

Committee on Banking and Insurance

CS/HB 785 — Workers' Compensation

by Regulatory Affairs Committee and Rep. Albritton (CS/CS/SB 952 by Rules Committee; Commerce and Tourism Committee; and Senator Simpson)

The bill revises provisions relating to the regulation of workers' compensation retrospective rating plans by the Office of Insurance Regulation (OIR). Currently, under such a plan, the final workers' compensation insurance premium paid by the employer is based on the actual loss experience of the employer during the policy, plus negotiated expenses and charges. If the employer controls the amount of claims, it pays lower premiums. The bill authorizes retrospective rating plans to contain a provision that allows the employer and insurer to negotiate the premium when the employer has multistate exposure, an estimated annual standard premium in Florida of \$100,000 or more, and an annual estimated countrywide standard premium of \$750,000 or more. Only insurers with \$500 million or more in surplus would be eligible to engage in the negotiation of premiums with eligible employers.

The bill exempts these retrospective rating plans from the provisions of s. 627.072(1), F.S., which specifies the factors used in determining workers' compensation rates. The bill requires such retrospective rating plans and associated forms to be filed by the rating organization, the National Council on Compensation Insurance, and approved by the OIR. However, an individual employer's premium negotiated pursuant to an approved retrospective rating plan is not subject to part I of ch. 627, F.S.

The bill also provides that reimbursement for oral vitamins, nutrient preparations, or dietary supplements is prohibited. Reimbursement will not be made for medical foods, as defined in 21 U.S.C. s. 360(b)(3), unless the self-insured employer or the carrier in its sole discretion authorizes the provision of such food. Such authorization may be limited by frequency, type, dosage, and reimbursement of such food as part of a proposed written course of medical treatment.

The bill may reduce workers' compensation premiums for employers participating in such retrospective rating plans.

If approved by the Governor, these provisions take effect July 1, 2014.

Vote: Senate 38-0; House 118-0