POLICY BRIEF

Expanding Regulatory Sandboxes to Fast-Track Innovation

Andrea O'Sullivan
Director of The Center for Technology and Innovation,
The James Madison Institute

As policymakers seek to boost innovation within their borders, forward-looking national and regional governments have embraced "regulatory sandboxes" as a means to afford a market-centered opportunity for experimentation under the watchful eyes of regulators. Florida has been a leader in the advance of regulatory sandboxes, implementing a financial technology or "fintech" sandbox in 2020, which will begin operations on January 1, 2021.

The speed of Florida's embrace of regulatory sandboxes has been as cutting-edge as it was admirable, as the state adopted its own fintech licensing relief just four short years from the time that the United Kingdom first initiated the concept of a fintech sandbox under its Financial Conduct Authority.[1] As the UK's sandbox has been around for roughly half a decade now, we can draw lessons of what Florida might expect: products get to market sooner, participants attract key partnerships and funding, and consumers are served by more innovative products from both participants and market

The JAMES MADISON INSTITUTE
Trusted Solutions for a Better Florida

incumbents.[2]

Floridians can benefit from more market innovation in non-fintech applications as well. As such, Florida policymakers should consider extending the successes of the regulatory sandbox model to more industries such as legal services or insurance, or even undertake an industry-neutral sandbox to which any innovative entrepreneur can apply.

What is a regulatory sandbox?

There are many ways that regulations constrain business. Some industries must apply for, obtain, and maintain a government license before they are able to legally operate. Others must submit to certain reporting, oversight, auditing, and data maintenance requirements. Sometimes there are special fees or taxes. And of course, different businesses may be subject to different combinations of the above.

Economists have long pointed out that regulation can sometimes have the counterproductive effect of serving as a barrier to entry for potential market competitors.[3] The reasoning is simple: market incumbents are usually better funded and more able to handle regulatory costs than potentially more innovative startups. Because new companies lack the capital and lawyers to navigate established regulatory structures, they are often preemptively shut out of the market. This is not only costly for affected firms, it robs society of innovative new products, services, and companies while seriously stalling our potential for economic growth.

Wholesale regulatory reform is difficult for many reasons.[4] Government and private incumbents may be opposed to the change. The public may prefer the status quo, therefore constraining political actors' opportunities for reform. Or perhaps the regulations are indeed socially beneficial for market incumbents with the unfortunate side effect of limiting new entrants.

Regulatory sandboxes offer a solution to the "barrier to entry" problem by helping innovative new firms fast-track their products and services to market with the collaboration of expert regulators. As the name suggests, a sandbox is a defined environment where innovative companies may safely experiment under the watch and guidance of regulatory agencies. Firms that successfully complete a sandbox program will grow enough to become a full-fledged business that is regulated similar to every other incumbent.

By lowering the initial regulatory costs for market upstarts, these firms may have the chance to grow into competitors that can capably shoulder normal compliance costs, at which point they "graduate" from the sandbox. Alternatively, firms whose business models are found to be unworkable or unprofitable may fold without losing as much investment as they otherwise would if they had to comply with the full regulatory burdens from the start.[5]

There are many ways to structure a regulatory sandbox.[6] It may be targeted to a particular industry, as is Florida's fintech sandbox, or it may be general purpose; other proposed and established sandboxes have included energy firms,[7] environmental efforts,[8] and data protection software.[9] A sandbox may be established for a set period of time or it may be variable. It may completely absolve participants of regulatory requirements or it may simply offer a more limited regulatory framework. Most regulatory sandboxes require that businesses inform potential customers of the participation in the program in the interest of transparency and consumer protection. Each sandbox will have its own terms and conditions for entry, exit, relief, reporting, and timeframe that are tailored to the goals of the establishing government.

What are the benefits and risks?

