

FINANCIAL SERVICES COMMISSION

Office of Insurance Regulation

Materials Available on the Web at:

<http://www.floir.com/Sections/GovAffairs/FSC.aspx>

April 26, 2016

MEMBERS

Governor Rick Scott

Attorney General Pam Bondi

Chief Financial Officer Jeff Atwater

Commissioner Adam Putnam

Contact: Karen Kees
(850-413-2474)

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

ITEM	SUBJECT	RECOMMENDATION
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- | | | |
|----|---|--|
| 1. | Minutes of the Financial Services Commission for December 8, 2015.
http://www.myflorida.com/myflorida/cabinet/agenda15/1208/transcript.pdf | |
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(ATTACHMENT 1)

FOR APPROVAL

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| 2. | Request for Approval for Final Adoption of Proposed Amendment to 69O-143.046,.047,.056; Registration of Insurers; Standards; Acquisition of Controlling Stock | |
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The rules regulate the operation of insurance holding companies and their affiliates. They also govern the acquisition process of insurance entities. The rules implement the provisions of the NAIC model related to insurance holding companies and update the provisions regarding the reporting of Enterprise Risk. Several of the forms that are used to report information have been deleted or revised to conform with standardized forms used by the NAIC.

(ATTACHMENT 2)

APPROVAL FOR FINAL ADOPTION

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| 3. | Request for Approval for Publication of Repeal of Rule 69N-121.007,.010; Public Records
Currently, Rules 69N-121.007 and 121.010, Florida Administrative Code, prescribe the procedure by which the Office processes public records requests and the indexing of final orders, respectively. As the public records process is now mostly governed by statute and the indexing process for final orders has been revised by statutory amendment in 2015, these rules are now unnecessary. | |
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(ATTACHMENT 3)

APPROVAL FOR PUBLICATION

4. Request for Approval for Publication of Repeal of Rule 69N-121.066; Informal Conferences
Rule 69N-121.066 provides procedures for an informal conference before the Office. The rule is unnecessary as the procedures for the publication of a Report of Examination is governed by section 624.319, F.S. Accordingly, the rule should be repealed.

(ATTACHMENT 4)

APPROVAL FOR PUBLICATION

5. Request for Approval for Publication of Repeal of Rules 69N-3.001,.002,.003,.004,.005,.006,.007; Smoking Policies

The rules established the smoking policy for the Office, pursuant to sections 120.53 and 386.205, Florida Statutes. Previously, section 386.205(6), gave state agencies authority to create policies and adopt rules to administer the Florida Clean Indoor Air Act. Subsequently, the Legislature revised chapter 386, giving rulemaking authority to the Departments of Health and Business and Professional Regulation to adopt rules to implement the provisions of the Act. The rule repeal would delete now obsolete and unnecessary rules.

(ATTACHMENT 5)

APPROVAL FOR PUBLICATION

6. Request for Approval for Publication of Repeal of Rule 69O-186.010; Insurer's Assumption of Certain Liability

Section 627.777, Florida Statutes gives the Office the authority to directly review and approve forms for use by title insurance underwriters and agents. The Office recently approved a revised version of the Closing Protection Letter (CPL) which was filed with the Office for approval pursuant to Sections 627.777 and 627.786, Florida Statutes. The rule contains an outdated CPL form. As such, the rule that is subject to repeal is obsolete and should be removed from the Florida Administrative Code.

(ATTACHMENT 6)

APPROVAL FOR PUBLICATION

7. Request for Approval for Publication of Amendments to Rule 69O-137.001; Annual and Quarterly Reporting Requirements

Section 624.424, Florida Statutes, requires insurers to file quarterly and annual financial reports with the Office of Insurance Regulation and allows the Office to enact rules setting the standards for those reports. The rule is being amended to adopt the 2016 NAIC Quarterly Statement Manuals, the 2015 NAIC Annual Statement Instructions Manuals, the 2015 and 2016 NAIC Accounting Practices and Procedures Manuals and 2016 NAIC User's Guide. The current rule adopted the 2015 NAIC Quarterly Statement Manuals, the 2014 NAIC Annual Statement Instructions Manuals, and the 2014 and 2015 NAIC Accounting Practices and Procedures Manuals.

(ATTACHMENT 7)

APPROVAL FOR PUBLICATION

8. Request for Approval for Publication of Amendments to Rule 69O-138.001; NAIC Financial Condition Examiners Handbook Adopted

Section 624.316, Florida Statutes, requires the Office to examine insurer's financial condition using generally accepted accounting procedures. This statute also allows the Office to adopt the NAIC Financial Condition Examiners Handbook to facilitate these exams. The rule is being amended to adopt the 2015 and 2016 NAIC Financial Condition Examiners Handbooks. The current rule adopted the 2015 and 2014 versions of these handbooks.

(ATTACHMENT 8)

APPROVAL FOR PUBLICATION

9. Office of Insurance Regulation Performance Measures and Market Highlights

(ATTACHMENT 9)

FOR APPROVAL

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STATE OF FLORIDA

IN RE: MEETING OF THE GOVERNOR AND
CABINET

_____ /

CABINET MEMBERS: GOVERNOR RICK SCOTT
ATTORNEY GENERAL PAM BONDI
CHIEF FINANCIAL OFFICER
JEFF ATWATER
COMMISSIONER OF AGRICULTURE
ADAM PUTNAM

DATE: TUESDAY, DECEMBER 8, 2015

LOCATION: CABINET MEETING ROOM
LOWER LEVEL, THE CAPITOL
TALLAHASSEE, FLORIDA

REPORTED BY: NANCY S. METZKE, RPR, FPR
COURT REPORTER

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OFFICE OF INSURANCE REGULATION

GOVERNOR SCOTT: Now I'd like to recognize Kevin McCarty with the Office of Insurance Regulation.

Good morning, Kevin.

Kevin, how many people are on Citizens Insurance now? What are you down to?

COMMISSIONER McCARTY: We're down below 500,000 I believe.

GOVERNOR SCOTT: That's what I thought. I --

COMMISSIONER McCARTY: We've got another 110,000. You know, I was just meeting with the agents' association in Miami, the Line Agents' Association and I spoke to one of them, I spoke to her seven or eight years ago. And she said, you know when you were here last, I had one market other than Citizens, and today I have 14 markets running in Dade County, which is absolutely phenomenal.

We still have pockets of concern around the state, but we're continuing to work to find -- continue to bring additional capital, and it's just really been exciting.

GOVERNOR SCOTT: Yeah, I think Barry has done

1 a good job, and your office has done a good job, so
2 we have a lot better market now. And it's helpful
3 that we haven't had a hurricane.

4 COMMISSIONER McCARTY: We've had good
5 leadership, we've had good blessings from the Lord,
6 and we've had necessary changes in the law, you
7 know, over the time and small changes that really
8 have made a difference, and I think commitment and
9 demonstration that Florida is open for business.
10 And of course, the transformation in the Bermuda
11 market with alternative to reinsurance has really
12 been a real blessing for us as well, strengthen our
13 financial position and actually lowering rates in
14 many parts of the state and in many of our
15 companies, so that's good news for consumers all
16 around.

17 GOVERNOR SCOTT: The CFO has picked a good
18 chairman.

19 CFO ATWATER: It helped.

20 GOVERNOR SCOTT: Well, it's working.

21 COMMISSIONER McCARTY: The first agenda item
22 for your consideration is request for approval of
23 the minutes from our Cabinet meeting on
24 October 27th for the Financial Services Commission,
25 and request for your approval.

1 GOVERNOR SCOTT: Is there a motion on the
2 item?

3 ATTORNEY GENERAL BONDI: So moved.

4 GOVERNOR SCOTT: Is there a second?

5 CFO ATWATER: Second.

6 GOVERNOR SCOTT: Any comments or objections?

7 (NO RESPONSE) .

8 GOVERNOR SCOTT: Hearing none, the motion
9 carries.

10 COMMISSIONER McCARTY: Item Number 2 is
11 request for approval for publication of proposed
12 amendments to Rules 690-143.046, 47 and 56. These
13 rules relate to the operation of insurance holding
14 companies and affiliated party transaction as part
15 of the solvency modernization initiatives at the
16 NAIC. These rules implement the provisions that
17 govern the model laws, as well as enterprise risk
18 management.

19 I think it's important to note that several of
20 these forms have been deleted and revised to
21 conform so that we're all using consistent forms on
22 a national platform developed through stakeholder
23 input at the National Association of Insurance
24 Commissioners.

25 GOVERNOR SCOTT: Is there a motion on the

1 item?

2 ATTORNEY GENERAL BONDI: So moved.

3 GOVERNOR SCOTT: Is there a second?

4 CFO ATWATER: Second.

5 GOVERNOR SCOTT: Any comments or objections?

6 (NO RESPONSE).

7 GOVERNOR SCOTT: Hearing none, the motion
8 carries.

9 COMMISSIONER McCARTY: Thank you.

10 Item Number 3 is request for approval for
11 final adoption of proposed amendments to
12 Rule 690-154.202, 203, 204. These are rules
13 relating to long-term disability and morbidity
14 tables. Over time mortality and morbidity tables
15 evolve in change. The NAIC has recently adopted
16 morbidity tables to coincide with changes in
17 long-term disability policies. This rule simply
18 adopts the updated long-term care provisions
19 adopted by the National Association of Insurance
20 Commissioners.

21 GOVERNOR SCOTT: Is there a motion on the
22 item?

23 ATTORNEY GENERAL BONDI: So moved.

24 GOVERNOR SCOTT: Is there a second?

25 COMMISSIONER PUTNAM: Second.

1 GOVERNOR SCOTT: Any comments or objections?

2 (NO RESPONSE) .

3 GOVERNOR SCOTT: Hearing none, the motion
4 carries.

5 COMMISSIONER McCARTY: Finally, for your
6 request for approval of the appointment to the
7 Workers' Compensation Joint Underwriting
8 Association Board of Governors vacancy of the
9 at-large seats. On the October 27th meeting of the
10 Financial Services Commission, seven members of the
11 JUA were appointed, leaving one vacancy of the
12 at-large seats.

13 The Office, after reviewing several
14 applications, has proposed to nominate
15 Cynthia Howard to fill this vacancy, and request
16 your approval of the appointment.

17 GOVERNOR SCOTT: Is there a motion on the
18 item?

19 COMMISSIONER PUTNAM: So moved.

20 GOVERNOR SCOTT: Is there a second?

21 CFO ATWATER: Second.

22 GOVERNOR SCOTT: Any comments or objections?

23 (NO RESPONSE) .

24 GOVERNOR SCOTT: Hearing none, the motion
25 carries.

1 COMMISSIONER McCARTY: Thank you, Governor and
2 members of the Commission. On behalf of the OIR,
3 we wish you all happy holidays. Thank you.

4 GOVERNOR SCOTT: Happy holidays, Kevin.
5 Thanks.

6 COMMISSIONER PUTNAM: Congratulations on ten
7 years, no storm.

8 COMMISSIONER McCARTY: Thank you.

9 ATTORNEY GENERAL BONDI: Don't jinx us.

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M E M O R A N D U M

DATE: March 25, 2016
TO: Kevin M. McCarty, Commissioner, Office of Insurance Regulation
THROUGH: Anoush Brangaccio, General Counsel
FROM: Virginia Christy
Stephen Fredrickson
SUBJECT: Cabinet Agenda for April 26, 2016
Request for Final Approval to Adopt Amendments to
Rule 69O-143.046,.047,.056
Assignment # 162160-14


The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before April 20, 2016 and to the Financial Services Commission on April 26, 2016, with a request for Final Approval to Adopt the proposed rules. A notice of the Final Rule Hearing will be published in the *Florida Administrative Register* on March 29, 2016.

The notice of proposed rules was published on December 29, 2015 in Volume 41, No. 249, of the *Register*. A hearing was held on January 20, 2016.


The revisions improve the Office's ability to regulate and monitor the financial solvency of insurance holding companies.

Sections 624.308, 628.461(13), 624.307(1), 624.317, 624.321, 624.34, 624.404, 624.413, 624.424(6), 624.501, 625.5091, 628.051, 628.061, 628.251, 628.461, 628.801, 628.371, 628.381 and 628.803, F.S., provide rulemaking authority and laws implemented for these rules.


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

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

Approved for signature:


Anoush Brangaccio, General Counsel

Approved for submission to Financial Services Commission:


Kevin M. McCarty, Commissioner
Office of Insurance Regulation

69O-143.046 Registration of Insurers.

(1) Every insurer which is authorized to do business in this state and which is a member of an insurance holding company system shall register with the Office by April 1 ~~Director~~, except a foreign insurer subject to disclosure requirements and standards adopted by statute or regulation in the jurisdiction of its domicile which are substantially similar to those contained in this rule and Rule 69O-143.047, F.A.C. Any insurer which becomes is subject to registration under this rule after April 1 ~~shall register within sixty days after the effective date of this rule or within fifteen days after it becomes subject to registration, whichever is later, unless the Director for good cause shown extends the time for registration, and then within such extended time.~~ The Office ~~Director~~ may require any authorized insurer which is a member of a holding company system which is not subject to registration under this rule to furnish a copy of the registration statement or other information filed by such insurance company with the insurance regulatory authority of domiciliary jurisdiction.

(2) All filings required by this rule shall be submitted electronically to the Office via the Regulatory Electronic Filing System, "REFS".

(3) (2) Every insurer subject to registration shall file a registration statement on a Form OIR-D0-516, "Form B – Insurance Company Holding System Registration Statement," rev. 5/16
<http://www.flrules.org/Gateway/reference.asp?No=Ref-06549> 11-90, which is hereby adopted and incorporated by reference. Life and health insurers may obtain the form from the Office's website, located at <http://www.flair.com>, and shall submit it to the ~~Bureau of Life and Health Insurer Solvency, Division of Insurer Services, Office of Insurance Regulation, 200 East Gaines Street, Tallahassee, FL 32399-0300.~~ Property and casualty insurers may obtain the form from and shall submit it to the ~~Bureau of Property and Casualty Insurer Solvency, Division of Insurer Services, Department of Insurance, 200 East Gaines Street, Tallahassee, FL 32399-0300.~~ The form shall provide current information about:

(a) The capital structure, general financial condition, ownership and management of the insurer and any person controlling the insurer;

(b) The identity and relationship of every member of the insurance holding company system;

(c) The following agreements in force ~~, relationships subsisting~~ and transactions currently outstanding or which have occurred during the last calendar year between such the insurer and its affiliates:

1. Loans, other investments, or purchases, sales or exchanges of securities of the affiliates by the insurer or of

the insurer by its affiliates;

2. Purchases, sales, or exchanges of assets;

3. Transactions not in the ordinary course of business;

4. Guarantees or undertakings for the benefit of an affiliate which result in an actual contingent exposure of the insurer's assets to liability, other than insurance contracts entered into in the ordinary course of the insurer's business;

5. All management and service contracts and all cost-sharing arrangements, ~~other than cost allocation arrangements based upon generally accepted accounting principles;~~

6. Reinsurance agreements ~~covering all or substantially all of one or more lines of insurance of the ceding company;~~

7. Dividends and other distributions to shareholders; and

8. Consolidated tax allocation agreements.

(d) Any pledge of the insurer's stock, including stock of any subsidiary or controlling affiliate, for a loan made to any member of the insurance holding company system;

(e) If requested by the Office, the insurer shall include financial statements of or within an insurance holding company system, including all affiliates. Financial statements may include but are not limited to annual audited financial statements filed with the U.S. Securities and Exchange Commission (SEC) pursuant to the Securities Act of 1933, as amended or the Securities Exchange Act of 1934, as amended. An insurer required to file financial statements pursuant to this paragraph may satisfy the request by providing the Office with the most recently filed parent corporation financial statements that have been filed with the SEC;

(f) (e) Other matters concerning transactions between registered insurers and any affiliates as may be included from time to time in any registration forms adopted or approved by the Office Director; and

(g) Statements that the insurer's board of directors oversees corporate governance and internal controls and that the insurer's officers or senior management have approved, implemented, and continue to maintain and monitor corporate governance and internal control procedures.

(4) All registration statements shall contain a summary outlining all items in the current registration statement representing changes from the prior registration statement filed on a Form OIR-A1-2116, "Form C – Summary of Changes to Registration Statement". new 5/16. <http://www.flrules.org/Gateway/reference.asp?No=Ref-06550>

(5) (3) No information need be disclosed on the registration statement filed pursuant to subsection (3) (2) of this rule if such information is not material for the purposes of this rule and Rule 69O-143.047, F.A.C. Unless the Office Director by rule, regulation or order provides otherwise, sales, purchases, exchanges, loans, or extensions of credit, or investments, involving one-half of 1% or less of an insurer's admitted assets as of the prior year end 31st day of December next preceding shall not be deemed material for purposes of this section.

(6) (4) Each registered insurer shall keep current the information required to be disclosed in its registration statement by reporting all material changes or additions on an amended amendment Form OIR-D0-516 forms ~~provided by the Director~~ within fifteen calendar days after the end of the month in which it learns of each such change or addition. The amended Form OIR-D0-516 should only address those items which are being amended, and should include at the top of the cover page "Amendment No. [insert number] to Form B for [insert year]." Notwithstanding the provisions of this paragraph, dividends and other distributions to shareholders are to be reported to the Office pursuant to Section 628.371, Florida Statutes. ~~provided, however, that each registered insurer shall so report all dividends and other distributions to shareholders by letter mailed to Director within two business days following the declaration thereof.~~

(7) In addition to the registration statement required in subsection (3), each registered insurer, except foreign insurers subject to disclosure requirements and standards adopted by statute or regulation in the jurisdiction of its domicile which are substantially similar to those contained in this rule and Rule 69O-143-047, F.A.C., shall also provide on Form OIR-A1-2118, "Form F – Enterprise Risk Report", new 5/16, <http://www.flrules.org/Gateway/reference.asp?No=Ref-06552> the information required under Section 628.801(2), F.S.

(8) (5) The Office Director shall terminate the registration of any insurer which demonstrates that it no longer is a member of an insurance holding company system.

(9) (6) The Office Director may require or allow two or more affiliated insurers subject to registration hereunder to file a consolidated registration statement or consolidated reports amending their consolidated registration statement or their individual registration statement.

(10) (7) The Office Director may allow an insurer which is authorized to do business in this state and which is part of an insurance holding company system to register on behalf of any affiliated insurer which is required to register under subsection (1) of this rule and to file all information and material required to be filed under this rule.

(11) (8) The provisions of this rule shall not apply to any insurer, information or transaction if and to the extent that the Office Director by rule, regulation, or order shall exempt the same from the provisions of this rule.

(12) (9) Any person may file with the Office Director a disclaimer of affiliation with any authorized insurer or such a disclaimer may be filed by such insurer or any member of an insurance holding company system. The disclaimer shall fully disclose all material relationships and bases for affiliation between such person and such insurer as well as the basis for disclaiming such affiliation. After a disclaimer has been filed, the insurer shall be relieved of any duty to register or report under this rule which may arise out of the insurer's relationship with such person unless and until the Office Director disallows such a disclaimer. ~~The Director shall disallow such a disclaimer only after furnishing all parties in interest with notice and opportunity to be heard and after making specific findings of fact to support such disallowance.~~ A disclaimer of affiliation shall be deemed to have been granted unless the Office, within thirty (30) calendar days following the receipt of a complete disclaimer, notifies the filing party that it is disallowed.

(13) (10) Any person within an insurance holding company system subject to registration shall be required to provide complete and accurate information to an insurer, where such information is reasonably necessary to enable the insurer to comply with the provisions of this rule chapter.

(14) (11) The failure to file a registration statement or any amendment thereto required by this rule within the time specified for such filing shall be a violation of this rule.

(15) The following forms are hereby adopted and incorporated by reference and are available at www.flair.com:

(a) Form OIR-D0-516, "Form B - Insurance Company Holding System Registration Statement," rev. 5/16;
<http://www.flrules.org/Gateway/reference.asp?No=Ref-06549>

(b) Form OIR-A1-2116, "Form C - Summary of Changes to Registration Statement," new 5/16;
<http://www.flrules.org/Gateway/reference.asp?No=Ref-06550> and

(c) Form OIR-A1-2118, "Form F - Enterprise Risk Report", new 5/16.
<http://www.flrules.org/Gateway/reference.asp?No=Ref-06552>

Rulemaking Specific Authority 624.308, 628.801, FS. Law Implemented 624.307(1), 624.317, 628.251, 628.461, 628.801 FS. History--New 12-16-70, Formerly 4-26.02, Amended 6-7-90, 1-30-91, Formerly 4-26.002, 4-143.046, Amended _____.

69O-143.047 Standards.

(1) Material transactions by registered insurers with their affiliates shall be subject to the following standards:

(a) The terms shall be fair and reasonable;

(b) Charges or fees for services performed shall be reasonable;

(c) Expenses incurred and payment received shall be allocated to the insurer in conformity with customary insurance accounting practices consistently applied;

(d) The books, accounts and records of each party to all such transactions shall be so maintained as to clearly and accurately disclose the precise nature and details of the transactions including such accounting information as is necessary to support the reasonableness of the charges or fees to the respective parties; ~~and~~

(e) The insurer's surplus as regards policyholders following any dividends or distributions to shareholder affiliates shall be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs; and

(f) For cost sharing services and management services, such agreements shall, as applicable:

1. Identify the person providing services and the nature of such services;

2. Set forth the methods to allocate costs;

3. Require timely settlement, not less frequently than on a quarterly basis, and compliance with the requirements in the National Association of Insurance Commissioner's Accounting Practices and Procedures Manual as adopted in rule 69O-137.001(4), F.A.C.;

4. Prohibit advancement of funds by the insurer to the affiliate except to pay for services defined in the agreement;

5. State that the insurer will maintain oversight for functions provided to the insurer by the affiliate and that the insurer will monitor services annually for quality assurance;

6. Define books and records of the insurer to include all books and records developed or maintained under or related to the agreement;

7. Specify that all books and records of the insurer are and remain the property of the insurer and are subject to control of the insurer;

8. State that all funds and invested assets of the insurer are the exclusive property of the insurer, held for the benefit of the insurer and are subject to the control of the insurer;

9. Include standards for termination of the agreement with and without cause;

10. Include provisions for indemnification of the insurer in the event of gross negligence or willful misconduct on the part of the affiliate providing services;

11. Specify that, if the insurer is placed in receivership or seized by the commissioner:

a) all of the rights of the insurer under the agreement extend to the receiver or commissioner; and,

b) all books and records will immediately be made available to the receiver or the commissioner, and shall be turned over to the receiver or commissioner immediately upon the receiver or the commissioner's request;

12. Specify that the affiliate has no automatic right to terminate the agreement if the insurer is placed in receivership; and

13. Specify that the affiliate will continue to maintain any systems, programs, or other infrastructure notwithstanding the initiation of receivership proceedings pursuant to Chapter 631, F.S. and will make them available to the receiver, for so long as the affiliate continues to be contractually and legally obligated to receive timely payment for the cost of services rendered.

(2) For the purposes of this rule in determining whether an insurer's surplus as regards policyholders is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs, the following factors, among others, shall be considered:

(a) The size of the insurer as measured by its assets, capital and surplus, reserves, premium writings, insurance in force and other appropriate criteria;

(b) The extent to which the insurer's business is diversified among the several lines of insurance;

(c) The number and size of risks insured in each line of business;

(d) The extent of the geographical dispersion of the insurer's insured risks;

(e) The nature and extent of the insurer's reinsurance program;

(f) The quality, diversification, and liquidity of the insurer's investment portfolio;

(g) The recent past and projected future trend in the size of the insurer's surplus as regards policyholders;

(h) The surplus as regards policyholders maintained by other comparable insurers;

(i) The adequacy of the insurer's reserves; and

(j) The quality and liquidity of investments in subsidiaries made pursuant to Section 625.325, F.S.

The ~~Office Director~~ may treat any such investment as a disallowed asset for purposes of determining the adequacy of surplus as regards policyholders whenever in its ~~his~~ judgment such investment so warrants.

(3) No domestic stock insurer shall pay any extraordinary dividend or make any other extraordinary distribution to its shareholders until:

(a) 30 calendar days after the Office Director has received notice of the declaration thereof and has not within such period disapproved such payment, or

(b) The Office Director shall have approved such payment within such 30 calendar day period.

A notice to the Office Director shall commence to run from the date of receipt as may be evidence by transmitting electronically to the Office via Regulatory Electronic Filing System, "REFS", return receipt if sent certified or registered mail, return receipt requested or signed receipt by Office Director if otherwise delivered.

For purposes of this rule, an extraordinary dividend or distribution includes any dividend or distribution that is in excess of that permitted without the approval of the Office Director pursuant to Section 628.371, F.S., but shall not include prorata distributions of any class of the insurer's own securities.

Notwithstanding any other provision of law, an insurer may declare an extraordinary dividend or distribution which is conditional upon the Office's Director approval thereof, and such a declaration shall confer no rights upon shareholders until the Office Director has approved the payment of such dividend or distribution.

(4) The following transactions involving a domestic insurer and any person in its holding company system may not be entered into unless the insurer has notified the Office, via Form OIR-A1-2117, "Form D – Prior Notice of a Transaction", new 5/16, <http://www.flrules.org/Gateway/reference.asp?No=Ref-06551> which is hereby adopted and incorporated by reference, and is available at www.flair.com ~~in writing~~ of its intention to enter into such a transaction at least thirty (30) calendar days prior thereto, or such shorter period as the Office in its discretion may permit, and the Office has not disapproved it within such period. The notice for amendments or modifications shall include the reasons for the change and the financial impact on the insurer.

(a) Sales, purchases, exchanges, loans or extensions of credit, guarantees, or investments provided such transactions are equal to or exceed:

1. With respect to nonlife insurers, the lesser of three percent of the insurer's admitted assets or 25 percent of surplus as regards policyholders; and

2. With respect to life insurers, three percent of the insurer's admitted assets; each as of the prior year end, 31st day of December next preceding.

(b) Loans or extensions of credit to any person who is not an affiliate, where the insurer makes such loans or

extensions of credit with the agreement or understanding that the proceeds of such transactions, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase assets of, or to make investments in, any affiliate of the insurer making such loans or extensions of credit provided such transactions are equal to or exceed:

1. With respect to nonlife insurers, the lesser of three percent of the insurer's admitted assets or 25 percent of surplus as regards policyholders; and

2. With respect to life insurers, three percent of the insurer's admitted assets; each as of the prior year end, ~~31st day of December next preceding~~.

(c) Reinsurance agreements or modifications thereto, including:

(i) All reinsurance pooling agreements;

(ii) Agreements in which the reinsurance premium or a change in the insurer's liabilities equals or exceeds five percent of the insurer's surplus as regards policyholders, as of the prior year end, ~~31st day of December next preceding~~; including those agreements which may require as consideration the transfer of assets from an insurer to a non-affiliate, if an agreement or understanding exists between the insurer and non-affiliate that any portion of such assets will be transferred to one or more affiliates of the insurer;

(d) All management agreements, service contracts, tax allocation agreements and all cost-sharing arrangements; and

(e) Any material transactions which the Office determines may adversely affect the interests of the insurer's policyholders.

(5) The filing required in subsection (4), above, shall be filed with the Office electronically via the Regulatory Electronic Filing System ("REFS").

~~(6)~~ (5) Nothing in subsection (4), above, shall be deemed to authorize or permit any transactions which, in the case of an insurer not a member of the same holding company system, would be otherwise contrary to Florida statute or rule.

~~(7)~~ (6) A domestic insurer shall not enter into transactions which are part of a plan or series of like transactions with persons within the holding company system if the purpose of those separate transactions is to avoid the statutory threshold amount and thus avoid the review which would otherwise occur. If the Office determines that such separate transactions were entered into over any twelve month period for such purpose, the insurer may be

subject to the provisions of Section 628.803, F.S.

(8) (7) The Office, in reviewing transactions pursuant to subsection (4), above, shall consider whether the transactions comply with the standards set forth in subsection (1), above, and whether they may adversely affect the interests of policyholders.

(9) (8) The Office shall be notified within thirty (30) calendar days of any investment of the domestic insurer in any one corporation if the total investment in such corporation by the insurance holding company system exceeds ten percent of such corporation's voting securities.

Rulemaking Specific Authority 624.308, 628.801, FS. Law Implemented 624.317, 628.251, 628.371, 628.381, 628.461, 628.801, 628.803, 624.307(1) FS. History--New 12-16-70, Formerly 4-26.03, Amended 1-30-91, Formerly 4-26.003, 4-143.047, Amended _____.

690-143.056 Acquisition of Controlling Stock.

(1) Any person, individually or in conjunction with any affiliated person acquiring, directly or indirectly, or who concludes a tender offer or exchange offer for, enters into any agreement to exchange securities for, or acquires 10% 5% or more of the outstanding voting capital stock of a Florida domestic insurer shall comply with the provisions of Section 628.461, F.S., and this rule.

(2) A retaliatory application fee shall be submitted pursuant to Section 624.5091, F.S. The retaliatory fee is the greater of:

(a) The amount that the applicant's domiciliary state or country would charge a Florida domestic insurer making application in the applicant's state or country of domicile, or

(b) The Florida application fee pursuant to Section 624.501(1)(a), F.S.

(3) Officers and directors of the acquiring person shall submit the required background information and fingerprint cards unless the Office ~~department~~ determines that the character, background, and managerial experience of those officers or directors is such that the acquisition is not likely to be hazardous or prejudicial to the insureds of the insurer or to the public. In making such a determination, the Office ~~department~~ shall consider whether those officers or directors have previously been investigated or had their fingerprints processed within the year immediately preceding the date of the application; whether the acquiring company is a subsidiary or an affiliate of a large, publicly-held corporation; and the number of subsidiaries and affiliates in the corporate group.

(4) The acquiring person shall comply with the instructions contained on Form OIR-C1 D0-918, "Acquisition of Controlling Stock Interest of a Florida Domestic Insurer," rev. 5/16 8/92, <http://www.flrules.org/Gateway/reference.asp?No=Ref-06554> and submit the following applicable forms. Forms relating to specific kinds ~~types~~ of insurance are to be submitted only by companies issuing policies relating to the kind ~~type~~ of insurance specified on the form:

(a) ~~Form OIR-D0-841, "Invoice, Request For Payment of Application Fees,"~~ rev. 8/91;

(b) ~~Form OIR-D0-903, "Invoice, Request For Payment of Fingerprint Charges,"~~ rev. 1/94;

(a) ~~(e)~~ Form OIR-C1D0-922, "Waiver of Hearing From Seller," rev. 9/91;
<http://www.flrules.org/Gateway/reference.asp?No=Ref-06556>

(b) ~~(d)~~ Form OIR-C1-1524 "Uniform Consent to Service of Process" rev. 8/14 8/14
<http://www.flrules.org/Gateway/reference.asp?No=Ref-06561> Form OIR-D0-144, "Consent and Agreement in Re Service of Process," rev. 11/90;

(c) ~~(e)~~ Form OIR-D0-516, "Insurance Company System Registration Statement," rev. 5/16
<http://www.flrules.org/Gateway/reference.asp?No=Ref-06549> 11/90;

(d) ~~(f)~~ Form OIR-D0-904, "UCAA Proformas Financial Statements, Life & Health Insurer Companies, pages 1-4," rev. 8/14 5/91 <http://www.flrules.org/Gateway/reference.asp?No=Ref-06563>
http://www.naic.org/documents/industry_ucaa_form13L.xls ;

(e) ~~(g)~~ Form OIR-D0-896, "UCAA Proformas Financial Statements, Property and Casualty Insurance Companies, pages 1-18," rev. 08/14 5/91 <http://www.flrules.org/Gateway/reference.asp?No=Ref-06562>
http://www.naic.org/documents/industry_ucaa_form13P.xlsm ;

(f) ~~(h)~~ Form OIR-D0-2119 "UCAA Proforma Financial Statements, Title Insurance Company rev. 08/14
<http://www.flrules.org/Gateway/reference.asp?No=Ref-06564>
http://www.naic.org/documents/industry_ucaa_form13T.xls ~~Form OIR-D0-901, "Classification and Code Numbers, Life, Accident and Health Insurers,"~~ rev. 5/91;

(g) ~~(i)~~ Form OIR-D0-2165 UCAA Proforma Financial Statements, Health rev. 01/15
<http://www.flrules.org/Gateway/reference.asp?No=Ref-06565>
http://www.naic.org/documents/industry_ucaa_form13H.xls

(h) ~~(j)~~ Form OIR-C1-1416 "Uniform Certificate of Authority Application (UCAA)- Lines of Insurance (rev

9/15) <http://www.flrules.org/Gateway/reference.asp?No=Ref-06559> ~~Form OIR-D0-877, "Lines of Business by Company Code, Property and Casualty Insurers," rev. 5/91;~~

~~(i)(k)~~ Form OIR-C1-1298 "Uniform Certificate of Authority Application (UCAA)- Management Information Form rev. 3/15 <http://www.flrules.org/Gateway/reference.asp?No=Ref-06557> ~~Form OIR-D0-921, "Management Information," rev. 9/91;~~

~~(j)(l)~~ Form OIR-C1-938, "Fingerprint Card Instructions," rev. 5/13
<http://www.flrules.org/Gateway/reference.asp?No=Ref-06555> ~~4/91;~~

~~(k)(m)~~ Form OIR-C1-1423 D0-422, "Biographical Statement and Affidavit," rev.(8/14) 11/90;
<http://www.flrules.org/Gateway/reference.asp?No=Ref-06560>

~~(n)~~ Form OIR-D0-514, "Resolution Form," rev. 11/90;

~~(l)(o)~~ The material required by Form OIR-C1D0-905, "Instructions for Furnishing Background Investigative Reports," rev.(02/15) 8/93; <http://www.flrules.org/Gateway/reference.asp?No=Ref-06553>

~~(p)~~ Form OIR-D0-450, "Authority for Release of Information," rev. 8/91; and

~~(m)~~ ~~(p)~~ In addition, prior to a final decision on whether to approve the proposed acquisition, the Office shall request such other information as is necessary, depending on the facts and circumstances of the specific persons and entities involved, pursuant to Section 628.461(3), F.S., to determine the character, experience, ability, and other qualifications required by statute, of the person or affiliated person of such person for the protection of the policyholders and shareholders of the insurer and the public. The Office shall make no final decision on any proposed acquisition without complete information, as required by Section 628.461, F.S.

(5) All the forms listed in subsection (4), above, are hereby adopted and incorporated by reference. All the forms (also referred to as the "Acquisition of Controlling Interest of a Domestic Insurer Application Package") may be obtained from the Office's website at <http://www.flair.com>, and shall be submitted ~~to the Applications Coordination Section, Division of Insurer Services, Office of Insurance Regulation, Larson Building, 200 East Gaines Street, Tallahassee, FL 32399-0300~~ electronically via the Office's iApply system.

Rulemaking Specific Authority 624.308, 628.461(13) FS. Law Implemented 624.307(1), 624.307(3), 624.317, 624.321, 624.34, 624.404, 624.413, 624.424(6), 624.501, 624.5091, 628.051, 628.061, 628.461 FS. History-New 6-7-90, Formerly 4-109.002, Amended 5-12-94, 11-7-00, Formerly 4-143.056, Amended _____.

Rulemaking Authority

624.308 Rules.—

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

(2) In addition to any other penalty provided, willful violation of any such rule shall subject the violator to such suspension or revocation of certificate of authority or license as may be applicable under this code as for violation of the provision as to which such rule relates.

624.307 General powers; duties.—

(1) The department and office shall enforce the provisions of this code and shall execute the duties imposed upon them by this code, within the respective jurisdiction of each, as provided by law.

