

Pennington
Moore
Wilkinson
Bell &
Dunbar P.A.
ATTORNEYS AT LAW



INSURANCE RULE UPDATES

**FLORIDA ADMINISTRATIVE
WEEKLY**

Volume 37, Number 39, September 30, 2011

Notice of Development of Rulemaking

[DEPARTMENT OF FINANCIAL SERVICES](#)
[Division of Insurance Agents and Agency Services](#)

RULE NO.: RULE TITLE:

[69B-221.100](#): Terms and Conditions of Contract; Surrender Form

PURPOSE AND EFFECT: The proposed rule amendment expands the list of events that constitute a breach of a principal's obligations to a surety company, allowing a surety company to rightfully act to apprehend, arrest, and surrender principal, in addition to denying a principal the right to any refund of premium. New paragraph 69B-221(1)(f), F.A.C., is added to the aforementioned list, describing an event where the indemnitor fails to make premium payment(s) as obligated under an agreement pursuant to subsection 69B-221.105(5), F.A.C. Subsection (2) of the proposed rule adds a link to the Department's website where licensees may obtain copies of form DFS-H2-1542 (Statement of Surrender Form). The language in the existing rule that directs licensees to obtain the form from the Department's Bail Bond Section is deleted.

SUBJECT AREA TO BE ADDRESSED: Terms and conditions that constitute breach of contract between of principal and a surety for a bail bond.

RULEMAKING AUTHORITY: [648.26 FS.](#)

LAW IMPLEMENTED: [648.4425 FS.](#)

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

DATE AND TIME: Tuesday, October 18, 2011, 10:30 a.m.

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

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 5 days before the workshop/meeting by contacting: Richard Brinkley, (850)413-5654 or Richard.Brinkley@myfloridacfo.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE

DEVELOPMENT AND A COPY OF THE PRELIMINARY DRAFT, IF AVAILABLE, IS:

Richard Brinkley, Government Analyst II, Bureau of Investigation, Division of Insurance Agent & Agency Services, Department of Financial Services, 200 East Gaines Street, Tallahassee, Florida 32399-0319, (850)413-5654

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS AVAILABLE AT NO CHARGE FROM THE CONTACT PERSON LISTED ABOVE.

Notice of Development of Rulemaking

[DEPARTMENT OF FINANCIAL SERVICES](#)
[Division of Insurance Agents and Agency Services](#)

RULE NO.: RULE TITLE:

[69B-221.105](#): Premium Charge Only Permitted

PURPOSE AND EFFECT: To amend the rule to allow for a minimum partial payment of at least

10% of the total premium due per the applicable rate filing of a bail bond premium at the time the bond is executed. The proposed rule requires a “written agreement” that includes all terms, conditions and other information, as specified. The proposed rule requires a bond to be fully collateralized at the time of execution and further provides that the time period for collection of the full payment of the bond premium must not exceed 180 days. Where full premium is not collected within the 180 day period, or a violation of any other terms and conditions contained in the written agreement occurs: 1) the defendant may be surrendered to custody and; 2) the bail bond agent or surety company shall be entitled to retain any portion of the premium actually paid on the bond. The proposed rule also requires form DFS-H2-1542 (Statement of Surrender Form) to be completed upon the surrender of a defendant. The proposed rule has been renumbered accordingly.

SUBJECT AREA TO BE ADDRESSED: Partial Payment of Bail Bond Premium.

RULEMAKING AUTHORITY: [624.308](#), [648.26\(1\)\(a\) FS](#).

LAW IMPLEMENTED: [624.307\(1\)](#), [624.308](#), [648.26\(1\)\(a\)](#), [648.33](#), [648.36](#), [648.44\(1\)\(o\)](#), [648.44\(6\)\(c\) FS](#).

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

DATE AND TIME: Tuesday, October 18, 2011, 10:30 a.m.

