

AGENDA
FINANCIAL SERVICES COMMISSION
Office of Insurance Regulation
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December 11, 2012

MEMBERS

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

Contact: Ashlee Falco
(850-413-5069)

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

ITEM	SUBJECT	RECOMMENDATION
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1. Minutes of the Financial Services Commission for June 26, 2012 and August 7, 2012.

(ATTACHMENT 1)

FOR APPROVAL

2. Request for Approval for Repeal of Rule 69O-164.030; Application of Rule 69O-164.020 to Various Product Designs

The Office of Insurance Regulation has recently conducted a comprehensive review of all agency rules to determine whether any of its rules should be modified or eliminated. As a result of this process, it has been determined that Rule 69O-164.030, Florida Administrative Code, is unnecessary and should be repealed. This rule concerns reserving approaches for guarantees established by universal life insurance policies. The repeal of this rule will make the Florida Insurance Code more consistent with the National Association of Insurance Commissioners' model laws and rules.

(ATTACHMENT 2)

APPROVAL FOR FINAL ADOPTION

3. Request for Approval for Adoption of Proposed Amendments to Rule 69O-137.001; Annual and Quarterly Reporting Requirements and Rule 69O-138.001; NAIC Financial Condition Examiners Handbook Adopted

These rules are being amended to adopt the current versions of the National Association of Insurance Commissioners instructions, manuals and Financial Condition Handbook.

(ATTACHMENT 3)

APPROVAL FOR FINAL ADOPTION

4. Request for Approval for Repeal of Rule 69O-143.045; Definitions

Rule 69O-143.045, Florida Administrative Code, was originally promulgated in the early 1970s. The rule defines a list of insurance terms. Many of the terms defined in the rule are

inconsistent with portions of the Insurance Code. As result of these inconsistencies, this rule should be repealed.

(ATTACHMENT 4)

APPROVAL FOR FINAL ADOPTION

5. Request for Approval for Repeal of Rules 69O-157.018; Right to Return Policy-Free Look, 69O-185.005; Advertisement of Mortgage Insurance, 69O-196.008; Failure to Comply, 69O-157.105; Refund of Premium, Rule 69O-198.003; License Required and 69O-170.012; Sinkhole Insurance.

These rules should be repealed because the laws that they were adopted to implement have been repealed or they substantially restate language contained in the Florida Insurance Code.

(ATTACHMENT 5)

APPROVAL FOR FINAL ADOPTION

6. Request for Approval for Adoption of Proposed Amendments to Rule 69O-149.003; Rate Filing Procedures

Pursuant to Section 627.410(6)(a), Florida Statutes, health insurers seeking to issue or renew health insurance policy forms in the State of Florida must submit documentation (rating manuals, rating schedules, change in rating manual, change in rating schedule, etc) to the Office demonstrating that the proposed policy or policy renewal's premium rates are reasonable in relation to the benefits provided. Rule 69O-149.003, Florida Administrative Code, provides insurers with detailed rate filing procedures.

Rule 69O-149.003(5), Florida Administrative Code, allows insurers without fully credible data to make streamlined rate increase filings with the Office that are simpler in format and content than the full filing format defined in Rule 69O-149.003(2), Florida Administrative Code. Insurers who qualify and elect to file streamlined rate increase filings with the Office are limited to rate increases equal to the maximum annual medical trend for medical expense coverage or the maximum annual medical trend for Medicare Supplement coverage. The current version of Rule 69O-149.003(6), Florida Administrative Code, includes tables which display the applicable maximum annual medical trend. The proposed amendments to Rule 69O-149.003 deletes the aforementioned maximum annual medical trend tables from the text of the rule and provides the URL of the Office's website on which the Office will update the tables as needed.

Rule 69O-149.003(5)(a), Florida Administrative Code, defines the qualifications that insurers must meet to make streamlined rate increase filings. The current version of 69O-149.003(5)(a) allows Medicare Supplement providers with fewer than 1,000 Florida policyholders to make streamlined rate increase filings with the Office. The proposed amendments to 69O-149.003(5)(a) limit the use of streamlined rate increase filings to Medicare Supplement providers with fewer than 1,000 policyholders nationwide rather than to 1,000 policyholders in Florida.