The most exciting benefit of regulatory sandboxes is that they may kick-start innovative businesses that might otherwise be stymied by regulatory costs. The longest-lasting regulatory sandbox is the United Kingdom's fintech sandbox, which was established in 2015. It has hosted two cohorts of roughly 700 participants and yielded promising outcomes:[10]

- Sandbox participants got to market 40 percent faster than non-participants;
- Around 80 percent of participants successfully graduated from the program and are still in operation while non-participants who applied tended to fail at higher rates;
- Sandbox participants attracted some £135 million in equity funding; around half of them ended up partnering with incumbent firms.

The result is that consumers enjoy more and better options at potentially lower cost. Importantly, lower-income and working-class consumers are often among the key market segments served by sandbox participants.[11] The reason is that sandbox participants can offer lower cost or targeted services that might otherwise be impossible under existing high-cost regulatory structures.

Interestingly, it appears that the UK sandbox spurred market incumbents to become more innovative as well. Many participants partnered with established firms, such as HSBC, to share their experimental arrangements with the more seasoned partners. Additionally, incumbents who did not partner with sandbox participants often attempted to replicate or roll out their own new fintech applications to remain competitive. In this way, regulatory sandboxes can create positive spillover effects that extend even to traditionally-regulated entities.

There are benefits for regulators themselves, too. Economists often point to the "pacing problem" plaguing regulators of fast-moving industries.[12] Technology moves exponentially while laws grow linearly. It is exceedingly difficult for even well-engaged and knowledgeable regulators to gather the institutional capital and legal language required for appropriate oversight of new technologies. By bringing innovators and regulators into early and routine dialogue about cutting-edge industries, agencies will have better insight and knowledge into how laws should be updated to take fast-moving technologies into account.[13]

However, regulatory sandboxes are no panacea. Indeed, some of the most promising outcomes of experiments so far can just as easily present risks. For example, consider the empirical finding that sandbox participants may have an easier time attracting finance than non-participants.[14] This could be because investors (rightly or wrongly) view sandbox participation as a kind of government endorsement of this business model, or at the very least a sign that these firms will have fewer regulatory issues than non-participants.

In this way, the decision of whether to grant a regulatory sandbox could become a problem of the "government picking winners or losers," particularly when the criteria for selection are arbitrary and inconsistent.[15] It is imperative that policymakers carefully design safeguards against this potential for favoritism through transparency measures, fair and clear criteria for entry and exit, and program review. In general, the program should be designed so that participation is granted as liberally as possible while still maintaining quality standards; otherwise, the risk of inadvertent or knowing favoritism may be too great.

Alternatively, sandboxes can be so difficult to enter or offer so little regulatory relief that it is just not worth participating in the program. If it is roughly as difficult to obtain sandbox participation as it is to obtain a traditional license, why would a business bother to apply to the sandbox? There needs to be a real value from participation, and it should not be as onerous as the process that it is attempting to alleviate!

Finally, innovative firms that knowingly choose not to enter the regulatory sandbox should not be punished for their choice. Startups may decide they don't want to participate for a variety of reasons: perhaps they have consulted with attorneys and determined that they don't need regulatory relief, or they feel confident that they can handle the regulatory burdens on their own, or perhaps they are simply uncomfortable with some of the terms of the program. That is all within their rights. Regulators should not view non-participation as a mark against a firm and use that as a pretext to engage in administrative retaliation by, say, more closely scrutinizing that firm than they would a participant. To guard against this kind of regulatory retaliation, agency culture should emphasize the values of objectivity and participation neutrality.[16]

How Florida can expand the regulatory sandbox model

Florida's much-welcomed fintech sandbox is set to launch on January 1, 2021. The program empowers the Office of Financial Regulation (OFR), which administers the state's anti-money laundering/know your customer (AML/KYC) data reporting requirements and consumer protection licensing laws on money transmitters, to solicit applications from fintech firms seeking regulatory relief.

Interested parties may first seek a declaratory statement from OFR to determine whether an existing regulation would indeed apply to their business and therefore make them a good sandbox candidate. Hopefuls would then submit a sandbox application to OFR with the following information: a description of the innovative product, the potential risk to consumers and how the business will protect against those along with the disclosure language that they will provide customers, the business plan, description of personnel and operations, and the financial responsibilities of business leadership.

