that by their signatures on the instrument the Applicant has executed the instrument.

The undersigned 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, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

By: _____

Print Name: _____

Title: _____

Date: _____

By: _____

Print Name: _____

Title: _____

Date: _____

*Other officers will be accepted only if the applicant does not have these positions.

APPLICATION FOR LICENSE MOTOR VEHICLE SERVICE AGREEMENT COMPANY

INVOICE

NAME OF COMPANY: _____

FEIN: _____

ADDRESS: _____

CITY, STATE, ZIP CODE: _____

PHONE NUMBER: _____

MAILING ADDRESS (IF DIFFERENT FROM COMPANY ADDRESS ABOVE):

(city)

(state)

(zip code)

1. Make payable to the Department of Financial Services and mail check and invoice only to:

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

2. Include a copy of the check and invoice with the application filing submitted electronically via iApply.

FOR DEPARTMENT USE ONLY

RECEIPT#	AMOUNT	TYPE	CLASS	FUND	AMOUNT	SOURCE	
	\$100.00	10	33	3	00	2	
LICENSE NUMBER	Dated MO DAY YR			Mailed MO DAY YR			MAILED BY

M E M O R A N D U M

DATE: August 8, 2022

TO: David Altmaier, Commissioner, Office of Insurance Regulation

THROUGH: Anoush Brangaccio, General Counsel

FROM: Michael Lawrence, Jr., Chief Legal Counsel

SUBJECT: Cabinet Agenda for August 23, 2022
Request for Approval to Publish and the Final Approval to Adopt Amendments to
Rule 690-200.011
Assignment # 264575-20

The Office of Insurance Regulation ("Office") requests that these proposed rule amendments be presented to the Cabinet aides on or before August 17, 2022, and to the Financial Services Commission on August 23, 2022, with a request for approval for publication of proposed rule and for final adoption if no member of the public timely requests a rule hearing or if a hearing is requested and no notice of change is needed.

A notice of development of rulemaking is not required for the repeal of a rule.

69O-200.011 is repealed.

Sections 634.021 and 634.1213, F.S., are the rulemaking authority and laws implemented for this rule.

Attached are the proposed rules.

Approved for signature:

Anoush Brangaccio, General Counsel

Approved for submission to Financial Services
Commission:

David Altmaier, Commissioner
Office of Insurance Regulation

69O-200.011 Disapproval of Forms.

~~A form will be disapproved if:~~

- ~~(1) It does not meet the minimum requirements set forth in rule 69O-200.009, F.A.C.; and/or~~
- ~~(2) Contains names, telephone numbers, or other language which makes it difficult for the service agreement buying public to determine which company actually has issued and is liable for the service agreement. This may include, but is not limited to, the following:~~
 - ~~(a) Prominent use of trade names; and;~~
 - ~~(b) The repeated use of names, addresses or telephone numbers other than those of the licensed company.~~

Rulemaking Authority 634.021 FS. Law Implemented 634.1213 FS. History—New 5-26-93, Formerly 4-200.011, Repealed _____.

M E M O R A N D U M

DATE: August 8, 2022

TO: David Altmaier, Commissioner, Office of Insurance Regulation

THROUGH: Anoush Brangaccio, General Counsel

FROM: Michael Lawrence, Jr., Chief Legal Counsel

SUBJECT: Cabinet Agenda for August 23, 2022
Request for Final Approval to Adopt Amendments to
Rules 69O-203.020, .070, .210
Assignment # 265632-20

The Office of Insurance Regulation ("Office") requests that these proposed rule amendments be presented to the Cabinet aides on or before August 17, 2022, and to the Financial Services Commission on August 23, 2022, with a request for approval for final adoption.

The notice of development of rulemaking was published on May 18, 2021, in Volume 47, No. 96, of the *Register*. The notice of proposed rule was published on April 8, 2022, in Volume 48, No. 68, of the *Register*. In response to comments received from JAPC, a notice of change was published on June 1, 2022, in Volume 48, No. 106, of the *Register*. A hearing was held on August 1, 2022.

Rule 69O-203.020, F.A.C., is amended to contain all application materials for Prepaid Limited Health Service Organizations. Rule 69O-203.070, F.A.C., is amended to incorporate the two annual reports and include the Office's website for how the reports must be filed with the Office. Rule 69O-203.210, F.A.C., is amended to make the Discount Plan Organization application rule consistent with other application rules.

Sections 624.424, 636.007, 636.008, 636.009, 636.043, 636.058, 636.067, 636.204, 636.218, 636.220, 636.226, 636.228, 636.232, 636.234, and 636.236, F.S.

Attached are the proposed rules.

Approved for signature:

Anoush Brangaccio, General Counsel

Approved for submission to Financial Services
Commission:

David Altmaier, Commissioner
Office of Insurance Regulation

690-203.020 Prepaid Limited Health Service Organization Application for Certificate of Authority.

Substantial rewording of Rule 690-203.020, F.A.C. follows. See Florida Administrative Code for present text.

(1) A person applying for a certificate of authority as a prepaid limited service organization shall submit the following:

(a) Form OIR-C1-1119, "Application for Certificate of Authority Prepaid Limited Health Service Organization," effective 5/22, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(b) Form OIR-C1-905, "Instructions for Furnishing Background Investigative Reports," effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(c) Form OIR-C1-938, "Fingerprint Payment and Submission Procedure," effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(d) Form OIR-1423, "Biographical Affidavit," effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX.

(2) A person shall submit the forms listed in subsection (1) electronically via the Office's iApply system at <https://www.flair.com/iportal>. The forms may be obtained from <https://www.flair.com/iportal>.

Rulemaking Authority 636.067 FS. Law Implemented 636.005, 636.007, 636.008, 636.009 FS. History—New 11-15-94, Formerly 4-203.020. Amended _____.

690-203.070 Annual and Quarterly Reports.

(1) Each PLHSO shall file with the Office a full and true report of its financial condition, transactions, and affairs.

(a) An Annual Report covering the preceding fiscal year shall be filed on or before April 1 or within 3 months of the end of the reporting period of the PLHSO. Pursuant to Section 636.043, F.S., each PLHSO shall furnish to the Office an annual report by April 1, or within 3 months after the end of the reporting period on NAIC Annual Statement Health Blanks as adopted in Rule 690-137.001, F.A.C.

1. For the purpose of this rule, the requirement that the Annual Report be filed with the Office means the Annual Report has been transmitted electronically to the National Association of Insurance Commissioners and that the executed Jurat page of said report has been transmitted electronically to the Office via the Regulatory Electronic Filing System, "REFS." The date affixed by the Office's electronic data processing system shall serve as evidence of the timeliness of the Annual Report. An Annual Report in any other format shall not be submitted to the Office.

2. Each PLHSO shall submit its Annual Report electronically to the National Association of Insurance Commissioners in accordance with the electronic filing instructions incorporated by reference in paragraph 690-137.001(3)(b), F.A.C.

3. The Annual Report shall be prepared in accordance with the manuals incorporated by reference in paragraph 690-137.001(4)(a), F.A.C.

4. Copies of the manuals are available:

a. From the National Association of Insurance Commissioners at <http://www.naic.org>; and,

b. For inspection during regular business hours at the Office of Insurance Regulation, Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300.

(b) Form OIR-A2-949, "Annual Report Contracts Issued & Outstanding," effective 12/20, hereby incorporated by reference and available www.flrules.org/XXXXX. Form OIR-A2-949 shall be submitted electronically on or before April 1 or within 3 months of the end of the reporting period of the PLHSO via the Office's system at <https://www.flair.com/iportal>. The form may be obtained from <https://www.flair.com/iportal>.

(c) Form OIR-A2-950, "Annual Report Damage Claims & Medical Injury," effective 12/20, hereby incorporated by reference and available at www.flrules.org/XXXXX. Form OIR-A2-950 shall be submitted electronically on or before April 1 or within 3 months of the end of the reporting period of the PLHSO via the Office's system at <https://www.flair.com/iportal>. The form may be obtained from <https://www.flair.com/iportal>.

(d)(b) The completed Annual Reports annual statement form shall be accompanied by the items required in section 636.043, F.S., and an organization chart of the PLHSO identifying ownership and affiliated parent and subsidiary companies.

(2) Each PLHSO or applicant shall notify the Office of any legal proceeding, excluding traffic infractions, involving any person subject to providing biographical information. This shall include, but not be limited to, any and all criminal, civil, and administrative actions entered by any state or federal entity and to include pending but yet unresolved actions.

(3) Any PLHSO which has operations in states other than Florida shall file its Annual Report ~~annual report~~ based upon its total operations. In addition, the PLHSO shall file a separate schedule of all financial statements specified in the Annual Report ~~annual report form~~, including the audited financial statement, which covers the Florida operations only.

(4) If a PLHSO constitutes a portion of or a division of a certificated entity, the entity shall file its Annual Report ~~annual report~~ based upon its total operations. In addition, the entity shall file a separate schedule of all financial statements specified in the Annual Report ~~annual report form~~, including the audited financial statement, which covers the PLHSO operation only.