624.317 Investigation of agents, adjusters, administrators, service companies, and others.—If it has reason to believe that any person has violated or is violating any provision of this code, or upon the written complaint signed by any interested person indicating that any such violation may exist:

(1) The department shall conduct such investigation as it deems necessary of the accounts, records, documents, and transactions pertaining to or affecting the insurance affairs of any general agent, surplus lines agent, adjuster, managing general agent, insurance agent, insurance agency, customer representative, service representative, or other person subject to its jurisdiction, subject to the requirements of s. 626.601.

(2) The office shall conduct such investigation as it deems necessary of the accounts, records, documents, and transactions pertaining to or affecting the insurance affairs of any:

(a) Administrator, service company, or other person subject to its jurisdiction.

(b) Person having a contract or power of attorney under which she or he enjoys in fact the exclusive or dominant right to manage or control an insurer.

(c) Person engaged in or proposing to be engaged in the promotion or formation of:

1. A domestic insurer;

2. An insurance holding corporation; or

3. A corporation to finance a domestic insurer or in the production of the domestic insurer's business.

628.251 Management and exclusive agency contracts.—

(1) No domestic mutual insurer or stock insurer shall make any contract whereby any person is granted or is to enjoy in fact the management of the insurer to the substantial exclusion of its board of directors or to have the controlling or preemptive right to produce substantially all insurance business for the insurer, unless the contract is filed with and approved by the office.

(2) Any such contract shall provide that any such manager or producer of its business shall within 90 days after expiration of each calendar year furnish the insurer's board of directors a written statement of amounts received under or on account of the contract and amounts expended thereunder during such calendar year, including the emoluments received therefrom by the respective directors, officers, and other principal management personnel of the manager or producer, and with such classification of items and further detail as the insurer's board of directors may reasonably require.

(3) The office shall disapprove any such contract if it finds that it:

(a) Subjects the insurer to excessive charges;

(b) Is to extend for an unreasonable length of time;

(c) Does not contain fair and adequate standards of performance; or

(d) Contains other inequitable provision or provisions which impair the proper interests of policyholders or members of the insurer.

628.461 Acquisition of controlling stock.—

(1) A person may not, individually or in conjunction with any affiliated person of such person, acquire directly or indirectly, conclude a tender offer or exchange offer for, enter into any agreement to exchange securities for, or otherwise finally acquire 10 percent or more of the outstanding voting securities of a domestic stock insurer or of a controlling company, unless:

(a) The person or affiliated person has filed with the office and sent to the insurer and controlling company a letter of notification regarding the transaction or proposed transaction within 5 days after any form of tender offer or exchange offer is proposed, or within 5 days after the acquisition of the securities if no tender offer or exchange offer is involved. The notification must be provided on forms prescribed by the commission containing information determined necessary to understand the transaction and identify all purchasers and owners involved;

(b) The person or affiliated person has filed with the office the statement as specified in subsection (3). The statement must be completed and filed within 30 days after:

1. Any definitive acquisition agreement is entered;
2. Any form of tender offer or exchange offer is proposed; or
3. The acquisition of the securities, if no definitive acquisition agreement, tender offer, or exchange offer is involved; and

(c) The office has approved the tender or exchange offer, or acquisition if no tender offer or exchange offer is involved, and approval is in effect.

A filing required under this subsection must be made for any acquisition that equals or exceeds 10 percent of the outstanding voting securities.

(2) This section does not apply to any acquisition of voting securities of a domestic stock insurer or of a controlling company by any person who, on July 1, 1976, is the owner of a majority of such voting securities or who, on or after July 1, 1976, becomes the owner of a majority of such voting securities with the approval of the office under this section. The person or affiliated person filing the notice required by paragraph (1)(a) may request, in writing, the office to waive the requirements of paragraph (1)(b) if there is no change in the ultimate controlling shareholder or ownership percentages of the ultimate controlling shareholders and no unaffiliated parties acquire any direct or indirect interest in the insurer. The office may waive the filing if it determines that in fact there is no change in the ultimate controlling shareholder or ownership percentages of the ultimate controlling shareholders and no unaffiliated parties will acquire any direct or indirect interest in the insurer.

(3) The statement to be filed with the office under subsection (1) and furnished to the insurer and controlling company must contain all the following information and any additional information that the office deems necessary to determine the character, experience, ability, and other qualifications of the person or affiliated person of such person for the protection of the policyholders and shareholders of the insurer and the public:

(a) The identity of, and the background information specified in subsection (4) on, each natural person by whom, or on whose behalf, the acquisition is to be made; and, if the acquisition is to be made by, or on behalf of, a corporation, association, or trust, as to the corporation, association, or trust and as to any person who controls, directly or indirectly, the corporation, association, or trust, the identity of, and the background information specified in subsection (4) on, each director, officer, trustee, or other natural person performing duties similar to those of a director, officer, or trustee for the corporation, association, or trust.

(b) The source and amount of the funds or other consideration used, or to be used, in making the acquisition.

(c) Any plans or proposals that such persons may have made to liquidate such insurer, to sell any of its assets or merge or consolidate it with any person, or to make any other major

change in its business or corporate structure or management; and any plans or proposals that such persons may have made to liquidate any controlling company of such insurer, to sell any of its assets or merge or consolidate it with any person, or to make any other major change in its business or corporate structure or management.

(d) The number of shares or other securities that the person or affiliated person of such person proposes to acquire, the terms of the proposed acquisition, and the manner in which the securities are to be acquired.

(e) Information as to any contract, arrangement, or understanding with any party with respect to any of the securities of the insurer or controlling company, including, but not limited to, information relating to the transfer of any of the securities, option arrangements, puts or calls, or the giving or withholding of proxies, which information names the party with whom the contract, arrangement, or understanding has been entered into and gives the details thereof.

(f) Effective January 1, 2015, an agreement by the person required to file the statement that the person will provide the annual report specified in s. 628.801(2) if control exists.

(g) Effective January 1, 2015, an acknowledgment by the person required to file the statement that the person and all subsidiaries within the person's control in the insurance holding company system will provide, as necessary, information to the office upon request to evaluate enterprise risk to the insurer.

(4)(a) The information as to the background and identity of each person, which information is required to be furnished pursuant to paragraph (3)(a), shall include:

1. The person's occupations, positions of employment, and offices held during the past 10 years.
2. The principal business and address of any business, corporation, or other organization in which each such office of the person was held or in which each such occupation or position of employment was carried on.
3. Whether the person was, at any time during such 10-year period, convicted of any crime other than a traffic violation.
4. Whether the person has been, during such 10-year period, the subject of any proceeding for the revocation of any license and, if so, the nature of the proceeding and the disposition of the proceeding.
5. Whether, during the 10-year period, the person has been the subject of any proceeding under the federal ¹Bankruptcy Act or whether, during the 10-year period, any corporation, partnership, firm, trust, or association in which the person was a director, officer, trustee, partner, or other official has been subject to any such proceeding, either during the time in which the person was a director, officer, trustee, partner, or other official or within 12 months thereafter.
6. Whether, during the 10-year period, the person has been enjoined, either temporarily or permanently, by a court of competent jurisdiction from violating any federal or state law regulating the business of insurance, securities, or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities, or banking, together with details as to any such event.

(b) Any corporation, association, or trust filing the statement required by this section shall give all required information that is within the knowledge of the directors, officers, or trustees (or others performing functions similar to those of a director, officer, or trustee) of the corporation, association, or trust making the filing and of any person controlling either directly or indirectly such corporation, association, or trust. A copy of the statement and any amendments to the statement shall be sent by registered mail to the insurer at its principal office within the state and to any controlling company at its principal office. If any material change occurs in the facts set forth in the statement filed with the office and sent to such insurer or controlling company pursuant to this section, an amendment setting forth such changes shall be filed immediately with the office and sent immediately to such insurer and controlling company.

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(5)(a) The acquisition of voting securities shall be deemed approved unless the office disapproves the proposed acquisition within 90 days after the statement required by subsection (1) has been filed. The office may on its own initiate, or if requested to do so in writing by a substantially affected party shall conduct, a proceeding to consider the appropriateness of the proposed filing. The 90-day time period shall be tolled during the pendency of the proceeding. Any written request for a proceeding must be filed with the office within 10 days of the date notice of the filing is given. During the pendency of the proceeding or review period by the office, any person or affiliated person complying with the filing requirements of this section may proceed and take all steps necessary to conclude the acquisition so long as the acquisition becoming final is conditioned upon obtaining office approval. The office shall, however, at any time that it finds an immediate danger to the public health, safety, and welfare of the domestic policyholders exists, immediately order, pursuant to s. 120.569(2)(n), the proposed acquisition temporarily disapproved and any further steps to conclude the acquisition ceased.

(b) During the pendency of the office's review of any acquisition subject to the provisions of this section, the acquiring person shall not make any material change in the operation of the insurer or controlling company unless the office has specifically approved the change nor shall the acquiring person make any material change in the management of the insurer unless advance written notice of the change in management is furnished to the office. A material change in the operation of the insurer is a transaction which disposes of or obligates 5 percent or more of the capital and surplus of the insurer. A material change in the management of the insurer is any change in management involving officers or directors of the insurer or any person of the insurer or controlling company having authority to dispose of or obligate 5 percent or more of the insurer's capital or surplus. The office shall approve a material change in operation if it finds the applicable provisions of subsection (7) have been met. The office may disapprove a material change in management if it finds that the applicable provisions of subsection (7) have not been met and in such case the insurer shall promptly change management as acceptable to the office.

(c) If a request for a proceeding is filed, the proceeding shall be conducted within 60 days after the date the written request for a proceeding is received by the office. A recommended order shall be issued within 20 days of the date of the close of the proceedings. A final order shall be issued within 20 days of the date of the recommended order or, if exceptions to the recommended order are filed, within 20 days of the date the exceptions are filed.

(6) The office may disapprove any acquisition subject to the provisions of this section by any person or any affiliated person of such person who:

(a) Willfully violates this section;

(b) In violation of an order of the office issued pursuant to subsection (10), fails to divest himself or herself of any stock obtained in violation of this section, or fails to divest himself or herself of any direct or indirect control of such stock, within 25 days after such order; or

(c) In violation of an order issued by the office pursuant to subsection (10), acquires additional stock of the domestic insurance company or controlling company, or direct or indirect control of such stock, without complying with this section.

(7) The person or persons filing the statement required by subsection (1) shall have the burden of proof. The office shall approve any such acquisition if it finds, on the basis of the record made during any proceeding or on the basis of the filed statement if no proceeding is conducted, that:

(a) Upon completion of the acquisition, the domestic stock insurer will be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;

(b) The financial condition of the acquiring person or persons will not jeopardize the financial stability of the insurer or prejudice the interests of its policyholders or the public;

(c) Any plan or proposal which the acquiring person has, or acquiring persons have, made:

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1. To liquidate the insurer, sell its assets, or merge or consolidate it with any person, or to make any other major change in its business or corporate structure or management; or
2. To liquidate any controlling company, sell its assets, or merge or consolidate it with any person, or to make any major change in its business or corporate structure or management which would have an effect upon the insurer

is fair and free of prejudice to the policyholders of the domestic stock insurer or to the public;

(d) The competence, experience, and integrity of those persons who will control directly or indirectly the operation of the domestic stock insurer indicate that the acquisition is in the best interest of the policyholders of the insurer and in the public interest;

(e) The natural persons for whom background information is required to be furnished pursuant to this section have such backgrounds as to indicate that it is in the best interests of the policyholders of the domestic stock insurer, and in the public interest, to permit such persons to exercise control over such domestic stock insurer;

(f) The officers and directors to be employed after the acquisition have sufficient insurance experience and ability to assure reasonable promise of successful operation;

(g) The management of the insurer after the acquisition will be competent and trustworthy and will possess sufficient managerial experience so as to make the proposed operation of the insurer not hazardous to the insurance-buying public;

(h) The management of the insurer after the acquisition will not include any person who has directly or indirectly through ownership, control, reinsurance transactions, or other insurance or business relations unlawfully manipulated the assets, accounts, finances, or books of any insurer or otherwise acted in bad faith with respect thereto;

(i) The acquisition is not likely to be hazardous or prejudicial to the insurer's policyholders or the public; and

(j) The effect of the acquisition of control would not substantially lessen competition in insurance in this state or would not tend to create a monopoly therein.

(8) No vote by the stockholder of record, or by any other person, of any security acquired in contravention of the provisions of this section is valid. Any acquisition of any security contrary to the provisions of this section is void. Upon the petition of the domestic stock insurer or controlling company, the circuit court for the county in which the principal office of such domestic stock insurer is located may, without limiting the generality of its authority, order the issuance or entry of an injunction or other order to enforce the provisions of this section. There shall be a private right of action in favor of the domestic stock insurer or controlling company to enforce the provisions of this section. No demand upon the office that it perform its functions shall be required as a prerequisite to any suit by the domestic stock insurer or controlling company against any other person, and in no case shall the office be deemed a necessary party to any action by such domestic stock insurer or controlling company to enforce the provisions of this section. Any person who makes or proposes an acquisition requiring the filing of a statement pursuant to this section, or who files such a statement, shall be deemed to have thereby designated the Chief Financial Officer, or his or her assistant or deputy or another person in charge of his or her office, as such person's agent for service of process under this section, and shall thereby be deemed to have submitted himself or herself to the administrative jurisdiction of the office and to the jurisdiction of the circuit court.

(9) Any approval by the office under this section does not constitute a recommendation by the office for an acquisition, tender offer, or exchange offer. It is unlawful for a person to represent that the office's approval constitutes a recommendation. A person who violates the provisions of this subsection is guilty of a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084. The statute-of-limitations period for the prosecution of an offense committed under this subsection is 5 years.

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(10) Upon notification to the office by the domestic stock insurer or a controlling company that any person or any affiliated person of such person has acquired 10 percent or more of the outstanding voting securities of the domestic stock insurer or controlling company without complying with the provisions of this section, the office shall order that the person and any affiliated person of such person cease acquisition of any further securities of the domestic stock insurer or controlling company; however, the person or any affiliated person of such person may request a proceeding, which proceeding shall be convened within 7 days after the rendering of the order for the sole purpose of determining whether the person, individually or in connection with any affiliated person of such person, has acquired 10 percent or more of the outstanding voting securities of a domestic stock insurer or controlling company. Upon the failure of the person or affiliated person to request a hearing within 7 days, or upon a determination at a hearing convened pursuant to this subsection that the person or affiliated person has acquired voting securities of a domestic stock insurer or controlling company in violation of this section, the office may order the person and affiliated person to divest themselves of any voting securities so acquired.

(11)(a) The office shall, if necessary to protect the public interest, suspend or revoke the certificate of authority of any insurer or controlling company:

1. The control of which is acquired in violation of this section;
2. That is controlled, directly or indirectly, by any person or any affiliated person of such person who, in violation of this section, has obtained control of a domestic stock insurer or controlling company; or
3. That is controlled, directly or indirectly, by any person who, directly or indirectly, controls any other person who, in violation of this section, acquires control of a domestic stock insurer or controlling company.

(b) If any insurer is subject to suspension or revocation pursuant to paragraph (a), the insurer shall be deemed to be in such condition, or to be using or to have been subject to such methods or practices in the conduct of its business, as to render its further transaction of insurance presently or prospectively hazardous to its policyholders, creditors, or stockholders or to the public.

(12)(a) A person may rebut a presumption of control by filing a disclaimer of control with the office on a form prescribed by the office. The disclaimer must fully disclose all material relationships and bases for affiliation between the person and the insurer as well as the basis for disclaiming the affiliation. In lieu of such form, a person or acquiring party may file with the office a copy of a Schedule 13G filed with the Securities and Exchange Commission pursuant to rules 13d-1(b) or 13d-1(c) under the Securities Exchange Act of 1934, as amended. After a disclaimer has been filed, the insurer is relieved of any duty to register or report under this section which may arise out of the insurer's relationship with the person unless the office disallows the disclaimer.

(b) A controlling person of a domestic insurer who seeks to divest the person's controlling interest in the domestic insurer in any manner shall file with the office, with a copy provided to the insurer, confidential notice, not subject to public inspection as provided under s. 624.4212, of the person's proposed divestiture at least 30 days before the cessation of control. The office shall determine those instances in which the party seeking to divest or to acquire a controlling interest in an insurer must file for and obtain approval of the transaction. The information remains confidential until the conclusion of the transaction unless the office, in its discretion, determines that confidential treatment interferes with enforcement of this section. If the statement referred to in subsection (1) is otherwise filed, this paragraph does not apply.

(13) The commission may adopt rules that are necessary to administer this section.

628.371 Dividends to stockholders.—

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(1) A domestic stock insurer shall not pay any dividend or distribute cash or other property to stockholders except out of that part of its available and accumulated surplus funds which is derived from realized net operating profits on its business and net realized capital gains.

(2) Dividend payments or distributions to stockholders, without prior written approval of the office, shall not exceed the larger of:

(a) The lesser of 10 percent of surplus or net gain from operations (life and health companies) or net income (property and casualty companies), not including realized capital gains, plus a 2-year carryforward for property and casualty companies;

(b) Ten percent of surplus, with dividends payable constrained to unassigned funds minus 25 percent of unrealized capital gains;

(c) The lesser of 10 percent of surplus or net investment income (net gain before capital gains for life and health companies) plus a 3-year carryforward (2-year carryforward for life and health companies) with dividends payable constrained to unassigned funds minus 25 percent of unrealized capital gains.

(3) In lieu of the provisions in subsection (2), an insurer may pay a dividend or make a distribution without the prior written approval of the office when:

(a) The dividend is equal to or less than the greater of:

1. Ten percent of the insurer's surplus as to policyholders derived from realized net operating profits on its business and net realized capital gains; or

2. The insurer's entire net operating profits and realized net capital gains derived during the immediately preceding calendar year; and

(b) The insurer will have surplus as to policyholders equal to or exceeding 115 percent of the minimum required statutory surplus as to policyholders after the dividend or distribution is made; and

(c) The insurer has filed notice with the office at least 10 business days prior to the dividend payment or distribution, or such shorter period of time as approved by the office on a case-by-case basis. Such notice shall not create a right in the office to approve or disapprove a dividend otherwise properly payable hereunder; and

(d) The notice includes a certification by an officer of the insurer attesting that after payment of the dividend or distribution the insurer will have at least 115 percent of required statutory surplus as to policyholders.

(4) The office shall not approve a dividend or distribution in excess of the maximum amount allowed in subsection (1) unless, considering the following factors, it determines that the distribution or dividend would not jeopardize the financial condition of the insurer:

(a) The liquidity, quality, and diversification of the insurer's assets and the effect on its ability to meet its obligations.

(b) Reduction of investment portfolio and investment income.

(c) Effects on the written premium to surplus ratios as required by the Florida Insurance Code.

(d) Industrywide financial conditions.

(e) Prior dividend distributions of the insurer.

(f) Whether the dividend is only a "pass-through" dividend from a subsidiary of the insurer.

(5) A dividend or distribution by a not-for-profit insurance company subsidiary to its mutual insurance holding company, directly or indirectly through one or more intermediate holding companies, pursuant to part III of this chapter, which meets the requirements of this section and which applies to a stock insurer, is permitted under this section.

628.381 Dividends to mutual policyholders.—

(1) The directors of a domestic mutual insurer may from time to time apportion and pay or credit to its members dividends only out of that part of its surplus funds which represents net realized savings and net realized earnings in excess of the surplus required by law to be maintained.

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(2) A dividend otherwise proper may be payable out of such savings and earnings even though the insurer's total surplus is then less than the aggregate of its contributed surplus.

628.801 Insurance holding companies; registration; regulation.—

(1) An insurer that is authorized to do business in this state and that is a member of an insurance holding company shall, on or before April 1 of each year, register with the office and file a registration statement and be subject to regulation with respect to its relationship to the holding company as provided by law or rule. The commission shall adopt rules establishing the information and statement form required for registration and the manner in which registered insurers and their affiliates are regulated. The rules apply to domestic insurers, foreign insurers, and commercially domiciled insurers, except for foreign insurers domiciled in states that are currently accredited by the NAIC. Except to the extent of any conflict with this code, the rules must include all requirements and standards of ss. 4 and 5 of the Insurance Holding Company System Regulatory Act and the Insurance Holding Company System Model Regulation of the NAIC, as adopted in December 2010. The commission may adopt subsequent amendments thereto if the methodology remains substantially consistent. The rules may include a prohibition on oral contracts between affiliated entities. Material transactions between an insurer and its affiliates shall be filed with the office as provided by rule.

(2) Effective January 1, 2015, the ultimate controlling person of every insurer subject to registration shall also file an annual enterprise risk report on or before April 1. As used in this subsection, the term "ultimate controlling person" means a person who is not controlled by any other person. The report, to the best of the ultimate controlling person's knowledge and belief, must identify the material risks within the insurance holding company system that could pose enterprise risk to the insurer. The report shall be filed with the lead state office of the insurance holding company system as determined by the procedures within the Financial Analysis Handbook adopted by the NAIC and is confidential and exempt from public disclosure as provided in s. 624.4212.

(a) An insurer may satisfy this requirement by providing the office with the most recently filed parent corporation reports that have been filed with the Securities and Exchange Commission which provide the appropriate enterprise risk information.

(b) The term "enterprise risk" means an activity, circumstance, event, or series of events involving one or more affiliates of an insurer which, if not remedied promptly, are likely to have a materially adverse effect upon the financial condition or liquidity of the insurer or its insurance holding company system as a whole, including anything that would cause the insurer's risk-based capital to fall into company action level as set forth in s. 624.4085 or would cause the insurer to be in a hazardous financial condition.

(3) Effective January 1, 2015, pursuant to chapter 624 relating to the examination of insurers, the office may examine any insurer registered under this section and its affiliates to ascertain the financial condition of the insurer, including the enterprise risk to the insurer by the ultimate controlling party, or by any entity or combination of entities within the insurance holding company system, or by the insurance holding company system on a consolidated basis.

(4) The filings and related documents filed pursuant to this section are confidential and exempt as provided in s. 624.4212 and are not subject to subpoena or discovery directly from the office. A waiver of any applicable privilege or claim of confidentiality in the filings and related documents may not occur as a result of any disclosure to the office under this section or any other section of the insurance code as authorized under s. 624.4212. Neither the office nor any person who received the filings and related documents while acting under the authority of the office or with whom such information is shared pursuant to s. 624.4212 is permitted or required to testify in any private civil action concerning any confidential documents, materials, or information subject to s. 624.4212. However, the department or office may use the confidential and exempt information in the furtherance of any regulatory

690-143.046,.047,.056
Rulemaking Authority

or legal action brought against an insurer as a part of the official duties of the department or office.

(5) Effective January 1, 2015, the failure to file a registration statement, or a summary of the registration statement, or the enterprise risk filing report required by this section within the time specified for filing is a violation of this section.

(6) Upon request, the office may waive the filing requirements of this section:

(a) If the insurer is a domestic insurer that is the subsidiary of an insurer that is in full compliance with the insurance holding company registration laws of its state of domicile, which state is accredited by the NAIC; or

(b) If the insurer is a domestic insurer that writes only in this state and has annual direct written and assumed premium of less than \$300 million, excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, and demonstrates that compliance with this section would not provide substantial regulatory or consumer benefit. In evaluating a waiver request made under this paragraph, the office may consider various factors including, but not limited to, the type of business entity, the volume of business written, the ownership or organizational structure of the entity, or whether the company is in runoff.

A waiver granted pursuant to this subsection is valid for 2 years unless sooner withdrawn due to a change in the circumstances under which the waiver was granted.

628.803 Sanctions.—

(1) Any company failing, without just cause, to file any registration statement or certificate of exemption required to be filed pursuant to commission rules relating to this part shall, in addition to other penalties prescribed under the Florida Insurance Code, be subject to pay a penalty of \$100 for each day's delay, not to exceed a total of \$10,000.

(2) Every director or officer of an insurance holding company system who knowingly violates or participates in, or who knowingly directs any of the officers or agents of the company to engage in transactions or make investments which have not been properly filed or approved or which violate commission rules relating to this part, shall pay, in their individual capacity, a civil forfeiture of not more than \$5,000 per violation. In determining the amount of the civil forfeiture, the office shall take into account the appropriateness of the forfeiture with respect to the gravity of the violation, and the history of previous violations.

(3) Whenever it appears to the office that any insurer subject to this part or any director, officer, employee, or agent thereof has engaged in any transaction or entered into a contract which violates commission rules relating to this part, the office may order the insurer to cease and desist immediately any further activity under that transaction or contract. The office may also order the insurer to void any such transaction or contract and restore the status quo if this action is in the best interest of the policyholders, creditors, or public.

(4) If the office determines that any person violated s. 628.461 or s. 628.801, the violation may serve as an independent basis for disapproving dividends or distributions and for placing the insurer under an order of supervision in accordance with part VI of chapter 624.

(5) Any officer, director, or employee of an insurance holding company system who willfully and knowingly subscribes to, or makes or causes to be made, any false statements, false reports, or false filings with the intent to deceive the office in the performance of its duties under this part is guilty of a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

SAMPLE

WAIVER OF HEARING FROM
SELLER

We the undersigned, on behalf _____
hereby waive our right to a public hearing on the proposed acquisition of _____ by
_____, a _____ corporation,
as outlined in the documents submitted pursuant to Florida Statutes S.628.461, and we
respectfully request that the Director of the Office of Insurance Regulation approve the
acquisition immediately.

Dated: ____ / ____ / ____ /

Attest:

Secretary

By: _____
President or Chief Executive Officer

(Corporate Seal)



Office of Insurance Regulation
Company Admissions

**ACQUISITION OF CONTROLLING STOCK OF A FLORIDA DOMESTIC
INSURER**

The Office receives applications electronically. Please submit your application at <https://iportal.fldfs.com>, using the i-Apply link to Online Company Admissions.

This package is designed to assist individuals in preparing the application with all the information required by statute and to facilitate expeditious processing of the application by this Office.

PLEASE NOTE: THE COMPLETED CHECK LIST MUST BE SUBMITTED WITH THE APPLICATION PACKAGE.

The completed application package must be submitted to the Office by utilizing the following link:

<https://iportal.fldfs.com>
and select iApply – Online Company Admissions

If this package requires submission of forms and/or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <https://iportal.fldfs.com> and select "Form & Rate Filing Assembly and Submission" to begin the submission of forms and/or rates.

Any questions concerning this application package may be directed to the Application Coordinator at appcoord@floiir.com. For iApply only questions, contact the Application Coordinator at iapply@floiir.com

In order for a submission to be considered a complete application, all required information must be included in the filing. Filings that do not include all required information will be disapproved or returned.

ACQUISITION OF CONTROLLING STOCK OF A DOMESTIC INSURER

INSTRUCTIONS

SECTION I - APPLICATION FORMS AND FEES

Section I-1 Acquisition Fees

Acquiring entities must pay the applicable acquisition application fee of \$1,500. These fees are due at the time the application package is filed, and the filing fee is NON-REFUNDABLE.

Secure your check to the INVOICE (included in this package) and mail to:

Department of Financial Services
Bureau of Financial Services
Post Office Box 6100
Tallahassee, Florida 32314-6100

Include a copy of the INVOICE check with your application filing submitted via iApply. 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-5. Please see Form OIR-C1-938 for instructions. The fingerprint cards are to be submitted with the application filing.

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.

ACQUISITION OF CONTROLLING STOCK OF A DOMESTIC INSURER

SECTION II - LEGAL

Section II-1 Acquisition Statement

Submit a statement detailing the acquisition of ten percent or more of the outstanding stock of the controlling company of the insurer.

Section II-2 Notification Statement

Submit a statement that the acquiring entity has complied with Section 628.461 (1) (a).

Section II-3 Statutory Statements

A detailed statement of the information requested in Section 628.461 (3)(b) through 628.461 (3)(e). Each of these paragraphs should be responded to on a point by point basis.

Section II-4 Waiver from the Insurer

Prior to final approval of the acquisition the Office of Insurance Regulation requires an executed waiver of hearing from the Domestic insurer and its holding company (if applicable) be submitted. A sample is enclosed.

Section II-5 Organization Charts

Furnish organizational charts disclosing the acquiring company's relationship with any other entities, and showing the ultimate parent company. Two charts should be submitted, one showing the organization prior to the acquisition and one showing the organization after the proposed acquisition.

Section II-6 Tender or Exchange Offer Documents

Furnish a copy of any tender or exchange offer and offering documents associated with the acquisition/merger.

ACQUISITION OF CONTROLLING INTEREST OF A DOMESTIC INSURER

Section II-7 Other Agreements

Furnish copies of any agreements referred to in the filing whereby the acquiring company accepts obligations, debts and encumbrances which would affect the domestic company.

Section II-8 Consent and Agreement In Re Service of Process and Resolution Form

Included in this package are the Consent and Agreement In Re Service of Process and Resolution Form. These documents should not be executed at this time. They should be held unexecuted until you are advised by the Office of Insurance Regulation to submit them.

ACQUISITION OF CONTROLLING STOCK OF A DOMESTIC INSURER

SECTION III - FINANCIAL

Section III-1 Holding Company Registration Statement

Furnish a copy of the most recent Holding Company Registration Statement if a member of a Holding Company.

Section III-2 Annual Statement

Furnish a copy of the most recent annual report of the acquiring entity.

Section III-3 Quarterly Statements

Furnish a copy of the most recent quarterly statement(s) of the acquiring entity.

Section III-4 Plan of Operation

It is important for the Office of Insurance Regulation to have a clear understanding of the operations of the insurer and the goals it seeks to achieve. If the acquisition will result in any substantive changes to the operations of the insurer then it will be necessary to submit a plan of operation as outlined below. If the subject of the acquisition is not in compliance with Florida Statutes, then a plan to bring the company into compliance should be submitted to the Office of Insurance Regulation in this section. If the acquisition will not result in any substantive changes, then a statement to that effect should be submitted in this section. To meet this requirement the applicant shall furnish a three-year Plan of Operations for the lines that the company is licensed for on the Certificate of Authority. The plan must include all major areas of the proposed operations and include the following:

- (A) A brief history of the company since its incorporation.
- (B) A brief description of the management experience of each individual (by name) involved in the following areas: Marketing, Underwriting, Rating, Reserving, Reinsurance, Claims Handling, Accounting & Investments.
- (C) A Description of insurance products to be offered.
- (D) A three year plan of marketing, including commission rates and the use of agents.
- (E) A summary of current and planned reinsurance including catastrophe and coverage and the amount retained on one risk.
- (F) A statement regarding any planned changes in operations during the next three years. If no changes are planned, a statement to that effect.
- (G) A list of all assumptions used in projections and Pro Formas and disclose how these assumptions were derived.
- (H) A pro forma statutory balance sheet and statutory income and expense statements covering the accounts in the format on the attached forms. Separate forms are included in this package for Property and Casualty and Life companies, please use the appropriate form.
- (I) A list of all consultant and expert services in use or proposed during the three year period.

ACQUISITION OF CONTROLLING INTEREST OF A DOMESTIC INSURER

Section III-5 Previous Florida Business History of Acquiring Company

In this section the acquiring company should detail any history that it has had in withdrawing from Florida as a whole or in discontinuing a particular line of business in this state.

Section III-6 Confirmation of Funds

Funds to complete the transaction of this acquisition must be confirmed and provided in writing by a third party (bank, approved escrow agent, etc.) prior to the Office of Insurance Regulation's approval of the acquisition. Provide the confirmation letter in this section for confirmation of funds.

ANY COPIES OF DOCUMENTS SUBMITTED IN THIS SECTION MUST BE CERTIFIED BY THE PRESIDENT AND SECRETARY AS TRUE AND ACCURATE COPIES.

ACQUISITION OF CONTROLLING STOCK OF A DOMESTIC INSURER

SECTION IV - MANAGEMENT

ALL INFORMATION REQUESTED IN THIS SECTION CONCERNS THE ACQUIRING ENTITY. ANY NAMES REQUESTED IN THIS SECTION SHOULD INCLUDE COMPLETE FIRST, MIDDLE AND LAST NAMES.

Section IV-1 A listing of all company officers, directors, acquiring individuals of 10% or more of the stock of the acquiring entity (Official Form Enclosed).

The full name of the individuals (First, Middle, Last) named above should be listed on this form.

Section IV-2 Biographical Affidavits as to Officers, Directors and Shareholders (Official Form Enclosed).

Provide a National Association of Insurance Commissioners (NAIC) Biographical Affidavit (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. All "Yes" answers must be explained. Please note Item 8 of the NAIC Biographical Affidavit requires 20 years of employment history. Only 10 years of employment history is required for this application.

Each biographical affidavit must be submitted to the Office containing an original signature and original notary seal. If, however, the biographical affidavits are currently on file and are not more than two years old, no submission is necessary.

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 page 6 of the NAIC form, please include the affiant's name and social security number on a separate page and attach it to the Biographical Affidavit. Also please stamp 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. The duties of the Office 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.

Section IV-3 Investigative Background Report

An Investigative Background 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. 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. The cards will be furnished by the Office upon request. **No cards other than those furnished by the Office will be accepted.** The cards must be completed at a law enforcement agency and returned to this Office for processing. Please refer to Form OIR-C1-938 for instructions.

ACQUISITION OF CONTROLLING STOCK OF A DOMESTIC INSURER

CHECK LIST SECTION I- APPLICATION FORMS AND FEES

Company Name: _____

<u>Item #</u>	<u>Completion Check List</u>
1. Insurer application fees paid	<input type="checkbox"/>
(a) Copy of invoice included	<input type="checkbox"/>
(b) Copy of check	<input type="checkbox"/>
2. Fingerprint fee paid electronically	<input type="checkbox"/>
a. Copy of on-line payment confirmation	<input type="checkbox"/>

ACQUISITION OF CONTROLLING STOCK OF A DOMESTIC INSURER

SECTION II- LEGAL

Company Name: _____

<u>Item #</u>		<u>Completion Check List</u>
1.	Acquisition Statement	<input type="checkbox"/>
2.	Notification Statement to Office	<input type="checkbox"/>
3.	Statutory Statements (Sections 628.461 (3)(b)-(e))	<input type="checkbox"/>
4.	Waiver of Hearing from the insurer	<input type="checkbox"/>
5.	Organization Charts	
1.	Chart showing all entities prior to merger	<input type="checkbox"/>
2.	Chart showing all entities after the merger	<input type="checkbox"/>
6.	Copy of the proposed tender or exchange offer	<input type="checkbox"/>
7.	Copies of other agreements relating to the Acquisition or merger	<input type="checkbox"/>
8.	Consent and Agreement in re Service of Process and Resolution Form	<input type="checkbox"/>

ACQUISITION OF CONTROLLING STOCK OF A DOMESTIC INSURER

SECTION III- FINANCIAL

Company Name: _____

<u>Item #</u>		<u>Completion Check List</u>
1.	Holding Company Registration Statement	<input type="checkbox"/>
	(a) Registration Provided (CERTIFIED BY HOME STATE).....	<input type="checkbox"/>
	or	
	(b) Statement that company is not a member of a holding company system.....	<input type="checkbox"/>
	(1) Signed by two Executive Officers.....	<input type="checkbox"/>
	(2) Sealed by Company (Corporate Seal)	<input type="checkbox"/>
	(c) 10K Annual Statement.....	<input type="checkbox"/>
2.	Annual Statement	<input type="checkbox"/>
	(a) Certified by state of domicile.....	<input type="checkbox"/>
	(b) Most current year.....	<input type="checkbox"/>
	1. Signed by two executive officers	<input type="checkbox"/>
	2. Sealed by corporation	<input type="checkbox"/>
	3. Supplemental schedules included.....	<input type="checkbox"/>
3.	Quarterly Statements	<input type="checkbox"/>
	(a) All quarterly statements year to date	<input type="checkbox"/>

ACQUISITION OF CONTROLLING STOCK OF A DOMESTIC INSURER

SECTION III- FINANCIAL CONTINUED

Company Name: _____

<u>Item #</u>		<u>Completion Check List</u>
(b)	Statements in NAIC format.....	<input type="checkbox"/>
1.	Signed by two executive officers.....	<input type="checkbox"/>
2.	Sealed by corporation	<input type="checkbox"/>
4.	Plan of Operations	<input type="checkbox"/>
5.	Previous Florida Business history statement.....	<input type="checkbox"/>
7.	Confirmation of Funds Letter enclosed.....	<input type="checkbox"/>

ACQUISITION OF CONTROLLING STOCK OF A DOMESTIC INSURER

SECTION IV- MANAGEMENT

Company Name: _____

<u>Item #</u>		<u>Completion Check List</u>
1.	Listing of all company officers and directors and shareholders of 10% or more of voting shares.....	<input type="checkbox"/>
	(a) Full names listed	<input type="checkbox"/>
	(b) Titles listed	<input type="checkbox"/>
2.	Biographical affidavits as to officers and directors (Official Form).....	<input type="checkbox"/>
	As to each biographical:	
	(a) All blanks filled in	<input type="checkbox"/>
	(b) Yes answers explained.....	<input type="checkbox"/>
	(c) Contains original signature of each respective officer and director	<input type="checkbox"/>
	(d) Notarized (Original).....	<input type="checkbox"/>
	(e) Submitted original of each affidavit.....	<input type="checkbox"/>

ACQUISITION OF CONTROLLING STOCK OF A DOMESTIC INSURER

SECTION IV- MANAGEMENT CONTINUED

Company Name: _____

<u>Item #</u>		<u>Completion Check List</u>
3.	Background Investigation Report.....	<input type="checkbox"/>
(a)	Investigative entity contacted	<input type="checkbox"/>
(b)	Full names given of all proposed incorporators, officers and directors	<input type="checkbox"/>
(c)	Arrangements made for reports to be sent directly to this Office	<input type="checkbox"/>
4.	Fingerprint cards for each person listed in Section IV-1	<input type="checkbox"/>
(a)	Contains original signature of each respective officer, director or shareholder.....	<input type="checkbox"/>
(b)	Office of Insurance Regulation card only	<input type="checkbox"/>
(c)	No erasures or alterations on cards	<input type="checkbox"/>
(d)	All blanks filled in	<input type="checkbox"/>

INVOICE

REQUEST FOR PAYMENT OF APPLICATION FEES ACQUISITION OF CONTROLLING INTEREST OF A DOMESTIC INSURER

NAME OF COMPANY: _____

FEIN: _____

ADDRESS: _____

CITY, STATE & ZIP CODE: _____

PHONE NUMBER: _____

ADDRESS (IF DIFFERENT FROM COMPANY ADDRESS)

_____ (CITY) (STATE) (ZIP CODE)

1. Make payable to the Department of Financial Services and mail check and invoice only to the Department of Financial Services, Bureau of Financial Services, 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.