OFR will review those applications and issue a decision within 60 days. For approved applicants, OFR would describe the laws from which participants are exempt and for what period (not exceeding 24 months with a possible extension of 12 additional months) and post these online for the public to view. At the end of the sandbox period, the participant must either prepare to transition as a fully-regulated entity or wind down operations.

OFR may determine on a case-by-case basis how many customers a participant can serve—initially up to 15,000 with an option to authorize up to 25,000 after the participant files their first biennial report. These reports inform OFR of the participants' financialization, risk management process, and management oversight, which should help OFR get a better picture of overall firm health and

therefore possible risk to consumers. Furthermore, participants must be transparent with all possible customers, giving them specific data about the company and requiring signed statements that the customers acknowledge the experimental nature of these offerings. Customers may still sue sandbox participants for losses or damages caused by the product.

This program imposes a good number of requirements on participants. Time will tell whether changes to the program should be made. Low participation in the program may signal that reporting requirements are too onerous, licensing relaxation is too light, or the standard for approval is too high. To ensure the greatest chance of success, lawmakers should closely monitor sandbox outcomes to determine what reforms may be appropriate.

In the meantime, lawmakers should consider whether other industries could benefit from the regulatory relief provided by sandbox programs. Other states have implemented sandboxes for legal services (Utah) and insurance (Utah,[17] Kentucky,[18] and Vermont[19]). Florida could also evaluate the creation of a general-purpose sandbox, as have states such as Tennessee and Utah.

Legal services sandbox

Utah has proven itself a leader in the formation of regulatory sandboxes, implementing innovation spaces for fintech, insurance, and legal services.[20] In August 2020, the Utah Supreme Court allowed for a regulatory sandbox framework to be applied to the legal services industry.[21] The program is set to last for the next two years, or longer if the Utah Supreme Court decides to extend it.

Those desiring to enter must apply and be accepted to receive the exemptions provided by the regulatory sandbox. Once accepted, those practicing legal services under the sandbox will be watched closely. A comment period for the sandbox led to the addition of better ability to file a complaint about the services and clearer restrictions on those who've been stripped of their ability to practice law in the past.[22]

This first-of-its-kind development will allow for more affordable legal services to be offered by non-attorneys.[23] Without non-attorneys being allowed to offer their services, residents of Utah are limited to the higher prices from attorneys. The regulatory sandbox framework can eliminate anti-competitive barriers to entry that keep prices higher than they otherwise would be. Benefits are not concentrated among new entrants from less compliance costs, rather they are dispersed among consumers, who can enjoy the affordability and accessibility of legal services.

Perhaps the most well-known example is Rocket Lawyer, a company that provides affordable legal services. The company was accepted into the sandbox program in Utah shortly after the program was approved. Rocket Lawyer is an unprecedented option for citizens of Utah and their legal needs. This new option has been made available amid the COVID-19 pandemic, which has posed financial problems for many.[24]

It would be wise for Florida to follow Utah's lead in closing the gap in the pursuit of justice, especially during what is likely the most financially-burdensome period of most Floridians' lives. Given that Florida has a large population that would be well-served by increased lower-cost options for access to justice and legal services, the legislature should strongly consider adopting a legal services sandbox for Florida.

Insurance sandbox

Utah, Kentucky, and Vermont have all implemented regulatory sandboxes for the insurance industry. In Utah's case, legislators acted once it became clear that the existing regulatory structure was inadvertently being used by competitors to quash promising innovations.

