

By the Committee on Banking and Insurance; and Senators Clary and Horne

311-2181-99

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A bill to be entitled
An act relating to workers' compensation;
creating the Workers' Compensation Rating Law
Study Commission; providing for appointment of
members; requiring the commission to make a
study and recommendations; requiring the staffs
of specified legislative committees to provide
administrative support; authorizing the
commission to contract with independent parties
for certain information; entitling commission
members to reimbursement for travel and
expenses; providing an appropriation; providing
an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Workers' Compensation Rating Law Study
Commission.--

(1) There is created the Workers' Compensation Rating
Law Study Commission consisting of the following nine members:

(a) Four members appointed by the President of the
Senate, including:

- 1. Two members of the Senate;
- 2. A member of an association representing employers;

and

3. A member of a domestic workers' compensation
insurer.

(b) Four members appointed by the Speaker of the House
of Representatives, including:

- 1. Two members of the House of Representatives;

1 2. A member of an association representing employers;
2 and

3 3. A member of a national workers' compensation
4 insurer.

5 (c) The Insurance Commissioner or his designated
6 representative within the Department of Insurance.

7 (2) Each member may receive per diem and expenses for
8 travel, as provided in section 112.061, Florida Statutes,
9 while carrying out official business of the commission.

10 (3) Appointments must be made by July 1, 1999, and the
11 commission's first meeting must be held by August 15, 1999.
12 The commission shall continue to exist until December 1, 1999.
13 The chairman shall be designated from the membership.

14 Section 2. Duties and responsibilities.--The Workers'
15 Compensation Rating Law Commission shall:

16 (1) Hold a minimum of three public hearings, including
17 at least one in Tallahassee, to receive public comment and
18 input relative to Florida's workers' compensation rating law.

19 (2) Perform a study of Florida's workers' compensation
20 rating law and other state workers' compensation rating law
21 alternatives. The study shall include an analysis of prior
22 approval full-rate, loss-costs, and open-competition rating
23 laws and their impact on rates and premiums.

24 (3) Make recommendation concerning the most
25 appropriate method for establishing rates and premiums for
26 workers' compensation in Florida.

27 (4) The staffs of the Senate Banking and Insurance
28 Committee and the House Insurance Committee shall provide
29 administrative support to the study commission. The study
30 commission may contract with independent parties to provide
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1 such information to the commission as it determines is
2 necessary to complete its study and recommendations.

3 (5) The study commission shall report its findings and
4 recommendations to the President of the Senate and the Speaker
5 of the House of Representatives by December 15, 1999.

6 Section 3. There is appropriated \$100,000 from the
7 Insurance Commissioner's Regulatory Trust Fund for
8 implementing the provisions of this act.

9 Section 4. This act shall take effect upon becoming a
10 law.

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12 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
13 COMMITTEE SUBSTITUTE FOR
14 Senate Bill 2338

15 Deletes the provisions of the bill that revised the rating
16 laws for worker's compensation to require each insurer to
17 individually file rates with the Department of Insurance and
18 to require each insurer that is a member of a rating
organization to file its own expense and profit factor to
supplement the prospective loss cost filing made by the rating
organization.

19 Creates the Workers' Compensation Rating Law Study Commission,
20 appointed by the President of the Senate and the Speaker of
the House of Representatives, including 2 members of the
Senate, 2 members of the House, 2 representatives of insurers,
21 2 representatives of employers, and the Insurance Commissioner
or his designee. The study commission would perform a study of
22 Florida's workers' compensation rating law alternatives and
make recommendations to the Legislature by December 15
23 concerning the most appropriate method for establishing rates
and premiums for workers' compensation in Florida. The staffs
24 of the Senate Banking and Insurance Committee and the House
Insurance Committee would provide support services and the
25 commission would be authorized to contract with outside
independent parties for such information as they determine
26 necessary. The sum of \$100,000 is appropriated from the
Insurance Commissioner's Regulatory Trust Fund for this
27 purpose.