

By Representative Bennett

1 A bill to be entitled
2 An act relating to rulemaking authority of the
3 Department of Insurance; codifying department
4 rules and granting the department additional
5 rulemaking authority; amending s. 112.215,
6 F.S.; providing for self-funding of
7 administrative costs of deferred compensation;
8 amending ss. 624.3161 and 626.171, F.S.;
9 authorizing the department to adopt certain
10 rules; amending s. 626.748, F.S.; specifying
11 additional recordkeeping requirements for
12 agents; amending s. 626.9541, F.S.; providing
13 additional criteria for an unfair
14 discrimination prohibition; creating s.
15 626.9552, F.S.; specifying requirements for
16 single interest insurance; amending s. 627.062,
17 F.S.; clarifying certain information reporting
18 requirements; amending s. 627.0625, F.S.;
19 providing an additional requirement for
20 commercial motor vehicle insurance policies;
21 authorizing the department to adopt rules;
22 creating s. 627.385, F.S.; specifying conduct
23 prohibitions for residual market board members;
24 creating s. 627.4065, F.S.; requiring certain
25 notice provisions in health insurance policies;
26 providing for an insured's right to return a
27 policy; amending s. 627.7276, F.S.; revising a
28 limited coverage notice requirement; creating
29 s. 627.795, F.S.; providing title insurance
30 requirements for real estate closings; amending
31 s. 627.918, F.S.; requiring the department to

1 adopt certain reporting format standards;
2 amending s. 627.9408, F.S.; authorizing the
3 department to adopt long-term care insurance
4 regulation rules; amending s. 641.2342, F.S.;
5 providing for financial examination of contract
6 providers by the department; amending s.
7 641.31, F.S.; revising a reimbursement for
8 covered services and supplies provision;
9 amending s. 641.3108, F.S.; prohibiting health
10 maintenance organization cancellation of
11 certain contracts during a contract period;
12 providing exceptions; providing requirements
13 for nonrenewal of subscriber group contracts;
14 providing an effective date.

15
16 Be It Enacted by the Legislature of the State of Florida:

17
18 Section 1. Paragraph (e) is added to subsection (4) of
19 section 112.215, Florida Statutes, to read:

20 112.215 Government employees; deferred compensation
21 program.--

22 (4)

23 (e) The administrative costs of the deferred
24 compensation plan shall be wholly or partially self-funded.
25 Fees for such self-funding of the plan shall be paid by
26 investment providers and may be recouped from their respective
27 plan participants. Such fees shall be deposited in the
28 Deferred Compensation Trust Fund.

29 Section 2. Subsection (6) is added to section
30 624.3161, Florida Statutes, to read:

31 624.3161 Market conduct examinations.--

1 (6) The department shall adopt rules to effectuate the
2 market conduct examination process, including, but not limited
3 to, rules which enable the department to ascertain compliance
4 by the person examined with the applicable provisions of
5 chapters 624, 626, 627, 634, 635, 642, and 651.

6 Section 3. Subsection (8) is added to section 626.171,
7 Florida Statutes, to read:

8 626.171 Application for license.--

9 (8) The department shall adopt rules to effectuate the
10 license application process, including, but not limited to,
11 photo identification, character and credit reports,
12 prelicensing courses, the impact of criminal and law
13 enforcement history, and other relevant information, in an
14 effort to determine an applicant's fitness and trustworthiness
15 to engage in the business of insurance.

16 Section 4. Section 626.748, Florida Statutes, is
17 amended to read:

18 626.748 Agent's records.--

19 (1) Every agent transacting any insurance policy must
20 maintain in his or her office, or have readily accessible by
21 electronic or photographic means, such records of policies
22 transacted by him or her as to enable the policyholders and
23 department to obtain all necessary information, including
24 daily reports, applications, change endorsements, or documents
25 signed or initialed by the insured concerning such policies.

26 (2) Complete records of all policies issued, including
27 the name and address of all insureds and beneficiaries and the
28 type or scope of coverage provided, shall be maintained at all
29 times by the transacting agent. The transacting agent shall
30 report and promptly send to the insurer and issuing or
31 countersigning agent all applications for insurance. If the

1 policies are issued in the home or regional office of the
2 company, a copy of the policy shall be sent to the
3 countersigning agent for his or her file. If a policy covering
4 personal property is issued by a mutual insurer or a
5 participating stock insurer, the policyholder shall be
6 entitled to the benefit of any dividend paid under an
7 individual policy or certificate.