The Libertas Institute in Utah described how an entrepreneur adopted the health care sharing ministries business model to allow customers to pool funds together in order to offer extended warranties and vehicle service contracts for automobiles through his otmo.com business.[25] This activity apparently violated existing auto insurance regulations, so a market competitor anonymously reported otmo.com to the authorities despite the fact that the firm offered a safe, useful, and affordable product to customers. Otmo.com was forced to shut down, but changes to Utah law provide such entrepreneurs with a new legal path to market adoption. There is a happy end to this story: Otmo.com was able to re-enter the market through the regulatory sandbox program in 2020.[26]

All three states empower regulators to issue temporary regulatory waivers that exempt innovative insurance business applicants from typical regulatory burdens for a set period of time. Waiver recipients will be subject to enhanced regulatory oversight and required to maintain data and reporting documentation. In Vermont, sandbox participants may only serve 10,000 customers. In

Utah, sandbox participants must provide customers with detailed transparency information detailing their participation in the sandbox and the experimental nature of their offerings. All sandboxes detail specific exit conditions that firms must meet or close shop.

Florida could have much to gain from an insurance sandbox as well. As a geographically large state that is very car-reliant, Florida's auto insurance arrangements have a great impact on the lives and wallets of residents.

As a previous James Madison Institute policy brief by Christian Cámara pointed out, Florida's unusual no-fault auto insurance system, often called "personal injury protection" (PIP), has generated poor incentives that have contributed to Florida's dubious honor of being the second costliest state for auto insurance policies.[27] Although the legislature took some steps to remedy Florida's costly auto insurance environment by reining in some of the worst fraud and abuses of the system in 2012,[28] rates have continued to rise.[29] Cámara suggests that replacing Florida's no-fault PIP system with a tort system (that most other states have in place) where the party at fault becomes liable for bodily injury (BI) could alleviate most of the problems plaguing the system. Additionally, the legislature could consider creating a regulatory sandbox for car insurance arrangements like those offered by otmo.com to bring non-traditional insurance innovations to the state of Florida.

General purpose sandbox

Industry-by-industry regulatory relief is a great way to spawn growth and innovation in those fields in a piecemeal fashion, but policymakers could consider extending regulatory relief to any industry through the adoption of a general-purpose sandbox. To date, no state has implemented a general-purpose sandbox (which means Florida has an exciting opportunity to lead in this area). Yet states such as Utah and Tennessee have introduced promising legislation that may eventually be passed into law.

The reasoning behind a general-purpose sandbox is simple: states can kickstart growth and help fast-track products to market in an industry-neutral fashion. This helps to limit the risk of "government picking winners and losers" at the industry level. Innovators seeking to solve problems in insurance markets should not be kept out of a regulatory sandbox just because they don't fit the legal definition of, say, a "fintech" firm. And it is hard to predict where the next great fount of innovation may be. If policymakers do not proactively prune a space for innovation in time for the next hot market to develop, it may not take off at all for lack of regulatory breathing room.

Tennessee took a step at creating a general-purpose sandbox with the proposal of the "Licensing Innovation Act," which would empower the state's commissioner of commerce and insurance to solicit applications and grant waivers to entrepreneurs testing innovative pilot programs.[30]

Like other sandboxes, Tennessee's innovation waivers would require participants to submit detailed business plans including the laws that prevent an innovation from coming to market, the risks to consumers, and how the participant plans to alleviate those risks. Obtaining a waiver would not eliminate other consumer protection and federal regulations, nor limit civil liability. The participant would be exempt from the specified rules for up to two years, after which point the participant would have to propose an exit plan to the commissioner. Importantly, the sandbox is not limited to a particular industry, but opens the door for any entrepreneur to make the case for why certain regulations are forestalling their innovative vision.

Likewise, Utah's proposed "Regulatory Relief Act" would create a general-purpose sandbox but with the added twist of creating a new government body to manage the program.[31] The new Utah Office of Regulatory Relief (ORR) would serve as both a consultant to interested innovators as well as a general administrator of the program.

First, entrepreneurs with innovative business ideas could consult with the ORR to determine whether they are good candidates for participation and for which specific regulations they may seek relief, after which point the prospective participant would apply for regulatory relief detailing specific information about the business and risks along with the regulations for which they seek relief.

