

FLORIDA OFFICE OF
INSURANCE REGULATION

FAST FACTS

NOVEMBER 2010



About the Office of Insurance Regulation

The Florida Office of Insurance Regulation (Office) has primary responsibility for regulation, compliance and enforcement of statutes relating to the business of insurance and the monitoring of industry markets. The Office pursues its mission of public protection via regulatory oversight of insurance company solvency, policy forms and rates, market conduct performance and monitoring new company entrants into the Florida market.

About the Insurance Commissioner



Kevin M. McCarty has served as an insurance regulator since 1992 and became Florida's first appointed insurance commissioner in January 2003. Commissioner McCarty was appointed by the Financial Services Commission, which is comprised of the Governor and Florida Cabinet.

During his tenure, Commissioner McCarty has worked with the Legislature to enact consumer protections in the long-term care market, and legislation that prohibits life insurers from discriminating based on the travel plans of policyholders.

Commissioner McCarty will be President-Elect of the National Association of Insurance Commissioners (NAIC) beginning January 2011. In 2012, the Commissioner is slated to become the President of the NAIC.

Additionally, Commissioner McCarty has elevated Florida's international presence by serving on the International Association of Insurance Supervisors' (IAIS) Executive and Technical Committees, and the Joint Forum - a group of international regulators from the insurance, banking and securities sectors.

Commissioner McCarty received his bachelor's degree and Juris Doctor from the University of Florida.

Resources: Office of Insurance Regulation

Fiscal Year 2010-2011

Full-Time Employees	290
Total Budget*	\$28,141,641

100% of the budget is derived from the Insurance Regulatory Trust Fund.

**FY 2010-2011 budget includes a special category of \$4,701,763 in budget authority for the outsourcing of financial examinations. The Insurance Regulatory Trust Fund acts as a pass-through and insurers pay the cost of the examination to the Trust Fund; therefore, it is revenue neutral.*

Operating Costs (Fiscal Year 2010-2011)

Regulatory	89%
Administration	11%

Position Allocation (Fiscal Year 2010-2011)

Regulatory	88%
Administration	12%

Revenue Collected (Fiscal Year 09-10)*

Insurance Premium Tax**	\$667,900,000
Examination Cost Assessments	\$7,991,412
Fees	\$1,436,845
Penalties/Fines	\$2,857,381

**Office revenue is deposited into the Insurance Regulatory Trust Fund.*

***Insurance premium taxes are collected by the Florida Department of Revenue.*

Regulated Entities As of June 30, 2010

The Office regulated a total of 3,972 insurance entities.

Life & Health Insurers	828
Property & Casualty Insurers	1,448
Specialty & Other Entities	1,524
Surplus Lines	172

Excludes advisory organizations and rating organizations.

Overview of Insurance Premium in Florida Calendar Year 2009

Admitted

Property & Casualty	\$38.5 billion
Life & Health	\$64.6 billion
Other	\$0.9 billion
Total	\$104 billion

Surplus Lines Market*	\$3.9 billion
Citizens Property Insurance	\$2.4 billion
Residual Markets**	\$0.03 billion

Total Written Premium

\$110.3 billion

**Surplus Lines Companies write unique risks that often include high value residential and commercial properties.*

*** Residual markets are entities that sell coverage for consumers who cannot obtain coverage through private companies in Florida.*

Florida Domestic Insurance Companies

As of June 30, 2010

Authority Category	Authorities
Property & Casualty	133
Third Party Administrators	94
Service Warranty Associations	70
Premium Finance Companies	56
Continuing Care Retirement Communities	54
Motor Vehicle Service Organizations	60
Health Maintenance Organizations	37
Risk Purchasing Groups	43
Life & Health	18
Self-Insurance Funds	207
Other*	400
Total Domestic Authorities**	1,172
Total Domestic Companies	1,120

* The "Other" category is predominately donor annuities (281).

**Companies are given "authority" to write multiple kinds of insurance (e.g., a company may simultaneously be a Health Maintenance Organization and a Third Party Administrator). Therefore, the number of authorities exceeds the number of companies.

Enforcement Actions

Fiscal Year 2009-2010

Financial/Regulatory

Certificates of Authority Suspended	6
Certificates of Authority Revoked	13

Administrative Fines

Life & Health Product Review	\$6,000
Property & Casualty Product Review	\$128,500
Specialty Product Administration	\$1,359,600
Market Conduct/Investigations	\$ 603,750
Life & Health Financial Oversight	\$117,600
Property & Casualty Financial Oversight	\$79,700
Surplus Lines	\$2,500
Bad Check Service Fees	\$305
Attorneys Fees	\$559,426
Total Administrative Fines	\$2,857,381

Total Consumer Refunds* **\$39,215,494**

Public Hearings

Rate Hearings	7
Other Hearings	3
Rule Hearings/Workshops	13

**Consumer refunds represent monies returned to consumers due to activities of the Market Investigations Business Unit.*

Regulatory Activities

Fiscal Year 2009-2010

Financial Reviews (Desk Audits)

