

**AGENDA**  
**FINANCIAL SERVICES COMMISSION**  
**Office of Insurance Regulation**

**February 13, 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

<b>ITEM</b>	<b>SUBJECT</b>	<b>RECOMMENDATION</b>
-------------	----------------	-----------------------

1. Adoption of new Rule 69O-186.017; Certificate of Mortgage Release, F.A.C.

When title insurers are issuing title insurance they sometimes find that a mortgage holder has failed to file a satisfaction or release of the mortgage or lien, even though the mortgage has been paid off. This condition can prevent a real estate transaction from closing. Section 701.041, Florida Statutes, was passed to remedy this situation. Pursuant to this new law, a title insurer can execute and record a certificate of release of a mortgage in the event that a satisfaction or release of a mortgage with a principal amount of \$500,000 or less has not been executed and recorded after the mortgage has been paid in full. The certificate of release operates as a release of the mortgage described in the certificate. The certificate of release is to be recorded in the real property records of each county in which the mortgage is recorded. A title insurer who records a certificate of release is liable to the holder of an obligation under the mortgage (the mortgagee) for actual damage sustained due to the recording of the certificate of release unless it relied upon a payoff statement provided by the mortgagee and can prove that the mortgage was paid in full in accordance with the payoff statement.

Section 701.041(9), Florida Statutes, requires the Financial Services Commission to "adopt rules establishing an actuarially sound premium charge to be made for each certificate of release recorded pursuant to this section." This proposed rule complies with the statute, by establishing the rates to be charged.

**(ATTACHMENT 1)**

**APPROVAL FOR FINAL ADOPTION**

2. The Office is requesting that the Commission give approval for publication of Rule 69O-138.002; Financial, Rate, and Market Conduct Examination Reimbursement Expenses, F.A.C.

Section 624.320, Florida Statutes, states that insurers shall pay to the Office the expenses of examinations at the rates adopted by the Office. This rule is in response to that statute. The amendment increases the rates for reimbursement for examinations conducted by Office of Insurance Regulation employees. Though examinations may also be conducted by

outside contractor examiners, this rule only addresses reimbursement for examinations performed by Office employees.

**(ATTACHMENT 2)**

**APPROVAL FOR PUBLICATION**

3. The Office is requesting that the Commission give approval for publication of Rule 69O-171.003; Closed Claims: Professional Liability Claims, F.A.C.

The rule implements Section 627.912, Florida Statutes, the professional liability claims reporting statute, which mandates that insurers report to the Office of Insurance Regulation information relating to their *closed* professional liability claims. That statute sets out certain information which the report must contain, and then adds that the Office can, by rule, require additional information. The rule incorporates the Professional Liability Claims Reporting System, the web based software by which the insurers provide this information to us. The rule also sets out the specific information the insurers are required to file and explains how the information is to be reported.

**(ATTACHMENT 3)**

**APPROVAL FOR PUBLICATION**

4. The Office is requesting that the Commission give approval for publication of Rule 69O-171.009; Medical Malpractice Insurance Open Claims Reporting, F.A.C.

Section 627.912(7), Florida Statutes, reads that the Commission can require *open* claims information for medical malpractice claims, in addition to the closed claims information required by the rest of Section 627.912, Florida Statutes. This rule creates such a requirement and sets out the specific information that must be provided to the Office, as well as the requisite format.

The information is reported to the Office via the Professional Liability Claims Reporting System, the same web based system. The rule also sets out the specific information the insurers are required to file and explains how the information is to be reported. The purpose of the information is to allow the Office to fully and accurately monitor the medical malpractice market.

**(ATTACHMENT 4)**

**APPROVAL FOR PUBLICATION**

5. The Office is requesting that the Commission give approval for publication of Rule 69O-167.014; Alternative Methods to Handwritten Statements, F.A.C.

Sections 627.701(4)(d)4., and 627.712(6), Florida Statutes, reads that the Commission shall adopt rules providing appropriate alternative methods for providing the statements required by this section for policyholders who have a handicapping or disabling condition that prevents them from providing a handwritten statement.

**(ATTACHMENT 5)**

**APPROVAL FOR PUBLICATION**

6. The Office is requesting that the Commission give approval for publication of Rule 69O-170.0155; Forms, F.A.C.

The purpose is to approve for use by insurers beginning March 1, 2007, the Chief Executive Officer or Chief Financial Officer and Chief Actuary Certification Form.

**(ATTACHMENT 6)**

**APPROVAL FOR PUBLICATION**

7. Approval of Citizens Property Insurance Corporation's Amended Plan of Operation.

Section 627.351(6), Florida Statutes, provides that Citizens Property Insurance Corporation ("Citizens") shall operate pursuant to a Plan of Operation approved by the Financial Services Commission ("the Commission").

The Board of Citizens has submitted amendments to its Plan of Operation for approval by the Commission. The changes are in response to directions from the FSC to include customer service standards and to legislative changes found in 2007 CS/HB 1A, passed in Special Session this year.

**(ATTACHMENT 7)**

**FOR APPROVAL**