

1 A bill to be entitled
2 An act relating to workers' compensation ratemaking;
3 amending s. 624.482, F.S.; conforming a provision to
4 changes made by the act; amending s. 627.041, F.S.;
5 revising definitions; amending s. 627.0612, F.S.;
6 adding prospective loss costs to a list of reviewable
7 matters in certain proceedings by appellate courts;
8 amending s. 627.062, F.S.; adding loss costs to a
9 requirement that rates may not be excessive,
10 inadequate, or unfairly discriminatory; amending s.
11 627.0645, F.S.; deleting workers' compensation and
12 employer's liability insurance from the list of
13 exceptions to a requirement that certain entities
14 filing rates for specified insurance must make a
15 specified annual base rate filing; amending s.
16 627.072, F.S.; adding loss costs for purposes of
17 making rates for workers' compensation and employer's
18 liability insurance; deleting a specified methodology
19 that may be used by the office in rate determinations;
20 amending s. 627.091, F.S.; providing definitions;
21 requiring insurers or insurer groups writing workers'
22 compensation and employer's liability insurances to
23 independently and individually file their proposed
24 final rates; specifying requirements for such filings;
25 deleting a requirement that such filings contain

26 | certain information; revising requirements for
27 | supporting information required to be furnished to the
28 | office under certain circumstances; deleting a
29 | specified method for insurers to satisfy filing
30 | obligations; specifying requirements for a licensed
31 | rating organization that elects to develop and file
32 | certain reference filings and certain other
33 | information; authorizing insurers to use supplementary
34 | rating information approved by the office; revising
35 | applicability of public meetings and records
36 | requirements to certain meetings of recognized rating
37 | organization committees; requiring certain insurance
38 | groups to file specified underwriting rules; amending
39 | s. 627.093, F.S.; revising the applicability of public
40 | meetings and records requirements to prospective loss
41 | cost filings or appeals; amending s. 627.101, F.S.;
42 | conforming a provision to changes made by the act;
43 | amending s. 627.211, F.S.; deleting provisions
44 | relating to deviations; revising requirements for the
45 | office's annual report to the Legislature relating to
46 | the workers' compensation insurance market; amending
47 | s. 627.291, F.S.; providing applicability of certain
48 | disclosure and hearing requirements for rating
49 | organizations filing prospective loss costs; amending
50 | s. 627.318, F.S.; providing applicability of certain

51 recordkeeping requirements for rating organizations or
 52 insurers filing or using prospective loss costs,
 53 respectively; amending s. 627.361, F.S.; providing
 54 applicability of a prohibition against false or
 55 misleading information relating to prospective loss
 56 costs; amending s. 627.371, F.S.; providing
 57 applicability of certain hearing procedures and
 58 requirements relating to the application, making, or
 59 use of prospective loss costs; providing an effective
 60 date.

61

62 Be It Enacted by the Legislature of the State of Florida:

63

64 Section 1. Subsection (10) of section 624.482, Florida
 65 Statutes, is amended to read:

66 624.482 Making and use of rates.—

67 (10) Any self-insurance fund that writes workers'
 68 compensation insurance and employer's liability insurance is
 69 subject to, and must ~~shall~~ make all rate filings for workers'
 70 compensation insurance and employer's liability insurance in
 71 accordance with, ss. 627.091, 627.101, 627.111, 627.141,
 72 627.151, 627.171, and 627.191, ~~and 627.211.~~

73 Section 2. Subsections (3), (4), and (6) of section
 74 627.041, Florida Statutes, are amended to read:

75 627.041 Definitions.—As used in this part:

76 (3) "Rating organization" means every person, other than
77 an authorized insurer, whether located within or outside this
78 state, who has as his or her object or purpose the making of
79 prospective loss costs, rates, rating plans, or rating systems.
80 Two or more authorized insurers that act in concert for the
81 purpose of making prospective loss costs, rates, rating plans,
82 or rating systems, and that do not operate within the specific
83 authorizations contained in ss. 627.311, 627.314(2), (4), and
84 627.351, are ~~shall be~~ deemed to be a rating organization. No
85 single insurer may ~~shall be deemed to be~~ a rating organization.