TYPE: 10 CLASS: 06 Filing Fee: \$1,500.00



Office of Insurance Regulation
Company Admissions

FINGERPRINT PAYMENT AND SUBMISSION PROCEDURE

LiveScan (available to Florida Residents):

Applicants must pay online for processing of electronic fingerprints and make appointment for electronic fingerprinting. To begin the process, access [MorphoTrustUSA](#)

- Select English or Spanish to continue
- Enter First Name and Last Name
- Select "Continue"
- Enter Zip Code to determine closest fingerprint location or Choose "Region" and select "Go"
- Schedule Appointment
- Enter Applicant Information and select "Send Information"
- Verify and Select "Go"
- Select "Method of Payment" and "Send Payment Information"
- Select "Continue to US Bank E-Pay"
- Retain copy of payment confirmation

Paper Card* (available to Florida Residents and Non-Residents):

Applicants must pay online for processing fingerprint cards. To begin the process, access [MorphoTrustUSA](#)

- Select English or Spanish to continue
- Enter First Name and Last Name and select "Go"
- Select "Non-Resident Card Submission" (Non-Residents and Florida Residents not utilizing LiveScan)
- Select "No Cards"
- Enter Applicant Information and select "Send Information". If Applicant does not have a Social Security Number, enter "123-12-1234" in the required SSN field
- Verify and Select "Go"
- Select "Method of Payment" and "Send Payment Information"
- Select "Continue to US Bank E-Pay"
- Retain copy of payment confirmation
- Mail completed cards with a cover letter to: Florida Office of Insurance Regulation
Company Admissions
200 East Gaines Street
Tallahassee, Florida 32399-0332

Applicants may contact MorphoTrust USA's toll free registration center at 1-800-528-1358 regarding payment and/or appointment issues.

*Applicants must use fingerprint cards provided by the Office. Applicants must provide **two** completed cards per person. Blank fingerprint cards may be requested by emailing appcoord@floir.com or calling 850-413-2575.

Payment confirmations will be a required component in the electronic application submitted via iApply.

Questions may be emailed to appcoord@floir.com.

CONFIDENTIAL

Pursuant to sections 119.071(5), Florida Statutes, social security numbers collected by an agency are confidential and exempt from section 119.07, Florida Statutes, and section 24(a), Art. I of the State Constitution. The requirement must be relevant to the purpose for which collected and must be clearly documented. The social security numbers must be segregated on a separate page from the rest of the record.

Applicant's Name: _____

Applicant's Social Security Number: _____

The requirement for the applicant's social security is mandatory.

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. In establishing these qualifications and the Office of Insurance Regulation's responsibility to ensure that individuals meet these qualifications, the legislature recognized that owners, officers, and directors of an insurance company are in a position to cause great harm to public should they be untrustworthy or have a criminal background. These individuals control vast amount of funds that belong to policyholders. To meet the legislative intent that these people are qualified to be trusted, having the identifying social security number is essential for the Office of Insurance Regulation to adequately perform the background investigative duty. There are many individuals with the same name, without this identifying number it would be difficult if not impossible to be reasonably sure that the correct individuals are identified and verify they meet the statutorily required conditions.

CONFIDENTIAL

FORM B

INSURANCE HOLDING COMPANY SYSTEM ANNUAL REGISTRATION STATEMENT

Filed with the Insurance Department of the State of _____

By

Name of Registrant

On Behalf of Following Insurance Companies

Name Address

Date: _____, 20 _____

Name, Title, Address and telephone number of Individual to Whom Notices and Correspondence Concerning This Statement Should Be Addressed:

ITEM 1. IDENTITY AND CONTROL OF REGISTRANT

Furnish the exact name of each insurer registering or being registered (hereinafter called "the Registrant"), the home office address and principal executive offices of each; the date on which each registrant became part of the insurance holding company system; and the method(s) by which control of each registrant was acquired and is maintained.

ITEM 2. ORGANIZATIONAL CHART

Furnish a chart or listing clearly presenting the identities of and interrelationships among all affiliated persons within the insurance holding company system. The chart or listing should show the percentage of each class of voting securities of each affiliate which is owned, directly or indirectly, by another affiliate. If control of any person within the system is maintained other than by the ownership or control of voting securities, indicate the basis of control. As to each person specified in the chart or listing indicate the type of organization (e.g., corporation, trust, partnership) and the state or other jurisdiction of domicile.

ITEM 3. THE ULTIMATE CONTROLLING PERSON

As to the ultimate controlling person in the insurance holding company system furnish the following information:

- (a) Name;
- (b) Home office address;
- (c) Principal executive office address;
- (d) The organizational structure of the person, i.e., corporation, partnership, individual, trust, etc.;
- (e) The principal business of the person;
- (f) The name and address of any person who holds or owns 10% or more of any class of voting security, the class of such security, the number of shares held of record or known to be beneficially owned, and the percentage of class so held or owned; and
- (g) If court proceedings involving a reorganization or liquidation are pending, indicate the title and location of the court, the nature of proceedings and the date when commenced.

ITEM 4. BIOGRAPHICAL INFORMATION

If the ultimate controlling person is a corporation, an organization, a limited liability company, or other legal entity, furnish the following information for the directors and executive officers of the ultimate controlling person: the individual's name and address, his or her principal occupation and all offices and positions held during the past 5 years, and any conviction of crimes other than minor traffic violations. If the ultimate controlling person is an individual, furnish the individual's name and address, his or her principal occupation and all offices and positions held during the past 5 years, and any conviction of crimes other than minor traffic violations.

ITEM 5. TRANSACTIONS AND AGREEMENTS

Briefly describe the following agreements in force, and transactions currently outstanding or which have occurred during the last calendar year between the registrant and its affiliates:

- (a) Loans, other investments, or purchases, sales or exchanges of securities of the affiliates by the Registrant or of the Registrant by its affiliates;
- (b) Purchases, sales or exchanges of assets;
- (c) Transactions not in the ordinary course of business;
- (d) Guarantees or undertakings for the benefit of an affiliate which result in an actual contingent exposure of the Registrant's assets to liability, other than insurance contracts entered into in the ordinary course of the registrant's business;

- (e) All management agreements, service contracts and all cost-sharing arrangements;
- (f) Reinsurance agreements;
- (g) Dividends and other distributions to shareholders;
- (h) Consolidated tax allocation agreements; and
- (i) Any pledge of the registrant's stock and/or of the stock of any subsidiary or controlling affiliate, for a loan made to any member of the insurance holding company system.

No information need be disclosed if such information is not material for purposes of Section 4 of the Act.

Sales, purchases, exchanges, loans or extensions of credit, investments or guarantees involving one-half of 1% or less of the registrant's admitted assets as of the 31st day of December next preceding shall not be deemed material.

The description shall be in a manner as to permit the proper evaluation thereof by the Commissioner, and shall include at least the following: the nature and purpose of the transaction, the nature and amounts of any payments or transfers of assets between the parties, the identity of all parties to the transaction, and relationship of the affiliated parties to the registrant.

ITEM 6. EMPLOYMENT CONTRACTS

Furnish the following information with regard to each employment contract entered into by the insurer and each of its affiliates with any of the other officers and/or directors of the insurer: name of employees, position held, annual remuneration, and other perquisites, and term of contract.

ITEM 7. LITIGATION OR ADMINISTRATIVE PROCEEDINGS

A brief description of any litigation or administrative proceedings of the following types, either then pending or concluded within the preceding fiscal year, to which the ultimate controlling person or any of its directors or executive officers was a party or of which the property of any such person is or was the subject; give the names of the parties and the court or agency in which the litigation or proceeding is or was pending:

- (a) Criminal prosecutions or administrative proceedings by any government agency or authority which may be relevant to the trustworthiness of any party thereto; and
- (b) Proceedings which may have a material effect upon the solvency or capital structure of the ultimate holding company including, but not necessarily limited to, bankruptcy, receivership or other corporate reorganizations.

ITEM 8. STATEMENT REGARDING PLAN OR SERIES OF TRANSACTIONS

The insurer shall furnish a statement that transactions entered into since the filing of the prior year's annual registration statement are not part of a plan or series of like transactions, the purpose of which is to avoid statutory threshold amounts and the review that might otherwise occur.

ITEM 9. FINANCIAL STATEMENTS AND EXHIBITS

- (a) Financial statements and exhibits should be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached.
- (b) If the ultimate controlling person is a corporation, an organization, a limited liability company, or other legal entity, the financial statements shall include the annual financial statements of the ultimate controlling person in the insurance holding company system as of the end of the person's latest fiscal year.

If at the time of the initial registration, the annual financial statements for the latest fiscal year are not available, annual statements for the previous fiscal year may be filed and similar financial information shall be filed for any subsequent period to the extent such information is available. Such financial statements may be prepared on either an individual basis; or, unless the Commissioner otherwise requires, on a consolidated basis if consolidated statements are prepared in the usual course of business.

Other than with respect to the foregoing, such financial statement shall be filed in a standard form and format adopted by the National Association of Insurance Commissioners, unless an alternative form is accepted by the Commissioner. Documentation and financial statements filed with the Securities and Exchange Commission or audited GAAP financial statements shall be deemed to be an appropriate form and format.

Unless the Commissioner otherwise permits, the annual financial statements shall be accompanied by the certificate of an independent public accountant to the effect that the statements present fairly the financial position of the ultimate controlling person and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the ultimate controlling person is an insurer which is actively engaged in the business of insurance, the annual financial statements need not be certified, provided they are based on the Annual Statement of the insurer's domiciliary state and are in accordance with requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of that state.

Any ultimate controlling person who is an individual may file personal financial statements that are reviewed rather than audited by an independent public accountant. The review shall be conducted in accordance with standards for review of personal financial statements published in the *Personal Financial Statements Guide* by the American Institute of Certified Public Accountants. Personal financial statements shall be accompanied by the independent public accountant's Standard Review Report stating that the accountant is not aware of any material modifications that should be made to the financial statements in order for the statements to be in conformity with generally accepted accounting principles.

- (c) Exhibits shall include copies of the latest annual reports to shareholders of the ultimate controlling person and proxy material used by the ultimate controlling person; and any additional documents or papers required by Form B or regulation Sections 4 and 6.

ITEM 10. FORM C REQUIRED

A Form C, Summary of Changes to Registration Statement (OIR-A1-2116), must be prepared and filed with this Form B.

ITEM 11. SIGNATURE AND CERTIFICATION

I have reviewed the above, and to the best of my knowledge, information and belief, it is true and correct.

_____	_____	_____
Date	Name	Position or Title

Sworn to and Subscribed before me this _____ day of _____, 20 ____.

_____	[SEAL]
Notary Public	

FORM C

SUMMARY OF CHANGES TO REGISTRATION STATEMENT

Filed with the Insurance Department of the State of _____

By

Name of Registrant

On Behalf of Following Insurance Companies

Name	Address
------	---------

_____	_____
_____	_____
_____	_____

Date: _____, 20____

Name, Title, Address and telephone number of Individual to Whom Notices and Correspondence Concerning This Statement Should Be Addressed:

Furnish a brief description of all items in the current annual registration statement which represent changes from the prior year's annual registration statement. The description should identify the nature of the change and shall be in a manner as to permit the proper evaluation thereof by the Commissioner, and shall include specific references to Item numbers in the annual registration statement and to the terms contained therein.

If a transaction disclosed on the prior year's annual registration statement has been effectuated, furnish the mode of completion and any flow of funds between affiliates resulting from the transaction.

The insurer shall furnish a statement that transactions entered into since the filing of the prior year's annual registration statement are not part of a plan or series of like transactions whose purpose it is to avoid statutory threshold amounts and the review that might otherwise occur.

SIGNATURE AND CERTIFICATION

I have reviewed the above, and to the best of my knowledge, information and belief, it is true and correct.

_____	_____	_____
Date	Name	Position or Title

Sworn to and Subscribed before me this _____ day of _____, 19____

_____	(SEAL)
Notary Public	

FORM D
PRIOR NOTICE OF A TRANSACTION

Filed with the Florida Office of Insurance Regulation

By

Name of Registrant

On Behalf of Following Insurance Companies

Name	Address
_____	_____
_____	_____
_____	_____

Date: _____, 20____

Name, Title, Address and telephone number of Individual to Whom Notices and Correspondence Concerning This Statement Should Be Addressed:

ITEM 1. IDENTITY OF PARTIES TO TRANSACTION

Furnish the following information for each of the parties to the transaction:

- (a) Name;
- (b) Home office address;
- (c) Principal executive office address;
- (d) The organizational structure, i.e. corporation, partnership, individual, trust, etc.;
- (e) A description of the nature of the parties' business operations;

- (f) Relationship, if any, of other parties to the transaction to the insurer filing the notice, including any ownership or debtor/creditor interest by any other parties to the transaction in the insurer seeking approval, or by the insurer filing the notice in the affiliated parties;
- (g) Where the transaction is with a non-affiliate, the name(s) of the affiliate(s) which will receive, in whole or in substantial part, the proceeds of the transaction.

ITEM 2. DESCRIPTION OF THE TRANSACTION

Furnish the following information for each transaction for which notice is being given:

- (a) A statement as to whether notice is being given under Rule 69O-143.047(4)(a), (b), (c), (d) or (e), Florida Administrative Code;
- (b) A statement of the nature of the transaction;
- (c) A statement of how the transaction meets the 'fair and reasonable' standard of Rule 69O-143.047(1)(a); and
- (d) The proposed effective date of the transaction.

ITEM 3. SALES, PURCHASES, EXCHANGES, LOANS, EXTENSIONS OF CREDIT, GUARANTEES OR INVESTMENTS

Furnish a brief description of the amount and source of funds, securities, property or other consideration for the sale, purchase, exchange, loan, extension of credit, guarantee, or investment, whether any provision exists for purchase by the insurer filing notice, by any party to the transaction, or by any affiliate of the insurer filing notice, a description of the terms of any securities being received, if any, and a description of any other agreements relating to the transaction such as contracts or agreements for services, consulting agreements and the like. If the transaction involves other than cash, furnish a description of the consideration, its cost and its fair market value, together with an explanation of the basis for evaluation.

If the transaction involves a loan, extension of credit or a guarantee, furnish a description of the maximum amount which the insurer will be obligated to make available under such loan, extension of credit or guarantee, the date on which the credit or guarantee will terminate, and any provisions for the accrual of or deferral of interest.

If the transaction involves an investment, guarantee or other arrangement, state the time period during which the investment, guarantee or other arrangement will remain in effect, together with any provisions for extensions or renewals of such investments, guarantees or arrangements. Furnish a brief statement as to the effect of the transaction upon the insurer's surplus.

No notice need be given if the maximum amount which can at any time be outstanding or for which the insurer can be legally obligated under the loan, extension of credit or guarantee is less than (a) in the case of non-life insurers, the lesser of 3% of the insurer's admitted assets or 25% of surplus as regards policyholders, or (b) in the case of life insurers, 3% of the insurer's admitted assets, each as of the 31st day of December next preceding.

ITEM 4. LOANS OR EXTENSIONS OF CREDIT TO A NON-AFFILIATE

If the transaction involves a loan or extension of credit to any person who is not an affiliate, furnish a brief description of the agreement or understanding whereby the proceeds of the proposed transaction, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase the assets of, or to make investments in, any affiliate of the insurer making such loans or extensions of credit, and specify in what manner the proceeds are to be used to loan to, extend credit to, purchase assets of or make investments in any affiliate. Describe the amount and source of funds, securities, property or other consideration for the loan or extension of credit and, if the transaction is one involving consideration other than cash, a description of its cost and its fair market value together with an explanation of the basis for evaluation. Furnish a brief statement as to the effect of the transaction upon the insurer's surplus.

No notice need be given if the loan or extension of credit is one which equals less than, in the case of non-life insurers, the lesser of 3% of the insurer's admitted assets or 25% of surplus as regards policyholders or, with respect to life insurers, 3% of the insurer's admitted assets, each as of the 31st day of December next preceding.

ITEM 5. REINSURANCE

If the transaction is a reinsurance agreement or modification thereto, as described by Rule 69O-143.047(4)(c), furnish a description of the known and/or estimated amount of liability to be ceded and/or assumed in each calendar year, the period of time during which the agreement will be in effect, and a statement whether an agreement or understanding exists between the insurer and non-affiliate to the effect that any portion of the assets constituting the consideration for the agreement will be transferred to one or more of the insurer's affiliates. Furnish a brief description of the consideration involved in the transaction, and a brief statement as to the effect of the transaction upon the insurer's surplus.

No notice need be given for reinsurance agreements or modifications thereto if the reinsurance premium or a change in the insurer's liabilities, or the projected reinsurance premium or change in the insurer's liabilities in any of the next three years, in connection with the reinsurance agreement or modification thereto is less than 5% of the insurer's surplus as regards policyholders, as of the 31st day of December next preceding. Notice shall be given for all reinsurance pooling agreements including modifications thereto.

ITEM 6. MANAGEMENT AGREEMENTS, SERVICE AGREEMENTS, TAX ALLOCATION AGREEMENTS AND COST-SHARING ARRANGEMENTS.

For management and service agreements, furnish:

- (a) A brief description of the managerial responsibilities, or services to be performed;
- (b) A brief description of the agreement, including a statement of its duration, together with brief descriptions of the basis for compensation and the terms under which payment or compensation is to be made.

For cost-sharing arrangements, furnish:

- (a) A brief description of the purpose of the agreement;
- (b) A description of the period of time during which the agreement is to be in effect;
- (c) A brief description of each party's expenses or costs covered by the agreement;
- (d) A brief description of the accounting basis to be used in calculating each party's costs under the agreement;
- (e) A brief statement as to the effect of the transaction upon the insurer's policyholder surplus;
- (f) A statement regarding the cost allocation methods that specifies whether proposed charges are based on "cost or market." If market based, rationale for using market instead of cost, including justification for the company's determination that amounts are fair and reasonable; and
- (g) A statement regarding compliance with the *NAIC Accounting Practices and Procedure Manual* regarding expense allocation.

ITEM 7. SIGNATURE AND CERTIFICATION

I have reviewed the above, and to the best of my knowledge, information and belief, it is true and correct.

<hr/>	<hr/>	<hr/>
Date	Name	Position or Title
Sworn to and Subscribed before me this _____ day of _____ 2049		
<hr/>		
Notary Public		[SEAL]

FORM F
ENTERPRISE RISK REPORT

Filed with the Insurance Department of the State of _____

By

Name of Registrant/Applicant

On Behalf of/Related to Following Insurance Companies

Name

Address

_____	_____
_____	_____
_____	_____

Date: _____, 20____

Name, Title, Address and telephone number of Individual to Whom Notices and Correspondence Concerning This Statement Should Be Addressed:

ITEM 1. ENTERPRISE RISK

The Registrant/Applicant, to the best of its knowledge and belief, shall provide information regarding the following areas that could produce enterprise risk as defined in Section 628.801(2)(b), Florida Statutes, provided such information is not disclosed in the Insurance Holding Company System Annual Registration Statement filed on behalf of itself or another insurer for which it is the ultimate controlling person:

- Any material developments regarding strategy, internal audit findings, compliance or risk management affecting the insurance holding company system;
- Acquisition or disposal of insurance entities and reallocating of existing financial or insurance entities within the insurance holding company system;
- Any changes of shareholders of the insurance holding company system exceeding ten percent (10%) or more of voting securities;
- Developments in various investigations, regulatory activities or litigation that may have a significant bearing or impact on the insurance holding company system;

- Business plan of the insurance holding company system and summarized strategies for next 12 months;
- Identification of material concerns of the insurance holding company system raised by supervisory college, if any, in last year;
- Identification of insurance holding company system capital resources and material distribution patterns;
- Identification of any negative movement, or discussions with rating agencies which may have caused, or may cause, potential negative movement in the credit ratings and individual insurer financial strength ratings assessment of the insurance holding company system (including both the rating score and outlook);
- Information on corporate or parental guarantees throughout the holding company and the expected source of liquidity should such guarantees be called upon; and
- Identification of any material activity or development of the insurance holding company system that, in the opinion of senior management, could adversely affect the insurance holding company system.

The Registrant/Applicant may attach the appropriate form most recently filed with the U.S. Securities and Exchange Commission, provided the Registrant/Applicant includes specific references to those areas listed in Item 1 for which the form provides responsive information. If the Registrant/Applicant is not domiciled in the U.S., it may attach its most recent public audited financial statement filed in its country of domicile, provided the Registrant/Applicant includes specific references to those areas listed in Item 1 for which the financial statement provides responsive information.

ITEM 2: OBLIGATION TO REPORT.

If the Registrant/Applicant has not disclosed any information pursuant to Item 1, the Registrant/Applicant shall include a statement affirming that, to the best of its knowledge and belief, it has not identified enterprise risk subject to disclosure pursuant to Item 1.

UNIFORM CERTIFICATE OF AUTHORITY APPLICATION (UCAA)
Management Information Form
Complete Listing of Incorporators*, Officers
Directors and Shareholders (10% or more)

Incorporators*

Titles:

Ownership Percentage:

Officers:

Directors:

Shareholders:

* Primary Application Only

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

Uniform Certificate of Authority Application (UCAA)
Lines of Insurance

Please complete the information below for each state in which the Applicant Company is currently licensed indicating currently authorized, currently transacting and applying for authority to do business. As a result of statutory and regulatory requirements, each state has its own terminology for the lines of insurance. The Lines of Business Matrix was developed to assist the Applicant Company in completing this form. The matrix includes each line of business as it is reported on the NAIC's annual statement blanks and corresponding state statute or regulation. The matrix is located on the UCAA website under State Charts.

ALABAMA	Authorized to Transact	Currently Transacting	Applying for
Life (Sec. 27-5-2), Annuities (Sec. 27-5-3)			
Disability (Sec. 27-5-4)			
HMO (Sec. 27-21A-1, 27-21A-2 and 27-21A-3)			
Property (Sec. 27-5-5)			
Miscellaneous Casualty (Sec. 27-5-6, 27-5-7, 27-5-8, 27-5-9)			
Title (Sec. 27-5-10)			

ALASKA	Authorized to Transact	Currently Transacting	Applying for
Life (AS 21.12.040)			
Health (AS 21.12.050)			
Disability (21.12.052)			
Annuities (AS 21.12.055)			
Variable Life (AS 21.42.370)			
Variable Annuities (AS 21.42.370)			
Property (AS 21.12.060)			
Casualty (AS 21.12.070) including clauses:			
(1) Vehicle			
(2) Liability			
(3) Workers' Compensation and Employers Liability			
(4) Burglary and Theft			
(5) Personal Property Floater			
(6) Glass			
(7) Boiler and Machinery			
(8) Leakage and Fire Extinguishing Equipment			
(9) Credit (failure of debtors to pay obligations to insured)			
(10) Malpractice			
(11) Elevator			
(12) Livestock			
(13) Entertainments			
(14) Miscellaneous			
Surety (AS 21.12.080)			
Marine, Wet Marine & Transportation (AS 21.12.090)			
Mortgage Guaranty (AS 21.12.110)			
Title (AS 21.66)			
Fraternal Benefit Society (AS 21.84)			

ARIZONA	Authorized to Transact	Currently Transacting	Applying for
Casualty with Workers' Compensation A.R.S. § 20-252			
Casualty without Workers' Compensation A.R.S. § 20-252			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

ARIZONA (continued)	Authorized to Transact	Currently Transacting	Applying for
Disability A.R.S. § 20-253			
Life (Includes Annuities) A.R.S. § 20-254			
Variable Annuity A.R.S. § 20-2631(2)			
Variable Life A.R.S. § 20-2601(15)			
Marine and Transportation A.R.S. § 20-255			
Mortgage Guaranty A.R.S. § 20-1541			
Prepaid Legal A.R.S. 20-1097			
Property A.R.S. § 20-256			
Surety A.R.S. § 20-257			
Title A.R.S. § 20-1562			
Vehicle A.R.S. § 20-259			
Life & Disability Reinsurer A.R.S. § 20-1082			
Health Care Services Organization A.R.S. § 20-1051			
Health, Medical, Dental, Optometric Service Corporations A.R.S. § 20-824			
Prepaid Dental Plan Organization A.R.S. § 20-1001			

ARKANSAS	Authorized to Transact	Currently Transacting	Applying for
Life (ACA 23-62-102)			
Accident & Health (ACA 23-62-103)			
Property (ACA 23-62-104)			
Casualty (ACA 23-62-105)			
Surety (ACA 23-62-106)			
Workers' Compensation (ACA 23-62-105)			
Marine (ACA 23-62-107)			
Title (ACA 23-62-108)			
Mortgage Guaranty (ACA 23-62-110)			

CALIFORNIA	Authorized to Transact	Currently Transacting	Applying for
Life (CIC 101)			
Fire (CIC 102)			
Marine (CIC 103)			
Title (CIC 104)			
Surety (CIC 105)			
Disability (CIC 106)			
Plate Glass (CIC 107)			
Liability (CIC 108)			
Workers' Compensation (CIC 109)			
Common Carrier Liability (CIC 110)			
Boiler and Machinery (CIC 111)			
Burglary (CIC 112)			
Credit (CIC 113)			
Sprinkler (CIC 114)			
Team and Vehicle (CIC 115)			
Automobile (CIC 116)			
Aircraft (CIC 118)			
Mortgage Guaranty (CIC 119)			
Insolvency (119.5)			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

CALIFORNIA (continued)	Authorized to Transact	Currently Transacting	Applying for
Legal (CIC 119.6)			
Miscellaneous (CIC 120)			
Financial Guaranty (CIC 124)			

COLORADO	Authorized to Transact	Currently Transacting	Applying for
Life (10-3-102(1)(b))			
General Life			
Accident and Health			
Annuities			
Credit			
Variable Contracts			
Fraternal Benefit Society (10-14-603)			
General Life			
Accident and Health			
Annuities			
Variable Contracts			
Title (Title 10, Article 11)			
Title			
Property and Casualty (Title 10, Article 3, Sections 102(1)(a), (c) and (d) or (Title 10, Articles 12 or 13)			
General Property			
Crop			
Motor Vehicle			
General Casualty			
Accident and Health			
Fidelity and Surety (excluding bail bond)			
Bail Bond			
Workers' Compensation			
Mortgage Guaranty			
Credit			
Professional Malpractice			

CONNECTICUT	Authorized to Transact	Currently Transacting	Applying for
(C.G.S. Title 38a)			
Fire, Extended Coverage and Other Allied Lines			
Homeowners Multiple Peril			
Commercial Multiple Peril			
Earthquake			
Growing Crops			
Ocean Marine			
Inland Marine			
Accident and Health			
Workers' Compensation			
Liability other than Auto (B.I. and P.D.)			
Auto Liability (B.I. and P.D.)			
Auto Physical Damage			
Aircraft (all perils)			
Fidelity and Surety			
Financial Guaranty (mono-line)			
Glass			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

CONNECTICUT (continued)	Authorized to Transact	Currently Transacting	Applying for
Burglary and Theft			
Boiler and Machinery			
Credit			
Reinsurance			
Life Non-Participating			
Life Participating			
Variable Life Non-Participating			
Variable Life Participating			
Variable Annuities			
Title			
Fraternal Benefit Societies			
Health Care Center			
Credit Life			
Credit Accident and Health			
Mortgage Guaranty (monoline)			
Residual Value			

DELAWARE	Authorized to Transact	Currently Transacting	Applying for
Life [18 Del. C. Section 902]			
Variable Annuities [Del. Reg 1]			
Variable Life [Del. Reg 44]			
Credit Life [18 Del. C. Section 902]			
Credit Health [18 Del. C. Section 903]			
Health [18 Del. C. Section 903]			
Property [18 Del. C. Section 904]			
Surety [18 Del. C. Section 905]			
Casualty [18 Del. C. Section 906(a)], including subdivisions:			
(1) Vehicle			
(2) Liability			
(3) Workers' Compensation & Employer's Liability			
(4) Burglary & Theft			
(5) Personal Property Floater			
(6) Glass			
(7) Boiler & Machinery			
(8) Leakage & Fire Extinguisher Equipment			
(9) Credit			
(10) Malpractice			
(11) Elevator			
(12) Congenital Defects			
(13) Livestock			
(14) Entertainments			
(15) Miscellaneous			
Marine & Transportation [18 Del. C. Section 907]			
Title [18 Del. C. Section 908]			

Presently, lines listed above for casualty are checked off as individual lines on the certificate of authority application form.

18 Del. C. Section 906(b) – Provision of medical, hospital, surgical and funeral benefits, and of coverage against accidental death or injury, as incidental to and part of other insurance as stated under subdivisions (1) vehicle, (2) liability, (4) burglary and theft, (7) boiler and machinery, (10) malpractice and (11) elevator of subsection (a) shall for all purposes be deemed to be the same kind of insurance to which it is so incidental and shall not be subject to provisions of this title applicable to life

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

and health insurance.

DISTRICT OF COLUMBIA	Authorized to Transact	Currently Transacting	Applying for
Health Maintenance Organizations (Sec. 31 – Chapter 34)			
Life and Health			
Individual Life			
Group Life			
Variable Life (26 DCMR Chapter 27)			
Individual Accident and Health			
Group Accident and Health			
Individual Annuities (Fixed and Variable) (Sec. 31-4442)			
Group Annuities (Fixed and Variable) (Sec. 31-4442)			
Fire and Casualty			
(1) Fire (Sec. 31-2502.11)			
(2.1) Allied Lines (Sec. 31-2502.11)			
(2.2) Multiple Peril Crop			
(2.3) Federal Flood			
(3) Farmowners Multiple Peril (Sec. 31-2502.11)			
(4) Homeowners Multiple Peril (Sec. 31-2502.11)			
(5.1) Commercial Multiple Peril (non-liability) (Sec. 31-2502.11)			
(5.2) Commercial Multiple Peril (liability) (Sec. 31-2502.11)			
(6) Mortgage Guaranty			
(8) Ocean Marine (Sec. 31-2502.11)			
(9) Inland Marine (Sec. 31-2502.11)			
(10) Financial Guaranty			
(11) Medical Malpractice			
(12) Earthquake (Sec. 31-2502.11)			
(13) Group Accident & Health (Sec. 31-2502.11)			
(14) Credit A&H (Group & Individual) (Sec. 31-2502.11)			
(15.1) Collectively Renewable A&H (Sec. 31-2502.11)			
(15.2) Non-cancellable A&H (Sec. 31-2502.11)			
(15.3) Guaranteed Renewable A&H (Sec. 31-2502.11)			
(15.4) Non-Renewable for Stated Reasons Only (Sec. 31-2502.11)			
(15.5) Other Accident Only (Sec. 31-2502.11)			
(15.6) All Other A&H (Sec. 31-2502.11)			
(15.7) Federal Employees Health Benefits Program			
(16) Workers' Compensation (Sec. 31-2502.11)			
(17) Other Liability (Sec. 31-2502.11)			
(18) Products Liability (Sec. 31-2502.11)			
(19.1) Private Passenger Auto No-Fault (personal injury protection) (Sec. 31-2502.11)			
(19.2) Other Private Passenger Auto Liability (Sec. 31-2502.11)			
(19.3) Commercial Auto No-Fault (personal injury protection) (Sec. 31-2502.11)			
(19.4) Other Commercial Auto Liability (Sec. 31-2502.11)			
(20) Glass (Sec. 31-2502.11)			
(21.1) Private Passenger Auto Physical Damage (Sec. 31-2502.11)			
(21.2) Commercial Auto Physical Damage (Sec. 31-2502.11)			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

(22)	Aircraft (all perils) (Sec. 31-2502.11)			
------	---	--	--	--

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

DISTRICT OF COLUMBIA (continued)	Authorized to Transact	Currently Transacting	Applying for
(23) Fidelity (Sec. 31-2502.11)			
(24) Surety (Sec. 31-2502.11)			
(26) Burglary and Theft (Sec. 31-2502.11)			
(27) Boiler and Machinery (Sec. 31-2502.11)			
(28) Credit (Sec. 31-2602.03, 31-2502.11)			
Title [Sec. 31-2602.03 (a)(7)]			

FLORIDA	Authorized to Transact	Currently Transacting	Applying for
Property & Casualty Insurers			
0010 Fire			
0020 Allied Lines			
0030 Farmowners Multi Peril			
0040 Homeowners Multi Peril			
0050 Commercial Multi Peril			
0080 Ocean Marine			
0090 Inland Marine			
0100 Financial Guaranty			
* 0106 Auto Warranties			
0110 Medical Malpractice			
0120 Earthquake			
0160 Workers' Compensation			
0170 Other Liability			
* 0173 Prepaid Legal			
0192 Private Passenger Auto Liability			
0194 Commercial Auto Liability			
0211 Private Passenger Auto Physical Damage			
0212 Commercial Auto Physical Damage			
0220 Aircraft			
0230 Fidelity			
0240 Surety			
* 0245 Bail Bonds			
0250 Glass			
0260 Burglary and Theft			
0270 Boiler and Machinery			
0280 Credit			
* 0285 Title (Title Companies Only)			
* 0290 Livestock			
0300 Industrial Fire			
* 0310 Mortgage Guaranty			
0441 Credit Disability			
* 0450 Accident and Health			
* 0520 Industrial Extended Coverage			
* 0540 Mobile Home Multi Peril			
* 0550 Mobile Home Physical Damage			
* 0570 Crop Hail			
* 0607 Home Warranties			
* 0608 Service Warranties			
* 0610 Other Warranty			
* 0620 Miscellaneous Casualty			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

FLORIDA (continued)	Authorized to Transact	Currently Transacting	Applying for
Property & Casualty Insurers (Reinsurance Only)			
R010 Fire			
R020 Allied Lines			
R030 Farmowners Multi Peril			
R040 Homeowners Multi Peril			
R050 Commercial Multi Peril			
R080 Ocean Marine			
R090 Inland Marine			
R100 Financial Guaranty			
* R106 Auto Warranties			
R110 Medical Malpractice			
R120 Earthquake			
R160 Workers' Compensation			
R170 Other Liability			
* R173 Prepaid Legal			
R192 Private Passenger Auto Liability			
R194 Commercial Auto Liability			
R211 Private Passenger Auto Physical Damage			
R212 Commercial Auto Physical Damage			
R220 Aircraft			
R230 Fidelity			
R240 Surety			
* R245 Bail Bonds			
R250 Glass			
R260 Burglary and Theft			
R270 Boiler and Machinery			
R280 Credit			
* R285 Title (Title Companies Only)			
* R290 Livestock			
R300 Industrial Fire			
* R310 Mortgage Guaranty			
R441 Credit Disability			
* R450 Accident and Health			
* R520 Industrial Extended Coverage			
* R540 Mobile Home Multi Peril			
* R550 Mobile Home Physical Damage			
* R570 Crop Hail			
* R607 Home Warranties			
* R608 Service Warranties			
* R610 Other Warranty			
* R620 Miscellaneous Casualty			
Life, Accident and Health Insurers			
0400 Ordinary Life			
Endowment			
Term Life			
Industrial Life			
Individual Annuities			
Universal Life			
0405 Individual Variable Annuities			
Group Variable Annuities			
0410 Group Life and Annuities			
0420 Variable Life			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

FLORIDA (continued)	Authorized to Transact	Currently Transacting	Applying for
0425 Fraternal Life			
0430 Fraternal Health			
0440 Credit Life			
0441 Credit Disability			
0450 Accident and Health			
R400 Reinsurance - Ordinary Life and Annuity			
R405 Reinsurance - Individual/Group Variable Annuities			
R410 Reinsurance - Group Life and Annuity			
R420 Reinsurance - Variable Life			
R440 Reinsurance - Credit Life			
R441 Reinsurance - Credit Disability			
R450 Reinsurance - Accident and Health			

* For purposes of applicant's plan of operations, these lines should be listed as "all other lines." If any are combined with other lines on the proforma (i.e. mobile home combined with homeowners), the plan of operations should specify that this was done.

