

Amendment No. 2 (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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ORIGINAL STAMP BELOW

The Committee on Insurance offered the following:

Amendment

On page 12, lines 21-29
remove from the bill: all of said lines
and insert in lieu thereof:

4. The lifetime loss ratios in subparagraphs 1. and 2.
may be adjusted in accordance with the following formula:

$R' = (A - 25I) R/A$

where:

- R = the loss ratio from subparagraphs 1. and 2.;
- A = the average annualized premium per individual policy or
per group certificate;
- I = (CPI-U, year N-1)/103.9;
- R' = the adjusted loss ratio.

R' cannot be more than 10 percentage points less than R nor
less than 50 percent, except that R' cannot be less than 45

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1 percent as to accident only non-cancellable policies. The
2 CPI-U is the consumer price index for all urban consumers, for
3 all items and for all regions of the U. S. combined, as
4 determined by the U. S. Department of Labor, Bureau of
5 Statistics as of September of each year. Year N-1 is the
6 calendar year immediately preceding the calendar year (N) in
7 which the rate filing is submitted in Florida.

8 5. Blanket insurance is exempt from the loss ratios
9 described in subparagraphs 1.-3. The minimum loss ratio for
10 blanket insurance is 65 percent.

11 6. Medicare supplement and long-term-care insurance
12 are exempt from the loss ratios described in subparagraphs
13 1.-3. The minimum loss ratios for Medicare supplement
14 insurance must be established in accordance with s. 627.674.
15 The minimum loss ratios for long-term-care insurance shall be
16 established in accordance with s. 627.9407.

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