

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

February 26, 2008

MEMBERS

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

**Contact: Monte Stevens
(850-413-2571)**

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

ITEM	SUBJECT	RECOMMENDATION
-------------	----------------	-----------------------

1. Minutes of the Financial Services Commission December 18, 2007.

(ATTACHMENT 1)

FOR APPROVAL

2. Approval for publication to repeal Rule 69P-2.001, .002, Commercial Property JUA, Repeal, F.A.C.

During the January 2007 Special Session, the Florida Legislature passed House Bill 1A which deactivated the Property and Casualty Joint Underwriting Association (PCJUA). In accordance with the legislation, all policies in the PCJUA were assumed by Citizens Property Insurance Corporation (Citizens).

Consequently, this rule, which is the Plan of Operation of the PCJUA, needs to be repealed.

(ATTACHMENT 2)

APPROVAL FOR PUBLICATION

3. Approval for publication of Amendments to Rule 69O-157.302, .303, .304; Long-Term Care, Rates, F.A.C.

Section 627.9407(7)(c), Florida Statutes, provides that rates charged to an insured for renewal of an existing long term care insurance policy may not exceed the price the insurer charges for newly issued policies with similar benefits. The problem this statute addresses relates to "closed blocks" of business. A closed block of business occurs when a particular policy is no longer being sold to *new* customers. This statute protects those insureds in that closed block from excessive rate hikes by precluding an insurer from having higher renewal

rates for such closed blocks of business than the rates it charges for similar policies to new policy holders.

For insurers that are not currently issuing new policies, the statute requires the Office of Insurance Regulation (Office) to establish and publish a "new business rate", above which the renewals cannot be priced. The new business rate is published annually by the Office, and is determined by reviewing the past year's premium of those carriers which represent 80% of the market share of carriers currently selling long term care products. For example, this means that a carrier may not raise its rates on a policy first purchased in 1990 to a premium level that exceeds the cost of a similar policy which is purchased as a new product in 2007.

(ATTACHMENT 3)

APPROVAL FOR PUBLICATION

4. Approval for publication of Amendments to Rule 69O-203.210; Forms Incorporated by Reference; DMPO; Annual Report; F.A.C.

Pursuant to Section 636.218, Florida Statutes, each discount medical plan organization (DMPO) must file with the Office, within 3 months after the end of each fiscal year, an annual report. Such reports must be on forms prescribed by the Financial Services Commission.

The rule adopts the form to be used by discount DMPO's in filing their annual reports.

(ATTACHMENT 4)

APPROVAL FOR PUBLICATION