8 Section 5. Paragraph (o) of subsection (1) of section
9 626.9541, Florida Statutes, is amended to read:

10 626.9541 Unfair methods of competition and unfair or
11 deceptive acts or practices defined.--

12 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR
13 DECEPTIVE ACTS.--The following are defined as unfair methods
14 of competition and unfair or deceptive acts or practices:

15 (o) Illegal dealings in premiums; excess or reduced
16 charges for insurance.--

17 1. Knowingly collecting any sum as a premium or charge
18 for insurance, which is not then provided, or is not in due
19 course to be provided, subject to acceptance of the risk by
20 the insurer, by an insurance policy issued by an insurer as
21 permitted by this code.

22 2. Knowingly collecting as a premium or charge for
23 insurance any sum in excess of or less than the premium or
24 charge applicable to such insurance, in accordance with the
25 applicable classifications and rates as filed with and
26 approved by the department, and as specified in the policy;
27 or, in cases when classifications, premiums, or rates are not
28 required by this code to be so filed and approved, premiums
29 and charges in excess of or less than those specified in the
30 policy and as fixed by the insurer. This provision shall not
31 be deemed to prohibit the charging and collection, by surplus

1 lines agents licensed under part VIII of this chapter, of the
2 amount of applicable state and federal taxes, or fees as
3 authorized by s. 626.916(4), in addition to the premium
4 required by the insurer or the charging and collection, by
5 licensed agents, of the exact amount of any discount or other
6 such fee charged by a credit card facility in connection with
7 the use of a credit card, as authorized by subparagraph (q)3.,
8 in addition to the premium required by the insurer. This
9 subparagraph shall not be construed to prohibit collection of
10 a premium for a universal life or a variable or indeterminate
11 value insurance policy made in accordance with the terms of
12 the contract.

13 3.a. Imposing or requesting an additional premium for
14 a policy of motor vehicle liability, personal injury
15 protection, medical payment, or collision insurance or any
16 combination thereof or refusing to renew the policy solely
17 because the insured was involved in a motor vehicle accident
18 unless the insurer's file contains information from which the
19 insurer in good faith determines that the insured was
20 substantially at fault in the accident.

21 b. An insurer which imposes and collects such a
22 surcharge or which refuses to renew such policy shall, in
23 conjunction with the notice of premium due or notice of
24 nonrenewal, notify the named insured that he or she is
25 entitled to reimbursement of such amount or renewal of the
26 policy under the conditions listed below and will subsequently
27 reimburse him or her or renew the policy, if the named insured
28 demonstrates that the operator involved in the accident was:

29 (I) Lawfully parked;
30
31

1 (II) Reimbursed by, or on behalf of, a person
2 responsible for the accident or has a judgment against such
3 person;

4 (III) Struck in the rear by another vehicle headed in
5 the same direction and was not convicted of a moving traffic
6 violation in connection with the accident;

7 (IV) Hit by a "hit-and-run" driver, if the accident
8 was reported to the proper authorities within 24 hours after
9 discovering the accident;

10 (V) Not convicted of a moving traffic violation in
11 connection with the accident, but the operator of the other
12 automobile involved in such accident was convicted of a moving
13 traffic violation;

14 (VI) Finally adjudicated not to be liable by a court
15 of competent jurisdiction;

16 (VII) In receipt of a traffic citation which was
17 dismissed or nolle prossed; or

18 (VIII) Not at fault as evidenced by a written
19 statement from the insured establishing facts demonstrating
20 lack of fault which are not rebutted by information in the
21 insurer's file from which the insurer in good faith determines
22 that the insured was substantially at fault.

23 c. In addition to the other provisions of this
24 subparagraph, an insurer may not fail to renew a policy if the
25 insured has had only one accident in which he or she was at
26 fault within the current 3-year period. However, an insurer
27 may nonrenew a policy for reasons other than accidents in
28 accordance with s. 627.728. This subparagraph does not
29 prohibit nonrenewal of a policy under which the insured has
30 had three or more accidents, regardless of fault, during the
31 most recent 3-year period.

1 4. Imposing or requesting an additional premium for,
2 or refusing to renew, a policy for motor vehicle insurance
3 solely because the insured committed a noncriminal traffic
4 infraction as described in s. 318.14 unless the infraction is:

5 a. A second infraction committed within an 18-month
6 period, or a third or subsequent infraction committed within a
7 36-month period.

8 b. A violation of s. 316.183, when such violation is a
9 result of exceeding the lawful speed limit by more than 15
10 miles per hour.

