

AGENDA
FINANCIAL SERVICES COMMISSION
Office of Insurance Regulation

June 12, 2007

MEMBERS

Governor Charlie Crist
Attorney General Bill McCollum
Chief Financial Officer Alex Sink
Commissioner Charles Bronson

Contact: Chris Bailey
(850-413-2552)

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 April 17, 2007 and May 1, 2007.

(ATTACHMENT 1)

FOR APPROVAL

2. Adoption of proposed amendment to Rule 69O-176.013, Notification of Insured's Rights and Standard Disclosure Form, F.A.C.

New legislation passed in the 2006 session requires the Financial Services Commission to adopt by rule an advisory to be appended to the Personal Injury Protection form furnished by insurers to their insureds. This advisory informs the insureds 1) that rewards are available for information on insurance fraud given to the Division of Insurance Fraud, 2) that the insured may be given a percentage of any over billing that the insured reports to the insurer; and 3) that solicitation of persons injured for the purpose of filing claims against an insurer may be a crime or a violation of rule regulating the Florida Bar, and asking that information relating to such solicitation be reported to the Division of Insurance Fraud.

(ATTACHMENT 2)

APPROVAL FOR FINAL ADOPTION

3. Adoption of proposed amendment to Rules 69O-149.205, .206, and .207; "Indemnity Standard Risk Rate", "Preferred Provider/Exclusive Provider Standard Risk Rates", and "Health Maintenance Organization Standard Risk Rates".

A conversion policy is a policy an insurer is required to provide to an insured whose insurance under a group policy has been terminated for certain specified reasons; the insured's group policy is "converted" to an individual policy. This rule helps answer the question of what rate the insurer can charge for the converted individual policy. The Office is required by Section 627.6675(3)(c), F.S., to conduct an annual survey of the individual market (as contrasted with the group market) and determine "standard risk rates". These

standard risk rates are the average rates charged in the individual market for health insurance. The standard risk rates are used by the health insurers in setting their conversion rates, because pursuant to Section 627.6675(3)(a), F.S., the maximum a health insurer can charge for a conversion policy is 200% of the standard risk rate. The annual survey is conducted for PPO/EPO, Indemnity and HMO separately.

(ATTACHMENT 3)

APPROVAL FOR FINAL ADOPTION

4. Adoption of several new rules which together establish the Long-Term Care Insurance Partnership Program in Florida, Rule 69O-157.1100, Requirements for Exchange of Coverage; 69O-157.1155, Producer Training; 69O-157.201, Standards For Approved Long-Term Care Partnership Program Policies.

Section 627.94075 states that the Commission may adopts rules to implement a qualified state Long-Term Care Insurance Partnership Program in Florida.

The long-term care insurance (LTCI) partnership program was developed by the Federal Government to encourage people who might otherwise turn to Medicaid to finance their long-term care (LTC) to purchase LTCI. If people who purchase qualifying policies deplete their insurance benefits, they may then retain a specified amount of assets and still qualify for Medicaid, provided they meet all other Medicaid eligibility criteria.

(ATTACHMENT 4)

APPROVAL FOR FINAL ADOPTION

5. Adoption of proposed amendment to Rule 69O-170.0155; Forms (Mitigation and Verification Forms), F.A.C.

Section 627.711, F.S. requires the Financial Services Commission (FSC) to adopt forms related to hurricane loss mitigation. Revisions to section 627.711, F.S., in the January Special Session, required the FSC to adopt a Uniform Mitigation Verification Inspection Form.

The rule adopts revisions to Form OIR-B1-1655 Notice of Premium Discounts for Hurricane Mitigation to include references to the availability of deductible reductions and to reorganize a portion of the form. The rule also adopts a new required form titled Form OIR-B1-1802 "Uniform Mitigation Verification Inspection Form".

(ATTACHMENT 5)

APPROVAL FOR FINAL ADOPTION

6. Approval for publication of proposed Rule 69O-204.201; Life Expectancy Providers, F.A.C.
A life expectancy provider is a person which creates life expectancies for viatical settlement providers. These life expectancies are an opinion by the life expectancy provider as to how long the viator, the person who is selling his or her insurance policy, will live. The life expectancy is used to determine how much to pay the viator for his or her policy. This rule

adopts forms so that the Life Expectancy Providers can get registered by the Office as required by Section 626.99175, F.S.

(ATTACHMENT 6)

APPROVAL FOR PUBLICATION

7. Approval for publication of proposed Rule 69O-186.003, .005; Junior Loan Rule, F.A.C.

A junior lien mortgage loan is a loan that is made on property upon which there already exists a loan. The existing loan has priority on the security. The new loan, therefore, is said to be “junior” to the existing loan. Junior loan title insurance provides lenders with a lower cost title insurance product that provides limited coverage for junior lien mortgage loans.

Section 627.782 provides that the Commission must adopt a rule specifying the premium to be charged for title insurance. This rule sets the premium for this type title insurance.

(ATTACHMENT 7)

APPROVAL FOR PUBLICATION

8. Approval for publication of proposed Rule 69O-125.005, Credit Scoring F.A.C.

The proposed rule implements the provisions of section 626.9741, F.S. created by Senate Bill 40-A, which address compliance; statistical detail standards to ensure that rates or premiums associated with credit reports or scores are not unfairly discriminatory; and standards for review of models, methods, programs, or other processes that produce credit scores to determine that they are not unfairly discriminatory. The rule establishes standards and requirements for the use of credit reports or scores by insurers.

(ATTACHMENT 8)

APPROVAL FOR PUBLICATION

9. Approval of Emergency Rule Number: 69OER07-3 – Transition Provisions for the use of the Uniform Mitigation Verification Inspection Form by the “My Safe Florida Home” Program.

This Emergency Rule 69OER07-3 adopts an interim mitigation verification inspection form. This emergency rule is necessary as the temporary mitigation verification form will permit homeowners to utilize the free inspection data gathered by the My Safe Florida Home Program.

(ATTACHMENT 9)

GOOD CAUSE