

THE FLORIDA SENATE
2016 SUMMARY OF LEGISLATION PASSED
Committee on Banking and Insurance

CS/CS/SB 1422 — Insurer Regulatory Reporting

by Appropriations Committee; Banking and Insurance Committee; and Senator Simmons

The bill revises provisions within the Insurance Code relating to solvency requirements and regulatory oversight of insurers by the Office of Insurance Regulation (OIR). The bill implements the Risk Management and Own Risk and Solvency Assessment (ORSA) Model Act and the Corporate Governance Annual Disclosure (Corporate Governance) Model Act. These model acts originated from the National Association of Insurance Commissioners' Solvency Modernization Initiative.

The ORSA model act requires insurers to analyze all reasonable foreseeable and relevant material risks potentially affecting their ability to meet policyholder obligations. This will provide the OIR with an effective early warning mechanism and provides a group-level perspective on risk and capital. The Corporate Governance model act will provide the OIR with a detailed narrative describing governance practices to promote market stability and to deter unethical behavior.

If approved by the Governor, these provisions take effect on the same date that CS/CS/SB 1416 takes effect, if such legislation becomes a law.

Vote: Senate 38-0; House 117-0