86 (4) "Advisory organization" means every group,
87 association, or other organization of insurers, whether located
88 within or outside this state, which prepares policy forms or
89 makes underwriting rules incident to but not including the
90 making of prospective loss costs, rates, rating plans, or rating
91 systems or which collects and furnishes to authorized insurers
92 or rating organizations loss or expense statistics or other
93 statistical information and data and acts in an advisory, as
94 distinguished from a ratemaking, capacity.

95 (6) "Subscriber" means an insurer which is furnished at
96 its request:

97 (a) With prospective loss costs, rates, and rating manuals
98 by a rating organization of which it is not a member; or

99 (b) With advisory services by an advisory organization of
100 which it is not a member.

101 Section 3. Subsection (1) of section 627.0612, Florida
 102 Statutes, is amended to read:

103 627.0612 Administrative proceedings in rating
 104 determinations.—

105 (1) In any proceeding to determine whether prospective
 106 loss costs, rates, rating plans, or other matters governed by
 107 this part comply with the law, the appellate court must ~~shall~~
 108 set aside a final order of the office if the office has violated
 109 s. 120.57(1)(k) by substituting its findings of fact for
 110 findings of an administrative law judge which were supported by
 111 competent substantial evidence.

112 Section 4. Subsection (1) of section 627.062, Florida
 113 Statutes, is amended to read:

114 627.062 Rate standards.—

115 (1) The rates and loss costs for all classes of insurance
 116 to which ~~the provisions of this part~~ is ~~are~~ applicable may not
 117 be excessive, inadequate, or unfairly discriminatory.

118 Section 5. Subsection (1) of section 627.0645, Florida
 119 Statutes, is amended to read:

120 627.0645 Annual filings.—

121 (1) Each rating organization filing rates for, and each
 122 insurer writing, any line of property or casualty insurance to
 123 which this part applies, except:

124 ~~(a) Workers' compensation and employer's liability~~
 125 ~~insurance;~~

126 (a) ~~(b)~~ Insurance as defined in ss. 624.604 and 624.605,
 127 limited to coverage of commercial risks other than commercial
 128 residential multiperil and medical malpractice insurance that is
 129 subject to s. 627.062(2) (a) and (f); or

130 (b) ~~(e)~~ Travel insurance, if issued as a master group
 131 policy with a situs in another state where each
 132 certificateholder pays less than \$30 in premium for each covered
 133 trip and where the insurer has written less than \$1 million in
 134 annual written premiums in the travel insurance product in this
 135 state during the most recent calendar year,

136
 137 must ~~shall~~ make an annual base rate filing for each such line
 138 with the office no later than 12 months after its previous base
 139 rate filing, demonstrating that its rates are not inadequate.

140 Section 6. Subsections (1) and (5) of section 627.072,
 141 Florida Statutes, are amended to read:

142 627.072 Making and use of rates.—

143 (1) As to workers' compensation and employer's liability
 144 insurance, all of the following factors must ~~shall~~ be used in
 145 the determination and fixing of loss costs or rates, as
 146 applicable:

147 (a) The past loss experience and prospective loss
 148 experience within and outside this state. ~~†~~

149 (b) The conflagration and catastrophe hazards. ~~†~~

150 (c) A reasonable margin for underwriting profit and

151 contingencies.†

152 (d) Dividends, savings, or unabsorbed premium deposits
153 allowed or returned by insurers to their policyholders, members,
154 or subscribers.†

155 (e) Investment income on unearned premium reserves and
156 loss reserves.†

157 (f) Past expenses and prospective expenses, both those
158 countrywide and those specifically applicable to this state.†
159 and

160 (g) All other relevant factors, including judgment
161 factors, within and outside this state.

162 ~~(5)(a) In the case of workers' compensation and employer's~~
163 ~~liability insurance, the office shall consider utilizing the~~
164 ~~following methodology in rate determinations: Premiums,~~
165 ~~expenses, and expected claim costs would be discounted to a~~
166 ~~common point of time, such as the initial point of a policy~~
167 ~~year, in the determination of rates; the cash-flow pattern of~~
168 ~~premiums, expenses, and claim costs would be determined~~
169 ~~initially by using data from 8 to 10 of the largest insurers~~
170 ~~writing workers' compensation insurance in the state; such~~
171 ~~insurers may be selected for their statistical ability to report~~
172 ~~the data on an accident-year basis and in accordance with~~
173 ~~subparagraphs (b)1., 2., and 3., for at least 2 1/2 years; such~~
174 ~~a cash-flow pattern would be modified when necessary in~~
175 ~~accordance with the data and whenever a radical change in the~~

