

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: SB 156

INTRODUCER: Senator Broxson

SUBJECT: Loss Run Statements

DATE: November 1, 2021

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Arnold	Knudson	BI	Pre-meeting
2.			JU	
3.			RC	

I. Summary:

SB 156 amends two statutes related to insurance loss run statements and repeals a conflicting statute. Specifically, the bill:

- Reduces from 5 years to 3 years the claims history that must be included within a loss run statement.
- Requires an admitted and nonadmitted group health insurer's loss run statement to include certain information
- Requires an admitted and nonadmitted personal lines insurer to provide loss run statements within 15 days of an insured's request after first providing information on how to obtain a loss run statement from a consumer reporting agency
- Excludes admitted and nonadmitted life insurers from the requirement to provide loss run statements.
- Specifies that only the group policyholder may request and receive a loss run statement for a group health insurance policy, and repeals a conflicting statute related to group health insurance claims data.

The bill takes effect upon becoming law.

II. Present Situation:

Loss Run Statements

Loss run statements are reports produced by an insurer or consumer reporting agency containing the claims history of a policyholder with an authorized or unauthorized insurer for the preceding 5 years or, if the claims history is less than 5 years, a complete claims history with the insurer.¹ Under Florida law, the reports must contain the policy number, period of coverage, number of

¹ See sections 626.9202 and 627.444, F.S.

claims, the paid losses on all claims, and the date of each loss.² Reports are not required to include supporting claims file documentation such as copies of claim files, investigation reports, evaluation statements, insureds' statements, and documents protected by a common law or statutory privilege.³ Upon receipt of the policyholder's written request, the insurer has 15 days to provide the loss run statement or, for personal lines of insurance, information on how to obtain the loss run statement at no cost through a consumer reporting agency.⁴ A personal lines policyholder may request a loss run statement from the insurer after receiving information from a consumer reporting agency. Upon receiving such request, the personal lines insurer must provide the loss run statement within 15 days.

Release of Claims Experience Under Group Health Insurance Policies

In addition to the statutory provisions governing loss run statements described above, group health insurers must also provide the policyholder with claims experience information required for bid for the previous 3 years or for the entire period of coverage.⁵ Required information includes, but is not limited to, claim experience, premiums paid, number of insureds on a monthly basis, and dependent status. The insurer is not required to disclose any information deemed confidential by law.⁶ Upon receipt of the policyholder's written request, the insurer has 21 days to provide the claims experience.

III. Effect of Proposed Changes:

Section 1 amends s. 626.9202, F.S., and **Section 2** amends s. 627.444, F.S., to amend several provisions governing loss run statement requirements for nonadmitted and admitted insurers:

- Reduces from the preceding 5 years to the preceding 3 years the claims history that must be included within a loss run statement.
- Reports from group health insurers must also include premiums paid, number of insured on a monthly basis, and dependent status;
- Each insurer must designate an individual or entity to receive written requests for loss run statements from insureds;
- The personal lines insurer must provide the insured a loss run statement within 15 days of receiving the insured's written request subsequent to the insured providing the insurer with information on obtaining a loss run statement from a consumer reporting agency'
- Life insurers are exempted from this section;
- Under a group health insurance policy, only the group policyholder may request and be provided a loss run statement.

Section 3 repeals s. 627.6647, F.S., to remove conflicting statutory language related to group health insurance claims data.

Section 4 provides that this act is effective upon becoming law.

² Sections 626.9202(1) and 627.444(1), F.S.

³ *Id.*

⁴ Sections 626.9202(2) and 627.444(2), F.S.

⁵ Section 627.6647(1), F.S.

⁶ Section 627.6647(2), F.S.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 626.9202 and 627.444.

This bill repeals the following section 627.6647 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