GEORGIA	Authorized to Transact	Currently Transacting	Applying for
§33-3-5			
Life, accident, and sickness, including subdivisions:			
Variable Annuities			
Variable Life			
Property, marine, and transportation			
Casualty, including subdivisions: Workers' Compensation			
Casualty, excluding subdivisions: Workers' Compensation			
Surety			
Title			

HAWAII	Authorized to Transact	Currently Transacting	Applying for
Life Insurance (Section 431: 1-204, HRS)			
Disability Insurance (Section 431: 1-205, HRS)			
Property Insurance (Section 431: 1-206, HRS)			
Vehicle Insurance (Section 431: 1-208, HRS)*			
General Casualty Insurance (Section 431:1-209, HRS)*			
Marine and Transportation Insurance (Section 431: 1-207, HRS)			
Ocean Marine (Section 431:1-211, HRS)**			
Surety Insurance (Section 431: 1-210, HRS)			
Title Insurance (Section 431: 20-102, HRS)			

* Claims and Sales Office(s) and membership of Hawaii Joint Underwriting Plan are required for all insurers authorized to write and engage in writing vehicle insurance; please check state specific requirements for detail information.

**Subclass of Marine and Transportation Insurance.

IDAHO	Authorized to Transact	Currently Transacting	Applying for
Life - 41-502			
Disability (Including/Excluding Managed Care) - 41-503			
Variable Annuities/Contracts - 41-502, 41-1938			
Property - 41-504			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

IDAHO (continued)	Authorized to Transact	Currently Transacting	Applying for
Marine and Transportation - 41-505			
Casualty - Including Workers' Compensation - 41-506			
Casualty - Excluding Workers' Compensation - 41-506			
Surety (Including Fidelity) - 41-507			
Monoline only:			
Title - 41-508			
Mortgage Guaranty - 41-2652			

ILLINOIS	Authorized to Transact	Currently Transacting	Applying for
Class 1 Life, Accident and Health*			
(a) Life			
(b) Accident and Health			
(c) Legal Expense Insurance			
Class 2 Casualty, Fidelity and Surety*			
(a) Accident and Health			
(b) Vehicle			
(c) Liability			
(d) Workers' Compensation			
(e) Burglary and Forgery			
(f) Glass			
(g) Fidelity and Surety			
(h) Miscellaneous			
(i) Other Casualty Risks			
(j) Contingent Losses			
(k) Livestock and Domestic Animals			
(l) Legal Expense Insurance			
Class 3 Fire and Marine, etc.*			
(a) Fire			
(b) Elements			
(c) War, Riot and Explosion			
(d) Marine and Transportation			
(e) Vehicle			
(f) Property Damage, Sprinkler Leakage and Crop			
(g) Other Fire and Marine Risks			
(h) Contingent Losses			
(i) Legal Expense Insurance			

* See 215/IL5/4 for additional description

INDIANA	Authorized to Transact	Currently Transacting	Applying for
Class I (Life)			
(a) Life and Annuities			
(b) Accident & Health			
(c) Variable Life and Annuities (Segregated Amounts)			
Class II (Casualty)			
(a) Accident and Health - Disability			
(b) Workers' Compensation			
(c) Burglary, Theft			
(d) Glass			
(e) Boiler and Machinery			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

(f) Automobile			
INDIANA (continued)	Authorized to Transact	Currently Transacting	Applying for
(g) Sprinkler			
(h) Liability			
(i) Credit			
(j) Title			
(k) Fidelity & Surety w/Bailbonds			
(kt) Fidelity & Surety w/o Bailbonds			
(l) Miscellaneous			
(m) Legal Expenses			
Class III (Property)			
(a) Fire, Windstorm, Hail, Loot, Riot			
(b) Crops			
(c) Sprinkler			
(d) Marine			

IOWA	Authorized to Transact	Currently Transacting	Applying for
Property/Casualty Lines (515.48)			
Fire			
Extended Coverage			
Other Allied Lines			
Homeowners Multiple Peril			
Commercial Multiple Peril			
Earthquake			
Growing Crops			
Ocean Marine			
Inland Marine			
Accident and Health			
Workers' Compensation			
Other Liability			
Auto Liability			
Auto Physical Damage			
Aircraft			
Fidelity and Surety			
Glass			
Burglary and Theft			
Boiler and Machinery			
Reinsurance Only (monoline)			
Financial Guaranty (monoline)			
Life (508, 509, 511) – Life Only			
Life (508, 509, 511 and 515) credit & variable life, annuities and variable annuities and A&H			
Reciprocal (520)			
Mortgage Guaranty (515C)			
Fraternal (512B)			

*Life includes credit life, variable life, annuities, and variable annuities.

KANSAS	Authorized to Transact	Currently Transacting	Applying for
Life (Includes Annuity and Variable Contracts)			
Accident and Health			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

Stand-Alone Prescription Drug Provider			
KANSAS (continued)	Authorized to Transact	Currently Transacting	Applying for
Fire Insurance			
Fire			
Windstorm & Hail			
Extended Coverage			
Add'l. Perils on Growing Crops			
Hail on Growing Crops			
Optional Perils			
Sprinkler Leakage			
Business Interruption			
Earthquake			
Water Damage			
Aircraft Hull			
Ocean Marine			
Inland Marine			
Rain			
Automobile Physical Damage			
Flood			
Homeowners Policies			
Casualty Insurance			
Accident and Health			
Automobile Liability			
General Liability			
Workers' Compensation			
Fidelity, Surety & Forgery Bonds			
Glass			
Burglary, Theft & Robbery			
Boiler & Machinery			
Credit			
Title			
Malpractice Liability			
Livestock Mortality			
Aircraft Liability			
Cargo Liability			
Cost of Legal Services			
Mortgage Guaranty Insurance			

KENTUCKY	Authorized to Transact	Currently Transacting	Applying for
Life And Health Companies			
Life (includes variable & credit) KRS 304.5-020			
Annuity (includes variable) KRS 304.5-030			
Health (includes credit) KRS 304.5-040			
Property And Casualty Companies			
Health (includes credit) KRS 304.5-040			
Property KRS 304.5-050			
Surety KRS 304.5-060			
Casualty All Lines KRS 304.5-070 (1)(a) thru (1)(q)			
Or, Casualty Limited to:			
Vehicle Insurance KRS 304.5-070(1)(a)			
Liability Insurance KRS 304.5-070(1)(b)			
Workers' Compensation and Employers Liability KRS			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

304.5-070(1)(c)			
Burglary and Theft KRS 304.5-070(1)(d)			
KENTUCKY (continued)	Authorized to Transact	Currently Transacting	Applying for
Personal Property Floater KRS 304.5-070(1)(e)			
Glass KRS 304.5-070(1)(f)			
Boiler and Machinery KRS 304.5-070(1)(g)			
Leakage and Fire Extinguishing Equipment KRS 304.5-070(1)(h)			
Credit KRS 304.5-070(1)(i)			
Malpractice KRS 304.5-070(1)(j)			
Elevator KRS 304.5-070(1)(k)			
Congenital Defects KRS 304.5-070(1)(l)			
Livestock KRS 304.5-070(1)(m)			
Entertainments KRS 304.5-070(1)(n)			
Failure of Certain Institutions to Record Documents KRS 304.5-070(o)			
Automobile Guaranty KRS 304.5-070(1)(p)			
Miscellaneous KRS 304.5-070(1)(q)			
Marine and Transportation KRS 304.5-080			
Mortgage Guaranty KRS 304.5-100			
Title KRS 304.5-090			
All Others Companies:			
Fraternal Benefit Society KRS 304.29-011			
Life			
Health			
Lloyd's KRS 304.28-010			
Non-Profit Health Service Corporation KRS 304.32-030			
Reciprocal KRS 304.27-010			

LOUISIANA*	Authorized to Transact	Currently Transacting	Applying for
Life			
Annuities			
Health and Accident			
Vehicle			
Liability			
Workers' Compensation			
Fire and Allied Lines			
Industrial Fire			
Fidelity			
Surety			
Credit Life, Health and Accident			
Credit Property and Casualty			
Marine and Transportation			
Miscellaneous			
Steam Boiler and Sprinkler Leakage			
Title			
Burglary and Forgery			
Crop			
Homeowners			

*All lines of business are as defined in Louisiana Revised Statutes 22:47.

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

MAINE	Authorized to Transact	Currently Transacting	Applying for
Life and Health			
Life, including Credit Life and Annuities			
Health, including Credit Health			
Variable Life			
Variable Annuity			
Property & Casualty			
Fire			
Allied Lines			
Farmowners Multiple Peril			
Homeowners Multiple Peril			
Commercial Multiple Peril			
Mortgage Guaranty			
Ocean Marine			
Inland Marine			
Financial Guaranty			
Workers' Compensation			
Medical Professional Liability			
Earthquake			
Other Liability			
Product Liability			
Auto Liability			
Auto Physical Damage			
Aircraft (all perils)			
Fidelity			
Surety			
Glass			
Burglary and Theft			
Boiler and Machinery			
Credit			
Federal Flood Insurance			
Title			

MARYLAND	Authorized to Transact	Currently Transacting	Applying for
Insurance Article of the Annotated Code of Maryland:			
Variable Annuities – Section 1-101(d)(e), 16-601, 16-602			
Casualty (not including Vehicle Liability, Mortgage Guaranty & Workers' Compensation) – Section 1-101(i)			
Dental Plan Organization – Section 14-401			
Fraternal – 8-424			
Mortgage Guaranty – Sections 1-101(oo)			
Health – Sections 1-101(p)			
Life, including Annuities and Health (except Variable Life & Variable Annuities) Sections 1-101(d), 1-101(p), 1-101(x)			
Marine, Wet Marine & Transportation – Sections 1-101(z), 1-101(ss)			
Non-Profit Health Service Plan – Section 14-110			
Property and Marine (excluding Wet Marine and Transportation) – Section 1-101(gg), 1-101(z)			
Variable Life – Sections 16-601, 16-602			
Surety – Section 1-101(oo)			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

MARYLAND (continued)	Authorized to Transact	Currently Transacting	Applying for
Title – Section 1-101(qq)			
Vehicle Liability – Section 1-101(i)			
Workers' Compensation – Section 1-101(i)			
<i>Health-General Article of the Annotated Code of Maryland:</i>			
Health Maintenance Organizations – Sections 19-708, 19-709, 19-710			
Provider-Sponsored Organizations – Section 19-7A			

MASSACHUSETTS	Authorized to Transact	Currently Transacting	Applying for
(M.G.L. 175 § 47)			
(1) Fire			
(2A) Ocean Marine			
(2B) Inland Marine Only			
(4) Fidelity and Surety			
(5A) Boiler, Fly Wheel, Machinery, Explosion			
(5B) Boiler (no inspector), Fly Wheel, Machinery, Explosion			
(6A) Accident - All Kinds			
(6B) Health - All Kinds			
(6C) Group Accident and Health Only			
(6D) Non-Cancelable Accident and Health Only			
(6E) Workers' Compensation			
(6F) Liability Other than Auto			
(6G) Auto Liability			
(7) Glass			
(8) Water Damage and Sprinkler Leakage			
(9) Elevator Property Damage and Collision			
(10) Credit			
(11) Title (Title Companies Only)			
(12) Burglary, Robbery, Theft, Forgery, Larceny			
(13) Livestock			
(15) Reinsurance			
(16A) Life - All Kinds			
(16B) Group Life Only			
(16C) Variable Annuity Authorization			
(16D) Annuities Only			
(16E) Variable Life Authorization			
(17) Repair - Replacement			
(19) Legal Services			
(20) Credit Involuntary Unemployment			
(51) Stock Companies Extension of Coverage- M.G.L. 175 §51(g)			
(54) Mutual Companies (specified in Section 47) - M.G.L. 175 § 54(g)			
(54BX) Reinsurance except Life - M.G.L. 175 § 54B			
(54BY) Nuclear Energy - M.G.L. 175 § 54B			
(54BZ) Special Hazards - Radioactive Contamination - M.G.L. 175 § 54B			
(54C) Comprehensive Motor Vehicle and Aircraft - M.G.L. 175 § 54C			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

(54D) Personal Property Floater - M.G.L. 175 § 54D			
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Applicant Company Name: _____

NAIC No. _____

FEIN: _____

MASSACHUSETTS (continued)	Authorized to Transact	Currently Transacting	Applying for
(54E) Dwellings - M.G.L. 175 § 54E			
(54F) Commercial Property (Multiple Peril) - M.G.L. 175 § 54F			
(54G) Reinsurance - Life Companies Only - M.G.L. 175 § 54G			

MICHIGAN	Authorized to Transact	Currently Transacting	Applying for
Life and Annuity - Other than Variable Contracts (MCL 500.602)			
Separate Account - Variable Annuities (MCL 500.925)			
Separate Account - Variable Life (MCL 500.925)			
Separate Accounts - Modified Guaranteed Annuities (MCL 500.4101)			
Disability (MCL 500.606)			
Property (MCL 500.610)			
Ocean Marine (MCL 500.614)			
Inland Marine (MCL 500.616)			
Automobile Insurance - Limited (MCL 500.620)			
Legal Expense (MCL 500.618)			
Steam Boiler, Flywheel and Machinery (MCL 500.624(1)a)			
Liability (MCL 500.624(1)b)			
Automobile, including Section 500.625, disability coverage supplemental to automobile insurance (MCL 500.624(1)b)			
Workers' Compensation (MCL 500.624(1)b)			
Plate Glass (MCL 500.624(1)c)			
Sprinkler and Water Damage (MCL 500.624(1)d)			
Credit (MCL 500.624(1)e)			
Burglary and Theft (MCL 500.624(1)f)			
Livestock (MCL 500.624(1)g)			
Malpractice (MCL 500.624(1)h)			
Miscellaneous (MCL 500.624(1)i)			
Surety and Fidelity (MCL 500.628)			
Limited Liability (MCL 500 Chapter 65)			
Title (MCL 500 Chapter 73)			
Fraternal (MCL 500 Chapter 81a)			

MINNESOTA	Authorized to Transact	Currently Transacting	Applying for
(MS 60A.06, Subd.1)			
Fire (1)			
Inland Marine (2a)			
Ocean Marine (2a)			
Personal Property Floater (2b)			
Boiler and Machinery (3)			
Life (4)			
Variable Contract Authority (4)			
Accident and Health (5a)			
Workers' Compensation (5b)			
Fidelity (6)			
Surety (6)			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

Title (7)			
MINNESOTA (continued)	Authorized to Transact	Currently Transacting	Applying for
Glass (8)			
Burglary & Theft (9a)			
Security and Drafts (9b)			
Personal Property Floater - Casualty (9c)			
Water (9d)			
Livestock (10)			
Credit (11)			
Automobile (12)			
General Liability (13)			
Elevator (14)			
Legal Expense (15)			

MISSISSIPPI	Authorized to Transact	Currently Transacting	Applying for
(MCA 83-19-1 Classifications of Insurance Companies)			
Class 1. Fire and Casualty			
(a) Fire and Allied Lines			
(b) Industrial Fire			
(c) Casualty/Liability			
(d) Fidelity			
(e) Surety			
(f) Workers' Compensation			
(g) Boiler and Machinery			
(h) Plate Glass			
(i) Aircraft			
(j) Inland Marine			
(k) Ocean Marine			
(l) Automobile Physical Damage/Automobile Liability			
(m) Homeowners/Farmowners			
(n) Guaranty			
(o) Mortgage Guaranty			
(p) Title			
(q) Trip Accident and Baggage			
(r) Legal			
(s) Credit Property			
Class 2. Life			
(a) Life			
(b) Accident and Health			
(c) Credit Life, Credit Accident and Health			
(d) Industrial Life, Industrial Accident and Health			
(e) Variable Contracts			
(f) Life (Burial)			
Class 3. Fraternal			
(a) Fraternal			
(b) Larger Fraternal			
Class 4. Burial			
(MCA 83-41-303) Health Maintenance Organization			

MISSOURI	Authorized to Transact	Currently Transacting	Applying for
A – Life and Health (RSMo 376)			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

A1 – Life, Annuities and Endowments (376.010)			
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Applicant Company Name: _____

NAIC No. _____

FEIN: _____

MISSOURI (continued)	Authorized to Transact	Currently Transacting	Applying for
A2 – Accident and Health (376.010)			
A3 – Variable contracts (376.309, RSMo)			
H – Title (RSMo 381)			
B – Property and Casualty (RSMo 379)			
B1 – Property (379.010.1(1))			
B2 – Liability (379.010.1(2)) (Includes Workers' Compensation)			
B3 – Fidelity and Surety (379.010.1(3))			
B4 – Accident and Health (379.010.1(4))			
B5 – Miscellaneous (379.010.1(5))			
Health Maintenance Organization (354.400)			
Prepaid Dental Plan (354.700)			
Fraternal Benefit (378) RSMo			
Other			

MONTANA	Authorized to Transact	Currently Transacting	Applying for
Life (including variable contract authority) § 33-1-208 and 33-20-605, MCA			
Life (excluding variable contract authority) § 33-1-208, MCA			
Disability §33-1-207, MCA			
Property §33-1-210, MCA			
Casualty (including Workers' Comp) §33-1-206, MCA			
Casualty (excluding Workers' Comp) §33-1-206, MCA			
Surety §33-1-211, MCA			
Marine §33-1-209, MCA			
Title §33-1-212, MCA			

NEBRASKA	Authorized to Transact	Currently Transacting	Applying for
Life (1)			
Variable Life (2)			
Variable Annuities (3)			
Sickness & Accident (4)			
Property (5)			
Credit Property (6)			
Glass (7)			
Burglary & Theft (8)			
Boiler & Machinery (9)			
Liability (10)			
Workers' Compensation & Employers Liability (11)			
Vehicle (12)			
Fidelity (13)			
Surety (14)			
Title (15)			
Credit (16)			
Mortgage Guaranty (17)			
Marine (18)			
Financial Guaranty (19)			
Miscellaneous (20)			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

NEVADA	Authorized to Transact	Currently Transacting	Applying for
Life (681A.040)			
Health (681A.030)			
Property (681A.060)			
Casualty (681A.020) (Including Workers' Comp)			
Casualty (681A.020) (Excluding Workers' Comp)			
Surety (681A.070)			
Marine and Transportation (681A.050)			
Title (681A.080)			
Surplus Lines (685A)			
Risk Retention Group (695E)			
Funeral/Cemetery Sellers (689)			
Premium Finance Company (686A)			
Motor Clubs (696A)			
Health Maintenance Organization (695C)			
Prepaid Ltd. Health Service Organization (695F)			
Variable (688A)			
Home Protection (690B.100)			

NEW HAMPSHIRE	Authorized to Transact	Currently Transacting	Applying for
Fire and Allied Lines (RSA 401.1, I)			
Marine Coverages (RSA 401.1, II)			
Life and Annuities (RSA 401.1, III)			
Variable Annuities Require a Separate License (RSA 401.1, III)			
Accident and/or Health Coverages (401.1, IV)			
Liability Coverages, Including Workers' Compensation (RSA 401.1, V)			
Casualty Coverages (RSA 401.1, VI)			
Fidelity, Surety, Credit Insurance, Mortgage Guaranty, Bonds, and Financial Guaranty (RSA 401.1, VII)			
Other Casualty Risks. Refer to the NAIC Uniform P&C Product Coding Matrix filing code 17. Select each Sub-Type to which this license is being requested. (RSA 401.1, VIII)			
Title (RSA 416-A)			
Fraternal (RSA 418:16)			

NEW JERSEY	Authorized to Transact	Currently Transacting	Applying for
(1) Fire (N.J.S.A. 17:17-1a)			
(2) Earthquake (N.J.S.A. 17:17-1a)			
(3) Growing Crops (N.J.S.A. 17:17-1a)			
(4) Ocean Marine (N.J.S.A. 17:17-1b)			
(5) Inland Marine (N.J.S.A. 17:17-1b)			
(6) Workers' Compensation and Employers Liability (N.J.S.A. 17:17-1e)			
(7) Automobile Liability (BI) (N.J.S.A. 17:17-1e)			
(8) Automobile Liability (PD) (N.J.S.A. 17:17-1e)			
(9) Automobile Physical Damage (N.J.S.A. 17:17-1e)			
(10) Aircraft Physical Damage (N.J.S.A. 17:17-1b)			
(11) Other Liability (N.J.S.A. 17:17-1e)			
(12) Boiler & Machinery (N.J.S.A. 17:17-1f)			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

(13) Fidelity & Surety (N.J.S.A. 17:17-1g)			
NEW JERSEY (continued)	Authorized to Transact	Currently Transacting	Applying for
(14) Credit (N.J.S.A. 17:17-1i)			
(15) Burglary & Theft (N.J.S.A. 17:17-1j)			
(16) Glass (N.J.S.A. 17:17-1k)			
(17) Sprinkler Leakage (N.J.S.A. 17:17-1l)			
(18) Livestock (N.J.S.A. 17:17-1m)			
(19) Smoke & Smudge (N.J.S.A. 17:17-1n)			
(20) Physical Loss to Buildings (N.J.S.A. 17:17-1o)			
(21) Radioactive Contamination (N.J.S.A. 17:17-1o)			
(22) Mechanical Breakdown/Power Failure (N.J.S.A. 17:17-1o)			
(23) Other (must be pre-approved by the Commissioner) (N.J.S.A. 17:17-1o)			
(26) Accident and Health (Property/Casualty Companies) (N.J.S.A. 17B:17-4)			
(27) Municipal Bond (N.J.A.C. 11:7)			
(28) Life (N.J.S.A. 17B:17-3)			
(29) Accident and Health (Life/Health Companies) (N.J.S.A. 17B:17-4)			
(30) Annuities (N.J.S.A. 17B:17-5)			
(31) Variable Contracts (N.J.S.A. 17B:28-1 et seq.)			
(33) Title (N.J.S.A. 17:46B-7)			
(34) Fraternal Benefit Society (N.J.S.A. 17:44B)			
(35) Residential Mortgage Guaranty (N.J.S.A. 46A-3)			
(36) Commercial Mortgage Guaranty (N.J.S.A. 46A-3)			

NEW MEXICO	Authorized to Transact	Currently Transacting	Applying for
Life (NMSA Section 59A-7-2)			
Health (NMSA Section 59A-7-3)			
Property (NMSA Section 59A-7-4)			
Marine and Transportation (NMSA Section 59A-7-5)			
Casualty (NMSA Section 59A-7-6)			
Vehicle (NMSA Section 59A-7-7)			
Surety (NMSA Section 59A-7-8)			
Title (NMSA Section 59A-7-9)			

NEW YORK	Authorized to Transact	Currently Transacting	Applying for
(Notes 1 and 2)			
(Section 1113(a) of the N.Y. Ins. Law)			
(1) Life			
(2) Annuities			
(3) (i) & (ii) - A&H			
(4) Fire			
(5) Miscellaneous Property			
(6) Water Damage			
(7) Burglary & Theft			
(8) Glass			
(9) Boiler and Machinery			
(10) Elevator			
(11) Animal			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

(12) Collision			
(13) Personal Injury Liability			
NEW YORK (continued)	Authorized to Transact	Currently Transacting	Applying for
(14) Property Damage Liability			
(15) Workers' Compensation and Employers' Liability			
(16) Fidelity and Surety			
(17) Credit			
(19) Motor Vehicle and Aircraft Physical Damage			
(20) Marine and Inland Marine			
(21) Marine Protection and Indemnity			
(22) Residual Value			
(24) Credit Unemployment			
(26) Gap			
(27) Prize Indemnification			
(28) Service Contract Reimbursement			
(29) Legal Services			
(30) Involuntary Unemployment			
(31) Salary Protection			
Monoline only:			
Title – Section 1113(a)(18) & Article 64 of the N.Y. Ins. Law			
Mortgage Guaranty - Section 1113(a)(23) & Article 65 of the N.Y. Ins. Law			
Financial Guaranty - Section 1113(a)(25) & Article 69 of the N.Y. Ins. Law			

Note 1: A company may only apply for the lines of insurance for which it is authorized in its state of domicile.

Note 2: The company must have transacted business for a minimum of three (3) years prior to seeking admission. If the company was recently acquired, at least three (3) years of operating experience under the new management is required. An affiliated insurer admitted in New York and operating under the same ownership/management team for at least three (3) years may satisfy this requirement. If the aforementioned situation applies, a written request for approval of a waiver must be submitted with the application.

NORTH CAROLINA	Authorized to Transact	Currently Transacting	Applying for
Life (NCGS 58-7-15)			
Life, Including Industrial and Credit Life			
Annuities			
Variable Annuities			
Variable Life			
Accident and Health - Cancelable			
Accident and Health - Non-Cancelable			
Accident and Health – Credit			
Fire (NCGS 58-7-15)			
Fire			
Miscellaneous Property - Extended Coverage			
Miscellaneous Property - Growing Crops			
Water Damage – Commercial			
Water Damage - Residence			
Burglary and Theft			
Glass			
Animal			
Collision – Automobile			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

Collision – Other			
Motor Vehicle and Aircraft - Property Damage			
NORTH CAROLINA (continued)	Authorized to Transact	Currently Transacting	Applying for
Motor Vehicle and Aircraft - Fire			
Motor Vehicle and Aircraft - Theft			
Motor Vehicle and Aircraft - Comprehensive			
Motor Vehicle and Aircraft - Collision			
Marine – Inland			
Marine – Ocean			
Marine Protection and Indemnity			
Other			
Casualty (NCGS 58-7-15)			
Accident and Health – Cancelable			
Accident and Health – Non Cancelable			
Accident and Health – Credit			
Water Damage – Commercial			
Water Damage – Residence			
Burglary and Theft			
Glass			
Boiler and Machinery			
Elevator			
Animal			
Collision – Automobile			
Collision – Other			
Personal Injury Liability – Automobile			
Personal Injury Liability – Other			
Property Damage Liability – Automobile			
Property Damage Liability - Other			
Workers' Compensation and Employer's Liability			
Fidelity and Surety			
Credit			
Title			
Motor Vehicle and Aircraft – Property Damage			
Motor Vehicle and Aircraft – Fire			
Motor Vehicle and Aircraft – Theft			
Motor Vehicle and Aircraft – Comprehensive			
Motor Vehicle and Aircraft – Collision			
Marine Protection and Indemnity			
Aircraft Voluntary Settlement			
Hole-in-One			
Other			
Mortgage Guaranty			

NORTH DAKOTA	Authorized to Transact	Currently Transacting	Applying for
Life & Annuity			
Accident & Health			
Property			
Casualty			
Variable Life and Annuity			

OHIO	Authorized to Transact	Currently Transacting	Applying for
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Applicant Company Name: _____

NAIC No. _____

FEIN: _____

Life Companies (O.R.C. 3911.01)			
Life			
OHIO (continued)	Authorized to Transact	Currently Transacting	Applying for
Accident and Health (Including Disability)			
Annuities			
Variable Authority (if licensed under O.R.C. 3911.01 for both Life and Annuities lines of business, such company may apply for Variable Annuity) (O.R.C. 3911.011)			
Property & Casualty (O.R.C. 3929.01(A))			
(1) Fire			
(2) Allied Lines			
(3) Farmowners Multiple Peril			
(4) Homeowners Multiple Peril			
(5) Commercial Multiple Peril			
(6) Ocean Marine			
(7) Inland Marine			
(8) Financial Guarantee			
(9) Medical Malpractice			
(10) Earthquake			
(11) Group A&H			
(12) Credit A&H (Group and Individual)			
(13a) Collectively Renewable A&H			
(13b) Noncancellable A&H			
(13c) Guaranteed Renewable A&H			
(13d) Nonrenewable for Stated Reasons Only			
(13e) Other Accident Only			
(13f) All Other A&H			
(14) Workers' Compensation (to the extent permitted by law)			
(15) Other Liability			
(16a) Private Passenger Auto No-Fault (personal injury protection to the extent permitted by law)			
(16b) Other Private Passenger Auto Liability			
(16c) Commercial Auto No-Fault (personal injury protection to the extent permitted by law)			
(16d) Other Commercial Auto Liability			
(17a) Private Passenger Auto Physical Damage			
(17b) Commercial Auto Physical Damage			
(18) Aircraft (all perils)			
(19) Fidelity			
(20) Surety			
(21) Glass			
(22) Burglary and Theft			
(23) Boiler and Machinery			
(24) Credit			
(25) Reinsurance Only			
(26) Other (list)			
Title Insurance (O.R.C. 3953)			

OKLAHOMA	Authorized to Transact	Currently Transacting	Applying for
Life (O.S. 36 §702)			
Surety (including bail) (OAC 365:25-5-41)			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

Surety (excluding bail) (O.S. 36 §708)			
Title (O.S. 36 §709)			
Marine (O.S. 36 §705)			
OKLAHOMA (continued)	Authorized to Transact	Currently Transacting	Applying for
Accident & Health (O.S. 36 §703)			
Property (O.S. 36 §704)			
Vehicle (O.S. 36 §706)			
Casualty (vehicle only) (O.S. 36 §706)			
Casualty (including vehicle)(O.S. 36 §707)			
Workers' Compensation (O.S. 36 §608, §612.2)			
Variable Annuity (O.S. 36 §6061, §6062, OAC 365:10.9.10)			
Variable Life (O.S. 36 §6061, §6062)			
Reinsurance (O.S. 36 §2132)			
Health Maintenance Organizations (O.S.36 §6901)			

OREGON	Authorized to Transact	Currently Transacting	Applying for
Life (ORS 731.170)			
Credit Life and Credit Health (ORS 743.371)			
Industrial Life Insurance (ORS 731.166)			
Health (ORS 731.162)			
Health Care Service Contractor (ORS 750.005)			
Health Care Service Contractor (Complementary Health Services) (ORS 750.005)			
Property (ORS 731.182)			
Casualty, Excluding Workers' Comp (ORS 731.158)			
Casualty, Including Workers' Comp (ORS 731.158)			
Marine & Transportation (ORS 731.174)			
Surety (ORS 731.186)			
Home Protection (only) (ORS 731.164)			
Mortgage (only) (ORS 731.178)			
Title (only) (ORS 731.190)			

PENNSYLVANIA	Authorized to Transact	Currently Transacting	Applying for
(Notes 1 and 2)			
Life			
Life and Annuities (40 P.S. § 382(a)(1))			
Separate Account – Variable Life (40 P.S. § 382 (a)(1))			
Separate Account – Variable Annuities (40 P.S. § 382 (a)(1))			
Accident and Health (40 P.S. § 382(a)(2))			
Property			
Fire and Allied Lines (40 P.S. § 382(b)(1))			
Inland Marine & Auto Physical (40 P.S. § 382(b)(2))			
Ocean Marine (40 P.S. § 382(b)(3))			
Casualty			
Fidelity and Surety (40 P.S. § 382(c)(1))			
Accident and Health (40 P.S. § 382(c)(2))			
Glass (40 P.S. § 382 (c)(3))			
Other Liability (40 P.S. § 382 (c)(4))			
Steam Boiler & Machinery (40 P.S. § 382 (c)(5))			
Burglary-Theft (40 P.S. § 382 (c)(6))			
Credit (40 P.S. § 382 (c)(7))			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

Water (40 P.S. § 382 (c)(8))			
Elevator (40 P.S. § 382 (c)(9))			
Livestock (40 P.S. § 382 (c)(10))			
Auto Liability (40 P.S. § 382 (c)(11))			
PENNSYLVANIA (continued)	Authorized to Transact	Currently Transacting	Applying for
Mine & Machinery (40 P.S. § 382 (c)(12))			
Personal Property Floater (40 P.S. § 382 (c)(13))			
Workers' Compensation (40 P.S. § 382 (c)(14)) (Note 3)			
Other (40 P.S. § 382 (e))			
Title (40 P.S. § 910-1)			

Note 1: A company may only apply for the lines of insurance for which it is authorized in its state of domicile.

Note 2: The company must have transacted business for a minimum of one (1) year prior to seeking admission. If the company was recently acquired, at least one (1) year of operating experience under the new management is required. An affiliated insurer admitted in Pennsylvania and operating under the same ownership/management team for at least one year may satisfy this requirement. If the aforementioned situation applies, a written request for approval of a waiver must be submitted with the application.

Note 3: The Department of Labor and Industry requires all insurers that are applying to write workers' compensation to complete and file an Initial Report of Accident and Illness Prevention Services. The Insurance Department will not issue a Certificate of Authority to a foreign insurer to write workers' compensation insurance until the Department of Labor and Industry has indicated the company has made the necessary filing as required by the Workers' Compensation Act. The necessary form with instructions can be obtained at:

http://www.portal.state.pa.us/portal/server.pt/community/doing_business_in_the_commonwealth/9264.

