

Amendment No. \_\_\_\_ (for drafter's use only)

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

11 Representative(s) Rayson and Cosgrove offered the following:

**Substitute Amendment for Amendment (213061)**

14 On page 11, line 21 through page 12, line 15  
15 remove from the bill: all of said lines

17 and insert in lieu thereof:

18 627.411 Grounds for disapproval.--

19 (1) The department shall disapprove any form filed  
20 under s. 627.410, or withdraw any previous approval thereof,  
21 only if the form:

22 (a) Is in any respect in violation of, or does not  
23 comply with, this code.

24 (b) Contains or incorporates by reference, where such  
25 incorporation is otherwise permissible, any inconsistent,  
26 ambiguous, or misleading clauses, or exceptions and conditions  
27 which deceptively affect the risk purported to be assumed in  
28 the general coverage of the contract.

29 (c) Has any title, heading, or other indication of its  
30 provisions which is misleading.

31 (d) Is printed or otherwise reproduced in such manner

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1 as to render any material provision of the form substantially  
2 illegible.

3 (e)1. Is for health insurance, and provides benefits  
4 which are unreasonable in relation to the premium charged as  
5 specified in s. 627.411(2); or

6 2. Contains provisions which are unfair or inequitable  
7 or contrary to the public policy of this state or which  
8 encourage misrepresentation, or are unfairly discriminatory  
9 pursuant to s. 626.9541(1) or which apply rating methods,  
10 assumptions or practices which result in:~~practices which~~  
11 ~~result in premium escalations that are not viable for the~~  
12 ~~policyholder market or result in unfair discrimination in~~  
13 ~~sales practices.~~

14 i. Rate increases as a result of insurer conduct as  
15 defined in s. 627.402 unless such increase is implemented with  
16 an approved rate for new insureds and as to insureds existing  
17 at the time of the increase, over a period of years as  
18 follows: for forms with benefits subject to medical  
19 inflation, the premium schedule increase applicable to  
20 existing insureds at the time of the filing shall be the  
21 greater of 10% or 135% of medical trend. Annual rate  
22 increases in subsequent years for the new issue rate schedule  
23 shall be increased in accordance with the provisions of this  
24 section, s. 627.410 and rules promulgated by the department.  
25 The annual increase for the existing insureds shall be the  
26 greater of 10% of the new issue rate schedule or 135% of the  
27 rate increase approved for the new issue premium schedule  
28 until the two rate schedules converge. For forms with  
29 benefits not subject to medical inflation, the period of years  
30 for the two schedules to converge shall be two years, if the  
31 two rate increases are both less than 10%, otherwise three

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1 years;  
2 ii. Rate increases as a result of multiple events of  
3 insurer conduct, unless a plan of corrective action is  
4 approved by the department;  
5 iii. Rate increases attributed to forms(s) being  
6 closed as to new sales and not pooled with any form with  
7 similar benefits currently available for sale, unless such  
8 increase is limited to the rate increase being realized in the  
9 general insurance market of current forms available for sale  
10 with similar benefits;  
11 iv. For new forms, rate schedules that are not  
12 actuarially sustainable, except for medical trend increases  
13 where applicable.  
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15 The department shall promulgate rules to implement the  
16 provisions of this section.  
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