

Bill No. CS/HB 4047

Amendment No.     

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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11	Senator Grant moved the following amendment:		
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13	<b>Senate Amendment (with title amendment)</b>		
14	On page 3, between lines 8 and 9,		
15			
16	insert:		
17	Section 2. Paragraph (f) of subsection (2) of section		
18	624.316, Florida Statutes, is amended to read:		
19	624.316 Examination of insurers.--		
20	(2)		
21	(f)1.a. An examination under this section must be		
22	conducted at least once every year with respect to a domestic		
23	insurer that has continuously held a certificate of authority		
24	for less than 3 years. The examination must cover the		
25	preceding fiscal year or the period since the last examination		
26	of the insurer. The department may limit the scope of the		
27	examination <del>if the insurer has demonstrated sufficient</del>		
28	<del>compliance as determined under subparagraph 3.</del>		
29	b. The department may not accept an independent		
30	certified public accountant's audit report in lieu of an		
31	examination required by this subparagraph.		

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1           c. An insurer may not be required to pay more than  
2 \$25,000 to cover the costs of any one examination under this  
3 subparagraph.

4           2. An examination under this section must be conducted  
5 not less frequently than once every 5 years with respect to an  
6 insurer that has continuously held a certificate of authority,  
7 without a change in ownership subject to s. 624.4245 or s.  
8 628.461, for more than 15 years ~~and has demonstrated~~  
9 ~~sufficient compliance as determined under subparagraph 3.~~ The  
10 examination must cover the preceding 5 fiscal years of the  
11 insurer or the period since the last examination of the  
12 insurer. This subparagraph does not limit the ability of the  
13 department to conduct more frequent examinations.

14           ~~3. The department must, by rule, adopt procedures and~~  
15 ~~criteria for determining if an insurer has demonstrated~~  
16 ~~sufficient compliance with this code and cooperation with the~~  
17 ~~department. The rules must include consideration of such~~  
18 ~~factors as financial strength, timeliness, consumer service,~~  
19 ~~economic and community contributions and support,~~  
20 ~~responsiveness to department requests, and any other relevant~~  
21 ~~factors. The department must annually publish and disseminate~~  
22 ~~a listing of those insurers found to demonstrate sufficient~~  
23 ~~compliance under the rules, including special recognition for~~  
24 ~~community contributions and support.~~

25           Section 3. Paragraph (a) of subsection (2) of section  
26 627.7275, Florida Statutes, is amended to read:

27           627.7275 Motor vehicle property damage liability.--

28           (2)(a) Insurers writing motor vehicle insurance in  
29 this state shall make available, subject to the insurers'  
30 usual underwriting restrictions, coverage under policies as  
31 described in subsection (1) of this section to any applicant

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1 for private passenger motor vehicle insurance coverage who is  
2 seeking the coverage in order to reinstate the applicant's  
3 driving privileges in this state when the driving privileges  
4 were revoked or suspended pursuant to s. 316.646 or s. 627.733  
5 due to the failure of the applicant to maintain required  
6 security. The policy shall be issued for a period of at least  
7 6 months and as to the minimum coverages required under this  
8 section shall not be cancelable by the insured for any reason  
9 or by the insurer after a period not to exceed 30 days during  
10 which the insurer must complete underwriting of the policy.  
11 After the insurer has completed underwriting the policy within  
12 the 30-day period, the insurer shall notify the Department of  
13 Highway Safety and Motor Vehicles that the policy is in full  
14 force and effect and the policy shall not be cancelable for  
15 the remainder of the policy period. A premium shall be  
16 collected and coverage shall be in effect for the 30-day  
17 period during which the insurer is completing the underwriting  
18 of the policy whether or not the person's driver license,  
19 motor vehicle tag, and motor vehicle registration are in  
20 effect. Once the noncancelable provisions of the policy  
21 become effective, the coverage or risk shall not be changed  
22 during the policy period and the premium shall be  
23 nonrefundable ~~fully earned~~. If, during the pendency of the  
24 2-year proof of insurance period required under s. 627.733(7),  
25 the insured obtains additional coverage or coverage for an  
26 additional risk or changes territories, the insured then she  
27 ~~or he~~ must obtain a new 6-month noncancelable policy in  
28 accordance with the provisions of this section. However, if  
29 the insured must obtain a new 6-month policy and obtains the  
30 policy from the same insurer, the policyholder shall receive  
31 credit on the new policy for any premium paid on the

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1 previously issued policy.