PUERTO RICO	Authorized to Transact	Currently Transacting	Applying for
Agricultural (Section 4.060 of the Insurance Code)			
Casualty (Section 4.080 of the Insurance Code)			
Disability (Section 4.030 of the Insurance Code)			
Fraternal Life (Chapter 36 of the Insurance Code)			
Health (Chapter 19 of the Insurance Code)			
Life (Section 4.020 of the Insurance Code)			
Marine & Transportation (Section 4.050 of the Insurance Code)			
Mortgage Loans (Chapter 23 of the Insurance Code)			
Title (Section 4.100 of the Insurance Code)			
Surety (Section 4.090 of the Insurance Code)			
Property (Section 4.040 of the Insurance Code)			
Variable Life (Section 4.020 of the Insurance Code)			
Variable Annuities (Section 4.020 of the Insurance Code)			
Vehicle (Section 4.070 of the Insurance Code)			

RHODE ISLAND	Authorized to Transact	Currently Transacting	Applying for
Life and Health Companies:			
Life (Note 1)			
Accident and Health (Note 1)			
Annuities (Note 1)			
Variable Life (Note 1)			
Variable Annuity (Note 1)			
Variable Contracts (Notes 1 and 2)			
Property and Casualty Companies: (Note 3)			
Fire			
Allied Lines			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

Multi-Peril Crop			
Federal Flood			
Farmowners Multi-Peril			
Homeowners Multi-Peril			
Commercial Multi-Peril			
RHODE ISLAND (continued)	Authorized to Transact	Currently Transacting	Applying for
Ocean Marine			
Inland Marine			
Medical Malpractice/Medical Liability			
Earthquake			
Accident & Health			
Workers' Compensation			
Other Liability			
Products Liability			
Automobile (Full Coverage)			
Aircraft (All Perils)			
Fidelity			
Surety			
Glass			
Burglary and Theft			
Boiler and Machinery			
Credit			
Warranty			
Title			
Financial Guaranty or Mortgage Guaranty			

A company will be granted authority for a line of business in Rhode Island only on the condition that the company already has authority to sell that line in its state of domicile.

Note 1: Includes individual and group, and credit and non-credit.

Note 2: Variable Contracts includes Variable Life and Variable Annuity.

Note 3: Or alternatively: All lines except Life, Annuities, Title, Mortgage Guaranty and Financial Guaranty.

SOUTH CAROLINA	Authorized to Transact	Currently Transacting	Applying for
Life and Annuities (SC 38-5-30)			
Accident and Health (SC 38-5-30)			
Property (SC 38-5-30)			
Casualty (SC 38-5-30)			
Surety (SC 38-5-30)			
Marine (SC 38-5-30)			
Title (SC 38-5-30)			

SOUTH DAKOTA	Authorized to Transact	Currently Transacting	Applying for
(1) Life			
(2) Health			
(3) Fire & Allied Lines			
(4) Inland & Ocean Marine			
(5) Workers' Compensation			
(6) Bodily Injury (No Auto)			
(7) Property Damage (No Auto)			
(8) Bodily Injury (Auto)			
(9) Property Damage (Auto)			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

(10) Physical Damage (Auto)			
(11) Fidelity & Surety Bonds			
(12) Glass			
(13) Burglary & Theft			
(14) Boiler & Machinery			
SOUTH DAKOTA (continued)	Authorized to Transact	Currently Transacting	Applying for
(15) Aircraft			
(16) Credit (includes Credit Life; Credit Health; Credit Mortgage Guaranty and GAP (Guaranteed Auto Protection))			
(17) Crop - Hail			
(18) Livestock			
(19) Title			
(20) Variable Annuity			
(21) Variable Life			
(22) Reinsurance			
(23-A) Travel			
(23-C) Bail Bonds			
(24) SD Farm Mutual (County)			
(25) SD Farm Mutual (State)			
(27) Personal			

TENNESSEE	Authorized to Transact	Currently Transacting	Applying for
Life (TCA 56-2-201), (a)			
Accident and Health (TCA 56-2-201), (a)			
Credit (TCA 56-2-201), (a)			
Variable Contracts (TCA 56-2-201), (a)			
Property (TCA 56-2-201), (a), (b)			
Vehicle (TCA 56-2-201), (a), (c)			
Casualty (TCA 56-2-201) (a), (d)			
Surety (TCA 56-2-201) (a), (e)			
Title (TCA 56-35-112) (a)			

- (a) Company may only write lines in Tennessee that they are authorized to write in their domiciliary state.
- (b) Includes Fire and Extended Coverage, Other Allied Lines, Homeowners Multiple Peril, Commercial Multiple Peril, Earthquake, Growing Crops, Water Damage – Sprinkler Leakage, Ocean Marine and Inland Marine.
- (c) Automobile Bodily Injury, Automobile Property Damage and Automobile Physical Damage. (The Vehicle class is to be used when the company requests Vehicle only and no other Casualty line)
- (d) All lines listed under (c) above in addition to Disability, General Liability, Workers' Compensation, Burglary and Theft, Personal Property Floater, Glass, Boiler, Water Damage, Credit, Elevator, Livestock, Collision, Malpractice, Miscellaneous.
- (e) Credit, Accident and Health, Fidelity, Performance Contracts and Bonds, Indemnification Insurance and Mortgage Guaranty.

TEXAS	Authorized to Transact	Currently Transacting	Applying for
Fire			
Allied Coverages (a)			
Hail, growing crops only			
Rain			
Inland Marine (b)			
Ocean Marine			
Aircraft Liability			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

Aircraft Physical Damage			
Accident			
Health			
Workers' Comp & Emp. Liability			
Employer's Liability			
TEXAS (continued)	Authorized to Transact	Currently Transacting	Applying for
Automobile Liability (c)			
Automobile Physical Damage (d)			
Liability other than Automobile (e)			
Fidelity and Surety			
Glass			
Burglary and Theft			
Forgery			
Boiler and Machinery			
Credit (f)			
Livestock (g)			
Title (i)			
Mortgage Guaranty Type I			
Mortgage Guaranty Type II			
Life (includes Annuity)			
Variable Life			
Variable Annuity			

When one of the above coverages includes more than one kind or sub-line of insurance, the selection of that coverage authorizes the company to write one or more of the specified kinds of insurance included in that coverage.

- (a) Includes, but not limited to, Extended Coverage, Windstorm, Lightning, Hurricane, Hail (except growing crops), Explosion, Riot, Civil Commotion, Smoke, Aircraft, Land Vehicles, Physical Loss Form, Additional Extended Coverage, Vandalism, Malicious Misc
- (b) Includes Personal Property Floater.
- (c) Includes Bodily Injury, Medical Payments, Property Damage, and other Automobile Liability. If applicant is planning to write commercial automobile liability, a loss control plan must be submitted.
- (d) Includes Fire, Theft, Collision, Comprehensive and other Automobile Physical Damage.
- (e) Includes Bodily Injury, Medical Payments and Property Damage with regards to Comprehensive Personal Liability, Owners, Landlords and Tenants, Manufacturers and Contractors, Product, Contractual, Elevator (including Elevator Collision), Employers' Liability, Professional Liability for Physicians, Podiatrists, Certified Anesthetists, and Hospitals, and other Liability other than Automobile. If applicant is planning to write professional liability insurance for hospitals, professional liability for insureds other than hospitals, general liability and / or medical liability for insureds other than hospitals, a loss control plan must be submitted.
- (f) Includes Credit Involuntary Unemployment; excludes Mortgage Guaranty.
- (g) Mortality.
- (i) May be written only by Title insurance companies except those companies transacting title insurance prior to October 1, 1967. Includes Attorney's Title insurance companies as authorized by Texas Insurance Code, Article 9.56.

UTAH	Authorized to Transact	Currently Transacting	Applying for
Life Insurance, including annuity and variable products, (Utah Code Ann. § 31A-1-301(9) & (102)(a))			
Accident & Health (Utah Code Ann. § 31A-1-301(1))			
Property Insurance (Utah Code Ann. § 31A-1-301 (139))			
Surety Insurance (Utah Code Ann. § 31A-1-301 (161))			
Bail Bond Surety (Utah Code Ann. § 31A-1-301(12))			
Vehicle Liability Insurance (Utah Code Ann. § 31A-1-301(169))			
Liability Insurance (Utah Code Ann. § 31A-1-301(100)(a))			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

Marine and Transport (Utah Code Ann. § 31A-1-301(84) & (120))			
Workers' Compensation Insurance (Utah Code Ann. § 31A-1-301(172))			
UTAH (continued)	Authorized to Transact	Currently Transacting	Applying for
Title Insurance (Utah Code Ann. § 31A-1-301(164))			
Professional Liability, excluding medical malpractice (Utah Code Ann. § 31A-1-301(138))			
Professional Liability, including medical malpractice (Utah Code Ann. § 31A-1-301(110 & 138))			
Motor Club (Utah Code Ann. § 31A-1-301(116))			
Limited Health Plan (Utah Code Ann. § 31A-8-101(6))			
Nonprofit Health Service Corporation (Utah Code Ann. § 31A-7-102)			
Credit Guarantee (Utah Code Ann. § 31A-1-301(36))			
Legal Expense (Utah Code Ann. § 31A-1-301(99))			
Health Maintenance Organization (Utah Code Ann. § 31A-8-101(5))			

VERMONT	Authorized to Transact	Currently Transacting	Applying for
Life (Section 3301(a)(1))			
Variable Annuity (Section 3857)			
Variable Life (Section 3857)			
Health (Section 3301(a)(2))			
Casualty (Section 3301(a)(3))			
Marine and Transportation (Section 3301(a)(4))			
Marine Protection and Indemnity (Section 3301(a)(5))			
Wet Marine and Transportation (Section 3301(a)(6))			
Property (Section 3301(a)(7))			
Surety (Section 3301(a)(8))			
Title (Section 3301(a)(9))			
Multiple Line (Section 3301(a)(10))			

VIRGINIA	Authorized to Transact	Currently Transacting	Applying for
(§ 38.2 101 through 134)			
Life and Health and Fraternal Benefit Society			
01 Life			
02 Industrial Life			
03 Credit Life			
04 Variable Life			
05 Annuities			
06 Variable Annuities			
07 Accident and Sickness			
08 Credit Accident and Sickness			
71 Modified Guaranteed Life			
72 Modified Guaranteed Annuities			
99 Managed Care Health Insurance Plan *			
Title			
33 Title			
Property and Casualty			
07 Accident and Sickness			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

08	Credit Accident and Sickness			
09	Fire			
10	Miscellaneous Property and Casualty			
11	Farmowners Multi Peril			
12	Homeowners Multi Peril			
VIRGINIA (continued)		Authorized to Transact	Currently Transacting	Applying for
13	Commercial Multi Peril			
14	Ocean Marine			
15	Inland Marine			
16	Workers' Comp-Emp Liability			
17	Liability Other Than Auto			
18	Auto Liability			
19	Auto Physical Damage			
20	Aircraft Liability			
21	Aircraft Physical Damage			
23	Fidelity			
24	Surety			
25	Glass			
26	Burglary and Theft			
27	Boiler and Machinery			
28	Credit			
29	Animal			
30	Water Damage			
32	Legal Services			
55	Home Protection			
56	Mortgage Guaranty			
74	Credit Involuntary Unemployment			
75	Credit Property			
99	Managed Care Health Insurance Plan *			

- * Companies applying to operate a Managed Care Health Insurance Plan (MCHIP) will be required to obtain a Certificate of Quality Assurance (Certificate) from the Virginia Department of Health pursuant to § 38.2-5800 et seq. of the Code of Virginia. Upon receipt of an application to operate an MCHIP, the Bureau of Insurance will send a letter to the applicant describing the requirements for operating an MCHIP that includes the requirement to obtain a Certificate of Quality Assurance from the Virginia Department of Health.

WASHINGTON	Authorized to Transact	Currently Transacting	Applying for
Life (RCW 48.11.020)			
Disability (RCW 48.11.030)			
Property (RCW 48.11.040)			
Marine and Transportation (RCW 48.11.050)			
Vehicle (RCW 48.11.060)			
General Casualty (RCW 48.11.070)			
Surety (RCW 48.11.080)			
Title (RCW 48.11.100)			
Ocean Marine (RCW 48.11.105)			

WEST VIRGINIA	Authorized to Transact	Currently Transacting	Applying for
Life (WV Code §33-1-10(a))			
Accident & Sickness (WV Code §33-1-10(b))			
Fire (WV Code §33-1-10(c))			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

Marine (WV Code §33-1-10(d))			
Casualty without Workers' Compensation (WV Code §33-1-10(e))			
Casualty with Workers' Compensation (WV Code §33-1-10(e)(14))			
Surety (WV Code §33-1-10(f)(1)) Fidelity			
WEST VIRGINIA (continued)	Authorized to Transact	Currently Transacting	Applying for
Surety (WV Code §33-1-10(f)(2)) Performance			
Surety (WV Code §33-1-10(f)(3)) Financial Guaranty			
Surety (WV Code §33-1-10(f)(3)) Mortgage Guaranty (monoline)			
Surety (WV Code §33-1-10(f)(4)) Title			
Reinsurance (WV Code §33-1-11)*			
Variable Annuity (WV Code §33-13A)			
Variable Life (WV Code §33-13A)			
Physicians' Mutual (WV Code §33-20F)			
Reciprocal (WV Code §33-21) **			
Farmers Mutual Fire (WV Code §33-22)			
Fraternal (WV Code §33-23)			
Hospital Service Corporation (WV Code §33-24)			
Medical Service Corporation (WV §33-24)			
Health Service Corporation (WV §33-24)			
Dental Service Corporation (WV §33-24)			

* Indicate above the kinds of insurance to be reinsured, if application is for authority to transact reinsurance only.

** Indicate above the kinds of insurance to be written by the reciprocal insurer

WISCONSIN	Authorized to Transact	Currently Transacting	Applying for
(s. Ins 6.75, Wis. Adm. Code)			
(1) (a) Life and Insurance Annuities - Nonparticipating			
(1) (a) Life and Insurance Annuities - Participating			
(1) (b) Variable Life and Variable Annuities			
(1) (c) Disability (includes health)			
(2) (a) Fire, Inland Marine and Other Property			
(2) (b) Ocean Marine			
(2) (c) Disability (includes health)			
(2) (d) Liability and Incidental Medical Expense			
(2) (e) Automobile			
(2) (f) Fidelity Insurance			
(2) (g) Surety Insurance			
(2) (h) Title			
(2) (i) Mortgage Guaranty			
(2) (j) Credit Insurance			
(2) (k) Workers' Compensation Insurance			
(2) (l) Legal Expense Insurance			
(2) (m) Credit Unemployment Insurance			
(2) (n) Miscellaneous			
(2) (o) Aircraft			

WYOMING	Authorized to Transact	Currently Transacting	Applying for
Life, including annuities (WS 26-5-102)			

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

Variable Contracts (WS 26-5-102)			
Disability (WS 26-5-103)			
Property (WS 26-5-104)			
Surety (WS 26-5-105)			
Casualty (WS 26-5-106)			
Marine and Transportation (WS 26-5-107)			
Multiple Lines (WS 26-5-108)			
WYOMING (continued)	Authorized to Transact	Currently Transacting	Applying for
Title (WS 26-5-109)			



Office of Insurance Regulation
Company Admissions

INSTRUCTIONS FOR FURNISHING BACKGROUND INVESTIGATIVE REPORTS

1. A background investigative report must be completed for each individual as indicated in the instructions in the application package.
2. Please refer to the NAIC website at http://www.naic.org/industry_ucaa.htm, "Third Party Vendors for Background Reports", for specific information regarding background investigation vendors.
3. The applicant is responsible for paying for the reports and for handling billing arrangements with the selected vendor.
4. Applicants are required to ensure that the selected vendor will transmit investigative reports electronically to the Florida Office of Insurance Regulation ("Office") to this e-mail address: bkgrnd-inv@flor.com in Microsoft Word format, with appropriate reference to the applicant in the subject of each transmittal e-mail. Reports should be submitted prior to or contemporaneously with the submission of each application filing, with the exception of acquisition filings.
6. Applicants must include evidence indicating that background reports have been ordered, including proof of payment, as a component in the online submission via iApply.
7. Any questions regarding this process may be directed to the Office at appcoord@flor.com

Applicant Company Name : _____

NAIC No. _____

FEIN: _____

BIOGRAPHICAL AFFIDAVIT

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

(Print or Type)

Full name, address and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names). _____

In connection with the above-named entity, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE.

1. Affiant's Full Name (Initials Not Acceptable): First: _____ Middle: _____ Last: _____

2. a. Are you a citizen of the United States?

Yes ☐ No ☐

b. Are you a citizen of any other country?

Yes ☐ No ☐

If yes, what country? _____

3. Affiant's occupation or profession: _____

4. Affiant's business address: _____

Business telephone: _____ Business Email: _____

5. Education and training:

<u>College/University</u>	<u>City/State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
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<u>Graduate Studies</u>	<u>College/University</u>	<u>City/State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
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<u>Other Training: Name</u>	<u>City/State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree/Certification Obtained</u>
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Note: If affiant attended a foreign school, please provide full address and telephone number of the college/university. If applicable, provide the foreign student Identification Number in the space provided in the Biographical Affidavit Supplemental Information.

Applicant Company Name : _____

NAIC No. _____

FEIN: _____

6. List of memberships in professional societies and associations:

<u>Name of Society/Association</u>	<u>Contact Name</u>	<u>Address of Society/Association</u>	<u>Telephone Number of Society/Association</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

7. Present or proposed position with the Applicant Company: _____

8. List complete employment record for the past twenty (20) years, whether compensated or otherwise (up to and including present jobs, positions, partnerships, owner of an entity, administrator, manager, operator, directorates or officerships). Please list the most recent first. Attach additional pages if the space provided is insufficient. It is only necessary to provide telephone numbers and supervisory information for the past ten (10) years.

Beginning/Ending
Dates (MM/YY): _____ - _____ Employer's Name: _____

Address: _____ City: _____ State/Province: _____

Country: _____ Postal Code: _____ Phone: _____ Offices/Positions Held: _____

Type of Business: _____ Supervisor/Contact: _____

Beginning/Ending
Dates (MM/YY): _____ - _____ Employer's Name: _____

Address: _____ City: _____ State/Province: _____

Country: _____ Postal Code: _____ Phone: _____ Offices/Positions Held: _____

Type of Business: _____ Supervisor/Contact: _____

Beginning/Ending
Dates (MM/YY): _____ - _____ Employer's Name: _____

Address: _____ City: _____ State/Province: _____

Country: _____ Postal Code: _____ Phone: _____ Offices/Positions Held: _____

Type of Business: _____ Supervisor/Contact: _____

Beginning/Ending
Dates (MM/YY): _____ - _____ Employer's Name: _____

Address: _____ City: _____ State/Province: _____

Country: _____ Postal Code: _____ Phone: _____ Offices/Positions Held: _____

Type of Business: _____ Supervisor/Contact: _____

Applicant Company Name : _____

NAIC No. _____

FEIN: _____

9. a. Have you ever been in a position which required a fidelity bond?

Yes ☐ No ☐

If any claims were made on the bond, give details: _____

- b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked?

Yes ☐ No ☐

If yes, give details: _____

10. List any professional, occupational and vocational licenses (including licenses to sell securities) issued by any public or governmental licensing agency or regulatory authority or licensing authority that you presently hold or have held in the past. For any non-insurance regulatory issuer, identify and provide the name, address and telephone number of the licensing authority or regulatory body having jurisdiction over the license (s) issued. If your professional license number is your Social Security Number (SSN) or embeds your SSN or any sequence of more than five numbers that are reasonably identifiable as your SSN, then write SSN for that portion of the professional license number that is represented by your SSN. (For example, "SSN", "12-SSN-345" or "1234-SSN" (last 6 digits)). Attach additional pages if the space provided is insufficient.

Organization/Issuer of License: _____ Address: _____

City: _____ State/Province: _____ Country: _____ Postal Code: _____

License Type: _____ License #: _____ Date Issued (MM/YY): _____

Date Expired (MM/YY): _____ Reason for Termination: _____

Non-Insurance Regulatory Phone Number (if known): _____

Organization/Issuer of License: _____ Address: _____

City: _____ State/Province: _____ Country: _____ Postal Code: _____

License Type: _____ License #: _____ Date Issued (MM/YY): _____

Date Expired (MM/YY): _____ Reason for Termination: _____

Non-Insurance Regulatory Phone Number (if known): _____

11. In responding to the following, if the record has been sealed or expunged, and the affiant has personally verified that the record was sealed or expunged, an affiant may respond "no" to the question. Have you ever:

- a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public administrative, or governmental licensing agency?

Yes ☐ No ☐

- b. Had any occupational, professional, or vocational license or permit you hold or have held, been subject to any judicial, administrative, regulatory, or disciplinary action?

Applicant Company Name : _____

NAIC No. _____

FEIN: _____

Yes ☐ No ☐

- c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action?

Yes ☐ No ☐

- d. Been charged with, or indicted for, any criminal offense(s) other than civil traffic offenses?

Yes ☐ No ☐

- e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than civil traffic offenses?

Yes ☐ No ☐

- f. Had adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than civil traffic offenses?

Yes ☐ No ☐

- g. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal, state law or law of another country regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking?

Yes ☐ No ☐

- h. Been, within the last ten (10) years, a party to any civil action involving dishonesty, breach of trust, or a financial dispute?

Yes ☐ No ☐

- i. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or regulation lawfully made by the Comptroller of any state or the Federal Government?

Yes ☐ No ☐

- j. Had a lien or foreclosure action filed against you or any entity while you were associated with that entity?

Yes ☐ No ☐

If the response to any question above is yes, please provide details including dates, locations, disposition, etc. Attach a copy of the complaint and filed adjudication or settlement as appropriate.

12. List any entity subject to regulation by an insurance regulatory authority that you control directly or indirectly. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls,

Applicant Company Name : _____

NAIC No. _____

FEIN: _____

holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person. _____

If any of the stock is pledged or hypothecated in any way, give details. _____

13. Do [Will] you or members of your immediate family individually or cumulatively subscribe to or own, beneficially or of record, 10% or more of the outstanding shares of stock of any entity subject to regulation by an insurance regulatory authority, or its affiliates? An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

Yes ☐ No ☐

If yes, please identify the company or companies in which the cumulative stock holdings represent 10% or more of the outstanding voting securities.

If any of the shares of stock are pledged or hypothecated in any way, give details.

14. Have you ever been adjudged a bankrupt?

Yes ☐ No ☐

If yes, provide details: _____

15. To your knowledge has any company or entity for which you were an officer or director, trustee, investment committee member, key management employee or controlling stockholder, had any of the following events occur while you served in such capacity?

- a. Been refused a permit, license, or certificate of authority by any regulatory authority, or governmental-licensing agency?

Yes ☐ No ☐

- b. Had its permit, license, or certificate of authority suspended, revoked, canceled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action (including rehabilitation, liquidation, receivership, conservatorship, federal bankruptcy proceeding, state insolvency, supervision or any other similar proceeding)?

Yes ☐ No ☐

- c. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any civil, criminal, administrative, regulatory, or disciplinary action?

Yes ☐ No ☐

Applicant Company Name : _____

NAIC No. _____

FEIN: _____

If the answer to any of the above is yes, please indicate and give details. When responding to questions (b) and (c), affiant should also include any events within twelve (12) months after his or her departure from the entity. _____

Note: If an affiant has any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

Dated and signed this _____ day of _____, 20____ at _____. I hereby certify under penalty of perjury that I am acting on my own behalf and that the foregoing statements are true and correct to the best of my knowledge and belief.

(Signature of Affiant)

State of: _____ County of: _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ by _____,
and:

who is personally known to me, or

who produced the following identification: _____.

[SEAL]

Notary Public

Printed Notary Name

My Commission Expires

Applicant Company Name : _____

NAIC No. _____

FEIN: _____

**BIOGRAPHICAL AFFIDAVIT
Supplemental Personal Information**

(Print or Type)

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

Full name, address, and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

1. Affiant's Full Name (Initials Not Acceptable): First: _____ Middle: _____ Last: _____
IF ANSWER IS "NONE," SO STATE.

2. Have you ever used any other name, including first, middle or last name, nickname, maiden name or aliases?

Yes ☐ No ☐

If yes, give the reason if any, if none indicate such, and provide the full name(s) and date(s) used.

<u>Beginning/Ending</u> <u>Date(s) Used (MM/YY)</u>	<u>Name(s)</u> <u>Specify: First, Middle or Last Name</u>	<u>Reason (If none, indicate such)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Note: Dates provided in response to this question may be approximate. Parties using this form understand that there could be an overlap of dates when transitioning from one name to another.

3. Affiant's Social Security Number: _____

4. Government Identification Number if not a U.S. Citizen: _____

5. Foreign Student ID# (if applicable) : _____

6. Date of Birth: (MM/DD/YY) : _____ Place of Birth, City: _____
State/Province: _____ Country: _____

7. Name of Affiant's Spouse (if applicable) : _____

Applicant Company Name : _____

NAIC No. _____

FEIN: _____

8. List your residences for the last ten (10) years starting with your current address, giving:

<u>Beginning/Ending Dates (MM/YY)</u>	<u>Address</u>	<u>City</u>	<u>State/ Province</u>	<u>Country</u>	<u>Postal Code</u>
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Note: Dates provided in response to this question may be approximate, except for current address. Parties using this form understand that there could be an overlap of dates when transitioning from one address to another.

Dated and signed this _____ day of _____, 20____ at _____. I hereby certify under penalty of perjury that I am acting on my own behalf and that the foregoing statements are true and correct to the best of my knowledge and belief.

(Signature of Affiant)

State of: _____ County of: _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ by _____, and:

who is personally known to me, or

who produced the following identification: _____

[SEAL]

Notary Public

Printed Notary Name

My Commission Expires

Applicant Company Name : _____

NAIC No. _____

FEIN: _____

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS

(All states except California, Minnesota and Oklahoma)

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of _____ [company name] ("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) ("Background Reports") regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may obtain copies of any Background Reports about you from the consumer reporting agency ("CRA") that produces them. You may also request more information about the nature and scope of such reports by submitting a written request to Company. To obtain contact information regarding CRA or to submit a written request for more information, contact _____ [company's designated person, position, or department, address and phone].

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act."

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

(Printed Full Name and Residence Address)

(Signature)

(Date)

State of: _____ County of: _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ by _____, and:

who is personally known to me, or

who produced the following identification: _____

[SEAL]

Notary Public

Printed Notary Name

My Commission Expires

Applicant Company Name : _____

NAIC No. _____

FEIN: _____

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS
(Minnesota and Oklahoma)

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of _____ [company name] ("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) ("Background Reports") regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may request more information about the nature and scope of Background Reports produced by any consumer reporting agency ("CRA") by submitting a written request to Company. You should submit any such written request for more information, to _____ [company's designated person, position, or department, address and phone].

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act." You will be provided with a copy of any Background Report procured by Company if you check the box below.

By checking this box, I request a copy of any Background Report from any CRA retained by Company, at no extra charge.

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

(Printed Full Name and Residence Address)

(Signature)

(Date)

State of: _____ County of: _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ by _____, and:

who is personally known to me, or

who produced the following identification: _____

[SEAL]

Notary Public

Printed Notary Name

My Commission Expires

Applicant Company Name : _____

NAIC No. _____

FEIN: _____

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS
(California)

This Disclosure and Authorization is provided to you in connection with a pending application of _____ [company name] ("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) ("Background Reports") regarding your background for review by any department of insurance in such states where Company is currently pursuing an Application, because you are either functioning as, or are seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports will be obtained through _____ [name of CRA, address] ("CRA"). Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may request more information about the nature and scope of Background Reports produced by any consumer reporting agency ("CRA") by submitting a written request to Company. You should submit any such written request for more information, to _____ [company's designated person, position, or department, address and phone].

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act." You will be provided with a copy of any Background Report procured by Company if you check the box below.

By checking this box, I request a copy of any Background Report from any CRA retained by Company, at no extra charge.

Under section 1786.22 of the California Civil Code, you may view the file maintained on you by the CRA listed above. You may also obtain a copy of this file, upon submitting proper identification and paying the costs of duplication services, by appearing at the CRA in person or by mail; you may also receive a summary of the file by telephone. The CRA is required to have personnel available to explain your file to you and the CRA must explain to you any coded information appearing in your file. If you appear in person, you may be accompanied by one other person of your choosing, provided that person furnishes proper identification.

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. In no event, however, will this authorization remain in effect beyond twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

(Printed Full Name and Residence Address)

(Signature)

(Date)

State of: _____ County of: _____

The foregoing instrument was acknowledged before me this ____ day of _____, 20 by _____, and:
who is personally known to me, or
who produced the following identification: _____

[SEAL]

Notary Public

Printed Notary Name

My Commission Expires

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

Uniform Consent to Service of Process

_____ Original Designation

_____ Amended Designation

(must be submitted directly to states)

Applicant Company Name: _____

Previous Name (if applicable): _____

Home Office Address: _____

City, State, Zip: _____ NAIC CoCode: _____

The Applicant Company named above, organized under the laws of _____, for purposes of complying with the laws of the State(s) designate hereunder relating to the holding of a certificate of authority or the conduct of an insurance business within said State(s), pursuant to a resolution adopted by its board of directors or other governing body, hereby irrevocably appoints the officers of the State(s) and their successors identified in Exhibit A, or where applicable appoints the required agent so designated in Exhibit A hereunder as its attorney in such State(s) upon whom may be served any notice, process or pleading as required by law as reflected on Exhibit A in any action or proceeding against it in the State(s) so designated; and does hereby consent that any lawful action or proceeding against it may be commenced in any court of competent jurisdiction and proper venue within the State(s) so designated; and agrees that any lawful process against it which is served under this appointment shall be of the same legal force and validity as if served on the entity directly. This appointment shall be binding upon any successor to the above named entity that acquires the entity's assets or assumes its liabilities by merger, consolidation or otherwise; and shall be binding as long as there is a contract in force or liability of the entity outstanding in the State. The entity hereby waives all claims of error by reason of such service. The entity named above agrees to submit an amended designation form upon a change in any of the information provided on this power of attorney.

Applicant Company Officers' Certification and Attestation

One of the two Officers (listed below) of the Applicant Company must read the following very carefully and sign:

1. I acknowledge that I am authorized to execute and am executing this document on behalf of the Applicant Company.
2. I hereby certify under penalty of perjury under the laws of the applicable jurisdictions that all of the forgoing is true and correct, executed at _____.

Date

Signature of President

Full Legal Name of President

Date

Signature of Secretary

Full Legal Name of Secretary

Uniform Consent to Service of Process

Exhibit A

Place an "X" before the names of all the States for which the person executing this form is appointing the designated agent in that State for receipt of service of process:

<p>___ AL Commissioner of Insurance # and Resident Agent*</p> <p>___ AK Director of Insurance #</p> <p>___ AZ Director of Insurance # ^</p> <p>___ AR Resident Agent *</p> <p>___ AS Commissioner of Insurance #</p> <p>___ CO Commissioner of Insurance # or Resident Agent*</p> <p>___ CT Commissioner of Insurance #</p> <p>___ DE Commissioner of Insurance #</p> <p>___ DC Commissioner of Insurance and Securities Regulation # or Local Agent* (circle one)</p> <p>___ FL Chief Financial Officer # ^</p> <p>___ GA Commissioner of Insurance and Safety Fire # and Resident Agent*</p> <p>___ GU Commissioner of Insurance #</p> <p>___ HI Insurance Commissioner # and Resident Agent*</p> <p>___ ID Director of Insurance # ^</p> <p>___ IL Director of Insurance #</p> <p>___ IN Resident Agent* ^</p> <p>___ IA Commissioner of Insurance #</p> <p>___ KS Commissioner of Insurance ^</p> <p>___ KY Secretary of State #</p> <p>___ LA Secretary of State #</p> <p>___ MD Insurance Commissioner #</p> <p>___ ME Resident Agent* ^</p> <p>___ MI Resident Agent *</p> <p>___ MN Commissioner of Commerce #</p> <p>___ MS Commissioner of Insurance and Resident Agent* BOTH are required.</p>	<p>___ MO Director of Insurance #</p> <p>___ MT Commissioner of Securities and Insurance #</p> <p>___ NE Officer of Company* or Resident Agent* (circle one)</p> <p>___ NH Commissioner of Insurance #</p> <p>___ NV Commissioner of Insurance Commission # ^</p> <p>___ NJ Commissioner of Banking and Insurance #^</p> <p>___ NM Superintendent of Insurance #</p> <p>___ NY Superintendent of Financial Services #</p> <p>___ NC Commissioner of Insurance</p> <p>___ ND Commissioner of Insurance # ^</p> <p>___ OH Resident Agent*</p> <p>___ OR Resident Agent*</p> <p>___ OK Commissioner of Insurance #</p> <p>___ PR Commissioner of Insurance #</p> <p>___ RI Superintendent of Insurance ^</p> <p>___ SC Director of Insurance #</p> <p>___ SD Director of Insurance # ^</p> <p>___ TN Commissioner of Insurance #</p> <p>___ TX Resident Agent*</p> <p>___ UT Resident Agent* ^</p> <p>___ VT Secretary of State # or Resident Agent*</p> <p>___ VI Lieutenant Governor/Commissioner#</p> <p>___ WA Insurance Commissioner #</p> <p>___ WV Secretary of State # @</p> <p>___ WY Commissioner of Insurance #</p>
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For the forwarding of Service of Process received by a State Officer complete Exhibit B listing by state the entities (one per state) with **full name and address where service of process is to be forwarded**. Use additional pages as necessary. Colorado will forward Service of Process to the Secretary of the Applicant Company and requires a resident agent for foreign entities. Exhibit not required for New Jersey, and North Carolina. Florida accepts only an individual as the entity and requires an email address. New Jersey allows but does not require a foreign insurer to designate a specific forwarding address on Exhibit B. SC will not forward to an individual by name; however, it will forward to a position, e.g., Attention: President (or Compliance Officer, etc.). Washington requires an email address on Exhibit B.

* Attach a completed Exhibit B listing the Resident Agent for the Applicant Company (one per state). Include state name, Resident Agent's **full name and street address**. Use additional pages as necessary. (DC* requires an agent within a ten mile radius of the District).

^ Initial pleadings only.

@ Form accepted only as part of a Uniform Certificate of Authority application.

MA will send the required form to the Applicant Company when the approval process reaches that point.

Exhibit A

Exhibit B

Complete for each state indicated in Exhibit A:

State: _____ Name of Entity: _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Mailing Address: _____

Street Address: _____

State: _____ Name of Entity: _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Mailing Address: _____

Street Address: _____

State: _____ Name of Entity: _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Mailing Address: _____

Street Address: _____

State: _____ Name of Entity: _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Mailing Address: _____

Street Address: _____

State: _____ Name of Entity: _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Mailing Address: _____

Street Address: _____

Exhibit B

Resolution Authorizing Appointment of Attorney

BE IT RESOLVED by the Board of Directors or other governing body of

(Applicant Company Name)

this _____ day of _____, 20 _____, that the President or Secretary of said entity be and are hereby authorized by the Board of Directors and directed to sign and execute the Uniform Consent to Service of Process to give irrevocable consent that actions may be commenced against said entity in the proper court of any jurisdiction in the state(s) of

in which the action shall arise, or in which plaintiff may reside, by service of process in the state(s) indicated above and irrevocably appoints the officer(s) of the state(s) and their successors in such offices or appoints the agent(s) so designated in the Uniform Consent to Service of Process and stipulate and agree that such service of process shall be taken and held in all courts to be as valid and binding as if due service had been made upon said entity according to the laws of said state.

CERTIFICATION:

I, _____, Secretary of

(Applicant Company Name)

state that this is a true and accurate copy of the resolution adopted effective the _____ day of _____, 20 _____ by the Board of Directors or governing board at a meeting held on the _____ day of _____, 20 _____ or by written consent dated _____ day of _____, 20 _____.

Secretary

M E M O R A N D U M

DATE: February 8, 2016
TO: Kevin M. McCarty, Commissioner, Office of Insurance Regulation
THROUGH: Anoush Brangaccio, General Counsel
FROM: Virginia Christy *VC*
Stephen Fredrickson *SP*
SUBJECT: Cabinet Agenda for March 2, 2016
Request for Approval to Publish Repeal of
Rule 69N-121.007,.010 C R A N
Assignment # 181638-15

The Office of Insurance Regulation requests that this proposed repeal be presented to the Cabinet aides on or before February 24, 2016 and to the Financial Services Commission on March 2, 2016, with a request to approve for publication the proposed rules.