(5) The Annual Report ~~annual report~~ shall include disclosure of material transactions between the PLHSO and a related party. The disclosure shall include:

(a) The nature of the relationship(s) involved.

(b) A description of the transaction, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transaction on the financial statements.

(c) The dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period.

(d) Amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

(6) Quarterly reports shall be submitted to the Office within forty-five (45) days following the end of each operating quarter. The initial operating quarter commences after the issuance of a certificate of authority. Quarterly reports shall be submitted in accordance with section 636.043, F.S., on NAIC Quarterly Statement Health Blanks, as adopted in rule 69O-137.001, F.A.C., and shall contain the following supplemental schedules:

(a) A complete identification and dollar value breakdown of all short term investments with individual balances greater than 10% of total short term investments;

(b) A complete list of all debtors with account balances greater than 10% of total prepaid expenses;

(c) An aging analysis on all premium receivables;

(d) A complete aging, identification, and dollar value breakdown of all prepaid expenses with individual balances greater than 10% of total prepaid expenses;

(e) A complete identification and dollar value breakdown of all restricted assets and restricted funds with individual balances greater than 10% of the respective account balance total;

(f) A complete identification and dollar value breakdown of all long term investments with individual balances greater than 10% of total long term investments;

(g) A complete identification and dollar value breakdown of other assets with individual balances greater than 10% of total other assets; and

(h) All surplus notes shall be identified by a complete identification and dollar value breakdown and shall be accompanied by a copy of the surplus note agreement. Each PLHSO is required to submit four (4) quarterly reports in addition to an annual report each fiscal year.

Rulemaking Authority 636.067 FS. Law Implemented 636.009(1)(i) ~~636.009(1)(f)~~, 636.043, 636.058 ~~626.058~~ FS. History—New 11-15-94, Formerly 4-203.070, Amended 9-16-08. Amended.

69O-203.210 Discount Plan Organization Application ~~Forms Incorporated by Reference.~~

Substantial rewording of Rule 69O-203.210, F.A.C. follows. See Florida Administrative Code for present text.

(1) A person applying for a certificate of authority as a discount plan organization shall submit the following:

(a) Form OIR-C1-1606, "Application for License Discount Plan Organization (DPO)," effective 5/22, hereby incorporated by reference and available at [http:// www.flrules.org/XXXXX](http://www.flrules.org/XXXXX)

(b) Form OIR-C1-144, "Service of Process Consent & Agreement," effective 6/04, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(c) Form OIR-C1-905, "Instructions for Furnishing Background Investigative Reports," effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX

(d) Form OIR-C1-938, "Fingerprint Payment and Submission Procedure," effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(e) Form OIR-C1-1423, "Biographical Affidavit," effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX; and

(f) Form OIR-C1-2221, "Management Information Form," effective 6/20, hereby incorporated by reference and available at <http://www.flrules.org/XXXXX>; and

(2) A person shall submit the forms listed in subsection (1) electronically via the Office's iApply system at <https://www.flair.com/iportal>. The forms may be obtained from <https://www.flair.com/iportal>.

Rulemaking Authority 624.424(1)(c), 636.232 FS. Law Implemented 624.424, 636.204, ~~636.218~~, 636.220, 636.226, 636.228, 636.234, 636.236 FS. History—New 5-22-05, Amended 10-29-08, 7-30-17, 4-11-19. Amended _____.

Notice of Change/Withdrawal

DEPARTMENT OF FINANCIAL SERVICES

OIR – Insurance Regulation

RULE NOS.:RULE TITLES:

69O-203.020 Application for Certificate of Authority

69O-203.070 Annual and Quarterly Reports

69O-203.210 Forms Incorporated by Reference

NOTICE OF CHANGE

Notice is hereby given that the following changes have been made to the proposed rule in accordance with subparagraph 120.54(3)(d)1., F.S., published in Vol. 48 No. 69, April 8, 2022 issue of the Florida Administrative Register.

69O-203.020 Prepaid Limited Health Service Organization Application

(1) A person applying for a certificate of authority as a prepaid limited service organization shall submit the following:

(a) Form OIR-C1-1119, “Application for Certificate of Authority Prepaid Limited Health Service Organization,” effective 5/22 ~~6/20~~, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(b) No change.

(c) Form OIR-C1-938, “Fingerprint Payment and Submission Procedure ~~Procedures~~,” effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX;

(d) No change.

(2) A person shall submit the forms listed in subsection (1) electronically via the Office’s iApply system at <https://www.flair.com/iportal>. The forms may be obtained from <https://www.flair.com/iportal>.

Rulemaking Authority 636.067 FS. Law Implemented 636.005, 636.007, 636.008, 636.009 FS. History—New 11-15-94, Formerly 4-203.020. Amended.

69O-203.070 Annual and Quarterly Reports.

(1) Each PLHSO shall file with the Office a full and true report of its financial condition, transactions, and affairs.

(a) An Annual Report covering the preceding fiscal year shall be filed on or before April 1 or within 3 months of the end of the reporting period of the PLHSO ~~elinie~~.

1. For the purpose of this rule, the requirement that the Annual Report be filed with the Office means the Annual Report has been ~~The Annual Report shall be~~ transmitted electronically to the National Association of Insurance Commissioners and that the executed Jurat page of said report has been transmitted electronically to the Office via the Regulatory Electronic Filing System, “REFS.” The date affixed by the Office’s electronic data processing system shall serve as evidence of the timeliness of the Annual Report. An Annual Report in any other format shall not be submitted to the Office.

2. through 4. No change.

(b) Form OIR-A2-949, “Annual Report Contracts Issued& Outstanding,” effective 12/20, hereby incorporated by reference and available www.flrules.org/XXXXX. Form OIR-A2-949 shall be submitted electronically on or before April 1 or within 3 months of the end of the reporting period of the PLHSO ~~elinie~~ via the Office’s system at <https://www.flair.com/iportal>. The form may be obtained from <https://www.flair.com/iportal>.

(c) Form OIR-A2-950, “Annual Report Damage Claims& Medical Injury,” effective 12/20, hereby incorporated by reference and available at www.flrules.org/XXXXX. Form OIR-A2-950 shall be submitted electronically on or before April 1 or within 3 months of the end of the reporting period of the PLHSO ~~elinie~~ via the Office’s system at <https://www.flair.com/iportal>. The form may be obtained from <https://www.flair.com/iportal>.

(d) No change.

(2) through (6) No change.

Rulemaking Authority 636.067 FS. Law Implemented 636.009(1)(i) ~~636.009(1)(f)~~, 636.043, 636.058 FS. History—New 11-15-94, Formerly 4-203.070, Amended 9-16-08. Amended _____.

69O-203.210 Discount Plan Organization Application

(1) A person applying for a certificate of authority as a discount plan organization shall submit the following:

(a) Form OIR-C1-1606, "Application for License Discount Plan Organization (DPO)," effective ~~5/22~~ 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX ~~http://www.flrules.org/Gateway/reference.asp?No=Ref 10323~~;

(b) Form OIR-C1-144, "Service of Process Consent & Agreement," effective 6/04, hereby incorporated by reference and available at www.flrules.org/XXXXX ~~http://www.flrules.org/Gateway/reference.asp?No=Ref 10326~~;

(c) Form OIR-C1-905, "Instructions for Furnishing Background Investigative Reports," effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX ~~http://www.flrules.org/Gateway/reference.asp?No=Ref 10329~~;

(d) Form OIR-C1-938, "Fingerprint Payment and Submission ~~Procedure~~ Procedures," effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX ~~http://www.flrules.org/Gateway/reference.asp?No=Ref 10325~~;

(e) Form OIR-C1-1423, "Biographical Affidavit," effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX ~~http://www.flrules.org/Gateway/reference.asp?No=Ref 10324~~; and

(f) Form OIR-C1-2221, "Management Information Form," effective 6/20, hereby incorporated by reference and available at www.flrules.org/XXXXX ~~http://www.flrules.org/Gateway/reference.asp?No=Ref 10327~~; and

(2) A person shall submit the forms listed in subsection (1) electronically via the Office's iApply system at <https://www.floir.com/iportal>. The forms may be obtained from <https://www.floir.com/iportal>.

Rulemaking Authority 624.424(1)(c), 636.232 FS. Law Implemented 624.424, 636.204, ~~636.218~~, 636.220, 636.226, 636.228, 636.234, 636.236 FS. History—New 5-22-05, Amended 10-29-08, 7-30-17, 4-11-19. Amended _____.



