Notice of Proposed Rule

DEPARTMENT OF FINANCIAL SERVICES
OIR – Insurance Regulation
RULE NO.: RULE TITLE:
69O-138.003 Market Conduct Exam Methodology
PURPOSE AND EFFECT: Rule 69O-138.003 is being amended to define what constitutes "a disproportionate number of claims-handling complaints" as required by Section 624.3161(8), F.S.
SUMMARY: Rule 69O-138.003 is being amended to define what constitutes "a disproportionate number of claims-handling complaints" as required by Section 624.3161(8), F.S.
SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:
The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of $200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the Agency.
The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: Agency personnel familiar with the subject matter of the rule amendment have performed an economic analysis utilizing the Rule Ombudsmen SERC Checklist shows that the rule amendment is unlikely to have an adverse impact on the State economy in excess of the criteria established in Section 120.541(2)(a), Florida Statutes.
Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.
RULEMAKING AUTHORITY: 624.308(1), 624.3161, F.S.
LAW IMPLEMENTED: 624.3161, F.S.
IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAR.
THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Kama Monroe, Office of Insurance Regulation, Kama.Monroe@floir.com, (850)413-4121.

THE FULL TEXT OF THE PROPOSED RULE IS:

**69O-138.003 Market Conduct Exam Methodology**

The Office will prioritize scheduling and conducting market conduct examinations of insurers and other entities regulated by the Office based on the following selection methodology.

(1) through (3) No Changes.

(4) Priority 4 - Non-statutory Examinations:

(a) Complaint data analysis <u>including the existence of a disproportionate number of claims-handling complaints,</u>

(b) through (d) No Changes.

<u>(5) An insurer has a disproportionate number of claims-handling complaints when one or more of the following conditions are met:</u>

<u>(a) Sustained elevation (alternative persistence test). The insurer's complaint index is ≥ 1.50 in three of the last four quarters, with ≥ 15 claims-handling complaints in at least two of those quarters.</u>

<u>(b) Statistical outlier. The insurer's rolling four-quarter complaint index is ≥ 2 standard deviations above the statewide mean for the line of business, with ≥ 40 claims-handling complaints over the four-quarter window.</u>

<u>(c) Adverse trend plus elevation. The insurer shows a three-consecutive-quarter increasing trend in the complaint index and the most recent quarter is ≥ 2.00 with ≥ 25 claims-handling complaints in that quarter.</u>

<u>(d) Post-catastrophe condition. Following a hurricane or tropical storm, the insurer meets the top 20 percent claims-handling complaint-to-claims ratio condition described in s. 624.3161(7)(b)1., F.S., which independently constitutes a disproportionate level for purposes of this rule.</u>

<u>(e) For the purposes of this subsection:</u>

1. Complaint Index is determined by comparing the number of claims-handling complaints to the number of an insurer's open claims as reported by the insurer on the latest Catastrophe Reporting Form required to be filed under subsection 69O-142.015(1), F.A.C.

2. Only claims-handling complaints filed by a named insured or named beneficiary shall be used to determine if an insurer has a disproportionate number of claims-handling complaints.

3. A request made by a named insured, a named beneficiary, a representative of the insured or named beneficiary, or an insurer to participate in any form of alternate dispute resolution process shall not be included when calculating the Complaint Index.

*Rulemaking Authority 624.308(1), 624.3161 FS. Law Implemented 624.3161 FS. History–New 1-2-24, Amended XX-XX-2026.*

NAME OF PERSON ORIGINATING PROPOSED RULE: Kama Monroe, Assistant General Counsel
NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Financial Services Commission
DATE PROPOSED RULE APPROVED BY AGENCY HEAD: June 9, 2026
DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: April 1, 2026