Currently, Rules 69N-121.007 and 121.010, Florida Administrative Code, prescribe the procedure by which the Office processes public records requests and the indexing of final orders, respectively. As the public records process is now mostly governed by statute and the indexing process for final orders has been revised by statutory amendment in 2015, these rules are now unnecessary.

Sections 120.53, 120.533, 624.501, 119.01, 119.07, 624.307, 624.311, 627.919, F.S., provide rulemaking authority and laws implemented for these rules.

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

Approved for signature:

Anoush Brangaccio
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services Commission:

Kevin M. McCarty
Kevin M. McCarty, Commissioner
Office of Insurance Regulation

69N-121.007 Public Records and Availability of Forms: Procedures for Inspecting and Copying Public Records and for Obtaining Office Forms.

*Rulemaking Authority 120.53, 624.308 FS. Law Implemented 119.01, 119.031, 119.041, 119.07, 120.53, 624.307(1), 624.311, 624.501, 627.919 FS. History—New 1-1-75, Formerly 4-38.07, 4-38.007, Amended 2-5-87, 6-4-92, 5-30-95, Formerly 4-121.007, Repealed*_____.

69N-121.010 Indexing, Management, and Availability of Final Orders.

*Rulemaking Authority 120.533, 120.533(1)(b), (e), (i), (j), 624.501 FS. Law Implemented 119.041(2), 120.53(2)(a)1.-5., (d), (3), (4), 120.53 FS., Chapter 91-30, Section 10, Laws of Florida. History—New 6-4-92, Amended 3-1-93, 9-19-94, Formerly 4-121.010, Repealed*_____.

120.53 Maintenance of agency final orders.—

(1) In addition to maintaining records contained in s. 119.021(3), each agency shall also electronically transmit a certified text-searchable copy of each agency final order listed in subsection (2) rendered on or after July 1, 2015, to a centralized electronic database of agency final orders maintained by the division. The database must allow users to research and retrieve the full texts of agency final orders by:

- (a) The name of the agency that issued the final order.
- (b) The date the final order was issued.
- (c) The type of final order.
- (d) The subject of the final order.
- (e) Terms contained in the text of the final order.

(2) The agency final orders that must be electronically transmitted to the centralized electronic database include:

- (a) Each final order resulting from a proceeding under s. 120.57 or s. 120.573.
- (b) Each final order rendered pursuant to s. 120.57(4) which contains a statement of agency policy that may be the basis of future agency decisions or that may otherwise contain a statement of precedential value.
- (c) Each declaratory statement issued by an agency.
- (d) Each final order resulting from a proceeding under s. 120.56 or s. 120.574.

(3) Each agency shall maintain a list of all final orders rendered pursuant to s. 120.57(4) that are not required to be electronically transmitted to the centralized electronic database because they do not contain statements of agency policy or statements of precedential value. The list must include the name of the parties to the proceeding and the number assigned to the final order.

(4) Each final order, whether rendered by the agency or the division, that must be electronically transmitted to the centralized electronic database or maintained on a list pursuant to subsection (3) must be electronically transmitted to the database or added to the list within 90 days after the final order is rendered. Each final order that must be electronically transmitted to the database or added to the list must have attached a copy of the complete text of any materials incorporated by reference; however, if the quantity of the materials incorporated makes attachment of the complete text of the materials impractical, the final order may contain a statement of the location of such materials and the manner in which the public may inspect or obtain copies of the materials incorporated by reference.

(5) Nothing in this section relieves an agency from its responsibility for maintaining a subject matter index of final orders rendered before July 1, 2015, and identifying the location of the subject matter index on the agency's website. In addition, an agency may electronically transmit to the centralized electronic database certified copies of all of the final orders that were rendered before July 1, 2015, which were required to be in the subject matter index. The centralized electronic database constitutes the official compilation of administrative final orders rendered on or after July 1, 2015, for each agency.

624.308 Rules.—

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

(2) In addition to any other penalty provided, willful violation of any such rule shall subject the violator to such suspension or revocation of certificate of authority or license as may be applicable under this code as for violation of the provision as to which such rule relates.

120.533 Coordination of the transmittal, indexing, and listing of agency final orders by Department of State.—The Department of State shall:

- (1) Coordinate the transmittal, indexing, management, preservation, and availability of agency final orders that must be transmitted, indexed, or listed pursuant to s. 120.53.
- (2) Provide guidelines for indexing agency final orders. More than one system for indexing may be approved by the Department of State, including systems or methods in use, or proposed for use, by an agency. More than one system may be approved for use by a single agency as best serves the needs of that agency and the public.
- (3) Provide for storage and retrieval systems to be maintained by agencies pursuant to s. 120.53(5) for indexing, and making available agency final orders by subject matter. The Department of State may authorize more than one system, including systems in use by an agency. Storage and retrieval systems that may be used by an agency include, without limitation, a designated reporter or reporters, a microfilming system, an automated system, or any other system considered appropriate by the Department of State.
- (4) Provide standards and guidelines for the certification and electronic transmittal of copies of agency final orders to the division, as required under s. 120.53, and, to protect the integrity and authenticity of information publicly accessible through the electronic database, coordinate and provide standards and guidelines to ensure the security of copies of agency final orders transmitted and maintained in the electronic database by the division under s. 120.53(1).
- (5) For each agency, determine which final orders must be indexed or transmitted.
- (6) Require each agency to report to the department concerning which types or categories of agency orders establish precedent for each agency.
- (7) Adopt rules as necessary to administer its responsibilities under this section, which shall be binding on all agencies including the division acting in the capacity of official compiler of administrative final orders under s. 120.53, notwithstanding s. 120.65. The Department of State may provide for an alternative official compiler to manage and operate the division's database and related services if the Administration Commission determines that the performance of the division as official compiler is unsatisfactory.

624.501 Filing, license, appointment, and miscellaneous fees.—The department, commission, or office, as appropriate, shall collect in advance, and persons so served shall pay to it in advance, fees, licenses, and miscellaneous charges as follows:

- (1) Certificate of authority of insurer.
 - (a) Filing application for original certificate of authority or modification thereof as a result of a merger, acquisition, or change of controlling interest due to a sale or exchange of stock, including all documents required to be filed therewith, filing fee.....\$1,500.00
 - (b) Reinstatement fee.....\$50.00
- (2) Charter documents of insurer.
 - (a) Filing articles of incorporation or other charter documents, other than at time of application for original certificate of authority, filing fee.....\$10.00
 - (b) Filing amendment to articles of incorporation or charter, other than at time of application for original certificate of authority, filing fee.....\$5.00
 - (c) Filing bylaws, when required, or amendments thereof, filing fee.....\$5.00
- (3) Annual license tax of insurer, each domestic insurer, foreign insurer, and alien insurer (except that, as to fraternal benefit societies insuring less than 200 members in this state and the members of which as a prerequisite to membership possess a physical handicap or disability, such license tax shall be \$25).....\$1,000.00
- (4) Statements of insurer, filing (except when filed as part of application for original certificate of authority), filing fees:
 - (a) Annual statement.....\$250.00
 - (b) Quarterly statement.....\$250.00

(5) All insurance representatives, application for license, application for reinstatement of suspended license, each filing, filing fee.....\$50.00

(6) Insurance representatives, property, marine, casualty, and surety insurance.

(a) Agent's original appointment and biennial renewal or continuation thereof, each insurer or unaffiliated agent making an appointment:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(b) Customer representative's original appointment and biennial renewal or continuation thereof:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(c) Nonresident agent's original appointment and biennial renewal or continuation thereof, appointment fee, each insurer or unaffiliated agent making an appointment.....\$60.00

(d) Service representatives; managing general agents.

Original appointment and biennial renewal or continuation thereof, each insurer or managing general agent, whichever is applicable.....\$60.00

(7) Life insurance agents.

(a) Agent's original appointment and biennial renewal or continuation thereof, each insurer or unaffiliated agent making an appointment:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(b) Nonresident agent's original appointment and biennial renewal or continuation thereof, appointment fee, each insurer or unaffiliated agent making an appointment.....\$60.00

(8) Health insurance agents.

(a) Agent's original appointment and biennial renewal or continuation thereof, each insurer or unaffiliated agent making an appointment:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(b) Nonresident agent's original appointment and biennial renewal or continuation thereof, appointment fee, each insurer or unaffiliated agent making an appointment.....\$60.00

(9)(a) Except as provided in paragraph (b), all limited appointments as agent, as provided for in s. 626.321. Agent's original appointment and biennial renewal or continuation thereof, each insurer:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(b) For all limited appointments as agent, as provided in s. 626.321(1)(c) and (d), the agent's original appointment and biennial renewal or continuation thereof for each insurer is equal to the number of offices, branch offices, or places of business covered by the license multiplied by the fees set forth in paragraph (a).

(10) Fraternal benefit society agents. Original appointment and biennial renewal or continuation thereof, each insurer:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(11) Surplus lines agent. Agent's appointment and biennial renewal or continuation thereof, appointment fee.....\$150.00

(12) Adjusters:

(a) Adjuster's original appointment and biennial renewal or continuation thereof, appointment fee.....\$60.00

(b) Nonresident adjuster's original appointment and biennial renewal or continuation thereof, appointment fee.....\$60.00

(c) Emergency adjuster's license, appointment fee.....\$10.00

(d) Fee to cover actual cost of credit report, when such report must be secured by department.

(13) Examination—Fee to cover actual cost of examination.

(14) Temporary license and appointment as agent or adjuster, where expressly provided for, rate of fee for each month of the period for which the license and appointment is issued.....\$5.00

- (15) Issuance, reissuance, reinstatement, modification resulting in a modified license being issued, duplicate copy of any insurance representative license, or an appointment being reinstated.....\$5.00
- (16) Additional appointment continuation fees as prescribed in chapter 626.....\$5.00
- (17) Filing application for permit to form insurer as referred to in chapter 628, filing fee.....\$25.00
- (18) Annual license fee of rating organization, each domestic or foreign organization.....\$25.00
- (19) Miscellaneous services:
- (a) For copies of documents or records on file with the department, commission, or office, per page.....\$.15
- (b) For each certificate of the department, commission, or office under its seal, authenticating any document or other instrument (other than a license or certificate of authority).....\$5.00
- (c) For preparing lists of agents, adjusters, and other insurance representatives, and for other miscellaneous services, such reasonable charge as may be fixed by the office or department.
- (d) For processing requests for approval of continuing education courses, processing fee.....\$100.00
- (e) Insurer's registration fee for agent exchanging business more than 24 times in calendar year under s. 626.752, s. 626.793, or s. 626.837, registration fee per agent per year.....\$30.00
- (20) Adjusting firm, original or renewal 3-year license.....\$60.00
- (21) Limited surety agent or professional bail bond agent, as defined in s. 648.25, each agent and each insurer represented. Original appointment and biennial renewal or continuation thereof, each agent or insurer, whichever is applicable:

Appointment fee.....\$44.00

State tax.....24.00

County tax.....12.00

Total.....\$80.00

- (22) Certain military installations, as authorized under s. 626.322: original appointment and biennial renewal or continuation thereof, each insurer.....\$20.00
- (23) Filing application for original certificate of authority for third-party administrator or original certificate of approval for a service company, including all documents required to be filed therewith, filing fee.....\$100.00
- (24) Fingerprinting processing fee—Fee to cover fingerprint processing.
- (25) Sales representatives, miscellaneous lines. Original appointment and biennial renewal or continuation thereof, appointment fee.....\$60.00
- (26) Reinsurance intermediary:
- (a) Application filing and license fee.....\$50.00
- (b) Original appointment and biennial renewal or continuation thereof, appointment fee.....\$60.00
- (27) Title insurance agents:
- (a) Agent's original appointment or biennial renewal or continuation thereof, each insurer:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(b) Agency original appointment or biennial renewal or continuation thereof, each insurer:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(c) Filing for title insurance agent's license:

Application for filing, each filing, filing
fee.....\$10.00

(d) Additional appointment continuation fee as prescribed by s. 626.843.....\$5.00

(e) Title insurer and title insurance agency administrative surcharge:

1. On or before January 30 of each calendar year, each title insurer shall pay to the office for each licensed title insurance agency appointed by the title insurer and for each retail office of the insurer on January 1 of that calendar year an administrative surcharge of \$200.00.
2. On or before January 30 of each calendar year, each licensed title insurance agency shall remit to the department an administrative surcharge of \$200.00.

The administrative surcharge may be used solely to defray the costs to the department and office in their examination or audit of title insurance agencies and retail offices of title insurers and to gather title insurance data for statistical purposes to be furnished to and used by the office in its regulation of title insurance.

(28) Late filing of appointment renewals for agents, adjusters, and other insurance representatives, each appointment.....\$20.00

119.01 General state policy on public records.—

(1) It is the policy of this state that all state, county, and municipal records are open for personal inspection and copying by any person. Providing access to public records is a duty of each agency.

(2)(a) Automation of public records must not erode the right of access to those records. As each agency increases its use of and dependence on electronic recordkeeping, each agency must provide reasonable public access to records electronically maintained and must ensure that exempt or confidential records are not disclosed except as otherwise permitted by law.

(b) When designing or acquiring an electronic recordkeeping system, an agency must consider whether such system is capable of providing data in some common format such as, but not limited to, the American Standard Code for Information Interchange.

(c) An agency may not enter into a contract for the creation or maintenance of a public records database if that contract impairs the ability of the public to inspect or copy the public records of the agency, including public records that are online or stored in an electronic recordkeeping system used by the agency.

(d) Subject to the restrictions of copyright and trade secret laws and public records exemptions, agency use of proprietary software must not diminish the right of the public to inspect and copy a public record.

(e) Providing access to public records by remote electronic means is an additional method of access that agencies should strive to provide to the extent feasible. If an agency provides access to public records by remote electronic means, such access should be provided in the most cost-effective and efficient manner available to the agency providing the information.

(f) Each agency that maintains a public record in an electronic recordkeeping system shall provide to any person, pursuant to this chapter, a copy of any public record in that system which is not exempted by law from public disclosure. An agency must provide a copy of the record in the medium requested if the agency maintains the record in that medium, and the agency may charge a fee in accordance with this chapter. For the purpose of satisfying a public records request, the fee to be charged by an agency if it elects to provide a copy of a public record in a medium not routinely used by the agency, or if it elects to compile information not routinely developed or maintained by the agency or that requires a substantial amount of manipulation or programming, must be in accordance with s. 119.07(4).

(3) If public funds are expended by an agency in payment of dues or membership contributions for any person, corporation, foundation, trust, association, group, or other organization, all the financial, business, and membership records of that person, corporation, foundation, trust, association, group, or other organization which pertain to the public agency are public records and subject to the provisions of s. 119.07.

119.07 Inspection and copying of records; photographing public records; fees; exemptions.—

(1)(a) Every person who has custody of a public record shall permit the record to be inspected and copied by any person desiring to do so, at any reasonable time, under reasonable conditions, and under supervision by the custodian of the public records.

(b) A custodian of public records or a person having custody of public records may designate another officer or employee of the agency to permit the inspection and copying of public records, but must disclose the identity of the designee to the person requesting to inspect or copy public records.

(c) A custodian of public records and his or her designee must acknowledge requests to inspect or copy records promptly and respond to such requests in good faith. A good faith response includes making reasonable efforts to determine from other officers or employees within the agency whether such a record exists and, if so, the location at which the record can be accessed.

(d) A person who has custody of a public record who asserts that an exemption applies to a part of such record shall redact that portion of the record to which an exemption has been asserted and validly applies, and such person shall produce the remainder of such record for inspection and copying.

(e) If the person who has custody of a public record contends that all or part of the record is exempt from inspection and copying, he or she shall state the basis of the exemption that he or she contends is applicable to the record, including the statutory citation to an exemption created or afforded by statute.

(f) If requested by the person seeking to inspect or copy the record, the custodian of public records shall state in writing and with particularity the reasons for the conclusion that the record is exempt or confidential.

(g) In any civil action in which an exemption to this section is asserted, if the exemption is alleged to exist under or by virtue of s. 119.071(1)(d) or (f), (2)(d), (e), or (f), or (4)(c), the public record or part thereof in question shall be submitted to the court for an inspection in camera. If an exemption is alleged to exist under or by virtue of s. 119.071(2)(c), an inspection in camera is discretionary with the court. If the court finds that the asserted exemption is not applicable, it shall order the public record or part thereof in question to be immediately produced for inspection or copying as requested by the person seeking such access.

(h) Even if an assertion is made by the custodian of public records that a requested record is not a public record subject to public inspection or copying under this subsection, the requested record shall, nevertheless, not be disposed of for a period of 30 days after the date on which a written request to inspect or copy the record was served on or otherwise made to the custodian of public records by the person seeking access to the record. If a civil action is instituted within the 30-day period to enforce the provisions of this section with respect to the requested record, the custodian of public records may not dispose of the record except by order of a court of competent jurisdiction after notice to all affected parties.

(i) The absence of a civil action instituted for the purpose stated in paragraph (g) does not relieve the custodian of public records of the duty to maintain the record as a public record if the record is in fact a public record subject to public inspection and copying under this subsection and does not otherwise excuse or exonerate the custodian of public records from any unauthorized or unlawful disposition of such record.

(2)(a) As an additional means of inspecting or copying public records, a custodian of public records may provide access to public records by remote electronic means, provided exempt or confidential information is not disclosed.

(b) The custodian of public records shall provide safeguards to protect the contents of public records from unauthorized remote electronic access or alteration and to prevent the disclosure or modification of those portions of public records which are exempt or confidential from subsection (1) or s. 24, Art. I of the State Constitution.

(c) Unless otherwise required by law, the custodian of public records may charge a fee for remote electronic access, granted under a contractual arrangement with a user, which fee may include the direct and indirect costs of providing such access. Fees for remote electronic access provided to the general public shall be in accordance with the provisions of this section.

(3)(a) Any person shall have the right of access to public records for the purpose of making photographs of the record while such record is in the possession, custody, and control of the custodian of public records.

(b) This subsection applies to the making of photographs in the conventional sense by use of a camera device to capture images of public records but excludes the duplication of microfilm in the possession of the clerk of the circuit court where a copy of the microfilm may be made available by the clerk.

(c) Photographing public records shall be done under the supervision of the custodian of public records, who may adopt and enforce reasonable rules governing the photographing of such records.

(d) Photographing of public records shall be done in the room where the public records are kept. If, in the judgment of the custodian of public records, this is impossible or impracticable, photographing shall be done in another room or place, as nearly adjacent as possible to the room where the public records are kept, to be determined by the custodian of public records. Where provision of another room or place for photographing is required, the expense of providing the same shall be paid by the person desiring to photograph the public record pursuant to paragraph (4)(e).

(4) The custodian of public records shall furnish a copy or a certified copy of the record upon payment of the fee prescribed by law. If a fee is not prescribed by law, the following fees are authorized:

(a)1. Up to 15 cents per one-sided copy for duplicated copies of not more than 14 inches by 8 1/2 inches;

2. No more than an additional 5 cents for each two-sided copy; and

3. For all other copies, the actual cost of duplication of the public record.

(b) The charge for copies of county maps or aerial photographs supplied by county constitutional officers may also include a reasonable charge for the labor and overhead associated with their duplication.

(c) An agency may charge up to \$1 per copy for a certified copy of a public record.

(d) If the nature or volume of public records requested to be inspected or copied pursuant to this subsection is such as to require extensive use of information technology resources or extensive clerical or supervisory assistance by personnel of the agency involved, or both, the agency may charge, in addition to the actual cost of duplication, a special service charge, which shall be reasonable and shall be based on the cost incurred for such extensive use of information technology resources or the labor cost of the personnel providing the service that is actually incurred by the agency or attributable to the agency for the clerical and supervisory assistance required, or both.

(e)1. Where provision of another room or place is necessary to photograph public records, the expense of providing the same shall be paid by the person desiring to photograph the public records.

2. The custodian of public records may charge the person making the photographs for supervision services at a rate of compensation to be agreed upon by the person desiring to make the photographs and the custodian of public records. If they fail to agree as to the appropriate charge, the charge shall be determined by the custodian of public records.

(5) When ballots are produced under this section for inspection or examination, no persons other than the supervisor of elections or the supervisor's employees shall touch the ballots. If the ballots are being examined before the end of the contest period in s. 102.168, the supervisor of elections shall make a reasonable effort to notify all candidates by telephone or otherwise of the time and place of the inspection or examination. All such candidates, or their representatives, shall be allowed to be present during the inspection or examination.

(6) An exemption contained in this chapter or in any other general or special law shall not limit the access of the Auditor General, the Office of Program Policy Analysis and Government Accountability, or any state, county, municipal, university, board of community college, school district, or special district internal auditor to public records when such person states in writing that such records are needed for a properly authorized audit, examination, or investigation. Such person shall maintain the exempt or confidential status of that public record and shall be subject to the same penalties as the custodian of that record for public disclosure of such record.

(7) An exemption from this section does not imply an exemption from s. 286.011. The exemption from s. 286.011 must be expressly provided.

(8) The provisions of this section are not intended to expand or limit the provisions of Rule 3.220, Florida Rules of Criminal Procedure, regarding the right and extent of discovery by the state or by a defendant in a criminal prosecution or in collateral postconviction proceedings. This section may not be used by any inmate as the basis for failing to timely litigate any postconviction action.

624.307 General powers; duties.—

(1) The department and office shall enforce the provisions of this code and shall execute the duties imposed upon them by this code, within the respective jurisdiction of each, as provided by law.

624.311 Records; reproductions; destruction.—

(1) Except as provided in this section, the department, commission, and office shall each preserve in permanent form records of its proceedings, hearings, investigations, and examinations and shall file such records in its office.

(2) The records of insurance claim negotiations of any state agency or political subdivision are confidential and exempt from s. 119.07(1) until termination of all litigation and settlement of all claims arising out of the same incident.

(3) The department, commission, and office may each photograph, microphotograph, or reproduce on film, or maintain in an electronic recordkeeping system, all financial records, financial statements of domestic insurers, reports of business transacted in this state by foreign insurers and alien insurers, reports of examination of domestic insurers, and such other records and documents on file in its office as it may in its discretion select.

(4) To facilitate the efficient use of floor space and filing equipment in its offices, the department, commission, and office may each destroy the following records and documents pursuant to chapter 257:

(a) General closed correspondence files over 3 years old;

(b) Agent, adjuster, and similar license files, including license files of the Division of State Fire Marshal, over 2 years old; except that the department or office shall preserve by reproduction or otherwise a copy of the original records upon the basis of which each such licensee qualified for her or his initial license, except a competency examination, and of any disciplinary proceeding affecting the licensee;

(c) All agent, adjuster, and similar license files and records, including original license qualification records and records of disciplinary proceedings 5 years after a licensee has ceased to be qualified for a license;

(d) Insurer certificate of authority files over 2 years old, except that the office shall preserve by reproduction or otherwise a copy of the initial certificate of authority of each insurer;

(e) All documents and records which have been photographed or otherwise reproduced as provided in subsection (3), if such reproductions have been filed and an audit of the department or office has been completed for the period embracing the dates of such documents and records; and

(f) All other records, documents, and files not expressly provided for in paragraphs (a)-(e).

627.919 Maintenance of insurance data.—The office shall maintain data elements required in insurers' annual statements and information reported by insurers pursuant to this part in a computer file which will be available for the generation of reports and calculations on a scheduled or demand basis by the office and Legislature. The acquisition by the office of data processing software, hardware, and services necessary to carry out the provisions of this section shall be exempt from the provisions of part I of chapter 287.

M E M O R A N D U M

DATE: February 8, 2016
TO: Kevin M. McCarty, Commissioner, Office of Insurance Regulation
THROUGH: Anoush Brangaccio, General Counsel
FROM: Virginia Christy
Stephen Fredrickson *SP*
SUBJECT: Cabinet Agenda for March 2, 2016
Request for Approval to Publish Repeal of
Rule 69N-121.066; Informal Conferences
Assignment # 185749-16


The Office of Insurance Regulation requests that this proposed repeal be presented to the Cabinet aides on or before February 24, 2016 and to the Financial Services Commission on March 2, 2016, with a request to approve for publication the proposed rules.

Rule 69N-121.066 provides procedures for an informal conference before the Office. The rule is unnecessary as the procedures for the publication of a Report of Examination is governed by section 624.319, F.S. The Report of Examination no longer requires corrective action or assesses penalties and does not substantially affect the insurer so examined. Accordingly, the rule should be repealed.

Sections 120.53, 624.308, 120.54, 120.56, 120.57, 624.307(1), 624.319, 624.324, F.S., provide rulemaking authority and laws implemented for this rule.

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

Approved for signature:


Anoush Brangaccio, General Counsel

Approved for submission to Financial Services
Commission:


Kevin M. McCarty, Commissioner
Office of Insurance Regulation

69N-121.066 Informal Conferences.

Rulemaking Authority 20.05(5), 120.53, 624.308 FS. Law Implemented 120.53, 120.54, 120.56, 120.57, 120.58, 624.307(1), 624.319, 624.324 FS. History—New 1-1-75, Formerly 4-38.37, Amended 2-5-87, Formerly 4-38.037, Amended 12-19-94, Formerly 4-121.066, Repealed _____.

120.53 Maintenance of agency final orders.—

(1) In addition to maintaining records contained in s. 119.021(3), each agency shall also electronically transmit a certified text-searchable copy of each agency final order listed in subsection (2) rendered on or after July 1, 2015, to a centralized electronic database of agency final orders maintained by the division. The database must allow users to research and retrieve the full texts of agency final orders by:

- (a) The name of the agency that issued the final order.
- (b) The date the final order was issued.
- (c) The type of final order.
- (d) The subject of the final order.
- (e) Terms contained in the text of the final order.

(2) The agency final orders that must be electronically transmitted to the centralized electronic database include:

- (a) Each final order resulting from a proceeding under s. 120.57 or s. 120.573.
- (b) Each final order rendered pursuant to s. 120.57(4) which contains a statement of agency policy that may be the basis of future agency decisions or that may otherwise contain a statement of precedential value.
- (c) Each declaratory statement issued by an agency.
- (d) Each final order resulting from a proceeding under s. 120.56 or s. 120.574.

(3) Each agency shall maintain a list of all final orders rendered pursuant to s. 120.57(4) that are not required to be electronically transmitted to the centralized electronic database because they do not contain statements of agency policy or statements of precedential value. The list must include the name of the parties to the proceeding and the number assigned to the final order.

(4) Each final order, whether rendered by the agency or the division, that must be electronically transmitted to the centralized electronic database or maintained on a list pursuant to subsection (3) must be electronically transmitted to the database or added to the list within 90 days after the final order is rendered. Each final order that must be electronically transmitted to the database or added to the list must have attached a copy of the complete text of any materials incorporated by reference; however, if the quantity of the materials incorporated makes attachment of the complete text of the materials impractical, the final order may contain a statement of the location of such materials and the manner in which the public may inspect or obtain copies of the materials incorporated by reference.

(5) Nothing in this section relieves an agency from its responsibility for maintaining a subject matter index of final orders rendered before July 1, 2015, and identifying the location of the subject matter index on the agency's website. In addition, an agency may electronically transmit to the centralized electronic database certified copies of all of the final orders that were rendered before July 1, 2015, which were required to be in the subject matter index. The centralized electronic database constitutes the official compilation of administrative final orders rendered on or after July 1, 2015, for each agency.

120.54 Rulemaking.—

(1) GENERAL PROVISIONS APPLICABLE TO ALL RULES OTHER THAN EMERGENCY RULES.—

(a) Rulemaking is not a matter of agency discretion. Each agency statement defined as a rule by s. 120.52 shall be adopted by the rulemaking procedure provided by this section as soon as feasible and practicable.

1. Rulemaking shall be presumed feasible unless the agency proves that:

- a. The agency has not had sufficient time to acquire the knowledge and experience reasonably necessary to address a statement by rulemaking; or
- b. Related matters are not sufficiently resolved to enable the agency to address a statement by rulemaking.

2. Rulemaking shall be presumed practicable to the extent necessary to provide fair notice to affected persons of relevant agency procedures and applicable principles, criteria, or standards for agency decisions unless the agency proves that:
 - a. Detail or precision in the establishment of principles, criteria, or standards for agency decisions is not reasonable under the circumstances; or
 - b. The particular questions addressed are of such a narrow scope that more specific resolution of the matter is impractical outside of an adjudication to determine the substantial interests of a party based on individual circumstances.
- (b) Whenever an act of the Legislature is enacted which requires implementation of the act by rules of an agency within the executive branch of state government, such rules shall be drafted and formally proposed as provided in this section within the times provided in s. 120.74(4) and (5).
- (c) No statutory provision shall be delayed in its implementation pending an agency's adoption of implementing rules unless there is an express statutory provision prohibiting its application until the adoption of implementing rules.
- (d) In adopting rules, all agencies must, among the alternative approaches to any regulatory objective and to the extent allowed by law, choose the alternative that does not impose regulatory costs on the regulated person, county, or city which could be reduced by the adoption of less costly alternatives that substantially accomplish the statutory objectives.
- (e) No agency has inherent rulemaking authority, nor has any agency authority to establish penalties for violation of a rule unless the Legislature, when establishing a penalty, specifically provides that the penalty applies to rules.
- (f) An agency may adopt rules authorized by law and necessary to the proper implementation of a statute prior to the effective date of the statute, but the rules may not be effective until the statute upon which they are based is effective. An agency may not adopt retroactive rules, including retroactive rules intended to clarify existing law, unless that power is expressly authorized by statute.
- (g) Each rule adopted shall contain only one subject.
- (h) In rulemaking proceedings, the agency may recognize any material which may be judicially noticed, and it may provide that materials so recognized be incorporated into the record of the proceeding. Before the record of any proceeding is completed, all parties shall be provided a list of these materials and given a reasonable opportunity to examine them and offer written comments or written rebuttal.
- (i)
 1. A rule may incorporate material by reference but only as the material exists on the date the rule is adopted. For purposes of the rule, changes in the material are not effective unless the rule is amended to incorporate the changes.
 2. An agency rule that incorporates by specific reference another rule of that agency automatically incorporates subsequent amendments to the referenced rule unless a contrary intent is clearly indicated in the referencing rule. A notice of amendments to a rule that has been incorporated by specific reference in other rules of that agency must explain the effect of those amendments on the referencing rules.
 3. In rules adopted after December 31, 2010, material may not be incorporated by reference unless:
 - a. The material has been submitted in the prescribed electronic format to the Department of State and the full text of the material can be made available for free public access through an electronic hyperlink from the rule making the reference in the Florida Administrative Code; or
 - b. The agency has determined that posting the material on the Internet for purposes of public examination and inspection would constitute a violation of federal copyright law, in which case a statement to that effect, along with the address of locations at the Department of State and the agency at which the material is available for public inspection and examination, must be included in the notice required by subparagraph (3)(a)1.

4. A rule may not be amended by reference only. Amendments must set out the amended rule in full in the same manner as required by the State Constitution for laws.

5. Notwithstanding any contrary provision in this section, when an adopted rule of the Department of Environmental Protection or a water management district is incorporated by reference in the other agency's rule to implement a provision of part IV of chapter 373, subsequent amendments to the rule are not effective as to the incorporating rule unless the agency incorporating by reference notifies the committee and the Department of State of its intent to adopt the subsequent amendment, publishes notice of such intent in the Florida Administrative Register, and files with the Department of State a copy of the amended rule incorporated by reference. Changes in the rule incorporated by reference are effective as to the other agency 20 days after the date of the published notice and filing with the Department of State. The Department of State shall amend the history note of the incorporating rule to show the effective date of such change. Any substantially affected person may, within 14 days after the date of publication of the notice of intent in the Florida Administrative Register, file an objection to rulemaking with the agency. The objection shall specify the portions of the rule incorporated by reference to which the person objects and the reasons for the objection. The agency shall not have the authority under this subparagraph to adopt those portions of the rule specified in such objection. The agency shall publish notice of the objection and of its action in response in the next available issue of the Florida Administrative Register.

6. The Department of State may adopt by rule requirements for incorporating materials pursuant to this paragraph.

(j) A rule published in the Florida Administrative Code must be indexed by the Department of State within 90 days after the rule is filed. The Department of State shall by rule establish procedures for indexing rules.

(k) An agency head may delegate the authority to initiate rule development under subsection (2); however, rulemaking responsibilities of an agency head under subparagraph (3)(a)1., subparagraph (3)(e)1., or subparagraph (3)(e)6. may not be delegated or transferred.

(2) RULE DEVELOPMENT; WORKSHOPS; NEGOTIATED RULEMAKING.—

(a) Except when the intended action is the repeal of a rule, agencies shall provide notice of the development of proposed rules by publication of a notice of rule development in the Florida Administrative Register before providing notice of a proposed rule as required by paragraph (3)(a). The notice of rule development shall indicate the subject area to be addressed by rule development, provide a short, plain explanation of the purpose and effect of the proposed rule, cite the specific legal authority for the proposed rule, and include the preliminary text of the proposed rules, if available, or a statement of how a person may promptly obtain, without cost, a copy of any preliminary draft, if available.

(b) All rules should be drafted in readable language. The language is readable if:

1. It avoids the use of obscure words and unnecessarily long or complicated constructions; and

2. It avoids the use of unnecessary technical or specialized language that is understood only by members of particular trades or professions.

(c) An agency may hold public workshops for purposes of rule development. An agency must hold public workshops, including workshops in various regions of the state or the agency's service area, for purposes of rule development if requested in writing by any affected person, unless the agency head explains in writing why a workshop is unnecessary. The explanation is not final agency action subject to review pursuant to ss. 120.569 and 120.57. The failure to provide the explanation when required may be a material error in procedure pursuant to s. 120.56(1)(c). When a workshop or public hearing is held, the agency must ensure that the persons responsible for preparing the proposed rule are available to explain the agency's proposal and to respond to questions or comments regarding the rule being developed. The workshop may be facilitated or mediated by a

neutral third person, or the agency may employ other types of dispute resolution alternatives for the workshop that are appropriate for rule development. Notice of a rule development workshop shall be by publication in the Florida Administrative Register not less than 14 days prior to the date on which the workshop is scheduled to be held and shall indicate the subject area which will be addressed; the agency contact person; and the place, date, and time of the workshop.

(d)1. An agency may use negotiated rulemaking in developing and adopting rules. The agency should consider the use of negotiated rulemaking when complex rules are being drafted or strong opposition to the rules is anticipated. The agency should consider, but is not limited to considering, whether a balanced committee of interested persons who will negotiate in good faith can be assembled, whether the agency is willing to support the work of the negotiating committee, and whether the agency can use the group consensus as the basis for its proposed rule. Negotiated rulemaking uses a committee of designated representatives to draft a mutually acceptable proposed rule.

2. An agency that chooses to use the negotiated rulemaking process described in this paragraph shall publish in the Florida Administrative Register a notice of negotiated rulemaking that includes a listing of the representative groups that will be invited to participate in the negotiated rulemaking process. Any person who believes that his or her interest is not adequately represented may apply to participate within 30 days after publication of the notice. All meetings of the negotiating committee shall be noticed and open to the public pursuant to the provisions of this chapter. The negotiating committee shall be chaired by a neutral facilitator or mediator.

3. The agency's decision to use negotiated rulemaking, its selection of the representative groups, and approval or denial of an application to participate in the negotiated rulemaking process are not agency action. Nothing in this subparagraph is intended to affect the rights of an affected person to challenge a proposed rule developed under this paragraph in accordance with s. 120.56(2).