Life & Health	2,491
Property & Casualty	4,513
Specialty	2,067

Market Conduct

Market Conduct Examinations	82
Market Conduct Investigations	1,164

Financial Field Examinations

Life & Health	14
Property & Casualty	63
Specialty	91

Form and Rate Filings Processed

Business Unit	Files	Time to Process
Life & Health	7,565	20 Days
Property & Casualty	10,002	44 Days
Total	17,567	Average 34 Days

Applications Statistics

In Fiscal Year 2009-2010, the Office processed 561 company applications, which were processed in an average of 46 days. These applications were either approved, denied, withdrawn or deemed incomplete. In addition, 848 investigations of Officers and Directors were completed in an average of 61 days.

Top 20 Personal Residential Writers in Florida Policies as of December 31, 2009

	<u>Policies</u>
1. Citizens Property	975,500
2. State Farm Florida	765,998
3. Universal Property & Casualty	536,692
4. St. Johns	195,613
5. USAA	157,020
6. Castle Key (Allstate)	150,094
7. ASI Assurance	129,179
8. Homewise Preferred	115,646
9. Florida Peninsula	114,609
10. Nationwide	112,738
11. Royal Palm	112,520
12. Universal	97,712
13. United Property & Casualty	93,094
14. Liberty Mutual	88,792
15. American Integrity	87,657
16. American Strategic	86,997
17. Tower Hill Prime	81,644
18. Southern Fidelity	81,570
19. Florida Family	81,467
20. Sunshine State	76,633

Top 20 Personal Automobile Writers in Florida Premium for Calendar Year 2009

	<u>Premium in millions</u>
1. State Farm Mutual	\$2,360
2. GEICO General	\$953
3. Progressive American	\$686
4. AllState Property & Casualty	\$664
5. AllState Insurance	\$594
6. Progressive Select	\$542
7. GEICO Indemnity	\$510
8. Government Employees	\$344
9. USAA	\$333
10. AllState Fire & Casualty	\$266
11. USAA Casualty	\$237
12. AllState Indemnity	\$168
13. Direct General	\$166
14. Depositors Insurance	\$160
15. State Farm Fire & Casualty	\$159
16. Security National	\$143
17. Mercury	\$142
18. Metropolitan Casualty	\$130
19. Progressive Express	\$128
20. Liberty Mutual	\$127

Source: National Association of Insurance Commissioners' I-Site. Premium is direct premium written and includes private passenger auto, other auto liability and auto physical damage.

Life & Annuity Writers in Florida

Premium for Calendar Year 2009

Premium in millions

1. John Hancock Life	\$1,555
2. Lincoln National Life	\$1,264
3. Metlife Investors USA	\$ 998
4. Transamerica Life	\$ 982
5. Jackson National	\$ 975
6. Metropolitan Life	\$ 941
7. New York Life	\$ 898
8. Massachusetts Mutual	\$ 851
9. Allianz Life	\$ 849
10. Prudential Annuities	\$ 832

Accident & Health Writers in Florida

Premium for Calendar Year 2009

Premium in millions

1. Blue Cross & Blue Shield	\$6,168
2. Humana Medical Plan	\$4,569
3. UnitedHealthcare	\$4,423
4. Aetna Health	\$1,988
5. Wellcare of Florida	\$1,412
6. UnitedHealthcare of Florida	\$1,301
7. AvMed	\$1,068
8. Careplus Health Plans	\$ 992
9. Coventry Health Care	\$ 771
10. Health Options	\$ 674

Source: National Association of Insurance Commissioners' I-Site

World/States Premium Comparison*

<u>Rank, Country/State</u>	<u>Premium in billions</u>
1. United States	\$1,139.8
2. Japan	\$506.0
3. United Kingdom	\$309.2
4. France	\$283.1
5. Germany	\$238.4
6. Italy	\$169.4
7. China	\$163.1
8. California	\$114.8
9. Netherlands	\$108.1
10. New York	\$104.6
11. Canada	\$98.8
12. South Korea	\$92.0
13. Spain	\$82.8
14. Texas	\$77.6
15. Florida	\$75.2
16. India	\$65.1
17. Taiwan	\$63.7
18. Australia	\$60.3
19. Brazil	\$48.8
20. Switzerland	\$48.5
21. Pennsylvania	\$46.8
22. Illinois	\$46.6
23. Ireland	\$44.6
24. New Jersey	\$41.3
25. Belgium	\$40.5

**Total Premium includes Property & Casualty Premium, Life Premium, and some Health Premium. Excludes Health Maintenance Organization data.*

Source: Insurance Information Institute - 2010 The Insurance Fact Book, (based on 2008 data).

Office of Insurance Regulation

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Department of Financial Services

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850-413-3089 (out-of-state)



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