(ATTACHMENT 6)

APPROVAL FOR FINAL ADOPTION

7. Request for Approval for Adoption of Proposed Amendments to Rule 69O-149.022; Forms Adopted

The purpose of this rule is to update and edit the contents of the Universal Standardized Data Letter (UDL) form and instructions used by Life and Health insurers to make electronic form filings via the Office's I-File system. The proposed revisions simplify the reporting entries to reflect the Office's technology. Most of the proposed changes are already in place and have been filed by insurers for some time. As a result, the adoption of these changes by rule will not have a significant economic impact on the insurers that are required to file the revised form.

(ATTACHMENT 7)

APPROVAL FOR FINAL ADOPTION

8. Request for Approval for Publication of Proposed Amendments to Rule 69O-170.0155; Forms, 69O-176.013; Notification of Insured's Rights and Standard Disclosure Form; Personal Injury Protection Benefits.

During the last legislative session, the legislature enacted House Bill 119 (Chapter 2012-197, Laws of Florida), which made significant changes to the provision of Personal Injury Protection ("PIP") benefits in Florida. The proposed changes to Rules 69O-170.0155 and 69O-176.013 make PIP forms adopted in these Rules consistent with the changes to PIP benefits that arose out of the passage of HB 119 (Chapter 2012-197, Laws of Florida).

Rule 69O-170.0155 adopts form OIR-B1-1809 "Health Care Provider Certification of Eligibility" which requires healthcare professionals providing PIP benefits to certify that they are an eligible PIP provider by filing a copy of the form with insurers upon making an initial claim for PIP medical benefits. The amendments to this form are technical in nature and are designed to conform the form with the language of the statute.

Rule 69O-176.013 adopts Form OIR-B1-1149 "Notification of Personal Injury Protection Benefits" which is required to be given to PIP claimants upon filing a claim for PIP benefits. This form explains the rights and benefits claimants are entitled to under The Florida Motor Vehicle No-Fault Law. Form OIR-B1-1149 is being revised in accordance with revisions to the PIP law as amended by HB119 (Chapter 2012-197, Laws of Florida). Specifically, the form was revised to reflect that PIP benefits are now allocated for emergency medical treatment and a flat \$5,000 death benefit. The form was also revised to incorporate technical edits regarding fraud reporting and billing disclosures.

(ATTACHMENT 8)

APPROVAL FOR PUBLICATION

9. Request for Approval for Adoption of Emergency Rule 69OER12-01, "Emergency Adoption of Revised Notification of Personal Injury Protection (PIP) Benefits Form".

During the 2012 Legislative Session, the Legislature enacted House Bill 119 (Chapter 2012-197, Laws of Florida), which made significant changes to the provisions of Personal Injury Protection ("PIP") benefits in Florida. The effects of the Emergency Rule will allow the Office to adopt Form OIR-ER1-1149 - "Notification of Personal Injury Protection Benefits" on January 1, 2013. This form is designed to notify claimants about the PIP benefits that they are entitled to under the Florida Motor Vehicle No Fault Law.

The current version of the Notification of Personal Injury Protection Benefits accurately describes PIP benefits under the old law but would be inconsistent with the new law. As an example, the current form states that policyholders who have a claim are entitled to \$10,000 in PIP benefits. The new form explains that the benefits are limited to \$2,500 except under certain circumstances.

The Office believes adopting this form in an emergency rule is the fairest method to protect the public and to assure that insured's are timely notified of their PIP Benefits as required by Florida Law. Furthermore, rulemaking proceedings are being pursued to adopt the Notification of the PIP Rights form on a permanent basis and interested parties will have an opportunity to participate in the standard rulemaking process.

(ATTACHMENT 9)

FOR APPROVAL