

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

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Representative(s) Rayson offered the following:

Amendment (with title amendment)

On page 35, line 3,

insert:

Section 22.

(1) The Department of Insurance shall, after issuing a request for proposals, contract with a national independent actuarial firm to conduct an actuarial analysis, consistent with generally accepted actuarial practices, of the expected reduction in liability judgments, settlements, and related costs resulting from the provisions of this act. The analysis shall be based on credible loss cost data derived from settlement or adjudication of liability claims accruing after the effective date of this act. The analysis shall include an estimate of the percentage decrease in such judgments, settlements, and costs by type of coverage affected by this act, including the time period when such savings or reductions are expected.

(2) The report shall be completed and submitted to the

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1 department by March 1, 2002.

2 (3) After March 1, 2002, the department shall review
3 the filed rates of insurers and underwriting profits and
4 losses for Florida liability insurance businesses, and shall
5 require any prospective rate modifications that the department
6 deems to be necessary to cause the rates of any specific
7 insurer to reflect any savings resulting from the provisions
8 of this act as determined by the actuarial analysis. The
9 department shall require each liability insurer's first rate
10 filing after March 1, 2002, to include specific data on the
11 impact of this act on the insurer's liability judgements,
12 settlements, and costs for the purpose of enabling the
13 department and the Legislature to accurately monitor and
14 evaluate the effects of this act.

15 (4) The report under subsection (1) shall be
16 admissible in any proceedings relating to a liability
17 insurance rate filing if the actuary who prepared the report
18 is made available by the department to testify regarding the
19 report's preparation and validity. Each party shall otherwise
20 bear its own cost of any such proceeding.

21 (5) The provisions of this section do not limit the
22 authority of the department to order an insurer to refund
23 excessive profits, as provided in sections 627.066 and
24 627.215, Florida Statutes.

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

28 And the title is amended as follows:

29 On page 4, line 15,

30
31 after "employment;" insert:

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1 requiring the Department of Insurance to
 2 contract with an actuarial firm to conduct an
 3 actuarial analysis of expected reductions in
 4 judgments and related costs resulting from
 5 litigation reforms; specifying the basis and
 6 due date for the actuarial report; providing
 7 for review of rate filings by insurers after
 8 March 1, 2002; providing that provisions do not
 9 limit the refund of excessive profits by
 10 certain insurers;

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