176 ~~payout pattern is expected in the policy year under~~
 177 ~~consideration.~~

178 ~~(b) If the methodology set forth in paragraph (a) is~~
 179 ~~utilized, to facilitate the determination of such a cash-flow~~
 180 ~~pattern methodology:~~

181 ~~1. Each insurer shall include in its statistical reporting~~
 182 ~~to the rating bureau and the office the accident year by~~
 183 ~~calendar quarter data for paid claim costs;~~

184 ~~2. Each insurer shall submit financial reports to the~~
 185 ~~rating bureau and the office which shall include total incurred~~
 186 ~~claim amounts and paid claim amounts by policy year and by~~
 187 ~~injury types as of December 31 of each calendar year; and~~

188 ~~3. Each insurer shall submit to the rating bureau and the~~
 189 ~~office paid-premium data on an individual risk basis in which~~
 190 ~~risks are to be subdivided by premium size as follows:~~

191

192	Number of Risks in
193	—Premium Range Standard Premium Size
194	
195	...(to be filled in by carrier)...\$300-999
196	...(to be filled in by carrier)...1,000-4,999
197	...(to be filled in by carrier)...5,000-49,999
198	...(to be filled in by carrier)...50,000-99,999
199	...(to be filled in by carrier)...100,000 or more
200	Total:

201 Section 7. Section 627.091, Florida Statutes, is amended
 202 to read:

203 627.091 Rate filings; workers' compensation and employer's
 204 liability insurances.-

205 (1) As used in this section, the term:

206 (a) "Expenses" means the portion of a rate which is
 207 attributable to acquisition, field supervision, collection
 208 expenses, taxes, reinsurance, assessments, and general expenses.

209 (b) "Loss cost modifier" means an adjustment to, or a
 210 deviation from, the approved prospective loss costs filed by a
 211 licensed rating organization.

212 (c) "Loss cost multiplier" means the profit and expense
 213 factor, expressed as a single nonintegral number to be applied
 214 to the prospective loss costs, which is associated with writing
 215 workers' compensation and employer's liability insurance and
 216 which is approved by the office in making rates for each
 217 classification of risks used by that insurer.

218 (d) "Prospective loss costs" means the portion of a rate
 219 which reflects historical industry average aggregate losses and
 220 loss adjustment expenses projected through development to their
 221 ultimate value and through trending to a future point in time.
 222 The term does not include provisions for profit or expenses
 223 other than loss adjustment expense.

224 (2)~~(1)~~ As to workers' compensation and employer's
 225 liability insurances, every insurer must ~~shall~~ file with the

226 office every manual of classifications, rules, and rates, every
227 rating plan, and every modification of any of the foregoing
228 which it proposes to use. Each insurer or insurer group must
229 independently and individually file with the office the final
230 rates it proposes to use. An insurer may satisfy this filing
231 requirement by adopting the most recent loss costs filed by a
232 licensed rating organization and approved by the office, and by
233 otherwise complying with this part. Each insurer must file data
234 in accordance with the uniform statistical plan approved by the
235 office. Every filing under this subsection:

236 (a) Must state the proposed effective date and must be
237 made at least 90 days before such proposed effective date.

238 (b) Must indicate the character and extent of the coverage
239 contemplated.

240 (c) May use the most recent approved prospective loss
241 costs filed by a licensed rating organization in combination
242 with the insurer's own approved loss cost multiplier and loss
243 cost modifier.

244 (d) Must include all deductibles required in chapter 440,
245 and may include additional deductible provisions in its manual
246 of classifications, rules, and rates. All deductibles must be in
247 a form and manner that is consistent with the underlying purpose
248 of chapter 440.

249 (e) May use variable or fixed expense loads or a
250 combination thereof, and may vary the expense, profit, or

251 contingency provisions by class or group of classes, if the
252 insurer files supporting data justifying such variations.

253 (f) May include a schedule of proposed premium discounts,
254 credits, and surcharges. The office may not approve discounts,
255 credits, and surcharges unless they are based on objective
256 criteria that bear a reasonable relationship to the expected
257 loss, expense, or profit experience of an individual
258 policyholder or a class of policyholders.