ORR would in turn "consult" with state regulatory agencies to determine which applicants may be the most promising and even whether existing regulations may need reform to account for new market developments. Both the ORR and the relevant state agency would confer on the selection of sandbox participants, with ORR ultimately dialoguing with applicants to issue decisions and administering the accepted terms of the year-long sandbox trial (with opportunity for extension).

Utah's proposed sandbox would create a novel check-and-balance approach that makes good use of both agency expertise as well as ORR analysis. Regulatory agencies would first review the application and issue a report recommending acceptance or denial based on factors such as the applicant's innovative potential as well as the risks to future compliance. ORR would then be entrusted to review the report in tandem with its own analysis by an advisory committee with an eye to the competitiveness and safety of the market as a whole and make the final determination. This balances the regulatory expertise of relevant agencies with the overall mission to promote innovation within ORR.

There are transparency measures to guard against the potential for "picking winners and losers" as well. If the ORR ultimately rejects an application, they must provide a clear explanation for why. This not only helps the applicant understand why they were not selected, but it could help other prospective applicants have a better idea of the likelihood that their pitch will be greenlit. Furthermore, the ORR is explicitly mandated to consider whether an applicant's competitor has been selected as a participant, and weigh that as a factor in the applicant's favor. This helps to bring consistency to the process and limits the potential for regulatory capture.

As Florida seeks to recover from the COVID-19 fallout and return to a strong economy, policymakers should strongly consider the general-purpose sandbox framework spearheaded by Tennessee and Utah. Such a neutral fast-track to market option could provide ample consumer benefits as well as potential new jobs at a time when Floridians need to stretch their budgets and find new employment opportunities more than ever.

Next steps

Florida has taken a position as a national policy leader in "regtech" by enacting a regulatory sandbox for fintech companies. The principles that made a fintech sandbox so attractive to lawmakers—flexibility, innovation, economic growth, and good governance—also apply to other industries. Other states have already applied or are working to recreate the sandbox model for legal services, insurance lines, and even industry-neutral spaces for innovation.

To expand Florida's innovative embrace of regulatory sandboxes, policy leaders in the state should commit to the following steps:

1. **Monitor the roll out and implementation of the fintech sandbox to determine whether reforms are necessary:** Passing the fintech sandbox was in many ways just the first step. As the OFR officially launches its sandbox program in 2021, policymakers should observe the outcomes to see if changes may be needed. If too few firms apply for the sandbox, perhaps the entry requirements are too high. If too many firms are rejected, perhaps the scope is too narrow. This may also be an indication that the regulatory requirements on legacy businesses are too high: if many firms successfully navigate into the broader market post-program, perhaps more general regulatory reform may be warranted to lower the barriers to entry. And in general, policymakers must monitor the administration of the program to ensure that it does not display favoritism to any firms or applications.
2. **Consider reproducing the approaches of other states in targeted regulatory sandboxes:** Florida has strong models to consider in the forms of the insurance and legal services sandboxes spearheaded by states such as Utah and Vermont. Floridians would be well served by the addition of innovative options to provide car insurance and legal access products that are low-cost, cutting-edge, or both. Florida legislators could consider creating targeted regulatory sandboxes for other industries, as well. Candidates could include drone service providers, telemedicine, and even environmental and energy technologies.
3. **Consider implementing a general-purpose regulatory sandbox:** Perhaps the most appealing option would be for Florida lawmakers to consider the general purpose regulatory sandbox approach favored by states such as Utah and Tennessee. This option has the strength of allowing the greatest possible spaces for innovation without requiring the government to proactively identify and exempt specific industries. By creating a consulting and administrative agency to coordinate the sandbox program among participants and regulating agencies, as Utah has proposed, Florida could provide an industry-neutral sandbox that is at the same time flexible, responsive to applicant needs, and mindful of agency expertise.