2 Section 4. Subsection (4) is added to s. 624.426,  
3 Florida Statutes, to read:

4 624.426 Exceptions to resident agent and  
5 countersignature law.--Section 624.425 does not apply to:

6 (4) Policies of insurance issued by insurers whose  
7 agents represent only one company or group of companies under  
8 common ownership if a company within one group is transferring  
9 policies to another company within the same group and the  
10 agent of record remains the same.

11 Section 5. Subsection (1) of section 627.9126, Florida  
12 Statutes, is amended to read:

13 627.9126 Annual reports of information by liability  
14 insurers required.--

15 (1) Each insurer transacting commercial multiperil,  
16 products liability, commercial automobile liability, private  
17 passenger automobile liability, or other line of liability  
18 insurance shall maintain information as specified in this  
19 section. Such information shall be maintained for each line of  
20 insurance and for direct Florida business only. The department  
21 may ~~shall~~ annually conduct a sampling of claims or actions for  
22 damages for personal injury or property damage claimed to have  
23 been caused by error, omission, or negligence of insureds if  
24 the claim resulted in:

25 (a) A final judgment in any amount.

26 (b) A settlement in any amount.

27 (c) A final disposition not resulting in payment on  
28 behalf of the insured.

29 Section 6. Section 627.913, Florida Statutes, is  
30 amended to read:

31 627.913 Reports of information by products liability

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1 insurers required.--

2       ~~(1)~~ The department may require any insurer authorized  
3 to write a policy of products liability insurance in the state  
4 to shall transmit the ~~following~~ information specified in this  
5 section, based on its statewide products liability insurance  
6 writings. Upon request of the department, an insurer shall,  
7 within 60 days, submit to the department a report that  
8 contains the following information, ~~to the department each~~  
9 ~~year in the annual report of such insurer:~~

10       (1)~~(a)~~ Premiums written;

11       (2)~~(b)~~ Premiums earned;

12       (3)~~(c)~~ Unearned premiums;

13       (4)~~(d)~~ The dollar amount of claims paid;

14       (5)~~(e)~~ Incurred claims, not including claims incurred  
15 but not reported;

16       (6)~~(f)~~ Claims closed without payment, and the amount  
17 reserved for such claims;

18       (7)~~(g)~~ Loss reserves for all claims except claims  
19 incurred but not reported;

20       (8)~~(h)~~ Reserves for claims incurred but not reported;

21       (9)~~(i)~~ Losses paid as a percentage of the amount  
22 reserved for such losses;

23       (10)~~(j)~~ Net investment gain or loss and other income  
24 gain or loss allocated to products liability lines according  
25 to the allocation formula used in the annual insurance expense  
26 exhibit;

27       (11)~~(k)~~ Underwriting income or loss;

28       (12)~~(l)~~ Actual expenses in detail, including, but not  
29 limited to, loss adjustment expense; commissions; general  
30 expense; and advertising, home office, and defense costs;

31       (13)~~(m)~~ Claims settled after a suit was filed;

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1           ~~(14)(n)~~ Claims paid based on a judgment; and  
2           ~~(15)(o)~~ Judgments appealed by the insurer, together  
3 with the total results of such appeals.

4           ~~(2) The department shall provide a summary of~~  
5 ~~information provided pursuant to subsection (1) in its annual~~  
6 ~~report.~~

7           ~~(3) In the first year that an insurer makes a report~~  
8 ~~pursuant to subsection (1), the insurer shall provide only the~~  
9 ~~information required by paragraphs (a) through (l) of~~  
10 ~~subsection (1) and shall provide such information for the~~  
11 ~~current year and the 3 previous years.~~

12  
13 (Redesignate subsequent sections.)

14  
15

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

17 And the title is amended as follows:

18           On page 1, line 11, after the semicolon

19

20 insert:

21           amending s. 624.316, F.S.; deleting certain  
22           rulemaking authority of the Department of  
23           Insurance relating to insurer compliance;  
24           amending s. 627.7275, F.S.; modifying coverage  
25           requirements and premiums relating to motor  
26           vehicle property damage liability; amending s.  
27           624.426, F.S.; providing that certain  
28           transferred policies are exempt from the  
29           resident agent and countersignature law;  
30           amending s. 627.9126, F.S.; deleting the  
31           requirement that the Department of Insurance

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1           conduct an annual sampling of certain claims  
2           information required to be maintained by  
3           liability insurers; amending s. 627.913, F.S.;  
4           deleting the requirement that insurers file  
5           product liability insurance reports;  
6           authorizing the department to require such  
7           reports upon request;  
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