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

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 5 days before the workshop/meeting by contacting: Richard Brinkley, (850)413-5654 or Richard.Brinkley@myfloridacfo.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE

DEVELOPMENT AND A COPY OF THE PRELIMINARY DRAFT, IF AVAILABLE, IS:

Richard Brinkley, Government Analyst II, Bureau of Investigation, Division of Insurance Agent and Agency Services, Department of Financial Services, 200 East Gaines Street, Tallahassee, Florida 32399-0319, (850)413-5654

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS AVAILABLE AT NO CHARGE FROM THE CONTACT PERSON LISTED ABOVE.

Notice of Development of Rulemaking

[DEPARTMENT OF FINANCIAL SERVICES](#)

[Division of Worker's Compensation](#)

RULE NO.: **RULE TITLE:**

[69L-5.201](#): Definitions

PURPOSE AND EFFECT: The original intent of the rule was to avoid the complexities of an affiliated self-insurer structure where a parent company exists to hold the self-insurance authorization was addressed by the clause “which do not have a parent company to hold the self-insurance authorization.” A parent company able to, but not wanting to hold the self-insurance authorization, and wanting to execute a parental guaranty under Rule 69L-5.215, F.A.C., would

be precluded from doing so under the existing language of subsection 69L-5.201(2), F.A.C. The added language will allow an affiliated self-insurer structure and utilization of the financial strength of a parent company for purposes of providing a parental guaranty for affiliated self-insurers under Rule 69L-5.215, F.A.C., where the parent company could but elects to not hold the self-insurance authorization.

SUBJECT AREA TO BE ADDRESSED: Affiliated Self-Insurers and Parental Guaranty.

RULEMAKING AUTHORITY: [440.38\(1\)](#), (2), (3), [440.385\(6\)](#), [440.591 FS.](#)

LAW IMPLEMENTED: [440.38\(1\)](#), (2), (3), [440.385\(1\)](#), (3), (6) FS.

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

DATE AND TIME: Wednesday, October 19, 2011, 9:30 a.m.

PLACE: Room 102, Hartman Building, 2012 Capital Circle Southeast, Tallahassee, Florida
Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 5 days before the workshop/meeting by contacting: Pam Macon, (850)413-1708 or Pamela.Macon@myfloridacfo.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE

DEVELOPMENT AND A COPY OF THE PRELIMINARY DRAFT, IF AVAILABLE, IS:

Pam Macon, Bureau Chief, Bureau of Monitoring and Audit, Division of Workers' Compensation, Department of Financial Services, 200 East Gaines Street, Tallahassee, Florida 32399-4224, (850)413-1708 or Pamela.Macon@myfloridacfo.com

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS AVAILABLE AT NO CHARGE FROM THE CONTACT PERSON LISTED ABOVE.

Notice of Change/Withdrawal

[DEPARTMENT OF FINANCIAL SERVICES](#)

[Division of Insurance Agents and Agency Services](#)

RULE NO.: RULE TITLE:

[69B-125.004](#): Credit Report Use and Disclosure in Consideration of Insurance Applications

NOTICE OF CORRECTION

Notice is hereby given that the following correction has been made to the proposed rule in Vol. 37 No. 31, August 5, 2011 issue of the Florida Administrative Weekly.

The following is added to the end of the SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS:

STATEMENT ON RATIFICATION: The proposed repeal of Rule 69B-125.004, F.A.C., will not require legislative ratification under Section 120.541(3), F.S. The rule is being repealed since it duplicates Rule 69O-125.004, F.A.C., which is administered by the Office of Insurance Regulation. The knowledge and experience of Department staff were utilized in making this determination.

Notice of Change/Withdrawal

[DEPARTMENT OF FINANCIAL SERVICES](#)
[Division of Insurance Agents and Agency Services](#)

RULE NO.: RULE TITLE:

[69B-221.010](#): Temporary Orders of Suspension of Bail Bond Agents

NOTICE OF CORRECTION

Notice is hereby given that the following correction has been made to the proposed rule in Vol. 37 No. 32, August 12, 2011 issue of the Florida Administrative Weekly.

The Notice of Proposed Rule, as advertised on August 12, 2011, referenced incorrect information regarding the Statement of Estimated Regulatory Costs and Legislative Ratification.