There is perhaps no better time to contemplate the creation of new regulatory sandboxes or even a general-purpose sandbox: as Floridians look to recover from the fallout of COVID-19, we will need access to affordable and innovative products and services now more than ever. Lawmakers have a tremendous opportunity to respond to the need for innovation by proactively clearing a space for entrepreneurs and consumers to determine the arrangements that can best enrich lives and promote economic growth. Sandboxes are an efficient and effective strategy to get us there.

Endnotes

1 “Regulatory sandbox,” *Financial Conduct Authority*, May 10, 2020, https://www.fca.org.uk/firms/innovation/regulatory-sandbox.

2 “The Impact and Effectiveness of Innovate,” *Financial Conduct Authority*, April 2019, https://www.fca.org.uk/publication/research/the-impact-and-effectiveness-of-innovate.pdf.

3 George J. Stigler, “The Theory of Economic Regulation,” *The Bell Journal of Economics and Management Science*, 2(1), 3-21, Spring 1971, https://www.jstor.org/stable/3003160?seq=1.

4 Matthew D. Mitchell, “The Pathology of Privilege: The Economic Consequences of Government Favoritism,” *Mercatus Center at George Mason University*, July 8, 2012, https://www.mercatus.org/publications/corporate-welfare/pathology-privilege-economic-consequences-government-favoritism.

5 Failure is just as important a part of learning as success. Or as Thomas Edison put it: “I have not failed. I’ve just found 10,000 ways that won’t work.”

6 Wolf-Georg Ringe and Christopher Ruof, “Regulating Fintech in the EU: the Case for a Guided Sandbox,” *European Journal of Risk Regulation*, 11(3), 604-629, March 2, 2020, https://www.cambridge.org/core/journals/european-journal-of-risk-regulation/article/regulating-fintech-in-the-eu-the-case-for-a-guided-sandbox/3EE71CEEB3BC22E57A1BF08023073A6F.

7 Phoebe Higgins and Timothy Male, “White Paper: Sandboxing Nature; How Regulatory Sandboxes Could Help Restore Species, Enhance Water Quality and Build Better Habitats Faster,” *Environmental Policy Innovation Center*, http://policyinnovation.org/wp-content/uploads/2019/10/Sandboxing_Nature.pdf

8 “The Impact and Effectiveness of Innovate,” *Financial Conduct Authority*, April 2019, https://www.fca.org.uk/publication/research/the-impact-and-effectiveness-of-innovate.pdf.

9 “Regulatory Sandboxes in Data Protection: Constructive Engagement and Innovative Regulation in Practice,” *Centre for Information Policy Leadership at Hunton Andrews Kurth*, March 8, 2019, https://www.informationpolicycentre.com/uploads/5/7/1/0/57104281/cipl_white_paper_on_regulatory_sandboxes_in_data_protection_-_constructive_engagement_and_innovative_regulation_in_practice__8_march_2019_.pdf.

10 “The Impact and Effectiveness of Innovate,” *Financial Conduct Authority*, April 2019, https://www.fca.org.uk/publication/research/the-impact-and-effectiveness-of-innovate.pdf.

11 Ivo Jenik and Kate Lauer, “Regulatory Sandboxes and Financial Inclusion,” *Consultative Group to Assist the Poor*, October 2017, https://www.cgap.org/sites/default/files/researches/documents/Working-Paper-Regulatory-Sandboxes-Oct-2017.pdf.

12 Adam Thierer, “The Pacing Problem and the Future of Technology Regulation,” *Mercatus Center at George Mason University*, August 8, 2018, https://www.mercatus.org/bridge/commentary/pacing-problem-and-future-technology-regulation.

13 Dirk A. Zetzsche et al., “Regulating a Revolution: From Regulatory Sandboxes to Smart Regulation,” *Fordham Journal of Corporate & Finance Law*, 23(1), 2017, https://ir.lawnet.fordham.edu/jcfl/vol23/iss1/2/.

14 Giulio Cornelli et al., “Inside the regulatory sandbox: effects on fintech funding,” *BIS Working Papers*, 901, November 9, 2020, https://www.bis.org/publ/work901.htm.