(3) ADOPTION PROCEDURES.—

(a) Notices.—

1. Prior to the adoption, amendment, or repeal of any rule other than an emergency rule, an agency, upon approval of the agency head, shall give notice of its intended action, setting forth a short, plain explanation of the purpose and effect of the proposed action; the full text of the proposed rule or amendment and a summary thereof; a reference to the grant of rulemaking authority pursuant to which the rule is adopted; and a reference to the section or subsection of the Florida Statutes or the Laws of Florida being implemented or interpreted. The notice must include a summary of the agency's statement of the estimated regulatory costs, if one has been prepared, based on the factors set forth in s. 120.541(2); a statement that any person who wishes to provide the agency with information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative as provided by s. 120.541(1), must do so in writing within 21 days after publication of the notice; and a statement as to whether, based on the statement of the estimated regulatory costs or other information expressly relied upon and described by the agency if no statement of regulatory costs is required, the proposed rule is expected to require legislative ratification pursuant to s. 120.541(3). The notice must state the procedure for requesting a public hearing on the proposed rule. Except when the intended action is the repeal of a rule, the notice must include a reference both to the date on which and to the place where the notice of rule development that is required by subsection (2) appeared.

2. The notice shall be published in the Florida Administrative Register not less than 28 days prior to the intended action. The proposed rule shall be available for inspection and copying by the public at the time of the publication of notice.

3. The notice shall be mailed to all persons named in the proposed rule and to all persons who, at least 14 days prior to such mailing, have made requests of the agency for advance

notice of its proceedings. The agency shall also give such notice as is prescribed by rule to those particular classes of persons to whom the intended action is directed.

4. The adopting agency shall file with the committee, at least 21 days prior to the proposed adoption date, a copy of each rule it proposes to adopt; a copy of any material incorporated by reference in the rule; a detailed written statement of the facts and circumstances justifying the proposed rule; a copy of any statement of estimated regulatory costs that has been prepared pursuant to s. 120.541; a statement of the extent to which the proposed rule relates to federal standards or rules on the same subject; and the notice required by subparagraph 1.

(b) Special matters to be considered in rule adoption.—

1. Statement of estimated regulatory costs.—Before the adoption, amendment, or repeal of any rule other than an emergency rule, an agency is encouraged to prepare a statement of estimated regulatory costs of the proposed rule, as provided by s. 120.541. However, an agency must prepare a statement of estimated regulatory costs of the proposed rule, as provided by s. 120.541, if:

- a. The proposed rule will have an adverse impact on small business; or
- b. The proposed rule is likely to directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate in this state within 1 year after the implementation of the rule.

2. Small businesses, small counties, and small cities.—

a. Each agency, before the adoption, amendment, or repeal of a rule, shall consider the impact of the rule on small businesses as defined by s. 288.703 and the impact of the rule on small counties or small cities as defined by s. 120.52. Whenever practicable, an agency shall tier its rules to reduce disproportionate impacts on small businesses, small counties, or small cities to avoid regulating small businesses, small counties, or small cities that do not contribute significantly to the problem the rule is designed to address. An agency may define "small business" to include businesses employing more than 200 persons, may define "small county" to include those with populations of more than 75,000, and may define "small city" to include those with populations of more than 10,000, if it finds that such a definition is necessary to adapt a rule to the needs and problems of small businesses, small counties, or small cities. The agency shall consider each of the following methods for reducing the impact of the proposed rule on small businesses, small counties, and small cities, or any combination of these entities:

- (I) Establishing less stringent compliance or reporting requirements in the rule.
- (II) Establishing less stringent schedules or deadlines in the rule for compliance or reporting requirements.
- (III) Consolidating or simplifying the rule's compliance or reporting requirements.
- (IV) Establishing performance standards or best management practices to replace design or operational standards in the rule.
- (V) Exempting small businesses, small counties, or small cities from any or all requirements of the rule.

b.(I) If the agency determines that the proposed action will affect small businesses as defined by the agency as provided in sub-subparagraph a., the agency shall send written notice of the rule to the rules ombudsman in the Executive Office of the Governor at least 28 days before the intended action.

(II) Each agency shall adopt those regulatory alternatives offered by the rules ombudsman in the Executive Office of the Governor and provided to the agency no later than 21 days after the rules ombudsman's receipt of the written notice of the rule which it finds are feasible and consistent with the stated objectives of the proposed rule and which would reduce the impact on small businesses. When regulatory alternatives are offered by the rules ombudsman in the Executive Office of the Governor, the 90-day period for filing the rule in subparagraph (e)2. is extended for a period of 21 days.

(III) If an agency does not adopt all alternatives offered pursuant to this sub-subparagraph, it shall, before rule adoption or amendment and pursuant to subparagraph

(d)1., file a detailed written statement with the committee explaining the reasons for failure to adopt such alternatives. Within 3 working days after the filing of such notice, the agency shall send a copy of such notice to the rules ombudsman in the Executive Office of the Governor.

(c) Hearings.—

1. If the intended action concerns any rule other than one relating exclusively to procedure or practice, the agency shall, on the request of any affected person received within 21 days after the date of publication of the notice of intended agency action, give affected persons an opportunity to present evidence and argument on all issues under consideration. The agency may schedule a public hearing on the rule and, if requested by any affected person, shall schedule a public hearing on the rule. When a public hearing is held, the agency must ensure that staff are available to explain the agency's proposal and to respond to questions or comments regarding the rule. If the agency head is a board or other collegial body created under s. 20.165(4) or s. 20.43(3)(g), and one or more requested public hearings is scheduled, the board or other collegial body shall conduct at least one of the public hearings itself and may not delegate this responsibility without the consent of those persons requesting the public hearing. Any material pertinent to the issues under consideration submitted to the agency within 21 days after the date of publication of the notice or submitted to the agency between the date of publication of the notice and the end of the final public hearing shall be considered by the agency and made a part of the record of the rulemaking proceeding.

2. Rulemaking proceedings shall be governed solely by the provisions of this section unless a person timely asserts that the person's substantial interests will be affected in the proceeding and affirmatively demonstrates to the agency that the proceeding does not provide adequate opportunity to protect those interests. If the agency determines that the rulemaking proceeding is not adequate to protect the person's interests, it shall suspend the rulemaking proceeding and convene a separate proceeding under the provisions of ss. 120.569 and 120.57. Similarly situated persons may be requested to join and participate in the separate proceeding. Upon conclusion of the separate proceeding, the rulemaking proceeding shall be resumed.

(d) Modification or withdrawal of proposed rules.—

1. After the final public hearing on the proposed rule, or after the time for requesting a hearing has expired, if the rule has not been changed from the rule as previously filed with the committee, or contains only technical changes, the adopting agency shall file a notice to that effect with the committee at least 7 days prior to filing the rule for adoption. Any change, other than a technical change that does not affect the substance of the rule, must be supported by the record of public hearings held on the rule, must be in response to written material submitted to the agency within 21 days after the date of publication of the notice of intended agency action or submitted to the agency between the date of publication of the notice and the end of the final public hearing, or must be in response to a proposed objection by the committee. In addition, when any change is made in a proposed rule, other than a technical change, the adopting agency shall provide a copy of a notice of change by certified mail or actual delivery to any person who requests it in writing no later than 21 days after the notice required in paragraph (a). The agency shall file the notice of change with the committee, along with the reasons for the change, and provide the notice of change to persons requesting it, at least 21 days prior to filing the rule for adoption. The notice of change shall be published in the Florida Administrative Register at least 21 days prior to filing the rule for adoption. This subparagraph does not apply to emergency rules adopted pursuant to subsection (4).

2. After the notice required by paragraph (a) and prior to adoption, the agency may withdraw the rule in whole or in part.

3. After adoption and before the rule becomes effective, a rule may be modified or withdrawn only in the following circumstances:

- a. When the committee objects to the rule;
 - b. When a final order, which is not subject to further appeal, is entered in a rule challenge brought pursuant to s. 120.56 after the date of adoption but before the rule becomes effective pursuant to subparagraph (e)6.;
 - c. If the rule requires ratification, when more than 90 days have passed since the rule was filed for adoption without the Legislature ratifying the rule, in which case the rule may be withdrawn but may not be modified; or
 - d. When the committee notifies the agency that an objection to the rule is being considered, in which case the rule may be modified to extend the effective date by not more than 60 days.
4. The agency shall give notice of its decision to withdraw or modify a rule in the first available issue of the publication in which the original notice of rulemaking was published, shall notify those persons described in subparagraph (a)3. in accordance with the requirements of that subparagraph, and shall notify the Department of State if the rule is required to be filed with the Department of State.
5. After a rule has become effective, it may be repealed or amended only through the rulemaking procedures specified in this chapter.
- (e) Filing for final adoption; effective date.—
1. If the adopting agency is required to publish its rules in the Florida Administrative Code, the agency, upon approval of the agency head, shall file with the Department of State three certified copies of the rule it proposes to adopt; one copy of any material incorporated by reference in the rule, certified by the agency; a summary of the rule; a summary of any hearings held on the rule; and a detailed written statement of the facts and circumstances justifying the rule. Agencies not required to publish their rules in the Florida Administrative Code shall file one certified copy of the proposed rule, and the other material required by this subparagraph, in the office of the agency head, and such rules shall be open to the public.
 2. A rule may not be filed for adoption less than 28 days or more than 90 days after the notice required by paragraph (a), until 21 days after the notice of change required by paragraph (d), until 14 days after the final public hearing, until 21 days after a statement of estimated regulatory costs required under s. 120.541 has been provided to all persons who submitted a lower cost regulatory alternative and made available to the public, or until the administrative law judge has rendered a decision under s. 120.56(2), whichever applies. When a required notice of change is published prior to the expiration of the time to file the rule for adoption, the period during which a rule must be filed for adoption is extended to 45 days after the date of publication. If notice of a public hearing is published prior to the expiration of the time to file the rule for adoption, the period during which a rule must be filed for adoption is extended to 45 days after adjournment of the final hearing on the rule, 21 days after receipt of all material authorized to be submitted at the hearing, or 21 days after receipt of the transcript, if one is made, whichever is latest. The term "public hearing" includes any public meeting held by any agency at which the rule is considered. If a petition for an administrative determination under s. 120.56(2) is filed, the period during which a rule must be filed for adoption is extended to 60 days after the administrative law judge files the final order with the clerk or until 60 days after subsequent judicial review is complete.
 3. At the time a rule is filed, the agency shall certify that the time limitations prescribed by this paragraph have been complied with, that all statutory rulemaking requirements have been met, and that there is no administrative determination pending on the rule.
 4. At the time a rule is filed, the committee shall certify whether the agency has responded in writing to all material and timely written comments or written inquiries made on behalf of the committee. The department shall reject any rule that is not filed within the prescribed time limits; that does not comply with all statutory rulemaking requirements and rules of the department; upon which an agency has not responded in writing to all material and

timely written inquiries or written comments; upon which an administrative determination is pending; or which does not include a statement of estimated regulatory costs, if required.

5. If a rule has not been adopted within the time limits imposed by this paragraph or has not been adopted in compliance with all statutory rulemaking requirements, the agency proposing the rule shall withdraw the rule and give notice of its action in the next available issue of the Florida Administrative Register.

6. The proposed rule shall be adopted on being filed with the Department of State and become effective 20 days after being filed, on a later date specified in the notice required by subparagraph (a)1., on a date required by statute, or upon ratification by the Legislature pursuant to s. 120.541(3). Rules not required to be filed with the Department of State shall become effective when adopted by the agency head, on a later date specified by rule or statute, or upon ratification by the Legislature pursuant to s. 120.541(3). If the committee notifies an agency that an objection to a rule is being considered, the agency may postpone the adoption of the rule to accommodate review of the rule by the committee. When an agency postpones adoption of a rule to accommodate review by the committee, the 90-day period for filing the rule is tolled until the committee notifies the agency that it has completed its review of the rule.

For the purposes of this paragraph, the term "administrative determination" does not include subsequent judicial review.

(4) EMERGENCY RULES.—

(a) If an agency finds that an immediate danger to the public health, safety, or welfare requires emergency action, the agency may adopt any rule necessitated by the immediate danger. The agency may adopt a rule by any procedure which is fair under the circumstances if:

1. The procedure provides at least the procedural protection given by other statutes, the State Constitution, or the United States Constitution.
2. The agency takes only that action necessary to protect the public interest under the emergency procedure.
3. The agency publishes in writing at the time of, or prior to, its action the specific facts and reasons for finding an immediate danger to the public health, safety, or welfare and its reasons for concluding that the procedure used is fair under the circumstances. In any event, notice of emergency rules, other than those of educational units or units of government with jurisdiction in only one or a part of one county, including the full text of the rules, shall be published in the first available issue of the Florida Administrative Register and provided to the committee along with any material incorporated by reference in the rules. The agency's findings of immediate danger, necessity, and procedural fairness shall be judicially reviewable.

(b) Rules pertaining to the public health, safety, or welfare shall include rules pertaining to perishable agricultural commodities or rules pertaining to the interpretation and implementation of the requirements of chapters 97-102 and chapter 105 of the Election Code.

(c) An emergency rule adopted under this subsection shall not be effective for a period longer than 90 days and shall not be renewable, except when the agency has initiated rulemaking to adopt rules addressing the subject of the emergency rule and either:

1. A challenge to the proposed rules has been filed and remains pending; or
2. The proposed rules are awaiting ratification by the Legislature pursuant to s. 120.541(3).

Nothing in this paragraph prohibits the agency from adopting a rule or rules identical to the emergency rule through the rulemaking procedures specified in subsection (3).

(d) Subject to applicable constitutional and statutory provisions, an emergency rule becomes effective immediately on filing, or on a date less than 20 days thereafter if specified in the rule, if the adopting agency finds that such effective date is necessary because of immediate danger to the public health, safety, or welfare.

(5) UNIFORM RULES.—

(a)1. By July 1, 1997, the Administration Commission shall adopt one or more sets of uniform rules of procedure which shall be reviewed by the committee and filed with the Department of State. Agencies must comply with the uniform rules by July 1, 1998. The uniform rules shall establish procedures that comply with the requirements of this chapter. On filing with the department, the uniform rules shall be the rules of procedure for each agency subject to this chapter unless the Administration Commission grants an exception to the agency under this subsection.

2. An agency may seek exceptions to the uniform rules of procedure by filing a petition with the Administration Commission. The Administration Commission shall approve exceptions to the extent necessary to implement other statutes, to the extent necessary to conform to any requirement imposed as a condition precedent to receipt of federal funds or to permit persons in this state to receive tax benefits under federal law, or as required for the most efficient operation of the agency as determined by the Administration Commission. The reasons for the exceptions shall be published in the Florida Administrative Register.

3. Agency rules that provide exceptions to the uniform rules shall not be filed with the department unless the Administration Commission has approved the exceptions. Each agency that adopts rules that provide exceptions to the uniform rules shall publish a separate chapter in the Florida Administrative Code that delineates clearly the provisions of the agency's rules that provide exceptions to the uniform rules and specifies each alternative chosen from among those authorized by the uniform rules. Each chapter shall be organized in the same manner as the uniform rules.

(b) The uniform rules of procedure adopted by the commission pursuant to this subsection shall include, but are not limited to:

1. Uniform rules for the scheduling of public meetings, hearings, and workshops.

2. Uniform rules for use by each state agency that provide procedures for conducting public meetings, hearings, and workshops, and for taking evidence, testimony, and argument at such public meetings, hearings, and workshops, in person and by means of communications media technology. The rules shall provide that all evidence, testimony, and argument presented shall be afforded equal consideration, regardless of the method of communication. If a public meeting, hearing, or workshop is to be conducted by means of communications media technology, or if attendance may be provided by such means, the notice shall so state. The notice for public meetings, hearings, and workshops utilizing communications media technology shall state how persons interested in attending may do so and shall name locations, if any, where communications media technology facilities will be available. Nothing in this paragraph shall be construed to diminish the right to inspect public records under chapter 119. Limiting points of access to public meetings, hearings, and workshops subject to the provisions of s. 286.011 to places not normally open to the public shall be presumed to violate the right of access of the public, and any official action taken under such circumstances is void and of no effect. Other laws relating to public meetings, hearings, and workshops, including penal and remedial provisions, shall apply to public meetings, hearings, and workshops conducted by means of communications media technology, and shall be liberally construed in their application to such public meetings, hearings, and workshops. As used in this subparagraph, "communications media technology" means the electronic transmission of printed matter, audio, full-motion video, freeze-frame video, compressed video, and digital video by any method available.

3. Uniform rules of procedure for the filing of notice of protests and formal written protests. The Administration Commission may prescribe the form and substantive provisions of a required bond.

4. Uniform rules of procedure for the filing of petitions for administrative hearings pursuant to s. 120.569 or s. 120.57. Such rules shall require the petition to include:
 - a. The identification of the petitioner, including the petitioner's e-mail address, if any, for the transmittal of subsequent documents by electronic means.
 - b. A statement of when and how the petitioner received notice of the agency's action or proposed action.
 - c. An explanation of how the petitioner's substantial interests are or will be affected by the action or proposed action.
 - d. A statement of all material facts disputed by the petitioner or a statement that there are no disputed facts.
 - e. A statement of the ultimate facts alleged, including a statement of the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action.
 - f. A statement of the specific rules or statutes that the petitioner contends require reversal or modification of the agency's proposed action, including an explanation of how the alleged facts relate to the specific rules or statutes.
 - g. A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the agency to take with respect to the proposed action.
5. Uniform rules for the filing of request for administrative hearing by a respondent in agency enforcement and disciplinary actions. Such rules shall require a request to include:
 - a. The name, address, e-mail address, and telephone number of the party making the request and the name, address, and telephone number of the party's counsel or qualified representative upon whom service of pleadings and other papers shall be made;
 - b. A statement that the respondent is requesting an administrative hearing and disputes the material facts alleged by the petitioner, in which case the respondent shall identify those material facts that are in dispute, or that the respondent is requesting an administrative hearing and does not dispute the material facts alleged by the petitioner; and
 - c. A reference by file number to the administrative complaint that the party has received from the agency and the date on which the agency pleading was received.

The agency may provide an election-of-rights form for the respondent's use in requesting a hearing, so long as any form provided by the agency calls for the information in sub-subparagraphs a. through c. and does not impose any additional requirements on a respondent in order to request a hearing, unless such requirements are specifically authorized by law.

6. Uniform rules of procedure for the filing and prompt disposition of petitions for declaratory statements. The rules shall also describe the contents of the notices that must be published in the Florida Administrative Register under s. 120.565, including any applicable time limit for the filing of petitions to intervene or petitions for administrative hearing by persons whose substantial interests may be affected.
 7. Provision of a method by which each agency head shall provide a description of the agency's organization and general course of its operations. The rules shall require that the statement concerning the agency's organization and operations be published on the agency's website.
 8. Uniform rules establishing procedures for granting or denying petitions for variances and waivers pursuant to s. 120.542.
- (6) ADOPTION OF FEDERAL STANDARDS.—Notwithstanding any contrary provision of this section, in the pursuance of state implementation, operation, or enforcement of federal programs, an agency is empowered to adopt rules substantively identical to regulations adopted pursuant to federal law, in accordance with the following procedures:
- (a) The agency shall publish notice of intent to adopt a rule pursuant to this subsection in the Florida Administrative Register at least 21 days prior to filing the rule with the Department of State. The agency shall provide a copy of the notice of intent to adopt a rule to the committee at least 21 days prior to the date of filing with the Department of State.

Prior to filing the rule with the Department of State, the agency shall consider any written comments received within 14 days after the date of publication of the notice of intent to adopt a rule. The rule shall be adopted upon filing with the Department of State. Substantive changes from the rules as noticed shall require republishing of notice as required in this subsection.

(b) Any rule adopted pursuant to this subsection shall become effective upon the date designated by the agency in the notice of intent to adopt a rule; however, no such rule shall become effective earlier than the effective date of the substantively identical federal regulation.

(c) Any substantially affected person may, within 14 days after the date of publication of the notice of intent to adopt a rule, file an objection to rulemaking with the agency. The objection shall specify the portions of the proposed rule to which the person objects and the specific reasons for the objection. The agency shall not proceed pursuant to this subsection to adopt those portions of the proposed rule specified in an objection, unless the agency deems the objection to be frivolous, but may proceed pursuant to subsection (3). An objection to a proposed rule, which rule in no material respect differs from the requirements of the federal regulation upon which it is based, is deemed to be frivolous.

(d) Whenever any federal regulation adopted as an agency rule pursuant to this subsection is declared invalid or is withdrawn, revoked, repealed, remanded, or suspended, the agency shall, within 60 days thereafter, publish a notice of repeal of the substantively identical agency rule in the Florida Administrative Register. Such repeal is effective upon publication of the notice. Whenever any federal regulation adopted as an agency rule pursuant to this subsection is substantially amended, the agency may adopt the amended regulation as a rule. If the amended regulation is not adopted as a rule within 180 days after the effective date of the amended regulation, the original rule is deemed repealed and the agency shall publish a notice of repeal of the original agency rule in the next available Florida Administrative Register.

(e) Whenever all or part of any rule proposed for adoption by the agency is substantively identical to a regulation adopted pursuant to federal law, such rule shall be written in a manner so that the rule specifically references the regulation whenever possible.

(7) PETITION TO INITIATE RULEMAKING.—

(a) Any person regulated by an agency or having substantial interest in an agency rule may petition an agency to adopt, amend, or repeal a rule or to provide the minimum public information required by this chapter. The petition shall specify the proposed rule and action requested. Not later than 30 calendar days following the date of filing a petition, the agency shall initiate rulemaking proceedings under this chapter, otherwise comply with the requested action, or deny the petition with a written statement of its reasons for the denial.

(b) If the petition filed under this subsection is directed to an unadopted rule, the agency shall, not later than 30 days following the date of filing a petition, initiate rulemaking, or provide notice in the Florida Administrative Register that the agency will hold a public hearing on the petition within 30 days after publication of the notice. The purpose of the public hearing is to consider the comments of the public directed to the agency rule which has not been adopted by the rulemaking procedures or requirements of this chapter, its scope and application, and to consider whether the public interest is served adequately by the application of the rule on a case-by-case basis, as contrasted with its adoption by the rulemaking procedures or requirements set forth in this chapter.

(c) Within 30 days following the public hearing provided for by paragraph (b), if the agency does not initiate rulemaking or otherwise comply with the requested action, the agency shall publish in the Florida Administrative Register a statement of its reasons for not initiating rulemaking or otherwise complying with the requested action, and of any changes it will make in the scope or application of the unadopted rule. The agency shall file the statement with the committee. The committee shall forward a copy of the statement to the substantive committee with primary oversight jurisdiction of the agency in each house of

the Legislature. The committee or the committee with primary oversight jurisdiction may hold a hearing directed to the statement of the agency. The committee holding the hearing may recommend to the Legislature the introduction of legislation making the rule a statutory standard or limiting or otherwise modifying the authority of the agency.

(8) RULEMAKING RECORD.—In all rulemaking proceedings the agency shall compile a rulemaking record. The record shall include, if applicable, copies of:

- (a) All notices given for the proposed rule.
- (b) Any statement of estimated regulatory costs for the rule.
- (c) A written summary of hearings on the proposed rule.
- (d) The written comments and responses to written comments as required by this section and s. 120.541.
- (e) All notices and findings made under subsection (4).
- (f) All materials filed by the agency with the committee under subsection (3).
- (g) All materials filed with the Department of State under subsection (3).
- (h) All written inquiries from standing committees of the Legislature concerning the rule.

Each state agency shall retain the record of rulemaking as long as the rule is in effect. When a rule is no longer in effect, the record may be destroyed pursuant to the records-retention schedule developed under s. 257.36(6).

120.56 Challenges to rules.—

(1) GENERAL PROCEDURES FOR CHALLENGING THE VALIDITY OF A RULE OR A PROPOSED RULE.—

- (a) Any person substantially affected by a rule or a proposed rule may seek an administrative determination of the invalidity of the rule on the ground that the rule is an invalid exercise of delegated legislative authority.
- (b) The petition seeking an administrative determination must state with particularity the provisions alleged to be invalid with sufficient explanation of the facts or grounds for the alleged invalidity and facts sufficient to show that the person challenging a rule is substantially affected by it, or that the person challenging a proposed rule would be substantially affected by it.
- (c) The petition shall be filed by electronic means with the division which shall, immediately upon filing, forward by electronic means copies to the agency whose rule is challenged, the Department of State, and the committee. Within 10 days after receiving the petition, the division director shall, if the petition complies with the requirements of paragraph (b), assign an administrative law judge who shall conduct a hearing within 30 days thereafter, unless the petition is withdrawn or a continuance is granted by agreement of the parties or for good cause shown. Evidence of good cause includes, but is not limited to, written notice of an agency's decision to modify or withdraw the proposed rule or a written notice from the chair of the committee stating that the committee will consider an objection to the rule at its next scheduled meeting. The failure of an agency to follow the applicable rulemaking procedures or requirements set forth in this chapter shall be presumed to be material; however, the agency may rebut this presumption by showing that the substantial interests of the petitioner and the fairness of the proceedings have not been impaired.
- (d) Within 30 days after the hearing, the administrative law judge shall render a decision and state the reasons therefor in writing. The division shall forthwith transmit by electronic means copies of the administrative law judge's decision to the agency, the Department of State, and the committee.
- (e) Hearings held under this section shall be de novo in nature. The standard of proof shall be the preponderance of the evidence. Hearings shall be conducted in the same manner as provided by ss. 120.569 and 120.57, except that the administrative law judge's order shall be final agency action. The petitioner and the agency whose rule is challenged shall be

adverse parties. Other substantially affected persons may join the proceedings as intervenors on appropriate terms which shall not unduly delay the proceedings. Failure to proceed under this section shall not constitute failure to exhaust administrative remedies.

(2) CHALLENGING PROPOSED RULES; SPECIAL PROVISIONS.—

(a) A substantially affected person may seek an administrative determination of the invalidity of a proposed rule by filing a petition seeking such a determination with the division within 21 days after the date of publication of the notice required by s. 120.54(3)(a); within 10 days after the final public hearing is held on the proposed rule as provided by s. 120.54(3)(e)2.; within 20 days after the statement of estimated regulatory costs or revised statement of estimated regulatory costs, if applicable, has been prepared and made available as provided in s. 120.54(1)(d); or within 20 days after the date of publication of the notice required by s. 120.54(3)(d). The petition must state with particularity the objections to the proposed rule and the reasons that the proposed rule is an invalid exercise of delegated legislative authority. The petitioner has the burden of going forward. The agency then has the burden to prove by a preponderance of the evidence that the proposed rule is not an invalid exercise of delegated legislative authority as to the objections raised. A person who is substantially affected by a change in the proposed rule may seek a determination of the validity of such change. A person who is not substantially affected by the proposed rule as initially noticed, but who is substantially affected by the rule as a result of a change, may challenge any provision of the rule and is not limited to challenging the change to the proposed rule.

(b) The administrative law judge may declare the proposed rule wholly or partly invalid. Unless the decision of the administrative law judge is reversed on appeal, the proposed rule or provision of a proposed rule declared invalid shall not be adopted. After a petition for administrative determination has been filed, the agency may proceed with all other steps in the rulemaking process, including the holding of a factfinding hearing. In the event part of a proposed rule is declared invalid, the adopting agency may, in its sole discretion, withdraw the proposed rule in its entirety. The agency whose proposed rule has been declared invalid in whole or part shall give notice of the decision in the first available issue of the Florida Administrative Register.

(c) When any substantially affected person seeks determination of the invalidity of a proposed rule pursuant to this section, the proposed rule is not presumed to be valid or invalid.

(3) CHALLENGING EXISTING RULES; SPECIAL PROVISIONS.—

(a) A substantially affected person may seek an administrative determination of the invalidity of an existing rule at any time during the existence of the rule. The petitioner has a burden of proving by a preponderance of the evidence that the existing rule is an invalid exercise of delegated legislative authority as to the objections raised.

(b) The administrative law judge may declare all or part of a rule invalid. The rule or part thereof declared invalid shall become void when the time for filing an appeal expires. The agency whose rule has been declared invalid in whole or part shall give notice of the decision in the Florida Administrative Register in the first available issue after the rule has become void.

(4) CHALLENGING AGENCY STATEMENTS DEFINED AS RULES; SPECIAL PROVISIONS.—

(a) Any person substantially affected by an agency statement may seek an administrative determination that the statement violates s. 120.54(1)(a). The petition shall include the text of the statement or a description of the statement and shall state with particularity facts sufficient to show that the statement constitutes a rule under s. 120.52 and that the agency has not adopted the statement by the rulemaking procedure provided by s. 120.54.

(b) The administrative law judge may extend the hearing date beyond 30 days after assignment of the case for good cause. Upon notification to the administrative law judge provided before the final hearing that the agency has published a notice of rulemaking under s. 120.54(3), such notice shall automatically operate as a stay of proceedings

pending adoption of the statement as a rule. The administrative law judge may vacate the stay for good cause shown. A stay of proceedings pending rulemaking shall remain in effect so long as the agency is proceeding expeditiously and in good faith to adopt the statement as a rule. If a hearing is held and the petitioner proves the allegations of the petition, the agency shall have the burden of proving that rulemaking is not feasible or not practicable under s. 120.54(1)(a).

(c) The administrative law judge may determine whether all or part of a statement violates s. 120.54(1)(a). The decision of the administrative law judge shall constitute a final order. The division shall transmit a copy of the final order to the Department of State and the committee. The Department of State shall publish notice of the final order in the first available issue of the Florida Administrative Register.

(d) If an administrative law judge enters a final order that all or part of an agency statement violates s. 120.54(1)(a), the agency must immediately discontinue all reliance upon the statement or any substantially similar statement as a basis for agency action.

(e) If proposed rules addressing the challenged statement are determined to be an invalid exercise of delegated legislative authority as defined in s. 120.52(8)(b)-(f), the agency must immediately discontinue reliance on the statement and any substantially similar statement until rules addressing the subject are properly adopted, and the administrative law judge shall enter a final order to that effect.

(f) All proceedings to determine a violation of s. 120.54(1)(a) shall be brought pursuant to this subsection. A proceeding pursuant to this subsection may be consolidated with a proceeding under subsection (3) or under any other section of this chapter. This paragraph does not prevent a party whose substantial interests have been determined by an agency action from bringing a proceeding pursuant to s. 120.57(1)(e).

(5) CHALLENGING EMERGENCY RULES; SPECIAL PROVISIONS.—Challenges to the validity of an emergency rule shall be subject to the following time schedules in lieu of those established by paragraphs (1)(c) and (d). Within 7 days after receiving the petition, the division director shall, if the petition complies with paragraph (1)(b), assign an administrative law judge, who shall conduct a hearing within 14 days, unless the petition is withdrawn. The administrative law judge shall render a decision within 14 days after the hearing.

120.57 Additional procedures for particular cases.—

(1) ADDITIONAL PROCEDURES APPLICABLE TO HEARINGS INVOLVING DISPUTED ISSUES OF MATERIAL FACT.—

(a) Except as provided in ss. 120.80 and 120.81, an administrative law judge assigned by the division shall conduct all hearings under this subsection, except for hearings before agency heads or a member thereof. If the administrative law judge assigned to a hearing becomes unavailable, the division shall assign another administrative law judge who shall use any existing record and receive any additional evidence or argument, if any, which the new administrative law judge finds necessary.

(b) All parties shall have an opportunity to respond, to present evidence and argument on all issues involved, to conduct cross-examination and submit rebuttal evidence, to submit proposed findings of facts and orders, to file exceptions to the presiding officer's recommended order, and to be represented by counsel or other qualified representative. When appropriate, the general public may be given an opportunity to present oral or written communications. If the agency proposes to consider such material, then all parties shall be given an opportunity to cross-examine or challenge or rebut the material.

(c) Hearsay evidence may be used for the purpose of supplementing or explaining other evidence, but it shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions.

(d) Notwithstanding s. 120.569(2)(g), similar fact evidence of other violations, wrongs, or acts is admissible when relevant to prove a material fact in issue, such as proof of motive,

opportunity, intent, preparation, plan, knowledge, identity, or absence of mistake or accident, but it is inadmissible when the evidence is relevant solely to prove bad character or propensity. When the state in an administrative proceeding intends to offer evidence of other acts or offenses under this paragraph, the state shall furnish to the party whose substantial interests are being determined and whose other acts or offenses will be the subject of such evidence, no fewer than 10 days before commencement of the proceeding, a written statement of the acts or offenses it intends to offer, describing them and the evidence the state intends to offer with particularity. Notice is not required for evidence of acts or offenses which is used for impeachment or on rebuttal.

(e)1. An agency or an administrative law judge may not base agency action that determines the substantial interests of a party on an unadopted rule. The administrative law judge shall determine whether an agency statement constitutes an unadopted rule. This subparagraph does not preclude application of adopted rules and applicable provisions of law to the facts.

2. Notwithstanding subparagraph 1., if an agency demonstrates that the statute being implemented directs it to adopt rules, that the agency has not had time to adopt those rules because the requirement was so recently enacted, and that the agency has initiated rulemaking and is proceeding expeditiously and in good faith to adopt the required rules, then the agency's action may be based upon those unadopted rules, subject to de novo review by the administrative law judge. The agency action shall not be presumed valid or invalid. The agency must demonstrate that the unadopted rule:

- a. Is within the powers, functions, and duties delegated by the Legislature or, if the agency is operating pursuant to authority derived from the State Constitution, is within that authority;
- b. Does not enlarge, modify, or contravene the specific provisions of law implemented;
- c. Is not vague, establishes adequate standards for agency decisions, or does not vest unbridled discretion in the agency;
- d. Is not arbitrary or capricious. A rule is arbitrary if it is not supported by logic or the necessary facts; a rule is capricious if it is adopted without thought or reason or is irrational;
- e. Is not being applied to the substantially affected party without due notice; and
- f. Does not impose excessive regulatory costs on the regulated person, county, or city.

3. The recommended and final orders in any proceeding shall be governed by the provisions of paragraphs (k) and (l), except that the administrative law judge's determination regarding an unadopted rule under subparagraph 1. or subparagraph 2. shall not be rejected by the agency unless the agency first determines from a review of the complete record, and states with particularity in the order, that such determination is clearly erroneous or does not comply with essential requirements of law. In any proceeding for review under s. 120.68, if the court finds that the agency's rejection of the determination regarding the unadopted rule does not comport with the provisions of this subparagraph, the agency action shall be set aside and the court shall award to the prevailing party the reasonable costs and a reasonable attorney's fee for the initial proceeding and the proceeding for review.

(f) The record in a case governed by this subsection shall consist only of:

1. All notices, pleadings, motions, and intermediate rulings.
2. Evidence admitted.
3. Those matters officially recognized.
4. Proffers of proof and objections and rulings thereon.
5. Proposed findings and exceptions.
6. Any decision, opinion, order, or report by the presiding officer.
7. All staff memoranda or data submitted to the presiding officer during the hearing or prior to its disposition, after notice of the submission to all parties, except communications

by advisory staff as permitted under s. 120.66(1), if such communications are public records.

8. All matters placed on the record after an ex parte communication.

9. The official transcript.

(g) The agency shall accurately and completely preserve all testimony in the proceeding, and, on the request of any party, it shall make a full or partial transcript available at no more than actual cost.

(h) Any party to a proceeding in which an administrative law judge of the Division of Administrative Hearings has final order authority may move for a summary final order when there is no genuine issue as to any material fact. A summary final order shall be rendered if the administrative law judge determines from the pleadings, depositions, answers to interrogatories, and admissions on file, together with affidavits, if any, that no genuine issue as to any material fact exists and that the moving party is entitled as a matter of law to the entry of a final order. A summary final order shall consist of findings of fact, if any, conclusions of law, a disposition or penalty, if applicable, and any other information required by law to be contained in the final order.