**Office of Insurance Regulation
Life & Health Financial Oversight**

FLORIDA

COMPANY CODE:

FEDERAL EMPLOYER

IDENTIFICATION NUMBER

____ - ____ - _____

ANNUAL REPORT

OF THE

NAME OF THE DISCOUNT PLAN ORGANIZATION (DPO)

(CITY)

(STATE)

TO THE

OFFICE OF INSURANCE REGULATION

OF THE

STATE OF FLORIDA

Life & Health Financial Oversight
200 East Gaines Street
Tallahassee, FL 32399 - 0327

FOR THE FISCAL YEAR ENDED

DUE ON OR BEFORE

3 MONTHS AFTER THE END OF EACH FISCAL YEAR END

REPORT MUST BE TYPED OR PRINTED

Name of Discount Plan Organization (DPO):

**Annual Report of DPO to the Florida Office of Insurance Regulation
For Fiscal Year Ending _____**

Federal Employer Identification Number (FEIN)	_ _ _ _ _ ' _ _ _ _ _		
Complete address of DPO's principal office			
Full name & title of DPO's chief executive officer			
Web Site (s. 636.204 (4))			
Type of entity (check one)	<div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Corporation - For profit <input type="checkbox"/> Corporation - Not-for-profit <input type="checkbox"/> Partnership </div> <div> <input type="checkbox"/> Sole proprietorship <input type="checkbox"/> Limited liability company <input type="checkbox"/> Other: </div> </div>		
<p>This annual report shall be signed below by two corporate officers of the DPO, if the DPO is a corporation; the DPO's partners, if the DPO is a partnership; the DPO's owner, if the DPO is a sole proprietorship; or the DPO's managing or other duly authorized member, if the DPO is a limited liability company.</p>			
Printed name		Printed name	
Title		Title	
Signature		Signature	

Instructions

1. Within 3 months after the end of each fiscal year, complete and file this report for the preceding fiscal year with:

The Office of Insurance Regulation
Life & Health Financial Oversight
200 E. Gaines Street
Tallahassee, Florida 32399-0327

2. Provide all requested information on page 2. Have the report signed on page 2 consistent with the instructions thereon.
3. Answer questions a through r on pages 4 and 5, as they pertain to the fiscal year covered by this report. Attach any additional information and/or documentation required as a result of your responses, clearly identifying each attachment and the question number being answered.
4. Attach a copy of the audited financial statements prepared in accordance with generally accepted accounting principles certified by an independent certified public accountant, including the organization's balance sheet, income statement, and statement of changes in cash flow for the preceding fiscal year.

An organization that is a subsidiary of a parent entity that is publicly traded and that prepares audited financial statements reflecting the consolidated operations of the parent entity and the organization may petition the office to accept, in lieu of the audited financial statement of the organization, the audited financial statement of the parent entity and a written guaranty by the parent entity that the minimum capital requirements of the organization required by this part will be met by the parent entity. The Office may accept this petition if all of the following are met:

- The licensee is 100% owned by the parent directly or indirectly
 - The parent receives an unqualified opinion
 - The parent's audited financial statement reflects at least a \$5 million net worth on a GAAP basis
 - The parent provides a parental guarantee The licensee provides un-audited financial statement on a GAAP basis attested to which reflects a surplus of \$150,000 or more.
 - Licensee requests petition in writing at least 30 days prior to due date of annual report
5. If different from the initial application or the last annual report, complete the schedule on page 7, and include the complete names, address, or Federal taxpayer identifying numbers, titles, and ownership percentages of all officers, directors, managing members, and 10% or greater owners, and for each indicate whether that individual is an officer, director, and/or owner. Please disclose the extent and nature of any contracts or arrangements between such persons and the DPO, including any possible conflicts of interest. Attach additional pages as needed.

Name of Discount Plan Organization (DPO):

**Annual Report of DPO to the Florida Office of Insurance Regulation
For Fiscal Year Ending _____**

6. For each individual who, during the period covered by this report, was a member of the DPO's Board of Directors, Board of Trustees, Executive Committee, or other governing board or committee, or who was one of its principal officers or managing members, responsible for the conduct of its affairs, or in a position to exercise control or influence over its affairs, **and for whom the DPO has not previously done so**, (1) make arrangements to have an investigation report forwarded directly to the Office, and (2) attach to this report: (a) a statement informing the Office of the date that such investigative report was requested, (b) completed NAIC Biographical Statement and Affidavit, and (c) two completed Florida fingerprint cards. Only Florida fingerprint cards will be accepted. Florida fingerprint cards may be obtained by calling the Office of Insurance Regulation, L&H Financial Oversight, at (850) 413-5052.

7. As stated in s.636.204(3), "The office shall issue a license which shall expire 1 year later, and each year on that date thereafter, and which the office shall renew if the licensee pays the annual license fee of \$50 and if the office is satisfied that the licensee is in compliance with this part." Attach evidence of your \$50 renewal fee being paid to the Department of Financial Services, Revenue Processing Section, P.O. Box 6100, Tallahassee, Florida 32314-6100. Page 8 of this report should be detached and mailed to the address given, along with your check for \$50, **prior to the anniversary date of the DPO obtaining its license**.

8. Answer the questions below as they pertain to the fiscal year covered by this report. Attach any additional information and/or documentation required as a result of your responses.

		Yes	No
a	Have there been any changes to any of the DPO's basic organizational documents, such as its bylaws or articles of incorporation? If so, attach an explanation of all such changes, and copies of the amended documents.		
b	Have there been any changes in the DPO's ownership? If so, attach a statement containing complete details, and an organizational chart depicting all direct and indirect relationships between the DPO and all of its affiliates, including the ultimate parent corporation of all such entities.		
c	Was the DPO a party to any civil or criminal legal action, other than as plaintiff in a civil matter? If so, attach a statement containing complete details.		
d	Is the DPO doing business in any state(s) other than Florida? If so, attach a schedule of all such state(s).		
e	Was the DPO's license, registration, or certificate of authority to act as a DPO suspended or revoked by any governmental agency, or did any governmental agency initiate formal legal proceedings for said purpose? If so, attach a statement containing complete details.		
f	Has any governmental entity imposed fines or costs, other than normal filing fees or renewal fees, for activities arising from DPO operations? If yes, attach a statement containing complete details.		

Name of Discount Plan Organization (DPO):

**Annual Report of DPO to the Florida Office of Insurance Regulation
For Fiscal Year Ending _____**

g	Has the DPO either maintained a surety bond in its own name, or securities eligible for deposit with Collateral Management, in an amount not less than \$35,000?		
h	Are all advertisements, marketing materials, brochures, and discount cards used by marketers approved in writing for such use by the DPO?		
i	Does the DPO have an executed written agreement with each marketer prior to the marketer's marketing, promoting, selling, or distributing the DPO?		
j	Is the DPO monitoring the content of all its websites for compliance with s.636.210, s.636.212, and s.636.226 Florida Statutes?		
k	Did the DPO fail to pay any judgment rendered, if any, against it in any state within 60 days after the judgment became final? If so, attach a statement containing complete details.		
l	Was the DPO at any time unable to fully pay when due any debts, or to timely meet any other obligations: If so, attach a statement containing complete details.		
m	Was the DPO or any of its owners, officers, or directors, convicted of, or did it (or that person) enter a plea of guilty or nolo contendere to a felony in any state without regard to whether adjudication was withheld? If so, attach a statement containing complete details.		

		Florida
n	For the year covered by this report, what was the total amount of revenue collected for Florida DPO business?	\$
o	How many residents of Florida are members of the DPO?	
p	List the internet websites used by the DPO and its marketers.	

Name of Discount Plan Organization (DPO):

Annual Report of DPO to the Florida Office of Insurance Regulation
For Fiscal Year Ending _____

CHECK LIST

Please indicate by checking the boxes that each action has been taken

- ☐ This Report has been completed in its entirety with all schedules.
- ☐ Audited CPA financial statements and Opinion Letter are attached.
- ☐ Separate responses, cross-referenced to the question, are attached where appropriate.
- ☐ All financial statements and schedules are mathematically correct.
- ☐ If required, biographical statements, background investigative reports, and fingerprint cards
- ☐ Evidence of payment of license renewal fee.
- ☐ Requests for clarification may be sent electronically to the e-mail address below.

The person to contact regarding any information contained in this report is:

(name & position / title)

(address)

(city, state, zip)

(____ - ____ - ____) ____ - ____ - ____ EXT: ____ - ____ - ____
(area code - telephone number - extension)

(____ - ____ - ____) ____ - ____ - ____
(area code - fax number)

(e-mail, if applicable)

**Annual Report of DPO to the Florida Office of Insurance Regulation
For Fiscal Year Ending _____**

MANAGEMENT / OWNERS INFORMATION

Provide the requested information for all new Officers, Directors, or Other Individuals Responsible for the Operations of the Licensee; include percentage of ownership in the % column. Also, provide the requested information for all new Owners (Members of the Licensee's Organization) with an interest of 10% or greater. If the new Owner is a company, partnership, or other organization, enter the requested information on the last line.

(See instruction 6 on page 3.)

[illegible]

(If additional space is needed attach a separate sheet to this Schedule.)

