

Committee on Banking and Insurance

CS/CS/SB 1416 — Public Records/Own-risk and Solvency Assessment/ Corporate Governance Annual Disclosure

by Governmental Oversight and Accountability; Banking and Insurance Committee; and Senator Simmons

The bill creates a public records exemption to incorporate the confidentiality provisions of two National Association of Insurance Commissioners' (NAIC) model acts. These two model acts provide state insurance regulators with additional solvency regulatory tools – the Own Risk and Solvency Assessment (ORSA) and the Corporate Governance Annual Disclosure. Both model acts require that states must keep these documents confidential. The related bill, CS/CS/SB 1422, implements the requirements of the model acts in the Insurance Code.

Generally, the ORSA model act requires certain insurers to conduct an ORSA and submit an ORSA summary report to the OIR. The Corporate Governance Annual Disclosure (Corporate Governance) Model Act and corresponding Corporate Governance Annual Disclosure Model Regulations, require insurers to disclose their corporate governance structure, procedures, and practices to the OIR on an annual basis.

The bill provides that, except for information obtained by the OIR, which would otherwise be available for public inspection, the following information held by the OIR is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution:

- An ORSA summary report, a substantially similar ORSA report, and supporting documents submitted pursuant to s. 628.8015, F.S.
- A corporate governance annual disclosure and supporting documents submitted pursuant to s. 628.8015, F.S.

The bill states that it is a public necessity to protect such information because it contains sensitive and strategic financial information and internal practices about an insurer or insurer group.

The bill provides for repeal of the exemption on October 2, 2021, unless reviewed and saved from repeal by the Legislature pursuant to the Open Government Sunset Review Act.

If approved by the Governor, these provisions take effect on the same date that CS/CS/SB 1422 takes effect, if such legislation becomes a law.

Vote: Senate 39-0; House 117-0