



781304

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/16/2011	.	
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	.	

The Committee on Commerce and Tourism (Gaetz) recommended the following:

Senate Amendment (with title amendment)

Delete lines 68 - 167

and insert:

m. Burglary and theft.

n. ~~Any~~ Any other commercial lines categories or kinds of insurance or types of commercial lines risks that the office determines should not be subject to paragraph (2) (a) or paragraph (2) (f) because of the existence of a competitive market for such insurance, similarity of such insurance to other



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11 categories or kinds of insurance not subject to paragraph (2) (a)
12 or paragraph (2) (f), or to improve the general operational
13 efficiency of the office.

14 2. Insurers or rating organizations shall establish and use
15 rates, rating schedules, or rating manuals to allow the insurer
16 a reasonable rate of return on insurance and risks described in
17 subparagraph 1. which are written in this state.

18 3. An insurer must notify the office of any changes to
19 rates for insurance and risks described in subparagraph 1. no
20 later than 30 days after the effective date of the change. The
21 notice must include the name of the insurer, the type or kind of
22 insurance subject to rate change, ~~total premium written during~~
23 ~~the immediately preceding year by the insurer for the type or~~
24 ~~kind of insurance subject to the rate change,~~ and the average
25 statewide percentage change in rates. Actuarial data
26 ~~Underwriting files, premiums, losses, and expense statistics~~
27 with regard to rates for insurance and risks described in
28 subparagraph 1. written by an insurer shall be maintained by the
29 insurer for 2 years after the effective date of changes to rates
30 and are subject to examination by the office. The office may
31 require the insurer to pay the costs associated with an
32 examination. Upon examination, the office shall, in accordance
33 with generally accepted and reasonable actuarial techniques,
34 consider the rate factors in paragraphs (2) (b), (c), and (d) and
35 the standards in paragraph (2) (e) to determine if the rate is
36 excessive, inadequate, or unfairly discriminatory.

37 4. A rating organization must notify the office of any
38 changes to loss cost for insurance and risks described in
39 subparagraph 1. no later than 30 days after the effective date



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40 of the change. The notice must include the name of the rating
41 organization, the type or kind of insurance subject to a loss
42 cost change, loss costs during the immediately preceding year
43 for the type or kind of insurance subject to the loss cost
44 change, and the average statewide percentage change in loss
45 cost. Actuarial data ~~Loss and exposure statistics~~ with regard to
46 changes to loss cost for risks applicable to loss costs for a
47 ~~rating organization~~ not subject to paragraph (2) (a) or paragraph
48 (2) (f) shall be maintained by the rating organization for 2
49 years after the effective date of the change and are subject to
50 examination by the office. The office may require the rating
51 organization to pay the costs associated with an examination.
52 Upon examination, the office shall, in accordance with generally
53 accepted and reasonable actuarial techniques, consider the rate
54 factors in paragraphs (2) (b)-(d) and the standards in paragraph
55 (2) (e) to determine if the rate is excessive, inadequate, or
56 unfairly discriminatory.

57 ~~5. In reviewing a rate, the office may require the insurer~~
58 ~~to provide at the insurer's expense all information necessary to~~
59 ~~evaluate the condition of the company and the reasonableness of~~
60 ~~the rate according to the applicable criteria described in this~~
61 ~~section.~~

62 Section 2. Subsection (14) of section 627.0651, Florida
63 Statutes, is amended to read:

64 627.0651 Making and use of rates for motor vehicle
65 insurance.—

66 (14) (a) Commercial motor vehicle insurance ~~covering a fleet~~
67 ~~of 20 or more self-propelled vehicles~~ is not subject to
68 subsection (1), subsection (2), or subsection (9) or s.



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69 627.0645.

70 (b) The rates for insurance described in this subsection
71 may not be excessive, inadequate, or unfairly discriminatory.

72 (c) Insurers shall establish and use rates, rating
73 schedules, or rating manuals to allow the insurer a reasonable
74 rate of return on commercial motor vehicle insurance written in
75 this state ~~covering a fleet of 20 or more self-propelled~~
76 ~~vehicles.~~

77 (d) An insurer must notify the office of any changes to
78 rates for type of insurance described in this subsection no
79 later than 30 days after the effective date of the change. The
80 notice shall include the name of the insurer, the type or kind
81 of insurance subject to rate change, ~~total premium written~~
82 ~~during the immediately preceding year by the insurer for the~~
83 ~~type or kind of insurance subject to the rate change,~~ and the
84 average statewide percentage change in rates. Actuarial data
85 with regard to rates for risks ~~Underwriting files, premiums,~~
86 ~~losses, and expense statistics for the type of insurance~~
87 described in this subsection shall be maintained by the insurer
88 for 2 years after the effective date of changes to rates and are
89 subject to examination by the office. The office may require an
90 insurer to pay the costs associated with an examination. Upon
91 examination, the office shall, in accordance with generally
92 accepted and reasonable actuarial techniques, consider the
93 factors in paragraphs (2) (a)-(1) and apply subsections (3)-(8)
94 to determine if the rate is excessive, inadequate, or unfairly
95 discriminatory.

96 (e) A rating organization must notify the office of any
97 changes to loss cost for the type of insurance described in this



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98 subsection no later than 30 days after the effective date of the
99 change. The notice shall include the name of the rating
100 organization, the type or kind of insurance subject to a loss
101 cost change, loss costs during the immediately preceding year
102 for the type or kind of insurance subject to the loss cost
103 change, and the average statewide percentage change in loss
104 cost. Actuarial data ~~Loss and exposure statistics~~ with regard to
105 changes to loss cost for risks applicable to loss costs for a
106 ~~rating organization~~ not subject to subsection (1), subsection
107 (2), or subsection (9) shall be maintained by the rating
108 organization for 2 years after the effective date of the change
109 and are subject to examination by the office. The office may
110 require the rating organization to pay the costs associated with
111 an examination. Upon examination,
112

113 ===== T I T L E A M E N D M E N T =====

114 And the title is amended as follows:

115 Delete lines 8 - 17

116 and insert:

117 regarding rate changes; requiring such entities to pay
118 certain examination costs; deleting a provision that
119 permits the Office of Insurance Regulation of the
120 Financial Services Commission to require such insurers
121 to provide certain information regarding rates at the
122 insurer's expense; requiring such entities to pay
123 certain examination costs; amending s. 627.0651, F.S.;
124 exempting certain commercial motor vehicle insurance
125 from specific rate standards and filing requirements;
126 revising certain reporting and recordkeeping



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127 requirements for such exempt insurers and certain
128 rating organizations regarding rate changes; requiring
129 such entities to pay certain examination costs;
130 deleting