For each of the individuals listed above, has the information required by item 5 of the instructions been included? _____

For each of the individuals listed above, are the attachments required by item 6 of the instructions been included? _____

Have all new officers, directors, and owners been revealed? _____

The following Officers and Directors are no longer associated with the DPO: _____

The following, previously reported as having an ownership interest in the DPO, no longer have an ownership interest:



Office of Insurance Regulation
Life & Health Financial Oversight

REMITTANCE FORM

Detach and separately forward this page prior to the due date of the required license renewal with your payment to the address below.

Name of Discount Plan Organization	
Street address	
City, State, Zip	
Federal Employer Identification Number	__ __ -- __ __ __ __ __ __ __
Florida Company Code	__ __ __ __ __
Renewal Date of License	_____ 20 __ __

ATTACH CHECK FOR \$50.00 HERE.

MAKE CHECK PAYABLE TO
DEPARTMENT OF FINANCIAL SERVICES

MAIL PAYMENT & THIS PAGE TO:

DEPARTMENT OF FINANCIAL SERVICES
REVENUE PROCESSING SECTION
P. O. BOX 6100
TALLAHASSEE, FLORIDA 32314-6100

FOR OFFICE OF INSURANCE REGULATION USE ONLY

AMOUNT	TYPE/CLASS	FEE	FUND ACCOUNT
\$50.00	1300	L	Renewal License Fee



APPLICATION FOR CERTIFICATE OF AUTHORITY PREPAID LIMITED HEALTH SERVICE ORGANIZATION

This packet is designed to assist individuals in preparing the application in accordance with Florida Statutes and Rules and to facilitate expeditious processing of the application by the Florida Office of Insurance Regulation ("Office").

Please submit all documents required by this packet in searchable PDF format unless otherwise indicated or required by Florida Statutes.

If this packet requires submission of forms or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <https://www.floir.com/iportal> and select "Insurance Regulation Filing System (IRFS)" to begin the submission of forms and/or rates.

In order for a submission to be considered a complete application, all required information must be included in the filing, including the completed application checklist.

The completed application packet must be submitted to the Office by selecting iApply – Online Company Admissions at the following link:

<https://www.floir.com/iportal>

Any questions concerning this application packet or iApply for Life and Health applicants may be directed to lhappcoord@floir.com. Property and Casualty applicants are directed to pcappcoord@floir.com.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

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

Section I-1 Application Fees

Applicants must pay a filing fee of \$500.00. The 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, Florida 32314-6100

Place 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 fees.

Section I-2 Fingerprint Fees

Applicants are required to pay a fee for the processing of the fingerprint cards required in Section IV-5. Please see Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions.

Section I-3 Application for Certificate of Authority (Official Form)

On this form, list the lines of business by code (see enclosed classifications and code number form) that you intend to write in the State of Florida. **THE COMPANY MUST BE AUTHORIZED IN ITS STATE OF DOMICILE FOR THE LINES OF BUSINESS THAT ARE BEING REQUESTED.** When a Certificate of Authority is issued by the Office of Insurance Regulation, it will include only those lines listed on this form and addressed in the proformas in the Plan of Operations. This form must be under corporate seal and signed (original signatures) by both the President or Chief Executive Officer and the Secretary of the Company.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

SECTION II - LEGAL

Section II-1 Articles of Incorporation

Include in this section, the applicant's Articles of Incorporation and all amendments. These documents must be certified by the Florida Secretary of State. The certificate must be an original obtained from the Florida Secretary of State's office no earlier than six months prior to the date the application is filed.

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

Provide a Certificate of Status. This is a document issued by the Florida Secretary of State. The document certifies that the corporation is duly organized in this State and that all state taxes and fees have been paid. This certificate must be obtained from the Florida Secretary of State's office and be an original. [s. 636.005, F.S.]

If you have any questions concerning filing with the Secretary of State, please contact their Division of Corporations at (850) 245-6051.

Important note: The Secretary of State will issue a charter to a prepaid limited health service organization before the Office of Insurance Regulation completes its processing of an application for a certificate of authority. This charter authorizes the company to engage in any type of business except insurance. **Your company MAY NOT engage in the business of a prepaid limited health service organization in Florida until it has been issued a Certificate of Authority by the Director of Insurance Regulation.**

Section II-3 By-Laws, Constitution, or Rules and Regulations

Include two sets of the corporation's By-Laws, Constitution, and/or Rules and Regulations in this section. These documents must be accompanied by a Board Resolution signed and dated by the Secretary of the corporation, stating that the documents are a true and correct copy. **NO** other signatures will be accepted other than the Secretary's signature.

Section II-4 Certificate of Compliance (Foreign Applicants Only)

Provide a Certificate of Compliance. A Certificate of Compliance is a document issued by the public official having supervision of insurance in applicant's state of domicile showing that the company is duly organized and authorized to issue prepaid limited health service contracts therein and the kinds of contracts it is so authorized to transact. The certificate should be an original under seal by the insurer's state of domicile.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

SECTION III - FINANCIAL AND RELATED INFORMATION

Section III-1 Marketing and Growth

Submit a description of the proposed method of marketing, including the target groups, types of coverage to be offered, advertising media to be used, and contact representatives to be used. Also, submit a detailed marketing budget which reflects the proposed method of marketing for a three-year period. Include such items as compensation, local and out-of-town travel, equipment, printing and postage, advertising and public relations, expense accounts, meeting costs, and any applicable publications.

Section III-2 Advertising

Submit a full disclosure of the PLHSO's proposed advertising. All advertisements shall be available in English and shall include all printed and published material, descriptive literature and sales aids, sales talks and sales material, forms and pamphlets, illustrations, depictions and form letters, newspaper, radio, television, or direct mail. The full name and address of the PLHSO must be clearly contained in all advertisements. Each piece of advertising shall have a unique number or designation which will readily identify it from all other advertising.

Section III-3 Marketing Personnel

Submit a list of licensed health agents to be used initially in soliciting contracts or procuring applications.

Section III-4 Insurance

- A. Furnish evidence of adequate insurance coverage (copy of insurance policy) or an adequate plan for self-insurance to respond to claims for injuries arising out of the furnishing of limited health services.
 - (1) General liability.
 - (2) Medical malpractice or professional liability.
- B. Furnish evidence that a blanket fidelity bond in the amount of at least \$50,000. has been obtained (copy of bond). All employees handling the funds must be covered by the blanket fidelity bond. In lieu of the bond, the applicant may deposit with the Office cash or securities or other investments of the types set forth in section 636.042, Florida Statutes.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

Section III-5 Financial

- A. A copy of the applicant's most recent financial statements audited by an independent certified public accountant.
- B. A copy of the applicant's financial plan, including a three-year projection of anticipated operating results, a statement of the sources of funding, and provisions for contingencies, for which projection all material assumptions shall be disclosed. Financial projections shall include:
 - (1) A balance sheet.
 - (2) An income statement.
 - (3) A cash flow analysis.
 - (4) A change in financial position.
- C. A description of how the applicant will comply with Section 636.046, Florida Statutes.
 - (1) Each PLHSO shall deposit with the Office cash or securities of the type eligible under Section 625.52, F.S., which shall have at all times a market value of \$50,000.
 - (2) If for any reason the market value of assets and securities of a PLHSO held on deposit in this state falls below the amount required, the organization shall promptly deposit other or additional assets or securities eligible for deposit sufficient to cure the deficiency.
- D. **Each PLHSO shall at all times maintain a minimum surplus in an amount which is the greater of \$150,000 or 10% of total liabilities.**
- E. Evidence that the applicant is financially responsible and may reasonably be expected to meet its obligations to enrollees and to prospective enrollees. This should include:
 - (1) Statement of the financial soundness of the applicant's arrangements for limited health services and the minimum standard rates, deductibles, co-payments, and other patient charges used in connection therewith.
 - (2) The adequacy of surplus, other sources of funding, and provisions for contingencies.
- F. Furnish a statement from a qualified independent actuary that the entity is actuarially sound.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

Section III-6 Contractual

- A. A copy of the form of all contracts made or to be made between the applicant and any providers regarding the provision of limited health services to enrollees. Include a copy of each type of contract, with a signature page from each executed contract.
- B. A copy of the form of any contract made or to be made between the applicant and any person, corporation, partnership, or other entity for the performance on the applicant's behalf of any function including, but not limited to, marketing, administration, enrollment, investment management, and subcontracting for the provision of limited health services to enrollees.
- C. Copies of all relevant business leases, including rental of real property, equipment, etc. Include the anticipated cost for the life of the lease. If there are no business leases, please so indicate.

Section III-7 Enrollment

Describe the following assumptions underlying enrollment projections:

- A. A monthly projection of enrollment for a three-year period.
- B. Number of eligibles residing within the service area.
- C. Contract size assumptions (contract distribution and content).
- D. Penetration assumptions and rationale, including initial enrollments and renewals.
- E. Allowance for voluntary/involuntary disenrollment and group contract additions during the year.
- F. Date of break even (month, year) based on number of enrollments.

