



March 12, 2013

Commissioner Kevin M. McCarty
Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, Florida 32399-0305

Dear Commissioner McCarty:

The Florida Office of Insurance Regulation (the Office) has authority to enforce Florida laws and rules, but does not have direct enforcement authority for federal laws and regulations implementing the Affordable Care Act (ACA) and other federal laws under title XXVII of the Public Health Service Act (PHS Act). While the Department of Health and Human Services (HHS) is responsible for assuming direct enforcement in these circumstances, this letter serves as a means to accomplish HHS's direct enforcement through a collaborative arrangement with the State of Florida.

I. COLLABORATIVE ARRANGEMENT

It is important to both the Office and HHS that the elements of this collaborative arrangement be clearly described and delineated. Under this arrangement, the Office will perform the insurance compliance functions as specified below:

A. Policy Form Review

The Office will review insurance policy forms for compliance with Florida laws and rules. Further, during that review, the Office will review applicable policy forms for compliance with all federal laws and regulations. If the Office determines that an insurer's form filing is not in compliance with federal laws and regulations and is unable to obtain voluntary compliance, the Office will report potential violations of federal laws and regulations to HHS for appropriate formal enforcement action;

B. Rate Review

The Office will review insurance policy rates for compliance with all Florida laws and rules and review for compliance with all federal laws and regulations. If the Office determines that an insurer's rate filing is not in compliance with federal laws and regulations and is unable to obtain voluntary compliance, the Office will report potential violations of federal laws and regulations to HHS for appropriate formal enforcement action; and

C. Perform Targeted Market Conduct Exams

The Office will perform market conduct examinations and investigations as warranted for compliance with all Florida laws and rules. During the examinations or investigations, the Office will review for compliance with federal laws and regulations. If the Office determines that an insurer's operations are not in compliance with federal laws and regulations and is unable to obtain voluntary compliance, the Office will report potential violations to HHS for appropriate formal enforcement action.

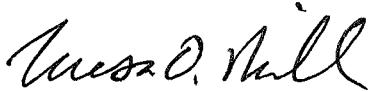
This collaborative arrangement does not address, nor does it obligate the Office to perform consumer assistance functions on behalf of HHS. A separate agreement between HHS and the appropriate Florida consumer services agency will be necessary to address consumer assistance issues.

The collaborative arrangement outlined above will become effective March 12, 2013. If the Florida Legislature adopts legislation giving the state direct enforcement authority for provisions consistent with the ACA and other federal laws under title XXVII of the PHS Act, the Office will notify HHS of this development. Until then, this letter will document our collaborative arrangement.

Thank you for your cooperation.

Sincerely,

Teresa D. Miller

A handwritten signature in black ink, appearing to read "Teresa D. Miller". The signature is written in a cursive style with a large initial "T" and "M".

Acting Director
Oversight Group