11 5. Upon the request of the insured, the insurer and
12 licensed agent shall supply to the insured the complete proof
13 of fault or other criteria which justifies the additional
14 charge or cancellation.

15 6. No insurer shall impose or request an additional
16 premium for motor vehicle insurance, cancel or refuse to issue
17 a policy, or refuse to renew a policy because the insured or
18 the applicant is a handicapped or physically disabled person,
19 so long as such handicap or physical disability does not
20 substantially impair such person's mechanically assisted
21 driving ability.

22 7. No insurer may cancel or otherwise terminate any
23 insurance contract or coverage, or require execution of a
24 consent to rate endorsement, during the stated policy term for
25 the purpose of offering to issue, or issuing, a similar or
26 identical contract or coverage to the same insured with the
27 same exposure at a higher premium rate or continuing an
28 existing contract or coverage with the same exposure at an
29 increased premium.

30 8. No insurer may issue a nonrenewal notice on any
31 insurance contract or coverage, or require execution of a

1 consent to rate endorsement, for the purpose of offering to
2 issue, or issuing, a similar or identical contract or coverage
3 to the same insured at a higher premium rate or continuing an
4 existing contract or coverage at an increased premium without
5 meeting any applicable notice requirements.

6 9. No insurer shall, with respect to premiums charged
7 for motor vehicle insurance, unfairly discriminate solely on
8 the basis of age, sex, marital status, type of vehicle,
9 location of risk, accidents more than 3 years old, or
10 scholastic achievement.

11 10. Imposing or requesting an additional premium for
12 motor vehicle comprehensive or uninsured motorist coverage
13 solely because the insured was involved in a motor vehicle
14 accident or was convicted of a moving traffic violation.

15 11. No insurer shall cancel or issue a nonrenewal
16 notice on any insurance policy or contract without complying
17 with any applicable cancellation or nonrenewal provision
18 required under the Florida Insurance Code.

19 12. No insurer shall impose or request an additional
20 premium, cancel a policy, or issue a nonrenewal notice on any
21 insurance policy or contract because of any traffic infraction
22 when adjudication has been withheld and no points have been
23 assessed pursuant to s. 318.14(9) and (10). However, this
24 subparagraph does not apply to traffic infractions involving
25 accidents in which the insurer has incurred a loss due to the
26 fault of the insured.

27 Section 6. Section 626.9552, Florida Statutes, is
28 created to read:

29 626.9552 Single interest insurance.--

30 (1) Whenever single interest insurance is written at
31 the expense of the purchaser or borrower in connection with a

1 finance or loan transaction, a clear and concise statement
2 shall be furnished the purchaser or borrower advising the
3 purchaser or borrower that the insurance effected is solely
4 for the interest of the finance company, bank, or other
5 lending institutions and that no protection under such
6 insurance exists for the benefit of the purchaser or borrower.
7 When single interest insurance is written, no effort shall be
8 made by the insurer to recover the amount of any payment from
9 the borrower. Such single interest insurance policies shall be
10 clearly stamped or printed on the declarations page "Single
11 Interest Only - No Subrogation." Single interest insurance may
12 be placed only after a determination has been made that no
13 other kind of insurance can be placed on the risk, except
14 that, with the consent of the purchaser or borrower, single
15 interest may be written in cases of inland marine installment
16 sales floater policies. If insurance cannot be obtained for
17 the dual protection of the purchaser or borrower and the
18 seller, lender, finance company, bank, or other lending
19 institutions, for all the coverages contemplated, or, if
20 obtained, is cancelled by the insurer prior to expiration, the
21 seller or lender, or finance company, bank, or other lending
22 institutions, may obtain insurance to protect his, her, or
23 their interest in the motor vehicle or other personal property
24 and the purchaser or borrower may be required to pay the cost
25 of such insurance. In such event, the seller or lender, or
26 finance company, bank, or other lending institutions, shall
27 promptly notify the purchaser or borrower that such insurance
28 cannot be obtained, or has been cancelled, and credit to the
29 purchaser or borrower the difference between the amount
30 charged for dual protection insurance and the actual cost of
31 such single interest insurance, less, in the event of

1 cancellation, the earned premium on the dual interest
2 insurance for the period it was in force. If the purchaser or
3 borrower procures acceptable dual interest insurance within 30
4 days after the date of such notice and provides the seller or
5 lender, or finance company, bank, or other lending
6 institutions, with evidence that the premium for such
7 insurance has been paid, there shall be no charge to the
8 purchaser or borrower for the single interest coverage.
9 However, those lenders licensed under chapter 516 shall
10 provide coverage issued in the name of the borrower containing
11 the customary mortgagee or loss payee clause.