Section III-8 Certificate of Deposit (Foreign Insurers Only)

A Certificate of Deposit is a document issued by the public official having supervision of insurance in the applicant's state of domicile showing the amount and the composition of the deposit maintained by the insurer in another state. The certificate must be an original, sealed by the insurer's state or country of domicile.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

SECTION IV - MANAGEMENT

ALL NAMES PROVIDED IN THIS SECTION SHOULD INCLUDE COMPLETE FIRST, MIDDLE AND LAST NAMES (no abbreviations).

Section IV-1 A list of the names (alphabetically), addresses, and official positions of the individuals who are responsible for conducting the applicant's affairs, including but not limited to, all members of the board of directors, board of trustees, executive committee, or other governing board or committee, the officers, contracted management company personnel, and any person or entity owning or having the right to acquire ten percent or more of the voting securities of the applicant. Such persons shall fully disclose to the Office and to the directors the extent and nature of any contracts or arrangements between them and the PLHSO, including any possible conflicts of interest. Provide the listing using Management Information Form, OIR-C1-2221.

Section IV-2 A list of the owners of the PLHSO, including the extent of the ownership interest of each person or entity and an organizational chart depicting all levels of ownership, including all subsidiaries and parent organizations along with all affiliated companies and corresponding percentages of ownership.

Section IV-3 Biographical Affidavits

Provide a National Association of Insurance Commissioners ("NAIC") Biographical Affidavit (NAIC Form 11) (Form OIR-C1-1423) for each individual listed in Section IV-1. Please note that if an individual has a Biographical Affidavit with an associated background report on file with the Office, and the Biographical Affidavit was signed and notarized within 2 years of the date of the Application being filed, a Biographical Affidavit and associated background report need not be submitted for that individual.

All questions must be answered. All "Yes" answers must be explained.

Each Biographical Affidavit must be signed and notarized.

The affiant's social security number must be submitted to the Office. Section 119.071(5), Florida Statutes, gives authority for an agency to collect social 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 to insure that the owners, management, officers, and directors of any entity regulated by the Office 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.

However, pursuant to Section 119.071(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, please include the affiant's name and social security number on the separate page marked CONFIDENTIAL and provided in this packet and attach that page to the NAIC Biographical Affidavit (NAIC Form 11) that is also included in this packet.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

Section IV-4 Background Investigative Report

A Background Investigative Report must be provided for each person for whom a Biographical Affidavit is required, as described above. Background reports must be submitted by an approved background investigation vendor directly to the Office. Attach proof of payment confirming that all background reports have been ordered when submitting the application. Please refer to Form OIR-C1-905, Instructions for Furnishing Background Investigative Reports, included in this packet.

The NAIC approved background investigation vendor list can be found at:

https://www.naic.org/documents/industry_ucaa_third_party.pdf

Section IV-5 Fingerprint Cards

Fingerprint cards must be provided to the Office for each person for whom a Biographical Affidavit is required. Please refer to Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions. If an individual has submitted a fingerprint card dated within 5 years of the date of the Application filing, a fingerprint card need not be submitted for that individual.

Section IV-6 A statement generally describing the applicant, its facilities and personnel, and the limited health service to be offered.

Section IV-7 A description of the subscriber complaint procedures to be established and maintained as required under Section 636.038, Florida Statutes.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

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

Section V-1 Forms

- A. Submit three copies of the policy, contract, certificate of coverage, member handbook, application, or any other form the applicant proposes to offer the subscriber. This includes any form showing the benefits to which the subscriber is entitled and any form used in the enrollment process. Every form which the PLHSO will use in connection with its subscriber contracts must be submitted and must be identified by a unique form number located on the lower left corner of the form.
- B. Each subscriber contract must state the procedures for offering limited health services and offering and terminating contracts to subscribers which will not unfairly discriminate on the basis of age, sex, race, handicap, health, or economic status.

Section V-2 Rates

Submit three copies of the complete schedule of proposed premium rates for each type of contract. The submission for each separate contract should contain an opinion from a qualified independent actuary or a qualified employee. The opinion shall:

- (1) Certify that the rates are neither inadequate nor excessive nor unfairly discriminatory;
- (2) Certify that the rates are appropriate for the classes or risks for which they have been computed; and
- (3) Present an adequate description of the rating methodology, following consistent and equitable actuarial principles.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

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

Company Name: _____

<u>Item #</u>	<u>Completion Check List</u>
1. Insurer application fees paid	<input type="checkbox"/>
(a) Copy of invoice included (Official Form)	<input type="checkbox"/>
(b) Copy of check	<input type="checkbox"/>
(c) Placed in Section I	<input type="checkbox"/>
(d) Originals mailed to Bureau of Financial Services.....	<input type="checkbox"/>
2. Fingerprint fees paid	<input type="checkbox"/>
(a) Copy of invoice included	<input type="checkbox"/>
(b) Copy of check	<input type="checkbox"/>
3. Application for Certificate of Authority (Official Form)	<input type="checkbox"/>
(a) All blanks completed	<input type="checkbox"/>
(b) Sealed by corporation	<input type="checkbox"/>
(c) Signed by President or other authorized officer (original signature)	<input type="checkbox"/>
(d) Lines of business listed by codes	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

SECTION II - LEGAL

Company Name: _____

<u>Item #</u>	<u>Completion Check List</u>
1. Articles of Incorporation and all amendments	<input type="checkbox"/>
(a) Original certification by Florida Secretary of State	<input type="checkbox"/>
(b) Articles with all amendments attached	<input type="checkbox"/>
2. Certificate of Status from Florida Secretary of State (original document)	<input type="checkbox"/>
(a) Good standing indicated	<input type="checkbox"/>
(b) Sealed by state	<input type="checkbox"/>
(c) Signed by proper public official	<input type="checkbox"/>
2. Corporate By-Laws, Rules and Regulations, and/or Constitution	<input type="checkbox"/>
(a) Signed and dated by corporation secretary	<input type="checkbox"/>
(b) Sealed by corporation	<input type="checkbox"/>
(c) Board Resolution	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

**Section II - Legal
Required Filing and Check List**

<u>Item #</u>		<u>Completion Check List</u>
4.	Certificate of Compliance From State or County of domicile	<input type="checkbox"/>
	(a) Original Certification from State of domicile	<input type="checkbox"/>
	(b) Form indicates lines of business the company is authorized to transact	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

SECTION III - FINANCIAL AND RELATED INFORMATION

Company Name: _____

<u>Item #</u>	<u>Completion Check List</u>
1. Marketing and growth	<input type="checkbox"/>
(a) Description of marketing methods	<input type="checkbox"/>
(b) A detailed marketing budget	<input type="checkbox"/>
(c) List of persons employed to solicit contracts or procure applications.	<input type="checkbox"/>
2. Advertising	<input type="checkbox"/>
(a) Include all printed and published material.....	<input type="checkbox"/>
(b) Sales talks, radio, TV, etc.	<input type="checkbox"/>
(c) Full name and address clearly shown.....	<input type="checkbox"/>
(d) Unique number or designation on each form.....	<input type="checkbox"/>
3. Marketing personnel.....	<input type="checkbox"/>
(a) Submit a list of agents to be used initially.	<input type="checkbox"/>
4. Insurance	<input type="checkbox"/>
(a) Current general liability policy or plan for self-insurance.	<input type="checkbox"/>
(b) Current medical malpractice policy or plan for self-insurance.....	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

**Section III - Financial and Related Information
Required Filing and Check List**

Item #		Completion Check List
5.	Financial	<input type="checkbox"/>
	A. Current audited financial statements	<input type="checkbox"/>
	B. Financial plan and 3 yr. projections	<input type="checkbox"/>
	Anticipated operating results	<input type="checkbox"/>
	Statement of sources of funding.....	<input type="checkbox"/>
	Provisions for contingencies.....	<input type="checkbox"/>
	(1) A balance sheet	<input type="checkbox"/>
	(2) An income statement	<input type="checkbox"/>
	(3) A cash flow analysis.....	<input type="checkbox"/>
	(4) A change in financial position	<input type="checkbox"/>
	C. Evidence of compliance with Section III-5C 1&2.	<input type="checkbox"/>
	D. Compliance with minimum surplus requirement	<input type="checkbox"/>
	E. Statement of soundness of the PLHSO	<input type="checkbox"/>
6.	Contractual Documents	<input type="checkbox"/>
	(a) Provider contract form and signature pages	<input type="checkbox"/>
	(b) Other forms of contracts	<input type="checkbox"/>
	(c) All relevant business leases.....	<input type="checkbox"/>
7.	Complete enrollment information	<input type="checkbox"/>
	(a) Sections A through F addressed.....	<input type="checkbox"/>

APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION

Section III - Financial and Related Information
Required Filing and Check List

Item #		Completion Check List
8.	Certificate of Deposit.....	<input type="checkbox"/>
	(a) Original document provided	<input type="checkbox"/>
	(b) Original seal affixed by state of domicile.....	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

