



**INFORMATIONAL MEMORANDUM
OIR-10-7M
ISSUED**

October 6, 2010

Florida Office of Insurance Regulation
Kevin M. McCarty, Commissioner

ALL LIFE AND ANNUITY INSURERS

The purpose of this memorandum is to remind insurers of the legislative creation of Section 627.4605, Florida Statutes (F.S.) and the amending of Sections 627.464, 627.552 and 627.5575, F.S. as enacted in the 2010 Regular Session of the Florida Legislature. This notice is not intended to be a comprehensive analysis of the bill. You are encouraged to review specific bills found by legislative bill number at <http://www.leg.state.fl.us>.

HOUSE BILL 885 (Chapter 2010 -61, Laws of Florida)

This bill became effective May 11, 2010.

Section 627.4605 provides that a notice of replacement of a life insurance policy is not required in a transaction involving:

- 1) An application to the existing insurer issuing the existing policy or contract when a contractual change or conversion privilege is exercised;
- 2) Replacement of an existing policy or contract by the same insurer pursuant to a program filed with and approved by the Office; or
- 3) A term conversion privilege exercised among corporate affiliates.

Subsection 627.464(2), F.S. is amended to provide that an annuity, dedicated, or otherwise allocated as part of a settlement to satisfy the requirements of 42 U.S.C., Section 1395y(b)(2) may not be sold to, or commuted by or for, a third party unconnected to the settlement.

Paragraph 627.552(1)(a), F.S. is amended to prohibit a class of employees from being created which are solely employees covered under the employer's group health plan. The section does not prohibit an employer from requiring participation in its group health plan as a condition of employment.

Subsection 627.5575 (3), F.S. (Group life, except for Debtor groups issued under Section 627.553) amended the provision that the amounts of life insurance for any covered spouse or dependent child under the policy may not exceed 50% of the amount of the insurance for which the employee or member is insured to now provide that the amounts of life insurance for any covered spouse or dependent child under the policy may not exceed the amount of the insurance for which the employee or member is insured.

If you have any questions regarding the contents of this Memorandum, please contact Jim Walker, Florida Office of Insurance Regulation at James.Walker@flor.com or (850) 413-5148.