12 (2) If a certificate is issued under a master policy,
13 the same coverage as provided in an individual policy will
14 apply.

15 Section 7. Paragraph (a) of subsection (2) of section
16 627.062, Florida Statutes, is amended to read:

17 627.062 Rate standards.--

18 (2) As to all such classes of insurance:

19 (a) Insurers or rating organizations shall establish
20 and use rates, rating schedules, or rating manuals to allow
21 the insurer a reasonable rate of return on such classes of
22 insurance written in this state. ~~A copy of Rates,~~ rating
23 schedules, rating manuals, premium credits or discount
24 schedules, and surcharge schedules, and changes thereto, shall
25 be filed with the department, in a manner and on forms as
26 prescribed by the department, under one of the following
27 procedures:

28 1. If the filing is made at least 90 days before the
29 proposed effective date and the filing is not implemented
30 during the department's review of the filing and any
31 proceeding and judicial review, then such filing shall be

1 considered a "file and use" filing. In such case, the
2 department shall finalize its review by issuance of a notice
3 of intent to approve or a notice of intent to disapprove
4 within 90 days after receipt of the filing. The notice of
5 intent to approve and the notice of intent to disapprove
6 constitute agency action for purposes of the Administrative
7 Procedure Act. Requests for supporting information, requests
8 for mathematical or mechanical corrections, or notification to
9 the insurer by the department of its preliminary findings
10 shall not toll the 90-day period during any such proceedings
11 and subsequent judicial review. The rate shall be deemed
12 approved if the department does not issue a notice of intent
13 to approve or a notice of intent to disapprove within 90 days
14 after receipt of the filing.

15 2. If the filing is not made in accordance with the
16 provisions of subparagraph 1., such filing shall be made as
17 soon as practicable, but no later than 30 days after the
18 effective date, and shall be considered a "use and file"
19 filing. An insurer making a "use and file" filing is
20 potentially subject to an order by the department to return to
21 policyholders portions of rates found to be excessive, as
22 provided in paragraph (h).

23 Section 8. Subsection (4) is added to section
24 627.0625, Florida Statutes, to read:

25 627.0625 Commercial property and casualty risk
26 management plans.--

27 (4) Commercial motor vehicle policies which are issued
28 to satisfy mandatory financial responsibility requirements of
29 a state or local government shall provide first dollar
30 coverage to third-party claimants without a deductible. The
31 department may adopt rules necessary to assure the proper

1 administration of claims and protection of third-party
2 claimants from unfair policy defenses not attributable to the
3 third-party claimant.

4 Section 9. Section 627.385, Florida Statutes, is
5 created to read:

6 627.385 Conduct of residual market board members.--

7 (1)(a) The Legislature finds that for various
8 insurance coverages, a residual market has been created by
9 legislation to provide a market of last resort for individuals
10 unable to secure coverage in the voluntary market. As such,
11 the coverage provided is not subject to competitive market
12 forces and must be provided and administered in a manner which
13 fairly balances the needs of the consumer and the member
14 insurers obligated to provide coverage for the residual
15 market.

16 (b) The Legislature further finds that each residual
17 market's enabling legislation calls for the establishment of a
18 board of governors or directors which operates subject to a
19 plan of operation. The board, in carrying out its obligations,
20 must engage in business transactions in order to provide and
21 administer the required coverage and maintain adequate funds
22 to support the plan. In order for the board to fully execute
23 its responsibilities required by law, conflict of interest or
24 inappropriate activity by board members, or the appearance
25 thereof, with regard to member insurers or policyholders of
26 the residual market mechanism must be avoided. The Legislature
27 has determined that the provisions set forth in subsection (2)
28 are necessary to protect the public interest by ensuring fair,
29 reasonable, and beneficial board practice and activity.

30 (c) This section applies to the Florida Medical
31 Malpractice Joint Underwriting Association, Florida Joint

1 Underwriting Association, Florida Comprehensive Health
2 Association, Florida Windstorm Underwriting Association,
3 Florida Property and Casualty Joint Underwriting Association,
4 Florida Residential Property and Casualty Joint Underwriting
5 Association, and the board members of such associations.

6 (2) To ensure that a board is free from potential
7 conflict or inappropriate behavior, the following shall be
8 adopted in the plans of operation of the subject residual
9 market in this state:

10 (a) No board member shall act as servicing carrier or
11 administering entity for the subject plan, other than a claim
12 adjustment contract open to all members of the plan.

