

FROM: Director, Worldwide Markets                      EXTN: 6677  
DATE: 11 November 2004                                      REF: Y3424  
SUBJECT: **FLORIDA OFFICE OF INSURANCE REGULATION - EMERGENCY RULES  
COVERING MEDIATION, CLAIMS ADJUSTMENT AND ADDITIONAL  
HURRICANE REPORTING**  
SUBJECT AREA(S): Enacted prohibitions on Florida policies following the Florida windstorms  
ATTACHMENTS:

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ACTION POINTS: **All underwriters and managing agents to note the enacted prohibitions  
and reporting requirements**  
DEADLINE(S): **Immediate**

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## 1. Purpose of bulletin

To advise the market of Lloyd's response to Florida's Office of Insurance Regulation's ("Florida Office") Emergency Rules 69OER04-19, 69BER04-20 (superseding Emergency Rule 69BER04-18), and the Informational Memorandum OIR-04-016M and OIR-04-017M.

## 2. Emergency Rule 69BER04-19 – Claims Adjustment Requirements

### The Rule

The Emergency Rule establishes deadlines for processing claims related to Hurricanes Charley, Frances, Ivan, Jeanne and Tropical Storm Bonnie. The rule specifies actions that must be taken by specified dates to assess, process and settle claims. The Emergency Rule can be found at:

[Link to Emergency Rule 69BER04-19](#)

### Applicability

The Emergency Rule applies to all insurers with personal lines residential property claims in the State of Florida resulting from Hurricanes Charley, Frances, Ivan, Jeanne and Tropical Storm Bonnie. The rule therefore applies to surplus lines insurers (it does not apply to reinsurers).

### Lloyd's response

Lloyd's, in conjunction with Lloyd's America and Florida local counsel, is seeking to clarify with the assistance of the Florida Office how the Emergency Rule should be implemented in order to best achieve the intentions of the Rule whilst recognising the typical distribution chain for the placement of surplus lines business within which Lloyd's operates. These discussions are ongoing and a further market bulletin(s) will be issued shortly outlining the approach agreed once Lloyd's position is finalised.

### **3. Emergency Rule 69BER04-20 – Alternative Procedures for Resolution of Disputed Personal Lines Insurance Claims arising from Hurricane and Tropical Storm Damage**

#### **The Rule**

The Emergency Rule establishes a special mediation program for personal lines residential insurance claims resulting from Hurricanes Charley, Frances, Ivan and Jeanne and Tropical Storm Bonnie. The rule creates procedures for notice of the right to mediation, request for mediation, assignment of mediators, payment for mediation, and conduct of mediation. The Emergency Rule can be found at:

[Link to Emergency Rule 69BER04-20](#)

#### **Applicability**

The emergency rule applies to all personal lines residential insurance claims resulting from Hurricanes Charley, Frances, Ivan and Jeanne and Tropical Storm Bonnie. The rule therefore applies to surplus lines insurers (it does not apply to reinsurers).

#### **Lloyd's response**

Lloyd's, in conjunction with Lloyd's America and Florida local counsel, is seeking to clarify with the assistance of the Florida Office how the Emergency Rule should be implemented in order to best achieve the intentions of the Rule whilst recognising the typical distribution chain for the placement of surplus lines business within which Lloyd's operates. These discussions are ongoing and a further market bulletin(s) will be issued shortly outlining the approach agreed once Lloyd's position is finalised.

### **4. Informational Memorandums OIR-04-016M and OIR-04-017M – Additional Hurricane Reporting**

#### **The Memorandum**

The Informational Memorandums OIR-04-016M and OIR-04-017M can be found at:

[Informational Memorandum OIR-04-016M](#)

[Informational Memorandum OIR-04-017M](#)

#### **Applicability**

All property and casualty insurers transacting business in Florida are required to submit to the Florida Office information for any property claims that result from Hurricanes Charley, Frances, Ivan, and Jeanne. The rule therefore applies to surplus lines insurers (it does not apply to reinsurers).

#### **Lloyd's response**

Lloyd's responded to earlier Informational Memorandums by agreeing with Florida Office the items of information it would be able to report weekly from centrally available sources. This includes Xchanging claims data and the financial projections provided by Major Loss Returns completed by syndicates. Lloyd's, in conjunction with Lloyd's America and Florida local counsel, is seeking to clarify with the assistance of the Florida Office how the requirements of the latest Informational Memorandum can be met whilst recognising the level of information collected centrally by Lloyd's. These discussions are ongoing and a further market bulletin(s) will be issued shortly outlining the approach agreed once Lloyd's position is finalised.

## 5. Further information

Please contact Lloyd's Worldwide Market Services (contact details found below) for more information.

Lloyd's Worldwide Market Services  
Tel: 020 7327 6677  
Email: [market.services@lloyds.com](mailto:market.services@lloyds.com)  
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This bulletin has been sent to active underwriters and the compliance officers of managing agents and to Lloyd's brokers.

The information contained in this market bulletin is provided in order to support managing agents in meeting their commitment **'to protect Lloyd's licences and authorisations to conduct insurance business in the UK and overseas'**. The information will also help underwriters decide, prior to binding, how a risk can be underwritten in compliance with Lloyd's trading rights in the country concerned.

More detailed information on Lloyd's trading rights may be found on <http://www.lloyds.com> under the section headed "Lloyd's trading status". Just select the appropriate country and this will take you to the Quick Reference Guide for the country selected. More detailed information may then be obtained by selecting 'Manual' from the menu on the left hand side of the screen (a Manual may not, however, be available for all territories). You will be asked to input a user name and password, please contact the Market Services Desk (see above contact details) for this information.

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