**APPLICATION FOR CERTIFICATION OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

SECTION IV - MANAGEMENT

Company Name: _____

Item #	Completion Check List
1. Alphabetical listing of officers, directors, trustees, etc (OIR-C1-2221) ...	<input type="checkbox"/>
(a) Separate listing of all officers and directors for the corporation	<input type="checkbox"/>
(b) Separate listing of trustees and others.....	<input type="checkbox"/>
(c) Full names listed	<input type="checkbox"/>
(d) Titles listed	<input type="checkbox"/>
2. A list of the owners of the PLHSO	<input type="checkbox"/>
(a) Extent of ownership interest of each person or entity	<input type="checkbox"/>
(b) Organizational chart showing all levels of ownership	<input type="checkbox"/>
3. Biographical affidavits for each individual listed in Section IV-3 (Form OIR-C1-1423).....	<input type="checkbox"/>
For each biographical affidavit	
(a) All blanks completed	<input type="checkbox"/>
(b) "Yes" answers explained.....	<input type="checkbox"/>
(c) Contains original signature.....	<input type="checkbox"/>
(d) Notarized (original).....	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

**Section IV - Management
Required Filing and Check List**

Item #	Completion Check List
4. Investigative Background Report for each individual listed in Section IV-3 (Form OIR-C1-905)	<input type="checkbox"/>
(a) Investigative reporting firm contacted	<input type="checkbox"/>
(b) Full names given to investigative reporting firm for all individuals listed in Section IV-3	<input type="checkbox"/>
(d) Proof of payment.....	<input type="checkbox"/>
5. Fingerprint cards enclosed for each person listed Section IV-3.....	<input type="checkbox"/>
(a) Contains original signature.....	<input type="checkbox"/>
(d) All blanks filled in.....	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

**Section IV - Management
Required Filing and Check List**

Item #	Completion Check List
7. A statement describing the applicant, facilities and personnel, and service to be offered.....	<input type="checkbox"/>
8. Description of subscriber complaint procedures	<input type="checkbox"/>

APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION

APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION

SECTION V - FORMS AND RATES

Company Name: _____

Item #	Completion Check List
1. Forms.....	<input type="checkbox"/>
(a) 3 copies of each.....	<input type="checkbox"/>
(b) Identified by unique form number	<input type="checkbox"/>
2. Rates.....	<input type="checkbox"/>
(a) 3 copies of each filing.....	<input type="checkbox"/>
(b) Opinion from qualified actuary or employee	<input type="checkbox"/>
(c) Statement of actuarial soundness.....	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

**APPLICATION FOR CERTIFICATE OF AUTHORITY FORM
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

Pursuant to Chapter 636, Florida Statutes, application is hereby submitted to form and operate a Prepaid Limited Health Service Organization.

Proposed name of Prepaid Limited Health Service Organization:

NAME: _____

ADDRESS: _____

CITY: _____ ZIP CODE: _____

FEDERAL IDENTIFICATION NUMBER: _____

PHONE: _____

CONTACT PERSON: _____

ATTORNEY OR PRINCIPAL FILING THIS APPLICATION:

NAME: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

In order to qualify as a Prepaid Limited Health Service Organization (PLHSO), an entity shall:

- (1) Provide or arrange for, or provide access to, the provision of a limited health service to enrollees through an exclusive panel of providers. This **MAY** include ambulance services, dental care services, vision care services, mental health services, substance abuse services, chiropractic services, podiatric care services **OR** pharmaceutical services.

NOTE: Limited health services shall not include inpatient, hospital surgical services, or emergency services, except as such services are provided incident to the limited health services.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

- (2) Provide, either directly or through arrangement with other persons, limited health care services to persons enrolled with such organization, on a prepaid per capita or prepaid aggregate fixed sum basis; and
- (3) Provide, either directly or through arrangements with other persons, limited health care services to subscribers through a closed panel of providers.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

APPLICATION CERTIFICATION

The undersigned states that they are an officer having personal knowledge of the application submitted to the Florida Office of Insurance Regulation in connection with the intention of _____ ("Applicant") to apply to operate as a _____ in this state; that they have read all of the responses, information, exhibits, and documents submitted with, and in support of, this application; and that the submissions are true, correct, and complete to the best of their knowledge. The undersigned further represent that they have the authority to bind the Applicant, and that by their signatures on the instrument, the Applicant has executed the instrument.

The undersigned 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, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

(Corporate Seal)

By: _____

Print Name: _____

Title: _____

Date: _____

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ☐ physical presence

or ☐ online notarization, this ____ day of _____ 20__, by _____

(name of person)

as _____ for _____.

(type of authority; e.g., officer, trustee, attorney in fact)

(company name)

(Signature of the Notary)

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known _____ OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: _____

**APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION**

**Application for Certificate of Authority
Prepaid Limited Health Services Organizations
Lines of Business Codes**

Lines of Business	Code Numbers
Dental Care Services	451
Ambulance Services	700
Vision Care Services	712
Pharmaceutical Service	716
Mental Health Service	781
Substance Abuse Services	782
Chiropractic Services	783
Podiatric Care Services	784

APPLICATION FOR CERTIFICATE OF AUTHORITY
PREPAID LIMITED HEALTH SERVICE ORGANIZATION

INVOICE
REQUEST FOR PAYMENT OF APPLICATION
FEES

NAME OF PREPAID LIMITED HEALTH SERVICE ORGANIZATION: _____

FEIN# _____

ADDRESS: _____

CITY, STATE & ZIP CODE : _____

PHONE NUMBER: _____

ADDRESS (IF DIFFERENT FROM ARRANGEMENT ADDRESS)

(CITY) (STATE) (ZIP CODE)

In reference to the submission of the above-referenced insurer's application to do business in Florida, it is necessary for this form to be returned with 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, Post Office Box 6100, Tallahassee, Florida 32314-6100.
2. Include a copy of the check and a copy of the invoice with the completed application package that is submitted to the Office of Insurance Regulation, Company Admissions, 200 East Gaines Street, Larson Building, Tallahassee, Florida 32399-0332.

For Accounting Use Only

<u>BIT</u>	<u>TY/CL</u>	<u>F/T</u>	<u>AMOUNT</u>
C	10/36	L	\$500.00



Florida Office of Insurance Regulation

APPLICATION FOR LICENSE DISCOUNT PLAN ORGANIZATION (DPO)

This packet is designed to assist individuals in preparing the application in accordance with Florida Statutes and Rules and to facilitate expeditious processing of the application by the Florida Office of Insurance Regulation ("Office").

Please submit all documents required by this packet in searchable PDF format unless otherwise indicated or required by Florida Statutes.

If this packet requires submission of forms or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <https://www.floir.com/iportal> and select "Insurance Regulation Filing System (IRFS)" to begin the submission of forms and/or rates.

In order for a submission to be considered a complete application, all required information must be included in the filing, including the completed application checklist.

The completed application packet must be submitted to the Office by selecting iApply – Online Company Admissions at the following link:

<https://www.floir.com/iportal>

Any questions concerning this application packet or iApply for Life and Health applicants may be directed to lhappcoord@floir.com. Property and Casualty applicants are directed to pcappcoord@floir.com.

**APPLICATION FOR LICENSE
DISCOUNT PLAN ORGANIZATION (DPO)**

Pursuant to Section 636.Part II, Florida Statutes, in order to do business as a Discount Plan Organization (DPO), an entity must:

- A. Be a corporation, a limited liability company, or a limited partnership, incorporated, organized, formed, or registered under the laws of this state or authorized to transact business in this state in accordance with Chapter 605, Part I of Chapter 607, Chapter 617, Chapter 620, or Chapter 865, F.S., and must be licensed by the Office as a discount plan organization or be licensed by the Office pursuant to Chapter 624, Part I of Chapter 636, or Chapter 641, F.S.
[s., 636.204(1), F.S.];
- B. Be an entity, which in exchange for fees, dues, charges, or other consideration, provides access for plan members to providers of medical services and the right to receive medical services from those providers at a discount. [s.636.202(2), F.S.];

**APPLICATION FOR LICENSE
DISCOUNT PLAN ORGANIZATION (DPO)**

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

Section I-1 Application Fee

The application filing fee is \$50.00. The initial fee is due and payable at the time of filing the application for licensure. [s.636.204(2)(l) and s.636.204(5), F.S.]

Secure the check to the invoice, which is included in this package, and send to:

Florida Department of Financial Services
Revenue Processing Section
P.O. Box 6100
Tallahassee, Florida 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 fees.

Section I-2 Fingerprint Processing Fees

Applicants are required to prepay electronically for the processing of the fingerprint cards required in Section IV-4. Please see Form OIR-C1-938 for instructions.

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.

Section I-3 Application for License (Official Form included with this package)

This form must be sworn to by an officer or authorized representative of the applicant.

SECTION II-LEGAL

APPLICATION FOR LICENSE DISCOUNT PLAN ORGANIZATION (DPO)

Section II-1 Articles of Incorporation

Include in this section the applicant's Articles of Incorporation or other organizing documents, including all amendments. The required filings must be certified within the last year by the official public records custodian in the applicant's state of domicile. The certification letter must be an original. [s.636.204(2)(a), F.S.]

