

Committee Substitute for Senate Bill No. 1506

An act relating to insurance; amending s. 626.9913, F.S., relating to viatical settlement providers; specifying a beginning date for submission of a required annual statement; specifying required information; specifying the period of application of an unaudited financial statement; specifying administrative action for failing to timely file an audited financial statement; amending ss. 626.99175, 627.836, 651.026, and 651.0261, F.S., relating to viatical settlement providers, premium finance companies, and continuing care providers; authorizing the Financial Services Commission to require by rule that certain statements or filings be submitted by electronic means in a certain format; amending s. 628.281, F.S.; authorizing the Office of Insurance Regulation to require that certain records or copies be submitted by remote electronic access; providing an effective date.

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

Section 1. Subsection (2) of section 626.9913, Florida Statutes, is amended to read:

626.9913 Viatical settlement provider license continuance; annual report; fees; deposit.—

(2) Annually, on or before March 1, the viatical settlement provider licensee shall file a statement containing information the commission requires and shall pay to the office a license fee in the amount of \$500. After December 31, 2007, the annual statement shall include audited financial statements prepared in accordance with generally accepted accounting principles by an independent certified public accountant as of the last day of the preceding calendar year. If the audited financial statement has not been completed, however, the licensee shall include in its annual statement an unaudited financial statement for the preceding calendar year and an affidavit from an officer of the licensee stating that the audit has not been completed. In this event, the licensee shall submit the audited statement on or before June 1. The annual statement, due on or before March 1 each year, shall also provide the office with a report of all life expectancy providers who have provided life expectancies directly or indirectly to the viatical settlement provider for use in connection with a viatical settlement contract or a viatical settlement investment. A viatical settlement provider shall include in all statements filed with the office all information requested by the office regarding a related provider trust established by the viatical settlement provider. The office may require more frequent reporting. Failure to timely file the annual statement or the audited financial statement or to timely pay the license fee is grounds for immediate suspension of the license. The commission may by rule require all or part of the statements or filings required under this section to be submitted by electronic means in a computer-readable form compatible with the electronic data format specified by the commission.

Section 2. Subsection (13) is added to section 626.99175, Florida Statutes, to read:

626.99175 Life expectancy providers; registration required; denial, suspension, revocation.—

(13) The Financial Services Commission may, by rule, require that all or part of the statements or filings required under this section be submitted by electronic means and in a computer-readable format specified by the commission.

Section 3. Subsection (2) of section 627.836, Florida Statutes, is amended to read:

627.836 Licensee's books and records; reports.—

(2) Each licensee shall annually, on or before March 1, file a report with the office giving such information as the office may require. The report shall be made under oath and in the form prescribed by the commission and shall be accompanied by the annual report filing fee specified in s. 627.849. The office may make and publish annually an analysis and recapitulation of such reports. In addition, the office may require such additional regular or special reports as it deems ~~may deem~~ necessary. The commission may by rule require all or part of the statements or filings required under this section to be submitted by electronic means in a computer-readable form compatible with the electronic data format specified by the commission.

Section 4. Paragraph (c) of subsection (1) of section 628.281, Florida Statutes, is amended to read:

628.281 Exceptions to requirement that office, records, and assets be maintained in this state.—

(1) The provisions of s. 628.271 shall not be deemed to prohibit or prevent an insurer from:

(c) Establishing and maintaining its principal operations offices, its usual operations records, and such of its assets as may be necessary or convenient for the purpose, in another state in which the insurer is authorized to transact insurance in order that general administration of its affairs may be combined with that of an affiliated insurer or insurers, but subject to the following conditions:

1. That the office consent in writing to ~~the such~~ removal of offices, records, and assets from this state upon evidence satisfactory to it that the same will facilitate and make more economical the operations of the insurer and will not unreasonably diminish the service or protection thereafter to be given the insurer's policyholders in this state and elsewhere;

2. That the insurer will continue to maintain in this state its principal corporate office or place of business, and maintain therein available to the inspection of the office complete records of its corporate proceedings and a copy of each financial statement of the insurer current within the preceding

5 years, including a copy of each interim financial statement prepared for the information of the insurer's officers or directors;

3. That, upon the written request of the office, the insurer will with reasonable promptness provide the office remote electronic access to or produce at its principal corporate offices in this state for examination or for subpoena its records or copies thereof relative to a particular transaction or transactions of the insurer as designated by the office in its request; and

4. That, if at any time the office finds that the conditions justifying the maintenance of ~~the such~~ offices, records, and assets outside this state no longer exist, or that the insurer has willfully and knowingly violated any of the conditions stated in subparagraphs 2. and 3., the office may order the return of ~~the such~~ offices, records, and assets to this state within such reasonable time, not less than 6 months, as may be specified in the order; and that for failure to comply with ~~the such~~ order, as thereafter modified or extended, if any, the office shall suspend or revoke the insurer's certificate of authority.

Section 5. Subsection (9) is added to section 651.026, Florida Statutes, to read:

651.026 Annual reports.—

(9) The commission may by rule require all or part of the statements or filings required under this section to be submitted by electronic means in a computer-readable form compatible with the electronic data format specified by the commission.

Section 6. Section 651.0261, Florida Statutes, is amended to read:

651.0261 Quarterly statements.—If the office finds, pursuant to rules of the commission, that such information is needed to properly monitor the financial condition of a provider or facility or is otherwise needed to protect the public interest, the office may require the provider to file, within 45 days after the end of each fiscal quarter, a quarterly unaudited financial statement of the provider or of the facility in the form prescribed by the commission by rule. The commission may by rule require all or part of the statements or filings required under this section to be submitted by electronic means in a computer-readable form compatible with the electronic data format specified by the commission.

Section 7. This act shall take effect upon becoming a law.

Approved by the Governor June 1, 2006.

Filed in Office Secretary of State June 1, 2006.