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LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
01/23/2018	.	
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The Committee on Banking and Insurance (Steube) recommended the following:

Senate Amendment (with title amendment)

Delete line 195
and insert:

Section 5. (1) Within 60 days after the effective date of this section, the Office of Insurance Regulation shall enter into a contract with an independent consultant to calculate the savings expected as a result of this act. The contract must require the use of generally accepted actuarial techniques and standards in determining the expected impact on losses and



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11 expenses. By September 15, 2018, the office shall submit to the
12 Governor, the President of the Senate, and the Speaker of the
13 House of Representatives a report concerning the results of the
14 independent consultant's calculations.

15 (2) By October 1, 2018, an insurer writing property
16 insurance in this state shall make a rate filing with the Office
17 of Insurance Regulation. A rate certification does not satisfy
18 this requirement. If the insurer requests a rate in excess of a
19 10 percent reduction as applied to the current rate in its
20 overall base rate for property insurance, the insurer must
21 include in its rate filing a detailed explanation of the reasons
22 for its failure to achieve a 10 percent reduction.

23 (3) By January 1, 2020, an insurer writing property
24 insurance in this state shall make a rate filing with the Office
25 of Insurance Regulation. A rate certification does not satisfy
26 this requirement. If the insurer requests a rate in excess of a
27 25 percent reduction as applied to the rate in effect as of July
28 1, 2018, in its overall base rate for property insurance since
29 July 1, 2018, the insurer must include in its rate filing a
30 detailed explanation of the reasons for its failure to achieve a
31 25 percent reduction.

32 (4) If an insurer fails to provide the detailed explanation
33 required by subsection (2) or subsection (3), the Office of
34 Insurance Regulation must order the insurer to stop writing new
35 property insurance policies in this state until it provides the
36 required explanation.

37 (5) The sum of \$200,000 of nonrecurring revenue is
38 appropriated from the Insurance Regulatory Trust Fund to the
39 Office of Insurance Regulation for the purpose of implementing



40 the requirements of subsection (1) during the 2017-2018 fiscal
41 year. Any unexpended balance of the appropriation at the end of
42 the fiscal year shall be carried forward and be available for
43 expenditure for that purpose during the 2018-2019 fiscal year.
44 Notwithstanding s. 287.057, Florida Statutes, the office may
45 retain an independent consultant to implement the requirements
46 of subsection (1) without a competitive solicitation.

47 (6) This section shall take effect upon this act becoming a
48 law.

49 Section 6. Except as otherwise expressly provided in this
50 act and except for this section, which shall take effect upon
51 this act becoming a law, this act shall take effect July 1,
52 2018.

53
54 ===== T I T L E A M E N D M E N T =====

55 And the title is amended as follows:

56 Delete line 45

57 and insert:

58 applicability; requiring the office, within a
59 specified timeframe, to contract with an independent
60 consultant to calculate expected savings as a result
61 of this act; requiring the contract to require the use
62 of certain actuarial techniques and standards;
63 requiring the office to submit a certain report to the
64 Governor and the Legislature by a specified date;
65 requiring property insurers to make rate filings with
66 the office by specified dates; providing construction;
67 requiring an insurer to include a certain explanation
68 in its rate filing under certain circumstances;



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69 requiring the office to order an insurer that fails to
70 provide such explanation to stop writing new property
71 insurance policies until it provides the explanation;
72 providing an appropriation; authorizing the office to
73 retain the consultant without a competitive
74 solicitation; providing effective dates.