

# FLORIDA OFFICE OF INSURANCE REGULATION



# FAST FACTS

DECEMBER 2013

## 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 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 for a decade as Florida's first appointed insurance commissioner. Commissioner McCarty was appointed in 2003 by the Financial Services Commission, which is comprised of the Governor and Florida Cabinet.

The Commissioner leads a multi-state, multi-agency effort to evaluate claim settlement practices, use of the U.S. Social Security Administration's Death Master File, and compliance with unclaimed property laws for life insurance/annuity companies. He has also been instrumental in the formation of the Non-Admitted Insurance Multi-State Association, Inc. (NIMA, Inc.) and its governing agreement designed to equitably distribute surplus lines taxes.

In January 2013, Commissioner McCarty ended his one-year term as President of the National Association of Insurance Commissioners (NAIC). He is elevating Florida's international presence by serving as the NAIC representative on the International Association of Insurance Supervisors' (IAIS) Executive (serves as Co-Vice Chair) and Technical Committees. This year, Florida participated in more than 50 NAIC committees, task forces and working groups.

The Commissioner remains committed to stabilizing Florida's property insurance market, protecting consumers and enhancing the state's presence with the world's global financial industry.

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

# Budget and Resources

(Fiscal Year (FY) 2013-2014)

288	\$29,438,109
Full-Time Employees	Total Budget*

100% of the budget is derived from the Insurance Regulatory Trust Fund. (General Revenue is not used to fund the Office's operations).

\*FY 2013-2014 budget includes a special appropriations category of \$4,926,763 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.

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## Operating Costs (FY 2013-2014)

Regulatory and Enforcement	93%
Administration	7%



## Position Allocation (FY 2013-2014)

Regulatory and Enforcement	93%
Administration	7%



## Revenue Collected (FY 2012-13)

Insurance Premium Tax*	\$705,800,000
Penalties/Fines/Fees	\$9,583,150

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

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# Insurance and Related Entities

(As of June 30, 2013)

**The Office has oversight of 4,144 total insurance and related entities, of which 146 are new entities (excludes advisory and rating organizations)**

	<u>New Entities</u>	<u>Total Entities</u>
Property & Casualty	26	1,013
Life & Annuity	2	423
Health	6	81
Fraternal	0	36
Title	0	19
Other*	106	2,388
Citizens Property Insurance Corp.	--	1
Other Residual Markets**	--	6
Surplus Lines	6	177

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## Overview of Insurance Premium in Florida

(Calendar Year (CY) 2012)

<u>Admitted</u>	<u>Premium</u>
Property & Casualty	\$ 35,048,454,121
Life & Annuity	\$ 43,827,890,823
Health	\$ 29,071,412,165
Fraternal	\$ 359,047,200
Title	\$ 892,740,048
Other*	\$ 201,073,696
<b>Total</b>	<b>\$ 109,400,618,053</b>
Surplus Lines Market	\$ 4,420,254,022
Citizens Property Insurance Corp.	\$ 3,180,754,795
Residual Markets**	\$ 18,378,943
<b>Total Written Premium</b>	<b>\$ 117,020,005,813</b>

\*Other is specialty companies and entities that do not file with the NAIC.

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

# Florida Domestic Insurance Companies & Related Entities

(As of June 30, 2013)

<u>Authority Category</u>	<u>Authorities</u>
Continuing Care Retirement Communities	45
Health Maintenance Organizations	41
Life & Health Insurers	20
Motor Vehicle Service Companies	65
Premium Finance Companies	52
Property & Casualty Insurers	123
Risk Purchasing Groups	49
Self-Insurance Funds	220
Service Warranty Associations	66
Third Party Administrators	97
Other*	382
<b>Total Domestic Authorities**</b>	<b>1,160</b>
<b>Total Domestic Companies</b>	<b>1,106</b>

\* The "Other" category includes 273 donor annuities plus one or more of the following: churches (benefit organizations); discount medical plan organizations; fiscal intermediary services organizations; health flex plans; home warranty associations; legal expense insurance; motor vehicle manufacturers; multiple employer welfare arrangements; other insurance-related entities; pre-paid health clinics; pre-paid limited health service organizations; residual markets; service companies; title; and, viatical settlement providers.

\*\* 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

(FY 2012-2013)

Financial/Regulatory	Amount
Certificates of Authority Suspended	3
Certificates of Authority Revoked	5

Public Hearings	Amount
Rate Hearings	8
Rule Hearings/Workshops	10
Other Hearings	1

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## Administrative Penalties/Fines/Fees

	<u>Amount</u>
Life & Health Product Review	\$ 8,200
Property & Casualty Product Review	\$ 10,005
Specialty Product Administration	\$ 168,613
Market Investigations	\$ 5,399,297
Life & Health Financial Oversight	\$ 201,905
Property & Casualty Financial Oversight	\$ 30,600
Surplus Lines Late Filing Fees	\$ 19,500
Bad Check Service Fees	\$ 167
Attorneys' Fees	\$ 1,913,308
Miscellaneous Fees	<u>\$ 1,831,555*</u>
<b>Total Administrative Penalties/Fines/Fees</b>	<b>\$ 9,583,150</b>
<b>Total Consumer Refunds**</b>	<b>\$ 7,076,257</b>

\*Miscellaneous fees are for filing and application services, etc.

\*\*Consumer refunds represent monies returned to consumers due to activities of the Market Investigations Business Unit, as well as excess profits and rate refunds.

