

1 A bill to be entitled
 2 An act relating to property insurer financial strength
 3 ratings; amending s. 624.315, F.S.; providing
 4 definitions; requiring the Office of Financial
 5 Regulation's annual insurance reports to the
 6 Legislature and the Governor to include the financial
 7 strength ratings of property insurers against which
 8 delinquency and similar proceedings were instituted;
 9 requiring the office to maintain information relating
 10 to financial strength ratings of property insurers and
 11 to make such information available upon request;
 12 providing an effective date.

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 14 Be It Enacted by the Legislature of the State of Florida:

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 16 Section 1. Subsections (1) through (5) of section 624.315,
 17 Florida Statutes, are renumbered as subsections (2) through (6),
 18 respectively, paragraph (c) of present subsection (1) and
 19 present subsection (5) are amended, a new subsection (1) is
 20 added, and paragraph (p) is added to present subsection (2) of
 21 that section, to read:

22 624.315 Annual reports; quarterly reports.—

23 (1) As used in this section, the term:

24 (a) "Financial strength rating" means an objective
 25 evaluation of the assets, liabilities, net worth, financial

26 health, performance, and risk of a property insurer as
 27 determined by an independent rating agency.

28 (b) "Independent rating agency" means an entity that:

29 1. Issues financial strength ratings of insurers based on
 30 an objective analysis of the insurer's financial health,
 31 performance, risk, and other factors;

32 2. Issues unbiased and objective financial strength
 33 ratings of insurers without the consent of the insurer;

34 3. Is not paid for ratings by the rated insurers directly
 35 or indirectly, whether in cash or other forms of payment;

36 4. Does not permit any rated insurer to influence the
 37 ratings of said insurer;

38 5. Is independent and free from outside control or
 39 influence and can issue ratings objectively, without fear of
 40 reprisals or loss of business;

41 6. Is empowered to begin, suspend, or end rating an
 42 insurer at its discretion; and

43 7. Is not owned or controlled, in whole or in part, by any
 44 insurer and does not enter into or maintain any potentially
 45 related business relationships with rated insurers.

46 (2)-(1) As early as reasonably possible, the office, with
 47 such assistance from the department as requested, shall annually
 48 prepare a report to the Speaker and Minority Leader of the House
 49 of Representatives, the President and Minority Leader of the
 50 Senate, the chairs of the legislative committees with

51 jurisdiction over matters of insurance, and the Governor
52 showing, with respect to the preceding calendar year:

53 (c) Names of insurers against which delinquency or similar
54 proceedings were instituted. For property insurers for which the
55 delinquency or similar proceedings were instituted, the annual
56 report must also include the date that each insurer was deemed
57 impaired of capital or surplus, as the terms impairment of
58 capital and impairment of surplus are defined in s. 631.011, or
59 insolvent, as the term insolvency is defined in s. 631.011; the
60 financial strength ratings of the property insurer issued by an
61 independent rating agency for each of the previous 8 fiscal
62 quarters before the delinquency or similar proceedings; a
63 concise statement of the circumstances that led to each
64 insurer's delinquency; a summary of the actions taken by the
65 insurer and the office to avoid delinquency; and the results or
66 status of each such proceeding.

67 ~~(3)(2)~~ The office shall maintain the following information
68 and make such information available upon request:

69 (p) The financial strength rating issued to each property
70 insurer by an independent rating agency each calendar quarter
71 during the reporting period, including the changes in ratings
72 from quarter to quarter, the number of downgrades in ratings
73 that occurred during the reporting period, the number of
74 downgraded companies that were subsequently upgraded during the
75 reporting period, and the number of downgraded companies that

HB 1661

2024

76 | were subject to delinquency or similar proceedings.

77 | ~~(6)~~~~(5)~~ When aggregate information includes information
78 | asserted as trade secret information, the office may include the
79 | trade secret information in the report required under subsection
80 | (2) ~~(1)~~ or may make the trade secret information available under
81 | subsection (3) ~~(2)~~ unless the trade secret information can be
82 | individually extrapolated, in which case the trade secret
83 | information remains protected as provided under s. 624.4213.

84 | Section 2. This act shall take effect July 1, 2024.