259 (g) May file a minimum premium or expense constant. Every
260 insurer may include deductible provisions in its manual of
261 classifications, rules, and rates. Such deductibles must be in a
262 form and manner consistent with chapter 440 ~~Every insurer is~~
263 ~~authorized to include deductible provisions in its manual of~~
264 ~~classifications, rules, and rates. Such deductibles shall in all~~
265 ~~cases be in a form and manner which is consistent with the~~
266 ~~underlying purpose of chapter 440.~~

267 ~~(3)(2) Every such filing shall state the proposed~~
268 ~~effective date thereof, and shall indicate the character and~~
269 ~~extent of the coverage contemplated. When a filing is not~~
270 ~~accompanied by the information upon which the insurer or rating~~
271 ~~organization supports the filing and the office does not have~~
272 ~~sufficient information to determine whether the filing meets the~~
273 ~~applicable requirements of this part, the office, it shall~~
274 ~~within 15 days after the date of filing, must require the~~
275 ~~insurer or rating organization to furnish the information upon~~

276 | which it supports the filing. The information furnished in
 277 | support of a filing may include:

278 | (a) The experience or judgment of the insurer or rating
 279 | organization making the filing;

280 | (b) The ~~its~~ interpretation of any statistical data which
 281 | the insurer or rating organization making the filing ~~it~~ relies
 282 | upon;

283 | (c) The experience of other insurers or rating
 284 | organizations; or

285 | (d) Any other factors which the insurer or rating
 286 | organization making the filing deems relevant.

287 | ~~(4)-(3)~~ A filing and any supporting information are ~~shall~~
 288 | ~~be~~ open to public inspection as provided in s. 119.07(1).

289 | ~~(5)-(4)~~ An insurer may become ~~satisfy its obligation to~~
 290 | ~~make such filings by becoming~~ a member of, or a subscriber to, a
 291 | licensed rating organization that ~~which~~ makes loss costs ~~such~~
 292 | filings and by authorizing the office to accept such filings on
 293 | ~~in~~ its behalf; but nothing contained in this chapter requires
 294 | ~~shall be construed as requiring~~ any insurer to become a member
 295 | or a subscriber to any rating organization.

296 | (6) A licensed rating organization may develop and file
 297 | for approval with the office reference filings containing
 298 | prospective loss costs and the underlying loss data, and other
 299 | supporting statistical and actuarial information. A rating
 300 | organization may not develop or file final rates or multipliers

301 for expenses, profit, or contingencies. After a loss cost
302 reference filing is filed with the office and is approved, the
303 rating organization must provide its member subscribers with a
304 copy of the approved reference filing.

305 (7) A rating organization may file supplementary rating
306 information and rules that include policywriting rules, rating
307 plan classification codes and descriptions, experience
308 modification plans, statistical plans and forms, and rules that
309 include factors or relativities, such as increased limits
310 factors, classification relativities, or similar factors, but
311 that exclude minimum premiums. An insurer may use supplementary
312 rating information approved by the office.

313 (8)~~(5)~~ Pursuant to ~~the provisions of~~ s. 624.3161, the
314 office may examine the underlying statistical data used in such
315 filings.

316 (9)~~(6)~~ Whenever the committee of a recognized rating
317 organization with authority to file prospective loss costs for
318 use by insurers in determining responsibility for workers'
319 compensation and employer's liability insurance rates in this
320 state meets to discuss the necessity for, or a request for,
321 Florida rate increases or decreases in prospective loss costs in
322 this state, the determination of prospective loss costs in this
323 state Florida rates, the prospective loss costs rates to be
324 requested in this state, and any other matters pertaining
325 specifically and directly to prospective loss costs in this

326 state ~~such Florida rates~~, such meetings must ~~shall~~ be held in
327 this state and are ~~shall be~~ subject to s. 286.011. The committee
328 of such a rating organization must ~~shall~~ provide at least 3
329 weeks' prior notice of such meetings to the office and must
330 ~~shall~~ provide at least 14 days' prior notice of such meetings to
331 the public by publication in the Florida Administrative
332 Register.

333 (10) An insurer group with multiple insurers writing
334 workers' compensation and employer's liability insurance must
335 file underwriting rules not contained in rating manuals with the
336 office.