# Regulatory Activities

(FY 2012-2013)

Financial Reviews (Desk Audits)	Amount
Life & Health	2,430
Specialty	1,116
Property & Casualty	4,776

Market Conduct	Amount
Examinations	70
Investigations	773

Financial Field Examinations	Amount
Life & Health	12
Specialty	9
Property & Casualty	35

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<u>Form and Rate Filings Processed</u>	<u>Filings</u>	<u>Time to Process</u>
Life & Health	5,664	24 Days
Property & Casualty	9,367	60 Days
<b>Total</b>	<b>15,031</b>	<b>Average 42 Days</b>

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## Applications Statistics

The Office processed 488 company applications in an average of 39 days. These applications were either approved, denied, withdrawn or deemed incomplete.

In addition, 974 background investigations of Officers and Directors were completed in an average of 62 days.

# Top 20 Personal Residential Writers in Florida

(Policies as of December 31, 2012)

<u>Company</u>	<u>Policies</u>
1. Citizens Property	1,268,071
2. Universal Property & Casualty	542,882
3. State Farm Florida	387,970
4. Security First	177,589
5. St. Johns Insurance	175,535
6. Homeowners Choice	152,446
7. American Integrity	150,189
8. Florida Peninsula	139,721
9. USAA	135,964
10. United Property & Casualty	117,233
11. Tower Hill Prime	113,624
12. Castle Key Indemnity (Allstate)	113,344
13. Castle Key Insurance (Allstate)	109,156
14. American Bankers	104,489
15. ASI Assurance	101,480
16. Florida Family	96,190
17. ASI Preferred	90,340
18. Tower Hill Signature	77,533
19. Southern Fidelity	75,124
20. Ark Royal	74,276

Source: Quarterly and Supplemental Reporting System - Next Generation,  
Florida Office of Insurance Regulation



# Top 20

## Personal Automobile Writers in Florida

*(Premium for CY 2012)*

<u>Company</u>	<u>Premium in Millions</u>
1. State Farm Mutual	\$ 2,405
2. GEICO General	\$ 1,415
3. Progressive American	\$ 870
4. Progressive Select	\$ 733
5. GEICO Indemnity	\$ 666
6. Allstate Fire & Casualty	\$ 603
7. Allstate Insurance	\$ 481
8. Government Employees	\$ 431
9. USAA	\$ 375
10. Allstate Property & Casualty	\$ 304
11. USAA Casualty	\$ 270
12. 21st Century Centennial	\$ 263
13. Travelers Home & Marine	\$ 254
14. Infinity Auto	\$ 210
15. Security National	\$ 197
16. Direct General	\$ 195
17. Safeco Insurance Co. of Illinois	\$ 191
18. United Automobile	\$ 165
19. Esurance Property & Casualty	\$ 159
20. Metropolitan Casualty	\$ 150

*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 CY 2012)

<u>Company</u>	<u>Premium in Millions</u>
1. Prudential	\$ 3,538
2. Jackson National Life	\$ 1,630
3. Lincoln National Life	\$ 1,590
4. Pruco Life	\$ 1,423
5. MetLife Investors USA	\$ 1,255
6. John Hancock Life	\$ 1,254
7. Massachusetts Mutual	\$ 1,060
8. Nationwide Life	\$ 884
9. Transamerica Life	\$ 867
10. Metropolitan Life	\$ 865

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## Accident & Health Writers in Florida

(Premium for CY 2012)

<u>Company</u>	<u>Premium in Millions</u>
1. Blue Cross & Blue Shield	\$ 6,558
2. Humana Medical	\$ 5,062
3. UnitedHealthcare Insurance	\$ 4,931
4. WellCare of Fla.	\$ 1,796
5. Aetna Health	\$ 1,374
6. United Healthcare of Fla.	\$ 1,307
7. CarePlus Health Plans	\$ 1,186
8. Avmed	\$ 911
9. Humana Insurance	\$ 758
10. Connecticut General Life	\$ 757

Source: National Association of Insurance Commissioners' I-Site

## 2012 World/States Premium Volume

<u>Rank</u>	<u>Country/State</u>	<u>Premium in Billions</u>
1.	Japan	\$ 654.1
2.	United Kingdom	\$ 311.4
3.	PR China	\$ 245.5
4.	France	\$ 242.4
5.	Germany	\$ 231.9
6.	<b>California</b>	<b>\$ 228.0</b>
7.	Italy	\$ 144.2
8.	<b>New York</b>	<b>\$ 140.6</b>
9.	South Korea	\$ 139.2
10.	Canada	\$ 122.5
11.	<b>Texas</b>	<b>\$ 119.1</b>
12.	<b>Florida</b>	<b>\$ 113.2</b>
13.	Netherlands	\$ 100.3
14.	<b>Pennsylvania</b>	<b>\$ 93.7</b>
15.	Taiwan	\$ 87.7
16.	Australia	\$ 86.2
17.	Brazil	\$ 82.2
18.	Spain	\$ 71.9
19.	India	\$ 66.4
20.	<b>Michigan</b>	<b>\$ 65.5</b>

**The United States has the most premium in the world at \$1.753 trillion;** this list features state premiums, therefore, the United States is excluded.

*Source: National Association of Insurance Commissioners (NAIC) Schedule T gross direct and reported surplus lines premium by State and Nation, exclusive of Florida-only filers.*



# FLORIDA OFFICE OF INSURANCE REGULATION

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The Office website has numerous resources available, including “CHOICES” (home/auto rate comparison tool), “Company Search”, and the “I-File Search System” (locate form & rate filings).



**Florida Department of Financial Services**  
**Consumer Help Line**

Toll-Free - (877) 693-5236 (Florida only)  
(850) 413-3089 (out-of-state)

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