Florida Senate - 2007

CS for SB 1884

By the Committee on Banking and Insurance; and Senator Posey

597-2043-07

1	A bill to be entitled
2	An act relating to insurance regulation;
3	amending s. 627.0613, F.S.; clarifying and
4	revising the authority of the consumer advocate
5	within the Office of Insurance Regulation of
6	the Department of Financial Services; requiring
7	that the consumer advocate have access to
8	certain hurricane loss-projection models;
9	requiring the office to address recommendations
10	submitted by the consumer advocate with respect
11	to rate filings; requiring the consumer
12	advocate to conduct certain investigations;
13	authorizing the consumer advocate to subpoena
14	witnesses and records; requiring the consumer
15	advocate to seek review of certain agency
16	action under ch. 120, F.S.; requiring the
17	consumer advocate to research and analyze
18	insurance issues and disseminate information;
19	providing an effective date.
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21	Be It Enacted by the Legislature of the State of Florida:
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23	Section 1. Section 627.0613, Florida Statutes, as
24	amended by section 17 of chapter 2007-1, Laws of Florida, is
25	amended to read:
26	627.0613 Consumer advocateThe Chief Financial
27	Officer must appoint a consumer advocate who must represent
28	the general public of the state before the department and the
29	office. The consumer advocate must report directly to the
30	Chief Financial Officer, but is not otherwise under the
31	authority of the department or of any employee of the
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1 department. The consumer advocate has such powers as are 2 necessary to carry out the duties of the office of consumer advocate, including, but not limited to, the powers to: 3 (1) Recommend to the department or office, by 4 petition, the commencement of any proceeding or action; appear 5 6 in any proceeding or action before the department or office 7 and in appellate actions regarding those proceedings; and 8 intervene as a party; or appear in any proceeding before the Division of Administrative Hearings or arbitration panel 9 specified in s. 627.062(6) relating to subject matter under 10 the jurisdiction of the department or office. 11 12 (2) Have access to and use of all files, records, and 13 data of the department or office, including any public model for hurricane loss projections developed pursuant to s. 14 <u>627.06281</u>. 15 (3) Examine rate and form filings submitted to the 16 17 office, hire consultants as necessary to aid in the review 18 process, and recommend to the department or office any position deemed by the consumer advocate to be in the public 19 interest. In approving a rate or form filing, the office shall 20 21 specifically address each recommendation submitted by the 22 consumer advocate. 23 (4) Prepare an annual report card for each authorized property insurer, on a form and using a letter-grade scale 2.4 developed by the commission by rule, which grades each insurer 25 26 based on the following factors: 27 (a) The number and nature of consumer complaints 2.8 received by the department against the insurer. 29 (b) The disposition of all complaints received by the 30 department. 31

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1 (c) The average length of time for payment of claims 2 by the insurer. 3 (d) Any other factors the commission identifies as 4 assisting policyholders in making informed choices about 5 homeowner's insurance. б (5) Prepare an annual budget for presentation to the 7 Legislature by the department, which budget must be adequate 8 to carry out the duties of the office of consumer advocate. 9 (6) Conduct investigations of insurance schemes, 10 patterns or practices relating to unfair trade practices, unfair claims-handling practices, deceptive or misleading 11 12 sales practices, or coercion or intimidation of insurance 13 consumers. In carrying out investigations, the consumer advocate shall have the powers set forth in s. 624.321. If the 14 consumer advocate believes further regulatory action should be 15 taken, he or she shall refer the investigation to the office 16 17 or department. If the office or department determines that no 18 regulatory action is warranted, the office or department shall inform the consumer advocate, in writing, of the basis for its 19 decision. An insurer that fails to comply with a subpoena is 20 21 subject to disciplinary action under s. 624.418(2) in the same 2.2 manner as if it had violated an order of the office or 23 department or failed to submit its books and records for 2.4 examination. (7) Seek review, pursuant to chapter 120, of any 25 proposed agency action and any determination, finding, or 26 27 order of the office, department, or commission in any 2.8 proceeding in which the consumer advocate has participated as 29 <u>a party.</u> 30 (8) Research and analyze insurance issues from the perspective of consumers and prepare and disseminate such 31

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1	information as the consumer advocate considers appropriate to
2	inform or assist consumers, the department, the office, and
3	the commission.
4	Section 2. This act shall take effect upon becoming a
5	law.
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CS for SB 1884

1 2	STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN COMMITTEE SUBSTITUTE FOR Senate Bill 1884		
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4		nds the powers of the consumer advocate for insurance by iding authority to:	
5	-		
6	6 or actions before the Department of Financial Ser the Office of Insurance Regulation.	Appear in appellate actions resulting out of proceedings or actions before the Department of Financial Services or the Office of Insurance Regulation.	
7	7 2. Intervene as a party in proceedings before the	Intervene as a party in proceedings before the Division	
8		of Administrative Hearings or an arbitration panel pursuant to s. 627.062(6), F.S.	
9 10	3.	Have access and use of any public model for hurricane loss projections developed pursuant to s. 627.06281, F.S.	
11	4.	Conduct investigations of insurance practices relating to	
12		unfair trade practices, unfair claims-handling practices deceptive or misleading sales practices, or coercion or intimidation of insurance consumers. The consumer	
13		advocate may use the powers set forth in s. 624.321, F.S., including the power to subpoena witnesses and	
14		evidence. Failure to comply with a subpoena subjects an insurer to possible suspension or revocation of the	
15		insurer's certificate of authority.	
16	5.	Refer investigations to the Office of Insurance Regulation or Department of Financial Services when the	
17 18		consumer advocate believes further regulatory action should be taken. If the office or department determines that no regulatory action is warranted, the consumer	
10 19		advocate must be informed in writing of the basis for that determination.	
20	б.	Seek review pursuant to chapter 120, F.S., of any proposed agency action, determination, finding or order of the Office of Insurance Regulation, the Department of	
21	0.		
22		Financial Services, or the Financial Services Commission in any proceeding in which the consumer advocate has participated as a party.	
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24		Research and analyze insurance issues from the perspective of consumers and prepare and disseminate such information as the consumer advocate considers	
25		appropriate to inform or assist consumers, the Departme	
26		of Financial Services, the Office of Insurance Regulation, and the Financial Services Commission.	
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