337 Section 8. Section 627.093, Florida Statutes, is amended
338 to read:

339 627.093 Application of s. 286.011 to workers' compensation
340 and employer's liability insurances.—Section 286.011 is ~~shall be~~
341 applicable to every prospective loss cost and rate filing,
342 approval or disapproval of filing, rating deviation from filing,
343 or appeal from any of these regarding workers' compensation and
344 employer's liability insurances.

345 Section 9. Subsection (1) of section 627.101, Florida
346 Statutes, is amended to read:

347 627.101 When filing becomes effective; workers'
348 compensation and employer's liability insurances.—

349 (1) The office must ~~shall~~ review all required filings as
350 to workers' compensation and employer's liability insurances as

351 soon as reasonably possible after they have been made in order
352 to determine whether they meet the applicable requirements of
353 this part. If the office determines that part of a required rate~~rate~~
354 filing does not meet the applicable requirements of this part,
355 it may reject so much of the filing as does not meet these
356 requirements, and approve the remainder of the filing.

357 Section 10. Section 627.211, Florida Statutes, is amended
358 to read:

359 627.211 Annual report by the office on the workers'
360 compensation insurance market ~~Deviations; workers' compensation~~
361 ~~and employer's liability insurances.-~~

362 ~~(1) Every member or subscriber to a rating organization~~
363 ~~shall, as to workers' compensation or employer's liability~~
364 ~~insurance, adhere to the filings made on its behalf by such~~
365 ~~organization; except that any such insurer may make written~~
366 ~~application to the office for permission to file a uniform~~
367 ~~percentage decrease or increase to be applied to the premiums~~
368 ~~produced by the rating system so filed for a kind of insurance,~~
369 ~~for a class of insurance which is found by the office to be a~~
370 ~~proper rating unit for the application of such uniform~~
371 ~~percentage decrease or increase, or for a subdivision of~~
372 ~~workers' compensation or employer's liability insurance:~~

373 ~~(a) Comprised of a group of manual classifications which~~
374 ~~is treated as a separate unit for ratemaking purposes; or~~

375 ~~(b) For which separate expense provisions are included in~~

376 ~~the filings of the rating organization.~~

377

378 ~~Such application shall specify the basis for the modification~~
379 ~~and shall be accompanied by the data upon which the applicant~~
380 ~~relies. A copy of the application and data shall be sent~~
381 ~~simultaneously to the rating organization.~~

382 ~~(2) Every member or subscriber to a rating organization~~
383 ~~may, as to workers' compensation and employer's liability~~
384 ~~insurance, file a plan or plans to use deviations that vary~~
385 ~~according to factors present in each insured's individual risk.~~
386 ~~The insurer that files for the deviations provided in this~~
387 ~~subsection shall file the qualifications for the plans,~~
388 ~~schedules of rating factors, and the maximum deviation factors~~
389 ~~which shall be subject to the approval of the office pursuant to~~
390 ~~s. 627.091. The actual deviation which shall be used for each~~
391 ~~insured that qualifies under this subsection may not exceed the~~
392 ~~maximum filed deviation under that plan and shall be based on~~
393 ~~the merits of each insured's individual risk as determined by~~
394 ~~using schedules of rating factors which shall be applied~~
395 ~~uniformly. Insurers shall maintain statistical data in~~
396 ~~accordance with the schedule of rating factors. Such data shall~~
397 ~~be available to support the continued use of such varying~~
398 ~~deviations.~~

399 ~~(3) In considering an application for the deviation, the~~
400 ~~office shall give consideration to the applicable principles for~~