13 (b) No board member or board member representative
14 shall use his or her position to foster or facilitate any
15 pecuniary gain for himself or herself, his or her member
16 company, or any other entity in which the board member or
17 board member representative or the member company has a
18 substantial financial interest, except as otherwise provided
19 in paragraph (a).

20 (c) No board member or board member representative
21 shall use his or her position on the board to secure or
22 promote any business relationship from which he or she may
23 derive a financial gain.

24 (d) No board member or designee shall receive any gift
25 or gratuity, other than meals, in his or her capacity as a
26 board member.

27 (3) Board members and board member representatives
28 shall maintain reasonable board expenses based on state travel
29 policy as set forth in s. 112.061. The board shall develop a
30 detailed policy regarding board member travel, which policy
31

1 shall be subject to the approval of the department based on
2 the provisions of s. 112.061.

3 Section 10. Section 627.4065, Florida Statutes, is
4 created to read:

5 627.4065 Health insurance policy notice; insured's
6 right to return.--A health insurance policy issued or issued
7 for delivery in this state shall have printed or stamped on
8 such policy or attached to such policy a notice in a prominent
9 place stating in substance that the policyholder may return
10 the policy within 10 days after its delivery to the insurer
11 and have the premium paid refunded if, after examination of
12 the policy or contract, the policyholder is not satisfied with
13 the policy or contract for any reason. The notice shall
14 provide that if the policyholder pursuant to such notice
15 returns the policy or contract to the insurer at the insurer's
16 home office or branch office, or to the agent through whom the
17 policy or contract was purchased, the policy or contract shall
18 be void from the beginning and the parties shall be in the
19 same position as if no policy or contract had been issued.
20 This section shall not apply to either single premium
21 nonrenewable policies or travel accident policies.

22 Section 11. Section 627.7276, Florida Statutes, is
23 amended to read:

24 627.7276 Notice of limited coverage.--

25 (1) The following notice of limited coverage shall ~~An~~
26 ~~automobile policy that does not contain coverage for bodily~~
27 ~~injury and property damage must~~ be clearly stamped or printed
28 on any automobile insurance policy that only provides coverage
29 for first-party damage to the insured vehicle, but does not
30 provide coverage for bodily injury liability, property damage
31 liability, or personal injury protection ~~to the effect that~~

1 ~~such coverage is not included in the policy in the following~~
2 ~~manner:~~

3
4 "THIS POLICY DOES NOT PROVIDE BODILY INJURY
5 LIABILITY, ~~AND~~ PROPERTY DAMAGE LIABILITY, OR
6 PERSONAL INJURY PROTECTION INSURANCE OR ANY
7 OTHER COVERAGE FOR WHICH A SPECIFIC PREMIUM
8 CHARGE IS NOT MADE, AND DOES NOT COMPLY WITH
9 ANY FINANCIAL RESPONSIBILITY LAW OR WITH THE
10 FLORIDA MOTOR VEHICLE NO-FAULT LAW."

11
12 (2) This legend must appear on the policy declaration
13 page ~~and on the filing back~~ of the policy and be printed in a
14 contrasting color from that used on the policy and in type
15 larger than the largest type used in the text thereof, as an
16 overprint or by a rubber stamp impression.

17 Section 12. Section 627.795, Florida Statutes, is
18 created to read:

19 627.795 Policy exceptions.--

20 (1) A title insurance commitment shall be issued on
21 all real estate closing transactions whenever a title
22 insurance policy is to be issued, except multiple conveyances
23 on the same property, such as timesharing.

24 (2) A gap exception shall not be deleted on a
25 commitment until the time of closing.

26 Section 13. Subsection (1) of section 627.918, Florida
27 Statutes, is amended to read:

28 627.918 Reporting formats.--

29 (1) The department shall require that the reporting
30 provided for in this part be made on forms approved
31 ~~established~~ by the department or in a format compatible with

1 its electronic data processing equipment. The department shall
2 establish by rule standards for such approval.

3 Section 14. Section 627.9408, Florida Statutes, is
4 amended to read:

5 627.9408 Rules.--

6 (1) The department has authority to adopt rules
7 pursuant to ss. 120.536(1) and 120.54 to implement the
8 provisions of this part.

9 (2) The department may adopt by rule the model
10 regulation for the long-term care insurance regulation as
11 approved by the National Association of Insurance
12 Commissioners in June 2000, including provisions to protect
13 applicants for long-term care and comparison of long-term care
14 insurance coverage and to facilitate flexibility and
15 innovation in the development of long-term care insurance that
16 is not in conflict with the provisions of the insurance code.