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

Provide a Certificate of Status document issued by the Florida Secretary of State which certifies that the applicant is authorized in this State and that all state taxes and fees have been paid. This certificate must be obtained from the Florida Secretary of State's office and be an original. [s.636.204(1), F.S.]

If you have any questions concerning filing with the Secretary of State, please contact the Division of Corporations at (850) 245-6051 or see <http://www.sunbiz.org/>.

Important note: The Secretary of State will issue a charter to a discount plan organization before the Office completes its processing of an application for a license. This charter authorizes the company to engage in any type of business except insurance or discount plans, or other regulated business.

Your company MAY NOT engage in the business of a discount plan in Florida until it has been issued a license by the Commissioner of the Office.

Section II-3 By-Laws, Constitution, or Rules and Regulations

Include a copy of the applicant's By-Laws, Constitution, and/or Rules and Regulations in this section. The bylaws must be signed, and recently dated by the Secretary of the company. No signature other than the Secretary's will be accepted. [s. 636.204(2)(b), F.S.]

Section II-4 Certificate of Compliance (Foreign Applicants Only)

If applicable, provide a Certificate of Compliance issued by the public official having supervision in applicant's state of domicile showing that the company is organized and authorized to issue contracts and the kinds of contracts it is authorized to transact. The certificate should be an original under seal by the organization's state of domicile. If not applicable, please state this in the application.

Section II-5 Service of Process Form

Provide an executed Service of Process Consent and Agreement form (OIR-C1-144) under corporate seal and signed by the president or chief executive officer and secretary. [s.636.234, 624.422 and 624.423 F.S.]

**APPLICATION FOR LICENSE
DISCOUNT PLAN ORGANIZATION (DPO)**

SECTION III - FINANCIAL AND RELATED INFORMATION

Section III-1 Marketing and Growth

Submit a description of the proposed method of marketing, including the target groups, types of discounts to be offered, and advertising media to be used.

[s. 636.204(2)(j), F.S.]

Section III-2 Advertising

Provide a description of the procedures in place for the DPO to approve advertising, prior to use, pursuant to Section 636.228, Florida Statutes.

Section III-3 Website

Prior to licensure by the Office, each DPO must establish an Internet website that conforms to the requirements of Section 636.226, Florida Statutes. [s. 636.204(4)] This website should also comply with the disclosures required in s. 636.212, F.S. and should not include any prohibitions listed in s. 636.210, F.S.

Provide the address of the website that complies with these statutes.

Section III-4 Financial

A. Submit a copy of the applicant's most recent financial statements audited by an independent certified public accountant [s.636.204,(2)(i), F.S.], and provide the date of the company's fiscal year end.

B. Each DPO must at all times maintain a net worth of at least \$150,000. [s.636.220(1), F.S.]

The OFFICE may not issue a license unless the DPO has a net worth of at least \$150,000.

[s.636.220(2), F.S.]

C. Documentation that the applicant has complied with the surety bond or security deposit requirements [636.236(1), Florida Statutes]. For security deposits, contact the Bureau of Collateral Management at (850) 413-3167.

(1) Each DPO must maintain in force (unless deposit is placed in lieu of the bond) a surety bond in its own name in an amount not less than \$35,000 to be used at the discretion of the Office to protect the financial interest of members who may be adversely affected by the insolvency of a DPO. The bond must be issued by an insurance company that is licensed to do business in this state.

(2) In lieu of #1 above, each DPO shall deposit with the Bureau of Collateral Management cash or securities of the type eligible under Section

**APPLICATION FOR LICENSE
DISCOUNT PLAN ORGANIZATION (DPO)**

625.52, Florida Statutes, which shall have at all times a market value of \$35,000.

- (3) If for any reason the market value of assets and securities of DPO held on deposit in this state falls below the amount required, the organization shall promptly deposit other or additional assets or securities eligible for deposit sufficient to cure the deficiency.

Section III-5 Contractual

- A. A copy of the form of all contracts made or to be made between the applicant and any providers or provider networks regarding the provision of medical services to members. [s. 636.204(2)(f), F.S.]
- B. A copy of the form of any contract made or to be made between the applicant and any person, corporation, partnership, or other entity for the performance on the applicant's behalf of any function including, but not limited to, marketing, administration, enrollment, investment management, and subcontracting for the provision of health services to members. [s. 636.204(2)(h), F. S.]
- C. A copy of the form of any contract made or arrangement to be made between the applicant and any person listed in the Management Section (Section IV) of this application as individuals who are responsible for conducting the applicant's affairs, including but not limited to, all members of the board of directors, board of trustees, executive committee, or other governing board or committee, the officers, contracted management company personnel, and any person or entity owning or having the right to acquire 10% or more voting securities of the applicant. [s. 636.204(2)(c) and (g), F.S.]

Section III-6 A statement generally describing the applicant, its facilities and personnel, and the medical services to be offered. [s. 636.204(2)(e), F.S.]

Section III-7 A description of the subscriber complaint procedures to be established and maintained. [s. 636.204,(2)(k), F.S.]

**APPLICATION FOR LICENSE
DISCOUNT PLAN ORGANIZATION (DPO)**

SECTION IV - MANAGEMENT

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

Section IV-1 List of All Officers, Directors, and Shareholders [s.636.204(2)(c) F.S.]

- A. List the names, addresses and official positions of each officer, director and any person having direct or indirect control of the organization, including but not limited to contracted management company personnel (Form OIR-C1-2221).
- B. List the names of each shareholder owning ten percent or more of voting securities of the applicant or any person having the right to acquire ten percent or more of the voting securities of the applicant (issued and outstanding warrants/options, etc.). Such persons shall fully disclose to the Office and to the directors the extent and nature of any contracts or arrangements between them and the DPO, including any possible conflicts of interest.
- C. If the applicant is a subsidiary of a parent or holding company, provide an organizational chart showing the relationship of all related companies.

Section IV-2 Biographical Affidavits for Officers, Directors and Shareholders [s.636.204(2)(d),F.S.]

Provide a Biographical Affidavit (Form OIR-C1-1423) for each officer, director, any person having direct or indirect control of the organization, including but not limited to contracted management company personnel and shareholder listed in Section IV-1 except for those companies in the organizational structure between the immediate parent and the ultimate parent. All questions must be answered. All "Yes" answers must be explained.

Each biographical affidavit must contain an original signature and original notary seal.

The requirement for the affiant's social security number as part of the Biographical Affidavit is mandatory. However, pursuant to Sections 119.071(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 the Biographical Affidavit, please include the affiant's name and social security number on a separate page and attach it to the Biographical Affidavit. Also please mark CONFIDENTIAL at the top and bottom of the separate page.

Section 119.071(5), Florida Statutes, gives authority for an agency to collect social 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

**APPLICATION FOR LICENSE
DISCOUNT PLAN ORGANIZATION (DPO)**

imperative for the Office. The duties of the Office in background investigation are extensive in order to ensure 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 [636.204(2)(d) F.S.]

A Background Investigative Report must be provided for each person for whom a Biographical Affidavit is required, as described above. Background reports must be submitted by an approved background investigation vendor directly to the Office. Attach proof of payment confirming that all background reports have been ordered when submitting the application. Please refer to Form OIR-C1-905, Instructions for Furnishing Background Investigative Reports, included in this packet.

The NAIC approved background investigation vendor list can be found at:

https://www.naic.org/documents/industry_ucaa_third_party.pdf

Section IV-4 Fingerprint Cards

Fingerprint cards must be provided to the Office for each person for whom a Biographical Affidavit is required. Please refer to Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions. If an individual has submitted a fingerprint card dated within 5 years of the date of the Application filing, a fingerprint card need not be submitted for that individual.