15 Brian Knight and Trace Mitchell, “The Sandbox Paradox,” *Technology, Innovation, and Regulation*, November 15, 2019, https://administrativestate.gmu.edu/wp-content/uploads/sites/29/2019/11/Knight-Mitchell-The-Sandbox-Paradox.pdf.

16 Ibid.

17 Rep. Adam Robertson, “H.B. 402 Regulatory Waiver Process,” *Utah State Legislature*, 2020, https://le.utah.gov/~2020/bills/static/HB0402.html.

18 Rep. B. Rowland, “House Bill 386, AN ACT relating to the insurance industry,” *Kentucky State Legislature*, 2019, https://apps.legislature.ky.gov/record/19rs/hb386.html.

19 “Insurance Regulatory Sandbox; Innovation Waiver Regulation,” State of Vermont Department of Financial Regulation, December 9, 2019, https://dfr.vermont.gov/reg-bul-ord/insurance-regulatory-sandbox-innovation-waiver-regulation.

20 James Czerniawski, “Utah Innovates: Regulatory Frameworks for the Future,” *Libertas Institute*, http://libertasutah.org/policy-papers/regulatory_sandbox.pdf.

21 “The Office of Legal Services Innovation,” *Utah Supreme Court*, https://sandbox.utcourts.gov/.

22 Dan Packel, “Utah Justices Give OK to ‘Regulatory Sandbox,’” *Law.com*, August 14, 2020, https://www.law.com/americanlawyer/2020/08/14/utah-justices-give-ok-to-regulatory-sandbox/.

Endnotes (cont.)

[23] Molly Davis, “How Utah just expanded access to justice,” *The Salt Lake Tribune*, August 20, 2020, https://www.sltrib.com/opinion/commentary/2020/08/20/molly-davis-how-utah-just/.

[24] “Rocket Lawyer Joins Utah in First US Initiative to Transform Legal Services,” *Rocket Lawyer*, September 8, 2020, https://www.rocketlawyer.com/blog/news/press-releases/rocket-lawyer-joins-utah-in-nations-first-program-to-transform-legal-services.

[25] James Czerniawski, “Utah Innovates: Regulatory Frameworks for the Future,” *Libertas Institute*, http://libertasutah.org/policy-papers/regulatory_sandbox.pdf.

[26] “About Us,” retrieved December 8, 2020, https://denimdaisystore.com/pages/about-us.

[27] Christian Cámara, "Finding the Right Lane:Next Steps for Florida in Practical Insurance Reform," *Policy Brief*, James Madison Institute, 2019, https://www.jamesmadison.org/wp-content/uploads/2019/11/PolicyBrief_Insurance_Oct2019_v02_web.pdf.

[28] Chapter 2012-197, Laws of Florida.

[29] Steve Bousquet, “Car insurance rates skyrocket in Florida as crashes mount on busy roads,” *Tampa Bay Times*, May 20, 2016 https://www.tampabay.com/news/politics/legislature/car-insurance-rates-skyrocket-in-florida-as-crashes-mount-on-busy-roads/2278234.

[30] Rep. Jack Johnson, “SENATE BILL 2148,” *Tennessee General Assembly*, 2020, http://wapp.capitol.tn.gov/apps/BillInfo/default.aspx?BillNumber=SB2148&GA=111.

[31] Rep. Corey A. Maloy, "H.B. 217 Regulatory Sandbox Program Amendments," *Utah State Legislature*, 2021, https://le.utah.gov/~2021/bills/static/HB0217.html.

The JAMES MADISON INSTITUTE
Trusted Solutions for a Better Florida

The James Madison Institute
The Columns
100 North Duval Street
Tallahassee, FL 32301

850.386.3131

www.jamesmadison.org

Stay Connected
The James Madison Institute
@JmsMadisonInst
youtube.com/user/JamesMadisonInstitut
flickr.com/photos/jmsmadisoninst
pinterest.com/jmsmadisoninst