

Florida Remains a Non-Member of The Interstate Insurance Product Regulation Commission

December 22, 2014

During the Summer NAIC meeting, the Interstate Insurance Product Regulation Commission (IIPRC) confirmed it does not recognize Florida as having entered the IIPRC Compact because Florida's Compact Statute contains material variances from the IIPRC Model Compact. According to the IIPRC, this indicates Florida's inability or unwillingness to agree to a "limited delegation to the Commission" as have other compacting states. The material variances of the Florida Compact Statute include that it:

- specifies that liability for acts, or errors or omissions occurring in Florida of the IIPRC members, officers, executive director, employees, and representatives may not exceed limits of liability under Florida constitution and laws;
- subjects IIPRC's confidential information to Florida's public records laws when in the possession of Florida officials;
- refers requests for trade secrets or matters involving individuals' privacy with respect to IIPRC records requested by a Florida resident to the Florida Commissioner;
- in some circumstances, prospectively opts out of any new uniform standard, or amendments to existing uniform standards, adopted by the IIPRC after March 1, 2013;
- opts out of the 10-day period for the unconditional refund of premiums;
- opts out of any uniform standard that conflicts with Florida statutes or rules providing consumer protections for products covered by the IIPRC Compact;

- opts out of any underwriting criteria limiting the amount, extent, or kind of life insurance based on past or future travel in a manner that is inconsistent with Florida Statutes; specifies that certain Florida laws still apply to Compact-approved products in areas such as interest on surrender proceeds, the prohibition against a surrender or deferred sales charge of more than 10 percent, notification to an applicant of the right to designate a secondary addressee at the time of application, notification of secondary addressees at least 21 days before the impending lapse of a policy, and the inclusion of a clear statement that the benefits, values, or premiums under a variable annuity are indeterminate and may vary; and
- specifies that, if the new sections added by the Florida Compact Statutes are invalidated by the courts, such a ruling renders the entire act invalid.

These material variances are significant for insurers that offer products in Florida because **the Florida Office of Insurance Regulation (the Office) will not recognize products that have only IIPRC's approval. Rather, insurers will be required to have products filed with, and approved by, the Office until Florida becomes an IIPRC member.**

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