**APPLICATION FOR LICENSE
DISCOUNT PLAN ORGANIZATION (DPO)**

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

Company Name: _____

<u>Item #</u>	<u>Completion Check List</u>
1. Insurer application fees paid.....	<input type="checkbox"/>
(a) Copy of invoice included (Official Form).....	<input type="checkbox"/>
(b) Copy of check.....	<input type="checkbox"/>
(c) Originals mailed to Revenue Processing Section.....	<input type="checkbox"/>
2. Fingerprint fee paid electronically.....	<input type="checkbox"/>
a. Copy of on-line payment confirmation.....	<input type="checkbox"/>
3. Application for License (Official Form).....	<input type="checkbox"/>
(a) All blanks completed.....	<input type="checkbox"/>
(b) If applicable, sealed by corporation.....	<input type="checkbox"/>
(c) Signed by President or other authorized officer (original signature).....	<input type="checkbox"/>

**APPLICATION FOR LICENSE
DISCOUNT PLAN ORGANIZATION (DPO)**

SECTION II – LEGAL

Company Name: _____

<u>Item #</u>	<u>Completion Check List</u>
1. Articles of Incorporation or other organizing documents and all amendments attached with an original certification by the State of Domicile	<input type="checkbox"/>
2. Certificate of Status from Florida Secretary of State (original document)	<input type="checkbox"/>
(a) Good standing indicated.....	<input type="checkbox"/>
(b) Sealed by state.....	<input type="checkbox"/>
(c) Signed by proper public official.....	<input type="checkbox"/>
(d) Original.....	<input type="checkbox"/>
3. Corporate By-Laws, Rules and Regulations, and/or Constitution	<input type="checkbox"/>
(a) Signed and dated by applicant's secretary.....	<input type="checkbox"/>
4. Certificate of Compliance from State of domicile.....	<input type="checkbox"/>
(a) Original Certification from State of domicile.....	<input type="checkbox"/>
(b) Form indicates the kinds of contracts the company is authorized to transact.....	<input type="checkbox"/>
(c) Not applicable.....	<input type="checkbox"/>
5. Service of Process Form (OIR-C1-144).....	<input type="checkbox"/>

**APPLICATION FOR LICENSE
DISCOUNT PLAN ORGANIZATION (DPO)**

SECTION III - FINANCIAL AND RELATED INFORMATION

Company Name: _____

<u>Item #</u>	<u>Completion Check List</u>
1. Marketing and growth	<input type="checkbox"/>
(a) Description of marketing methods.....	<input type="checkbox"/>
2. Advertising.....	<input type="checkbox"/>
(a) Include a description of advertising procedures.....	<input type="checkbox"/>
3. Provide website address.....	<input type="checkbox"/>
4. Financial	<input type="checkbox"/>
A. Current audited financial statements & fiscal year end date...	<input type="checkbox"/>
B. Compliance with minimum surplus requirement.....	<input type="checkbox"/>
C. Original document evidencing compliance with surety bond requirement or security deposit requirement as explained in S.III-4C 1&2	<input type="checkbox"/>
5. Contractual Documents	<input type="checkbox"/>
(a) Provider contract form	<input type="checkbox"/>
(b) Other forms of contracts per s.636.204(2)(h), F.S.....	<input type="checkbox"/>
(c) Other forms of contracts per s.636.204(2)(c) and (g), F.S.....	<input type="checkbox"/>
6. Statement describing facilities, personnel, and medical services...	<input type="checkbox"/>
7. Description of subscriber complaint procedures.....	<input type="checkbox"/>

**APPLICATION FOR LICENSE
DISCOUNT PLAN ORGANIZATION (DPO)**

SECTION IV – MANAGEMENT

Note: This portion of the checklist is detailed in order to assist the applicant in ensuring all items are completed, and checklist item numbers will not correlate with item numbers in the Instructions.

<u>Item #</u>		<u>Completion Check List</u>
1.	Listing of all officers, directors, and shareholders (including entities owning 10% or more of applicant (Form OIR-C1-2221)	<input type="checkbox"/>
2.	Listing of all <u>immediate</u> parent(s) officers, directors, and shareholders (including entities) owning 10% or more of parent company's stock (Form OIR-C1-2221)	<input type="checkbox"/>
3.	Listing of all <u>intermediary</u> parent(s) (between immediate parent(s) and ultimate parent(s)), officers and shareholders (including entities) owning 10% or more of parent company's stock (Form OIR-C1-2221). Note, do not complete Form OIR-C1-1423, (Biographical Affidavits) or order investigative reports or fingerprint cards.....	<input type="checkbox"/>
4.	Listing of all <u>ultimate</u> parent(s) officers, directors, and shareholders (including entities) owning 10% or more of parent company's stock (Form OIR-C1-2221)	<input type="checkbox"/>
5.	Organizational Chart including all entities within the ultimate parent company structure.....	<input type="checkbox"/>
6.	Biographical Affidavits for company officers, directors, and shareholders (including entities) owning 10% or more of applicant (Form OIR-C1-1423)	<input type="checkbox"/>
As to each biographical:		
(a)	All blanks completed.....	<input type="checkbox"/>
(b)	Contains original signature	<input type="checkbox"/>
(c)	Notarized (original)	<input type="checkbox"/>
(d)	SSN on a separate page.....	<input type="checkbox"/>

**SECTION IV – MANAGEMENT
Required Filing and Check list**

**APPLICATION FOR LICENSE
DISCOUNT PLAN ORGANIZATION (DPO)**

7. Biographical Affidavits for immediate parent(s) officers, directors, and shareholders (including entities) owning 10% or more of parent Company's stock (Form OIR-C1-1423) ☐

As to each biographical:

- (a) All blanks completed..... ☐
- (b) Contains original signature..... ☐
- (c) Notarized (original)..... ☐
- (d) SSN on a separate page..... ☐

8. Biographical Affidavits for ultimate parent(s) officers, directors, and Shareholders (including entities) owning 10% or more of parent company's Stock (Form OIR-C1-1423)

As to each biographical:

- (a) All blanks completed..... ☐
- (b) Contains original signature..... ☐
- (c) Notarized (original)..... ☐
- (d) SSN on a separate page..... ☐

9. Background investigative reports for company officers, directors, and shareholders (including entities) owning 10% or more of applicant..... ☐

10. Background Investigative reports for immediate parent(s) officers, directors and shareholders (including entities) owning 10% or more of parent company's stock..... ☐

11. Background Investigative reports for ultimate parent(s) officers, directors and shareholders (including entities) owning 10% or more of parent company's stock..... ☐

Fingerprint cards enclosed for each person listed in Section IV-4..... ☐

(a) Contains original signature ☐

(d) All blanks filled in ☐

**APPLICATION FOR LICENSE
DISCOUNT PLAN ORGANIZATION (DPO)**

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 (Entity Name)_____ that he/she has read said 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
DISCOUNT PLAN ORGANIZATION (DPO)**

Pursuant to Chapter 636, Part II Florida Statutes, application is hereby submitted to form and operate a Discount Plan Organization.

In order to qualify as a Discount Plan Organization (DPO), an entity must:

- A. Be a corporation, a limited liability company, or a limited partnership, incorporated, organized, formed, or registered under the laws of this state or authorized to transact business in this state in accordance with Chapter 605, part I of Chapter 607, Chapter 617, Chapter 620, or Chapter 865, F.S., and must be licensed by the Office as a discount plan organization or be licensed by the Office pursuant to Chapter 624, Part I of Chapter 636, or Chapter 641, F.S. [s., 636.204(1), F.S.];
- B. Be an entity which, in exchange for fees, dues, charges, or other consideration, provides access for plan members to providers of medical services and the right to receive medical services from those providers at a discount. [s.636.202(2), F.S.];

Proposed name of Discount Plan Organization:

NAME: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

FEDERAL IDENTIFICATION NUMBER: _____

PHONE: _____

CONTACT PERSON: _____

E-MAIL: _____ FAX: _____

ATTORNEY OR PRINCIPAL FILING THIS APPLICATION:

NAME: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

PHONE: _____ E-MAIL: _____ FAX: _____

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DISCOUNT PLAN ORGANIZATION (DPO)**

APPLICATION CERTIFICATION

The undersigned states that they are an officer having personal knowledge of the application submitted to the Florida Office of Insurance Regulation in connection with the intention of _____ ("Applicant") to apply to operate as a _____ in this state; that they have read all of the responses, information, exhibits, and documents submitted with, and in support of, this application; and that the submissions are true, correct, and complete to the best of their knowledge. The undersigned further represent that they have the authority to bind the Applicant, and that by their signatures on the instrument, the Applicant has executed the instrument.

The undersigned 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, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

(Corporate Seal)

By: _____

Print Name: _____

Title: _____

Date: _____

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ☐ physical presence

or ☐ online notarization, this ____ day of _____, 20__, by _____
(name of person)

as _____ for _____
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

(Signature of the Notary)

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known _____ OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: _____

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**INVOICE
PAYMENT OF APPLICATION FEE**

NAME OF COMPANY: _____

FEIN #: _____

ADDRESS: _____

CITY, STATE & ZIP CODE: _____

PHONE NUMBER: _____

ADDRESS (IF DIFFERENT FROM STREET ADDRESS)

(CITY)

(STATE)

(ZIP CODE)

E-MAIL ADDRESS: _____ FAX: _____

In reference to the recent submission by the above-referenced discount ~~medical~~ plan organization regarding its application to do business in Florida, it is necessary that you return this form with the proper payment as listed below.

PLEASE NOTE:

1. Send a check in the proper amount made payable to the Florida Department of Financial Services and mail check and invoice only to the Florida Department of Financial Services, Revenue Processing Section, P.O. Box 6100, Tallahassee, Florida 32314-6100.
2. Include a copy of the check and invoice with the application filing submitted electronically via iApply.

If you have any questions, please contact Applications Coordination at (850) 413-2575.

	<u>B/T</u>	<u>TY/CL</u>	<u>F/T</u>	<u>AMOUNT</u>
Filing Fee	C	1249F	F	\$ 50.00