17 Section 15. Section 641.2342, Florida Statutes, is
18 amended to read:

19 641.2342 Contract providers.--Each health maintenance
20 organization shall file, upon the request of the department,
21 financial statements for all contract providers of
22 comprehensive health care services who have assumed, through
23 capitation or other means, more than 10 percent of the health
24 care risks of the health maintenance organization. However,
25 this provision shall not apply to any individual physician.
26 Any contract provider subject to this section shall be subject
27 to financial examination by the department in accordance with
28 the provisions of this chapter.

29 Section 16. Subsection (12) of section 641.31, Florida
30 Statutes, is amended to read:

31 641.31 Health maintenance contracts.--

1 (12) Each health maintenance contract, certificate, or
2 member handbook shall state that emergency services and care
3 shall be provided to subscribers in emergency situations not
4 permitting treatment through the health maintenance
5 organization's providers, without prior notification to and
6 approval of the organization. Reimbursement for covered
7 services and supplies under this section shall be governed by
8 the provisions of s. 641.513(5), up to the subscriber contract
9 benefits limits.~~Not less than 75 percent of the reasonable~~
10 ~~charges for covered services and supplies shall be paid by the~~
11 ~~organization, up to the subscriber contract benefit limits.~~
12 Payment also may be subject to additional applicable copayment
13 provisions, not to exceed \$100 per claim. The health
14 maintenance contract, certificate, or member handbook shall
15 contain the definitions of "emergency services and care" and
16 "emergency medical condition" as specified in s. 641.19(7) and
17 (8), shall describe procedures for determination by the health
18 maintenance organization of whether the services qualify for
19 reimbursement as emergency services and care, and shall
20 contain specific examples of what does constitute an
21 emergency. In providing for emergency services and care as a
22 covered service, a health maintenance organization shall be
23 governed by s. 641.513.

24 Section 17. Subsections (1) and (3) of section
25 641.3108, Florida Statutes, are amended to read:

26 641.3108 Notice of cancellation of contract.--

27 (1) Except for nonpayment of premium or termination of
28 eligibility, no health maintenance organization may cancel or
29 otherwise terminate or fail to renew a health maintenance
30 contract without giving the subscriber at least 45 days'
31 notice in writing of the cancellation, termination, or

1 nonrenewal of the contract. The written notice shall state the
2 reason or reasons for the cancellation, termination, or
3 nonrenewal. All health maintenance contracts shall contain a
4 clause which requires that this notice be given. No individual
5 or group contract may be cancelled by a health maintenance
6 organization during the contract period except for nonpayment
7 of premium or termination of eligibility.

8 (3) In the case of a health maintenance contract
9 issued to an employer or person holding the contract on behalf
10 of the subscriber group, the health maintenance organization
11 may make the notification through the employer or group
12 contract holder, and, if the health maintenance organization
13 elects to take this action through the employer or group
14 contract holder, the organization shall be deemed to have
15 complied with the provisions of this section upon notifying
16 the employer or group contract holder of the requirements of
17 this section and requesting the employer or group contract
18 holder to forward to all subscribers the notice required
19 herein. If a subscriber group contract is not renewed due to
20 claim experience, the subscriber group shall be entitled to
21 receive the loss ratio of the group. If requested by a
22 subscriber group, a detailed claim experience record may be
23 provided at a reasonable expense. The record shall maintain
24 subscriber confidentiality.

25 Section 18. This act shall take effect October 1,
26 2001.

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HOUSE SUMMARY

Revises various provisions of insurance law. Provides additional rulemaking authority for the Department of Insurance. Requires self-funding of administrative costs of deferred compensation. Revises provisions relating to recordkeeping requirements for agents, unfair discrimination prohibitions, information reporting requirements, commercial motor vehicle insurance policies, and limited coverage notice requirements. Specifies prohibited conduct for residual market board members. Requires health insurance policies to notify an insured of a right to return a policy. Provides title insurance requirements for real estate closings. Specifies requirements for single interest insurance. Requires the department to adopt certain reporting format standards. Provides for financial examination of contract providers by the department. Revises a provision for reimbursement for covered services and supplies by health maintenance organizations. Prohibits health maintenance organizations from cancelling contracts during a contract period except for nonpayment of premium or termination of eligibility. Provides requirements for nonrenewal of subscriber group contracts. See bill for details.