COMMITTEE AMENDMENT

Florida Senate - 2011 Bill No. CS for SB 178



LEGISLATIVE ACTION

| | House |
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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:

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m. Burglary and theft.

<u>n.i.</u> 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.

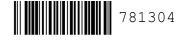
14 2. Insurers or rating organizations shall establish and use 15 rates, rating schedules, or rating manuals to allow the insurer 16 a reasonable rate of return on insurance and risks described in 17 subparagraph 1. which are written in this state.

3. An insurer must notify the office of any changes to 18 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 the immediately preceding year by the insurer for the type or 23 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 subparagraph 1. written by an insurer shall be maintained by the 28 29 insurer for 2 years after the effective date of changes to rates and are subject to examination by the office. The office may 30 31 require the insurer to pay the costs associated with an examination. Upon examination, the office shall, in accordance 32 with generally accepted and reasonable actuarial techniques, 33 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 excessive, inadequate, or unfairly discriminatory. 36

4. A rating organization must notify the office of any
changes to loss cost for insurance and risks described in
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 organization, the type or kind of insurance subject to a loss 41 42 cost change, loss costs during the immediately preceding year for the type or kind of insurance subject to the loss cost 43 44 change, and the average statewide percentage change in loss cost. Actuarial data Loss and exposure statistics with regard to 45 46 changes to loss cost for risks applicable to loss costs for a rating organization not subject to paragraph (2) (a) or paragraph 47 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 factors in paragraphs (2) (b)-(d) and the standards in paragraph 54 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.

Section 2. Subsection (14) of section 627.0651, FloridaStatutes, 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.

(c) Insurers shall establish and use rates, rating schedules, or rating manuals to allow the insurer a reasonable rate of return on commercial motor vehicle insurance written in this state covering a fleet of 20 or more self-propelled 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 of insurance subject to rate change, total premium written 81 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, losses, and expense statistics for the type of insurance 86 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 any97 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 changes to loss cost for risks applicable to loss costs for a 105 106 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 require the rating organization to pay the costs associated with 110 111 an examination. Upon examination, 112 ======== T I T L E A M E N D M E N T ============== 113 114 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 permits the Office of Insurance Regulation of the 119 120 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



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