401 ~~ratemaking as set forth in ss. 627.062 and 627.072 and the~~
402 ~~financial condition of the insurer. In evaluating the financial~~
403 ~~condition of the insurer, the office may consider: (1) the~~
404 ~~insurer's audited financial statements and whether the~~
405 ~~statements provide unqualified opinions or contain significant~~
406 ~~qualifications or "subject to" provisions; (2) any independent~~
407 ~~or other actuarial certification of loss reserves; (3) whether~~
408 ~~workers' compensation and employer's liability reserves are~~
409 ~~above the midpoint or best estimate of the actuary's reserve~~
410 ~~range estimate; (4) the adequacy of the proposed rate; (5)~~
411 ~~historical experience demonstrating the profitability of the~~
412 ~~insurer; (6) the existence of excess or other reinsurance that~~
413 ~~contains a sufficiently low attachment point and maximums that~~
414 ~~provide adequate protection to the insurer; and (7) other~~
415 ~~factors considered relevant to the financial condition of the~~
416 ~~insurer by the office. The office shall approve the deviation if~~
417 ~~it finds it to be justified, it would not endanger the financial~~
418 ~~condition of the insurer, and it would not constitute predatory~~
419 ~~pricing. The office shall disapprove the deviation if it finds~~
420 ~~that the resulting premiums would be excessive, inadequate, or~~
421 ~~unfairly discriminatory, would endanger the financial condition~~
422 ~~of the insurer, or would result in predatory pricing. The~~
423 ~~insurer may not use a deviation unless the deviation is~~
424 ~~specifically approved by the office. An insurer may apply the~~
425 ~~premiums approved pursuant to s. 627.091 or its uniform~~

426 ~~deviation approved pursuant to this section to a particular~~
427 ~~insured according to underwriting guidelines filed with and~~
428 ~~approved by the office, such approval to be based on ss. 627.062~~
429 ~~and 627.072.~~

430 ~~(4) Each deviation permitted to be filed shall be~~
431 ~~effective for a period of 1 year unless terminated, extended, or~~
432 ~~modified with the approval of the office. If at any time after a~~
433 ~~deviation has been approved the office finds that the deviation~~
434 ~~no longer meets the requirements of this code, it shall notify~~
435 ~~the insurer in what respects it finds that the deviation fails~~
436 ~~to meet such requirements and specify when, within a reasonable~~
437 ~~period thereafter, the deviation shall be deemed no longer~~
438 ~~effective. The notice shall not affect any insurance contract or~~
439 ~~policy made or issued prior to the expiration of the period set~~
440 ~~forth in the notice.~~

441 ~~(5) For purposes of this section, the office, when~~
442 ~~considering the experience of any insurer, shall consider the~~
443 ~~experience of any predecessor insurer when the business and the~~
444 ~~liabilities of the predecessor insurer were assumed by the~~
445 ~~insurer pursuant to an order of the office which approves the~~
446 ~~assumption of the business and the liabilities.~~

447 ~~(6) The office must ~~shall~~ submit an annual report to the~~
448 ~~President of the Senate and the Speaker of the House of~~
449 ~~Representatives by January 15 of each year which evaluates~~
450 ~~insurance company solvency and competition in the workers'~~

451 compensation insurance market in this state. The report must
452 contain an analysis of the availability and affordability of
453 workers' compensation coverage and whether the current market
454 structure, conduct, and performance are conducive to
455 competition, based upon economic analysis and tests. The purpose
456 of this report is to aid the Legislature in determining whether
457 changes to the workers' compensation rating laws are warranted.
458 The report must also document that the office has complied with
459 ~~the provisions of~~ s. 627.096 which requires the office to
460 investigate and study all workers' compensation insurers in the
461 state and to study the data, statistics, schedules, or other
462 information as it finds necessary to assist in its review of
463 workers' compensation rate filings.

464 Section 11. Section 627.291, Florida Statutes, is amended
465 to read:

466 627.291 Information to be furnished insureds; appeal by
467 insureds; workers' compensation and employer's liability
468 insurances.-

469 (1) As to workers' compensation and employer's liability
470 insurances, every rating organization filing prospective loss
471 costs and every insurer which makes its own rates must ~~shall~~,
472 within a reasonable time after receiving written request
473 therefor and upon payment of such reasonable charge as it may
474 make, furnish to any insured affected by a rate made by it, or
475 to the authorized representative of such insured, all pertinent

476 information as to such rate.

477 (2) As to workers' compensation and employer's liability
478 insurances, every rating organization filing prospective loss
479 costs and every insurer which makes its own rates must ~~shall~~
480 provide within this state reasonable means whereby any person
481 aggrieved by the application of its rating system may be heard,
482 in person or by his or her authorized representative, on his or
483 her written request to review the manner in which such rating
484 system has been applied in connection with the insurance
485 afforded him or her. If the rating organization filing
486 prospective loss costs or the insurer making its own rates fails
487 to grant or rejects such request within 30 days after it is
488 made, the applicant may proceed in the same manner as if his or
489 her application had been rejected. Any party affected by the
490 action of such rating organization filing prospective loss costs
491 or insurer making its own rates on such request may, within 30
492 days after written notice of such action, appeal to the office,
493 which may affirm or reverse such action.