(i) When, in any proceeding conducted pursuant to this subsection, a dispute of material fact no longer exists, any party may move the administrative law judge to relinquish jurisdiction to the agency. An order relinquishing jurisdiction shall be rendered if the administrative law judge determines from the pleadings, depositions, answers to interrogatories, and admissions on file, together with supporting and opposing affidavits, if any, that no genuine issue as to any material fact exists. If the administrative law judge enters an order relinquishing jurisdiction, the agency may promptly conduct a proceeding pursuant to subsection (2), if appropriate, but the parties may not raise any issues of disputed fact that could have been raised before the administrative law judge. An order entered by an administrative law judge relinquishing jurisdiction to the agency based upon a determination that no genuine dispute of material fact exists, need not contain findings of fact, conclusions of law, or a recommended disposition or penalty.

(j) Findings of fact shall be based upon a preponderance of the evidence, except in penal or licensure disciplinary proceedings or except as otherwise provided by statute, and shall be based exclusively on the evidence of record and on matters officially recognized.

(k) The presiding officer shall complete and submit to the agency and all parties a recommended order consisting of findings of fact, conclusions of law, and recommended disposition or penalty, if applicable, and any other information required by law to be contained in the final order. All proceedings conducted under this subsection shall be de novo. The agency shall allow each party 15 days in which to submit written exceptions to the recommended order. The final order shall include an explicit ruling on each exception, but an agency need not rule on an exception that does not clearly identify the disputed portion of the recommended order by page number or paragraph, that does not identify the legal basis for the exception, or that does not include appropriate and specific citations to the record.

(l) The agency may adopt the recommended order as the final order of the agency. The agency in its final order may reject or modify the conclusions of law over which it has substantive jurisdiction and interpretation of administrative rules over which it has substantive jurisdiction. When rejecting or modifying such conclusion of law or interpretation of administrative rule, the agency must state with particularity its reasons for rejecting or modifying such conclusion of law or interpretation of administrative rule and must make a finding that its substituted conclusion of law or interpretation of administrative rule is as or more reasonable than that which was rejected or modified. Rejection or modification of conclusions of law may not form the basis for rejection or modification of findings of fact. The agency may not reject or modify the findings of fact unless the agency first determines from a review of the entire record, and states with particularity in the order, that the findings of fact were not based upon competent substantial evidence or that

the proceedings on which the findings were based did not comply with essential requirements of law. The agency may accept the recommended penalty in a recommended order, but may not reduce or increase it without a review of the complete record and without stating with particularity its reasons therefor in the order, by citing to the record in justifying the action.

(m) If a recommended order is submitted to an agency, the agency shall provide a copy of its final order and any exceptions to the division within 15 days after the order is filed with the agency clerk.

(n) Notwithstanding any law to the contrary, when statutes or rules impose conflicting time requirements for the scheduling of expedited hearings or issuance of recommended or final orders, the director of the division shall have the authority to set the proceedings for the orderly operation of this chapter.

(2) **ADDITIONAL PROCEDURES APPLICABLE TO HEARINGS NOT INVOLVING DISPUTED ISSUES OF MATERIAL FACT.**—In any case to which subsection (1) does not apply:

(a) The agency shall:

1. Give reasonable notice to affected persons of the action of the agency, whether proposed or already taken, or of its decision to refuse action, together with a summary of the factual, legal, and policy grounds therefor.
2. Give parties or their counsel the option, at a convenient time and place, to present to the agency or hearing officer written or oral evidence in opposition to the action of the agency or to its refusal to act, or a written statement challenging the grounds upon which the agency has chosen to justify its action or inaction.
3. If the objections of the parties are overruled, provide a written explanation within 7 days.

(b) The record shall only consist of:

1. The notice and summary of grounds.
2. Evidence received.
3. All written statements submitted.
4. Any decision overruling objections.
5. All matters placed on the record after an ex parte communication.
6. The official transcript.
7. Any decision, opinion, order, or report by the presiding officer.

(3) **ADDITIONAL PROCEDURES APPLICABLE TO PROTESTS TO CONTRACT SOLICITATION OR AWARD.**—Agencies subject to this chapter shall use the uniform rules of procedure, which provide procedures for the resolution of protests arising from the contract solicitation or award process. Such rules shall at least provide that:

(a) The agency shall provide notice of a decision or intended decision concerning a solicitation, contract award, or exceptional purchase by electronic posting. This notice shall contain the following statement: "Failure to file a protest within the time prescribed in section 120.57(3), Florida Statutes, or failure to post the bond or other security required by law within the time allowed for filing a bond shall constitute a waiver of proceedings under chapter 120, Florida Statutes."

(b) Any person who is adversely affected by the agency decision or intended decision shall file with the agency a notice of protest in writing within 72 hours after the posting of the notice of decision or intended decision. With respect to a protest of the terms, conditions, and specifications contained in a solicitation, including any provisions governing the methods for ranking bids, proposals, or replies, awarding contracts, reserving rights of further negotiation, or modifying or amending any contract, the notice of protest shall be filed in writing within 72 hours after the posting of the solicitation. The formal written protest shall be filed within 10 days after the date the notice of protest is filed. Failure to file a notice of protest or failure to file a formal written protest shall constitute a waiver of proceedings under this chapter. The formal written protest shall state with particularity the

facts and law upon which the protest is based. Saturdays, Sundays, and state holidays shall be excluded in the computation of the 72-hour time periods provided by this paragraph.

(c) Upon receipt of the formal written protest that has been timely filed, the agency shall stop the solicitation or contract award process until the subject of the protest is resolved by final agency action, unless the agency head sets forth in writing particular facts and circumstances which require the continuance of the solicitation or contract award process without delay in order to avoid an immediate and serious danger to the public health, safety, or welfare.

(d)1. The agency shall provide an opportunity to resolve the protest by mutual agreement between the parties within 7 days, excluding Saturdays, Sundays, and state holidays, after receipt of a formal written protest.

2. If the subject of a protest is not resolved by mutual agreement within 7 days, excluding Saturdays, Sundays, and state holidays, after receipt of the formal written protest, and if there is no disputed issue of material fact, an informal proceeding shall be conducted pursuant to subsection (2) and applicable agency rules before a person whose qualifications have been prescribed by rules of the agency.

3. If the subject of a protest is not resolved by mutual agreement within 7 days, excluding Saturdays, Sundays, and state holidays, after receipt of the formal written protest, and if there is a disputed issue of material fact, the agency shall refer the protest to the division by electronic means through the division's website for proceedings under subsection (1).

(e) Upon receipt of a formal written protest referred pursuant to this subsection, the director of the division shall expedite the hearing and assign an administrative law judge who shall commence a hearing within 30 days after the receipt of the formal written protest by the division and enter a recommended order within 30 days after the hearing or within 30 days after receipt of the hearing transcript by the administrative law judge, whichever is later. Each party shall be allowed 10 days in which to submit written exceptions to the recommended order. A final order shall be entered by the agency within 30 days of the entry of a recommended order. The provisions of this paragraph may be waived upon stipulation by all parties.

(f) In a protest to an invitation to bid or request for proposals procurement, no submissions made after the bid or proposal opening which amend or supplement the bid or proposal shall be considered. In a protest to an invitation to negotiate procurement, no submissions made after the agency announces its intent to award a contract, reject all replies, or withdraw the solicitation which amend or supplement the reply shall be considered. Unless otherwise provided by statute, the burden of proof shall rest with the party protesting the proposed agency action. In a competitive-procurement protest, other than a rejection of all bids, proposals, or replies, the administrative law judge shall conduct a de novo proceeding to determine whether the agency's proposed action is contrary to the agency's governing statutes, the agency's rules or policies, or the solicitation specifications. The standard of proof for such proceedings shall be whether the proposed agency action was clearly erroneous, contrary to competition, arbitrary, or capricious. In any bid-protest proceeding contesting an intended agency action to reject all bids, proposals, or replies, the standard of review by an administrative law judge shall be whether the agency's intended action is illegal, arbitrary, dishonest, or fraudulent.

(g) For purposes of this subsection, the definitions in s. 287.012 apply.

(4) INFORMAL DISPOSITION.—Unless precluded by law, informal disposition may be made of any proceeding by stipulation, agreed settlement, or consent order.

(5) APPLICABILITY.—This section does not apply to agency investigations preliminary to agency action.

624.308 Rules.—

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

(2) In addition to any other penalty provided, willful violation of any such rule shall subject the violator to such suspension or revocation of certificate of authority or license as may be applicable under this code as for violation of the provision as to which such rule relates.

624.307 General powers; duties.—

(1) The department and office shall enforce the provisions of this code and shall execute the duties imposed upon them by this code, within the respective jurisdiction of each, as provided by law.

624.319 Examination and investigation reports.—

(1) The department or office or its examiner shall make a full and true written report of each examination. The examination report shall contain only information obtained from examination of the records, accounts, files, and documents of or relative to the insurer examined or from testimony of individuals under oath, together with relevant conclusions and recommendations of the examiner based thereon. The department or office shall furnish a copy of the examination report to the insurer examined not less than 30 days prior to filing the examination report in its office. If such insurer so requests in writing within such 30-day period, the department or office shall grant a hearing with respect to the examination report and shall not so file the examination report until after the hearing and after such modifications have been made therein as the department or office deems proper.

(2) The examination report so filed is admissible in evidence in any action or proceeding brought by the department or office against the person examined, or against its officers, employees, or agents. In all other proceedings, the admissibility of the examination report is governed by the evidence code. The department or office or its examiners may testify and offer other proper evidence as to information secured or matters discovered during the course of an examination, regardless of whether a written report of the examination has been made, furnished, or filed in the department or office. The production of documents during the course of an examination or investigation does not constitute a waiver of the attorney-client or work-product privilege.

(3)(a)1. Examination reports, until filed, are confidential and exempt from s. 119.07(1).

2. Investigation reports are confidential and exempt from s. 119.07(1) until the investigation is completed or ceases to be active.

3. For purposes of this subsection, an investigation is active while it is being conducted by the department or office with a reasonable, good faith belief that it could lead to the filing of administrative, civil, or criminal proceedings. An investigation does not cease to be active if the department or office is proceeding with reasonable dispatch and has a good faith belief that action could be initiated by the department or office or other administrative or law enforcement agency. After an investigation is completed or ceases to be active, portions of the investigation report relating to the investigation remain confidential and exempt from s. 119.07(1) if disclosure would:

- a. Jeopardize the integrity of another active investigation;
- b. Impair the safety and financial soundness of the licensee or affiliated party;
- c. Reveal personal financial information;
- d. Reveal the identity of a confidential source;
- e. Defame or cause unwarranted damage to the good name or reputation of an individual or jeopardize the safety of an individual; or
- f. Reveal investigative techniques or procedures.

(b)1. For purposes of this paragraph, "work papers" means the records of the procedures followed, the tests performed, the information obtained and the conclusions reached in an examination or investigation performed under this section or ss. 624.316, 624.3161, 624.317, and 624.318. Work papers include planning documentation, work programs, analyses, memoranda, letters of confirmation and representation, abstracts of company documents, and schedules or commentaries prepared or obtained in the course of such examination or investigation.

2.a. Work papers held by the department or office are confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution until the examination report is filed or until the investigation is completed or ceases to be active.

b. Information received from another governmental entity or the National Association of Insurance Commissioners, which is confidential or exempt when held by that entity, for use by the department or office in the performance of its examination or investigation duties pursuant to this section or ss. 624.316, 624.3161, 624.317, and 624.318 is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

c. This exemption applies to work papers and such information held by the department or office before, on, or after the effective date of this exemption.

3. Confidential and exempt work papers and information may be disclosed to:

a. Another governmental entity, if disclosure is necessary for the receiving entity to perform its duties and responsibilities; and

b. The National Association of Insurance Commissioners.

4. After an examination report is filed or an investigation is completed or ceases to be active, portions of work papers may remain confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution if disclosure would:

a. Jeopardize the integrity of another active examination or investigation;

b. Impair the safety or financial soundness of the licensee, affiliated party, or insured;

c. Reveal personal financial, medical, or health information;

d. Reveal the identity of a confidential source;

e. Defame or cause unwarranted damage to the good name or reputation of an individual or jeopardize the safety of an individual;

f. Reveal examination techniques or procedures; or

g. Reveal information that is confidential or exempt under sub-subparagraph 2.b.

(c) Lists of insurers or regulated companies are confidential and exempt from s. 119.07(1) if:

1. The financial solvency, condition, or soundness of such insurers or regulated companies is being monitored by the office;

2. The list is prepared to internally coordinate regulation by the office of the financial solvency, condition, or soundness of the insurers or regulated companies; and



3. The office determines that public inspection of such list could impair the financial solvency, condition, or soundness of such insurers or regulated companies.

(4) After the examination report has been filed pursuant to subsection (1), the department or office may publish the results of any such examination in one or more newspapers published in this state whenever it deems it to be in the public interest.

(5) After the examination report of an insurer has been filed pursuant to subsection (1), an affidavit shall be filed with the office, not more than 30 days after the report has been filed, on a form furnished by the office and signed by the officer of the company in charge of the insurer's business in this state, stating that she or he has read the report and that the recommendations made in the report will be considered within a reasonable time.

624.324 Hearings.—The department, commission, and office may each hold hearings for any purpose within the scope of this code deemed to be necessary.

M E M O R A N D U M


DATE: February 8, 2016
TO: Kevin M. McCarty, Commissioner, Office of Insurance Regulation
THROUGH: Anoush Brangaccio, General Counsel
FROM: Virginia Christy 
Stephen Fredrickson 
SUBJECT: Cabinet Agenda for March 2, 2016
Request for Approval to Publish Repeal of
Rule 69N-3.001,.002,.003,.004,.005,.006,.007
Assignment # 181635-15

The Office of Insurance Regulation requests that this proposed repeal be presented to the Cabinet aides on or before February 24, 2016 and to the Financial Services Commission on March 2, 2016, with a request to approve for publication the proposed rules.


The rules established the smoking policy for the Office, pursuant to sections 120.53 and 386.205, Florida Statutes. Previously, section 386.205(6), gave state agencies authority to create policies and adopt rules to administer the Florida Clean Indoor Air Act. Subsequently, the Legislature revised chapter 386, giving rulemaking authority to the Departments of Health and Business and Professional Regulation, along with the State Fire Marshal, to adopt rules to implement the provisions of the Act.

The rule repeal would delete now obsolete and unnecessary rules.

Sections 120.53 and 386.205, F.S., provide rulemaking authority and laws implemented for these rules.

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

Approved for signature:


Anoush Brangaccio, General Counsel

Approved for submission to Financial Services Commission:


Kevin M. McCarty, Commissioner
Office of Insurance Regulation

69N-3.001 Purpose and Scope.

Rulemaking Specific Authority 120.53 FS. Law Implemented 386.205 FS. History–New 4-22-92, Formerly 4E-3.001, Repealed _____.

69N-3.002 Definitions.

Rulemaking Specific Authority 120.53 FS. Law Implemented 386.205 FS. History–New 4-22-92, Formerly 4E-3.002, Repealed _____.

69N-3.003 Prohibition.

Rulemaking Specific Authority 120.53 FS. Law Implemented 386.205 FS. History–New 4-22-92, Formerly 4E-3.003, Repealed _____.

69N-3.004 No-Smoking Areas.

Rulemaking Specific Authority 120.53 FS. Law Implemented 386.205 FS. History–New 4-22-92, Formerly 4E-3.004, Repealed _____.

69N-3.005 Action by Office Officials and Employees.

Rulemaking Specific Authority 120.53 FS. Law Implemented 386.205 FS. History–New 4-22-92, Formerly 4E-3.005, Repealed _____.

69N-3.006 Posting of Signs.

Rulemaking Specific Authority 120.53 FS. Law Implemented 386.205 FS. History–New 4-22-92, Formerly 4E-3.006, Repealed _____.

69N-3.007 Enforcement, Penalties.

Rulemaking Specific Authority 120.53 FS. Law Implemented 386.205, 386.208 FS. History–New 4-22-92, Formerly 4E-3.007, Repealed _____.

120.53 Maintenance of agency final orders.—

(1) In addition to maintaining records contained in s. 119.021(3), each agency shall also electronically transmit a certified text-searchable copy of each agency final order listed in subsection (2) rendered on or after July 1, 2015, to a centralized electronic database of agency final orders maintained by the division. The database must allow users to research and retrieve the full texts of agency final orders by:

- (a) The name of the agency that issued the final order.
- (b) The date the final order was issued.
- (c) The type of final order.
- (d) The subject of the final order.
- (e) Terms contained in the text of the final order.

(2) The agency final orders that must be electronically transmitted to the centralized electronic database include:

- (a) Each final order resulting from a proceeding under s. 120.57 or s. 120.573.
- (b) Each final order rendered pursuant to s. 120.57(4) which contains a statement of agency policy that may be the basis of future agency decisions or that may otherwise contain a statement of precedential value.
- (c) Each declaratory statement issued by an agency.
- (d) Each final order resulting from a proceeding under s. 120.56 or s. 120.574.

(3) Each agency shall maintain a list of all final orders rendered pursuant to s. 120.57(4)

that are not required to be electronically transmitted to the centralized electronic database because they do not contain statements of agency policy or statements of precedential value. The list must include the name of the parties to the proceeding and the number assigned to the final order.

(4) Each final order, whether rendered by the agency or the division, that must be electronically transmitted to the centralized electronic database or maintained on a list pursuant to subsection (3) must be electronically transmitted to the database or added to the list within 90 days after the final order is rendered. Each final order that must be electronically transmitted to the database or added to the list must have attached a copy of the complete text of any materials incorporated by reference; however, if the quantity of the materials incorporated makes attachment of the complete text of the materials impractical, the final order may contain a statement of the location of such materials and the manner in which the public may inspect or obtain copies of the materials incorporated by reference.

(5) Nothing in this section relieves an agency from its responsibility for maintaining a subject matter index of final orders rendered before July 1, 2015, and identifying the location of the subject matter index on the agency's website. In addition, an agency may electronically transmit to the centralized electronic database certified copies of all of the final orders that were rendered before July 1, 2015, which were required to be in the subject matter index. The centralized electronic database constitutes the official compilation of administrative final orders rendered on or after July 1, 2015, for each agency.

386.205 Customs smoking rooms.—A customs smoking room may be designated by the person in charge of an airport in-transit lounge under the authority and control of the Bureau of Customs and Border Protection of the United States Department of Homeland Security. A customs smoking room may only be designated in an airport in-transit lounge under the authority and control of the Bureau of Customs and Border Protection of the United States Department of Homeland Security. A customs smoking room may not be designated in an elevator, restroom, or any common area as defined by s. 386.203. Each customs smoking room must conform to the following requirements:

- (1) Work, other than essential services defined in s. 386.203(6), must not be performed in the room at any given time.
- (2) Tobacco smoking must not be permitted in the room while any essential services are being performed in the room.
- (3) Each customs smoking room must be enclosed by physical barriers that are impenetrable by secondhand tobacco smoke and prevent the escape of secondhand tobacco smoke into the enclosed indoor workplace.
- (4) Each customs smoking room must exhaust tobacco smoke directly to the outside and away from air intake ducts, and be maintained under negative pressure, with respect to surrounding spaces, sufficient to contain tobacco smoke within the room.
- (5) Each customs smoking room must comply with the signage requirements in s. 386.206.

M E M O R A N D U M

DATE: April 1, 2016
TO: Kevin M. McCarty, Commissioner, Office of Insurance Regulation
THROUGH: Anoush Brangaccio, General Counsel
FROM: Virginia Christy
Stephen Fredrickson *VP*
SUBJECT: Cabinet Agenda for April 26, 2016
Request for Approval to Publish Repeal of
Rule 69O-186.010
Assignment # 181948-15

The Office of Insurance Regulation requests that this proposed repeal be presented to the Cabinet aides on or before April 20, 2016 and to the Financial Services Commission on April 26, 2016, with a request to approve for publication the proposed rules.

As part of the Office's review of its title insurance rules, we are in the process of removing certain title insurance forms from the rules and approving them pursuant to Section 627.777, Florida Statutes. This statute gives the Office the authority to directly review and approve forms for use by title insurance underwriters and agents. The American Land Title Association recently adopted a revised version of the Closing Protection Letter (CPL) which was filed with the Office for approval pursuant to Sections 627.777 and 627.786, Florida Statutes. After review, the Office approved for use the newly drafted CPL pursuant to the aforementioned statutes. As such, the rule that is subject to repeal is obsolete and should be removed from the Florida Administrative Code.


Sections 624.308, 624.307(1), 627.786, F.S., provide rulemaking authority and laws implemented for this rule.

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

Approved for signature:


Anoush Brangaccio, General Counsel

Approved for submission to Financial
Services Commission:


Kevin M. McCarty, Commissioner
Office of Insurance Regulation

69O-186.010 Insurer's Assumption of Certain Liabilities.

Rulemaking Specific Authority 624.308 FS. Law Implemented 624.307(1), 627.786 FS. History--New 6-25-86, Amended 2-27-91, Formerly 4-21.011, 4-186.01, Repealed.

624.308 Rules.—

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

(2) In addition to any other penalty provided, willful violation of any such rule shall subject the violator to such suspension or revocation of certificate of authority or license as may be applicable under this code as for violation of the provision as to which such rule relates.

624.307 General powers; duties.—

(1) The department and office shall enforce the provisions of this code and shall execute the duties imposed upon them by this code, within the respective jurisdiction of each, as provided by law.

627.786 Transaction of title insurance and any other kind of insurance prohibited.—

(1) An insurer may not transact title insurance and any other kind of insurance in this state.

(2) Subsection (1) does not apply to any insurer actively transacting title insurance and any other kind of insurance in this state on January 1, 1965.

(3) Subsection (1) does not preclude a title insurer from providing instruments to any prospective insured, in the form and content approved by the office, under which the title insurer assumes liability for loss due to the fraud of, dishonesty of, misappropriation of funds by, or failure to comply with written closing instructions by, its contract agents, agencies, or approved attorneys in connection with a real property transaction for which the title insurer is to issue a title insurance policy.

M E M O R A N D U M

DATE: April 1, 2016
TO: Kevin M. McCarty, Commissioner, Office of Insurance Regulation
THROUGH: Anoush Brangaccio, General Counsel
FROM: Virginia Christy
Stephen Fredrickson
SUBJECT: Cabinet Agenda for April 26, 2016
Request for Approval to Publish Amendments to
Rule 69O-137.001 Annual and Quarterly Reporting Requirements
Assignment # 181629-15

The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before April 20, 2016 and to the Financial Services Commission on April 26, 2016, with a request to approve for publication the proposed rules.

Section 624.424, Florida Statutes, requires insurers to file quarterly and annual financial reports with the Office of Insurance Regulation and allows the Office to enact rules setting the standards for those reports.

The rule is being amended to adopt the 2016 NAIC Quarterly Statement Manuals, the 2015 NAIC Annual Statement Instructions Manuals, and the 2015 and 2016 NAIC Accounting Practices and Procedures Manuals. The current rule adopted the 2015 NAIC Quarterly Statement Manuals, the 2014 NAIC Annual Statement Instructions Manuals, and the 2014 and 2015 NAIC Accounting Practices and Procedures Manuals.

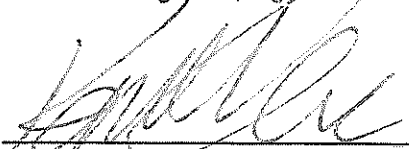
Sections 624.308(1), 624.424(1), F.S. provide rulemaking authority and laws implemented for this rule.

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

Approved for signature:


Anoush Brangaccio, General Counsel

Approved for submission to Financial Services Commission:


Kevin M. McCarty, Commissioner
Office of Insurance Regulation

69O-137.001 Annual and Quarterly Reporting Requirements.

(1) The purpose of this rule is to establish uniform requirements reporting of annual and quarterly statement information for all authorized insurers as defined in Section 624.09, F.S.

(2) Each authorized insurer shall file with the Office a full and true statement of its financial condition, transactions, and affairs.

(a) An annual statement covering the preceding calendar year shall be filed on or before March 1, and quarterly statements covering the periods ending on March 31, June 30, and September 30 shall be filed within 45 calendar days after each such date.

(b) The Office shall grant an extension of time for filing an annual or quarterly statement if there exist conditions beyond the control of the authorized insurer, such as rehabilitation pursuant to Chapter 631, F.S., or the laws of the state of domicile; severe damage to the insurer's physical premises by a natural or man-made disaster; or some other reason of similar gravity and severity. The extension shall be for the amount of time reasonable to file under the conditions which justified the extension.

(c) For purposes of this rule, the requirement that statements be filed with the Office means that the statement has been transmitted electronically to the National Association of Insurance Commissioners and that the executed Jurat page of said statement 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 statement. Annual and quarterly statements in any other format shall not be submitted to the Office.

(3) Annual and Quarterly Statement Reporting.

(a) Each insurer shall submit its annual and quarterly statement information electronically to the National Association of Insurance Commissioners in accordance with the electronic filing instructions specified in paragraph (3)(b) below.

(b)1. The National Association of Insurance Commissioners electronic transmission filing instructions (Financial Internet Filing Online User's Guide 2016 ~~2015~~) are hereby adopted and incorporated by reference, <https://www.flrules.org/Gateway/reference.asp?No=Ref-05718>.

2. A copy of these specifications may be obtained from the National Association of Insurance Commissioners at http://www.naic.org/industry_financial_filing.htm.

(4) Manuals Adopted.

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

1. The NAIC's Annual Statement Instructions, Property and Casualty, 2015 ~~2014~~;
2. The NAIC's Annual Statement Instructions, Life, Accident and Health, 2015 ~~2014~~;

3. The NAIC's Annual Statement Instructions, Health, 2015 ~~2014~~;
4. The NAIC's Annual Statement Instructions, Title, 2015 ~~2014~~; and,
5. The NAIC's Accounting Practices and Procedures Manual, as of March 2015 ~~2014~~.

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

1. The NAIC's Quarterly Statement Instructions, Property and Casualty, 2016 ~~2015~~;
2. The NAIC's Quarterly Statement Instructions, Life, Accident and Health, 2016 ~~2015~~;
3. The NAIC's Quarterly Statement Instructions, Health, 2016 ~~2015~~;
4. The NAIC's Quarterly Statement Instructions, Title, 2016 ~~2015~~; and,
5. The NAIC's Accounting Practices and Procedures Manual, as of March 2016 ~~2015~~.

(c) Copies of the manuals are available:

1. From the National Association of Insurance Commissioners at <http://www.naic.org>; and,
2. For inspection during regular business hours at the Office of Insurance Regulation, Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300.

Rulemaking Authority 624.308(1), 624.424(1) FS. Law Implemented 624.424(1) FS. History—New 3-31-92, Amended 8-24-93, 4-9-95, 4-9-97, 4-4-99, 11-30-99, 2-11-01, 4-5-01, 12-4-01, 12-25-01, 8-18-02, 7-27-03, Formerly 4-137.001, Amended 1-6-05, 9-15-05, 1-25-07, 3-16-08, 3-4-09, 1-4-10, 9-28-11, 1-28-13, 9-15-13, 7-28-15.

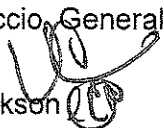

624.308 Rules.--

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

624.424 Annual statement and other information.--

- (1)(a) Each authorized insurer shall file with the office full and true statements of its financial condition, transactions, and affairs. An annual statement covering the preceding calendar year shall be filed on or before March 1, and quarterly statements covering the periods ending on March 31, June 30, and September 30 shall be filed within 45 days after each such date. The office may, for good cause, grant an extension of time for filing of an annual or quarterly statement. The statements shall contain information generally included in insurers' financial statements prepared in accordance with generally accepted insurance accounting principles and practices and in a form generally utilized by insurers for financial statements, sworn to by at least two executive officers of the insurer or, if a reciprocal insurer, by the oath of the attorney in fact or its like officer if a corporation. To facilitate uniformity in financial statements and to facilitate office analysis, the commission may by rule adopt the form for financial statements approved by the National Association of Insurance Commissioners in 2002, and may adopt subsequent amendments thereto if the methodology remains substantially consistent, and may by rule require each insurer to submit to the office or such organization as the office may designate all or part of the information contained in the financial statement in a computer-readable form compatible with the electronic data processing system specified by the office.
- (b) Each insurer's annual statement must contain a statement of opinion on loss and loss adjustment expense reserves made by a member of the American Academy of Actuaries or by a qualified loss reserve specialist, under criteria established by rule of the commission. In adopting the rule, the commission must consider any criteria established by the National Association of Insurance Commissioners. The office may require semiannual updates of the annual statement of opinion as to a particular insurer if the office has reasonable cause to believe that such reserves are understated to the extent of materially misstating the financial position of the insurer. Workpapers in support of the statement of opinion must be provided to the office upon request. This paragraph does not apply to life insurance or title insurance.
- (c) The commission may by rule require reports or filings required under the insurance code to be submitted by electronic means in a computer-readable form compatible with the electronic data processing equipment specified by the commission.

M E M O R A N D U M


DATE: April 1, 2016
TO: Kevin M. McCarty, Commissioner, Office of Insurance Regulation
THROUGH: Anoush Brangaccio, General Counsel
FROM: Virginia Christy 
Stephen Fredrickson 
SUBJECT: Cabinet Agenda for April 26, 2016
Request for Approval to Publish Amendments to
Rule 69O-138.001 NAIC Financial Condition Examiners Handbook Adopted
Assignment # 181630-15

The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before April 20, 2016 and to the Financial Services Commission on April 26, 2016, with a request to approve for publication the proposed rules.

Section 624.316, Florida Statutes, requires the Office to examine insurer's financial condition using generally accepted accounting procedures. This statute also allows the Office to adopt the NAIC Financial Condition Examiners Handbook to facilitate these exams.

The rule is being amended to adopt the 2015 and 2016 NAIC Financial Condition Examiners Handbooks. The current rule adopted the 2015 and 2014 versions of these handbooks.


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

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

Approved for signature:


Anoush Brangaccio, General Counsel

Approved for submission to Financial Services Commission:


Kevin M. McCarty, Commissioner
Office of Insurance Regulation

69O-138.001 NAIC Financial Condition Examiners Handbook Adopted.

(1)(a) The National Association of Insurance Commissioners Financial Condition Examiners Handbook 2016 ~~2015~~ is hereby adopted and incorporated by reference.

(b) The National Association of Insurance Commissioners Financial Condition Examiners Handbook 2015 ~~2014~~ is hereby adopted and incorporated by reference.

(2) Financial examinations by the Office shall be performed in substantial conformity with the methodology outlined in the Handbook, so long as that methodology is consistent with statutory accounting principles and the Florida Insurance Code.

(3) A copy of the Examiners Handbook may be:

(a) Obtained from the National Association of Insurance Commissioners, at <http://www.naic.org>; or

(b) Inspected during regular business hours at the Office of Insurance Regulation, Larson Building, 200 E. Gaines St., Tallahassee, Florida 32399-0300.

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

624.308 Rules.--

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

624.316 Examination of insurers.—

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



FLORIDA OFFICE OF
INSURANCE REGULATION



Performance Report to the Financial Services Commission

(July 1, 2015 – March 31, 2016)

**Presentation by
Commissioner Kevin M. McCarty**

April 26, 2016

Defining Success



Life & Health

Selected Activities and Accomplishments: July 1, 2015 – March 31, 2016

- Guided the health insurance industry through significant shifts in market and regulatory dynamics; published market-wide statistics
- Held public hearings, reviewed and approved Aetna Inc.'s acquisition of Humana, Inc. (with the required expansion of major medical business in five Florida counties in lieu of Aetna's prior consideration of leaving the marketplace) and Anthem, Inc.'s acquisition of Cigna Corporation
- Assisted policyholders of Preferred Medical Plan in maintaining continuous coverage when the company withdrew from the market due to financial stress resulting from the Affordable Care Act's "rate stabilization programs"
- Developed the first comprehensive guideline for removing discrimination from the coverage of HIV medications. Expanded review of Hepatitis C and other chronic condition medications for 2017
- Developed new review tools for health plan filings to identify discriminatory marketing behavior
- Assisted in the passage of priority legislation affecting balance billing and unclaimed property
- Produced premium & enrollment analyses to help map the shifts in the health insurance landscape
- Promoted initiatives to reduce Medicare costs through managed care innovations
- Reached a life claims settlement agreement with Jackson National and AXA for \$5.5 million – total monies returned nationally by 20 life insurers now exceeds \$8 billion
- Issued consumer alerts on health insurance plan shopping, comparing prices for Medicare Supplement policies, and Medigap Plans C & F

Life & Health

Challenges and Opportunities

- Balancing consumer protections with maintaining a robust and competitive market
- Protecting seniors from long-term care risk
- Guiding the health insurance industry through significant shifts in market and regulatory dynamics
 - ACA (Commercial)
 - Medicaid Managed Care
 - Medicare
- Protecting consumers from emergency medical transportation balance billing, especially air transport
- Enhancing claims-paying capacity for Health Maintenance Organizations (HMOs)
- Moving from a formulaic to a dynamic, principles-based approach to life insurer solvency
- Modernizing capital standards
- Understanding the uses of 2nd generation “Big Data”
- Monitoring for cyber security breaches and working nationally to develop standards for cyber security



Property & Casualty

Selected Activities and Accomplishments: July 1, 2015 – March 31, 2016

- Citizens Property Insurance Corporation (Citizens)
 - Public hearing for annual rate filing
 - Established personal & commercial lines rates for 2016
 - 996,106 policies approved for take-outs
- Requested rate-making data from FEMA/National Flood Insurance Program to facilitate Florida's review of flood insurance rates. Met recently with FEMA/NFIP representatives & other states to plan data transfer, data housing, and next steps.
- Reinsurance Data Call/Catastrophe Stress Test Report (property insurers)
 - All 112 insurers had sufficient reinsurance, capital & surplus for a 1-in-100 year event
 - All 67 Florida insurers passed the 3 storm event Catastrophe Stress Test analysis
- Assisted in the passage of priority legislation affecting Own Risk Solvency Assessment/Governance
- Assignment of Benefits (AOB)
 - Conducted a Data Call of the top 25 personal residential insurance companies writing homeowners and dwelling fire policies
 - Approved Citizens policy language changes to assist with AOB issues statewide
- Held a public hearing for the National Council on Compensation Insurance's annual workers' compensation rate filing & approved a rate reduction of 4.7%
- Issued a data call to title insurance agents and agencies to perform a statutory analysis in determining the condition of the industry
- Enhanced oversight authority to review internationally active groups in Florida
- Annual Reports (Medical Malpractice, Workers' Compensation, Freedom to Travel law)



Property & Casualty

Challenges and Opportunities

- Assignment of benefits impact statewide on homeowners insurance rates
- Increasing rates for auto insurance
- Court cases affecting workers' compensation insurance
- Fostering a private flood insurance market
- Adapting to new business models (ridesharing, home-sharing)
- Trade secret protections preventing the public's access to company information available through the Quarterly & Supplemental Reporting (QUASR) system online
- Monitoring for cyber security breaches and working nationally to develop standards
- Continued soft reinsurance market



Quantitative Performance Measure Detail

July 1, 2015 – March 31, 2016

#	Measure	Result	Score
1	% of applications for a new certificate of authority and new types of insurance added to an existing certificate of authority within 90 days	100.0%	5
2	% of life and health form and rate filing reviews completed within 45 days	99.9%	5
3	% of property and casualty form filing reviews completed within 45 days	100.0%	5
4	% of property and casualty rate filing reviews completed within 90 days	99.5%	5
5	% of market conduct exams with violations in which the Office requires companies to remediate	100.0%	5
6	% of financial exams of domestic insurers completed within 18 months of the "as of" exam date	100.0%	5
7	% of life and health priority financial examinations of domestic insurers completed within 18 months of the "as of" exam date	100.0%	5
8	% of property and casualty priority financial examinations of domestic insurers completed within 18 months of the "as of" exam date	100.0%	5
9	% of priority financial analyses completed within 60 days	100.0%	5
10	% of non-priority financial analyses completed within 90 days	99.8%	4
Overall Score			4.90

Note: Scoring is based on the scale adopted by the Financial Services Commission, with 1 being lowest and 5 being highest, and each measure of equal weight.