The summary has been corrected to read as follows:

“SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE

RATIFICATION: No Statement of Estimated Regulatory Cost was prepared. The Division of Risk Management has determined that the proposed rule will not have an adverse impact on small business, nor will the proposed rule likely increase directly or indirectly regulatory costs, including transactional costs, in excess of \$200,000 in the aggregate within one year or \$1 million in the aggregate within 5 years after implementation of the rule. Therefore, it has been determined that the rule does not meet the threshold for ratification by the Legislature.”

Any person who wishes to provide information regarding the statement of estimated costs, or to provide a proposal for a lower regulatory cost alternative must do so in writing within 21 days of this notice.

Notice of Meeting/Workshop Hearing

[OTHER AGENCIES AND ORGANIZATIONS](#)

[National Council on Compensation Insurance](#)

The Florida Workers Compensation Appeals Board announces a public meeting to which all persons are invited.

DATE AND TIME: October 13, 2011, 9:00 a.m.

PLACE: Hyatt Regency Orlando International Airport, 9300 Airport Boulevard, Orlando, Florida, (407)825-1234, Fax: (407)856-1672

GENERAL SUBJECT MATTER TO BE CONSIDERED: Workers Compensation employer dispute.

A copy of the agenda may be obtained by contacting: No agenda provided.

Notice of Declaratory Statement

[DEPARTMENT OF FINANCIAL SERVICES](#)

NOTICE IS HEREBY GIVEN THAT on August 18, 2011, the Florida Department of Financial Services was noticed that the Michelson Insurance Group joins in the Petition for Declaratory Statement filed with the Department on June 2, 2011, by the initial Petitioner Bogen Law Group. The petition seeks the Department’s opinion as to whether or not an attorney at law licensed in the state of Florida may lawfully enter into a referral agreement with a Florida licensed resident insurance agent wherein the attorney will be paid an annual flat fee by the insurance agent for any and all legal clients referred to the agent for the potential purchase of insurance policies. The petition represents that the amount of the referral agreement will not be dependent in any sense on whether or not the referred legal client actually purchases insurance from the agent. The

petition asks the Department to agree that such a referral agreement will not constitute an unlawful rebate or unlawful inducement under Section 626.9541(1)(h), F.S.

A copy of the Petition for Declaratory Statement may be obtained by contacting: Serica Johnson at (850)413-4216 or email: Serica.Johnson@myfloridacfo.com.

Notice of Declaratory Statement

DEPARTMENT OF FINANCIAL SERVICES

OIR – Insurance Regulation

NOTICE IS HEREBY GIVEN that the Office of Insurance Regulation has received the petition for declaratory statement from CIGNA Health and Life Insurance Company, Connecticut General Life Insurance Company and CIGNA Healthcare of FL, Inc. The petition seeks the agency's opinion as to the applicability of Sections 627.6575, 627.641, 641.31, F.S., as it applies to the petitioner.

Petitioners seek a declaratory statement regarding whether Sections 627.6575, 627.641 and 641.31, Florida Statutes, require Petitioner to provide coverage for a newborn when one of its insureds, certificate holders or subscribers has specifically requested that the newborn not be added to a CIGNA insurance policy or HMO.

A copy of the Petition for Declaratory Statement may be obtained by contacting: Shannon Doheny, shannon.doheny@flair.com.

Please refer all comments to: shannon.doheny@flair.com.

Notice of Meeting/Workshop Hearing

STATE BOARD OF ADMINISTRATION

The Florida Commission on Hurricane Loss Projection Methodology announces two public meetings to which all persons are invited.

DATES AND TIME: October 19-20, 2011, 9:00 a.m. – 4:00 p.m. (ET)

PLACE: The Hermitage Centre, Conference Room, 1801 Hermitage Blvd., Tallahassee, Florida;

Conference Call: 1(888)808-6959, Conference Code: 4765251363

GENERAL SUBJECT MATTER TO BE CONSIDERED: To discuss and adopt the 2011 standards and Report of Activities, and to address other general business of the Commission.

A copy of the agenda may be obtained by contacting: Donna Sirmons, Florida Hurricane Catastrophe Fund, (850)413-1349, donna.sirmons@sbafla.com.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 7 days before the workshop/meeting by contacting: Donna Sirmons at the number or email listed above. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).