494 Section 12. Section 627.318, Florida Statutes, is amended
495 to read:

496 627.318 Records.—Every insurer, rating organization filing
497 prospective loss costs, and advisory organization and every
498 group, association, or other organization of insurers which
499 engages in joint underwriting or joint reinsurance must ~~shall~~
500 maintain reasonable records, of the type and kind reasonably

501 adapted to its method of operation, of its experience or the
502 experience of its members and of the data, statistics, or
503 information collected or used by it in connection with the
504 prospective loss costs, rates, rating plans, rating systems,
505 underwriting rules, policy or bond forms, surveys, or
506 inspections made or used by it, so that such records will be
507 available at all reasonable times to enable the office to
508 determine whether such organization, insurer, group, or
509 association, and, in the case of an insurer or rating
510 organization, every prospective loss cost, rate, rating plan,
511 and rating system made or used by it, complies with ~~the~~
512 ~~provisions of this part applicable to it~~. The maintenance of
513 such records in the office of a licensed rating organization of
514 which an insurer is a member or subscriber will be sufficient
515 compliance with this section for any such insurer maintaining
516 membership or subscribership in such organization, to the extent
517 that the insurer uses the prospective loss costs, rates, rating
518 plans, rating systems, or underwriting rules of such
519 organization. Such records must ~~shall~~ be maintained in an office
520 within this state or ~~shall~~ be made available for examination or
521 inspection within this state by the department at any time upon
522 reasonable notice.

523 Section 13. Section 627.361, Florida Statutes, is amended
524 to read:

525 627.361 False or misleading information.—No person may

526 | ~~shall~~ willfully withhold information from or knowingly give
527 | false or misleading information to the office, any statistical
528 | agency designated by the office, any rating organization, or any
529 | insurer, which will affect the prospective loss costs, rates, or
530 | premiums chargeable under this part.

531 | Section 14. Subsections (1) and (2) of section 627.371,
532 | Florida Statutes, are amended to read:

533 | 627.371 Hearings.—

534 | (1) Any person aggrieved by any rate charged, rating plan,
535 | rating system, or underwriting rule followed or adopted by an
536 | insurer, and any person aggrieved by any rating plan, rating
537 | system, or underwriting rule followed or adopted by a rating
538 | organization, may herself or himself or by her or his authorized
539 | representative make written request of the insurer or rating
540 | organization to review the manner in which the prospective loss
541 | cost, rate, plan, system, or rule has been applied with respect
542 | to insurance afforded her or him. If the request is not granted
543 | within 30 days after it is made, the requester may treat it as
544 | rejected. Any person aggrieved by the refusal of an insurer or
545 | rating organization to grant the review requested, or by the
546 | failure or refusal to grant all or part of the relief requested,
547 | may file a written complaint with the office, specifying the
548 | grounds relied upon. If the office has already disposed of the
549 | issue as raised by a similar complaint or believes that probable
550 | cause for the complaint does not exist or that the complaint is

551 not made in good faith, it must ~~shall~~ so notify the complainant.
552 Otherwise, and if it also finds that the complaint charges a
553 violation of this chapter and that the complainant would be
554 aggrieved if the violation is proven, it must ~~shall~~ proceed as
555 provided in subsection (2).

556 (2) If after examination of an insurer, rating
557 organization, advisory organization, or group, association, or
558 other organization of insurers which engages in joint
559 underwriting or joint reinsurance, upon the basis of other
560 information, or upon sufficient complaint as provided in
561 subsection (1), the office has good cause to believe that such
562 insurer, organization, group, or association, or any prospective
563 loss cost, rate, rating plan, or rating system made or used by
564 any such insurer or rating organization, does not comply with
565 the requirements and standards of this part applicable to it, it
566 must ~~shall~~, unless it has good cause to believe such
567 noncompliance is willful, give notice in writing to such
568 insurer, organization, group, or association stating therein in
569 what manner and to what extent noncompliance is alleged to exist
570 and specifying therein a reasonable time, no fewer ~~not less~~ than
571 10 days thereafter, in which the noncompliance may be corrected,
572 including any premium adjustment.

573 Section 15. This act shall take effect July 1, 2019.