

FINANCIAL SERVICES COMMISSION

Office of Insurance Regulation

NOTICE OF PROPOSED RULE DEVELOPMENT

RULE TITLE:

RULE NUMBER:

Florida Hurricane Catastrophe Fund Assessment Information

69O-137.013

Gathering

PURPOSE AND EFFECT: To establish procedures by which the Office monitors, verifies, and assures compliance with S. 215.555(6)(b), F.S.

SUBJECT AREA TO BE ADDRESSED: Florida Hurricane Catastrophe Fund Emergency Assessments.

SPECIFIC AUTHORITY: 215.555(6)(b), 624.308(1), FS.

LAW IMPLEMENTED: 215.555(6)(b), FS.

IF REQUESTED IN WRITING AND NOT DEEMED UNNECESSARY BY THE AGENCY HEAD, A RULE DEVELOPMENT WORKSHOP WILL BE HELD AT THE TIME, DATE, AND PLACE SHOWN BELOW:

TIME AND DATE: 2:00 p.m., May 22, 2006.

PLACE: 116 Larson Building, 200 East Gaines Street, Tallahassee, Florida.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT AND A COPY OF THE PRELIMINARY DRAFT, IF AVAILABLE, IS: Carol McBrier, Office of the Deputy Commissioner (Property and Casualty), Office of Insurance Regulation, E-mail: carol.mcbrier@fldfs.com.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this program, please advise the Office at least 5 calendar days before the program by contacting the person listed above.

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT WILL BE AVAILABLE SEVEN DAYS PRIOR TO THE WORKSHOP AT NO CHARGE FROM THE CONTACT PERSON.

69O-137.013 Florida Hurricane Catastrophe Fund Assessment Information

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(1) This rule delineates the information the Office requires from authorized insurers and others to enable the Office to verify the accurate and timely collection and remittance of emergency assessments and to monitor and verify compliance with Section 215.555(6)(b), F.S. This rule also explains how the required information is to be provided to the Office and sets forth penalties for failure to comply with that section and this rule.

(2) The word “applicable premium” as used in this rule means all direct premiums for all lines of property and casualty lines of business in this state, including property and casualty business of surplus lines insurers regulated under part VIII of chapter 626, F.S., except for the following lines of business as set forth in Section 215.555(6)(b), F.S.:

- (a) Federal Flood
- (b) Medical Malpractice
- (c) Group Accident & Health
- (d) Credit A&H (group and individual)
- (e) Collectively Renewable A&H
- (f) Non-Cancelable A&H
- (g) Guaranteed Renewable A&H
- (h) Non-Renewable for Stated Reasons Only
- (i) Other Accident Only
- (j) All Other A&H

(k) Federal Employees Health Benefits Program Premium

(l) Workers' Compensation

(3) All authorized insurers collecting applicable premium shall report to the Office the following information:

(a) Company Name.

(b) NAIC Company Code (cocode).

(c) Other company demographic data.

(d) On a Current Year to Date basis, applicable premium written.

(e) On a reporting period basis (current quarter only), applicable premium written.

(f) Total FHCF Assessment Due Current Year to Date.

(g) Quarterly Payments Made – 1st Calendar Quarter.

(h) Quarterly Payments Made – 2nd Calendar Quarter.

(i) Quarterly Payments Made – 3rd Calendar Quarter.

(j) Quarterly Payments Made – 4th Calendar Quarter.

(k) A scanned document showing confirmation of the monies being deposited into the account designated by the FHCF ("payment confirmation document").

(4) The reporting required by this rule shall be accomplished electronically. [The specific method will be determined before the notice of proposed rule.]

(5) When there is a duty to report applicable premium, each of the following is a violation of Section 215.555(6)(b), F.S., and this rule:

(a) Not reporting,

(b) Reporting on or before the specified due dates but not providing all required information and documentation,

- (c) Reporting after the due dates,
 - (d) Not remitting the collected assessments to the account specified in the Order issued by the Office, and
 - (e) Remitting less than the calculated assessment.
- (6) Violations as set forth in Subsection (5) shall result in one or more of the following, as appropriate:
- (a) An administrative fine for incorrect or incomplete reporting in the amount of \$10,000,
 - (b) An administrative fine in an amount not to exceed \$1000 per day for late reporting,
 - (c) Administrative costs charged to the entity for any action taken by the Office in response to noncompliance,
 - (d) Interest in the amount specified by the Florida Hurricane Catastrophe Fund, Rule 19-8.013, Florida Administrative Code, for late payments,
 - (e) An audit of company records,
 - (f) An examination being performed at the entity's expense to gather and report the required data,
 - (g) Other administrative actions as allowed by statute.

Specific Authority 624.308(1), 215.555(6)(b) FS. Law Implemented
215.555(6)(b), 626.4211 FS. History—