

1 (1) Reports of hurricane loss data and associated
2 exposure data which are specific to a particular insurance
3 company, as reported by an insurer or a licensed rating
4 organization to the office or to a type I center at a state
5 university for the public hurricane model pursuant to s.
6 627.06291, are exempt from s. 119.07(1) and s. 24(a), Art. I
7 of the State Constitution.

8 (2) This exemption does not apply to:

9 (a) Reports of loss or exposure data that are
10 aggregated for all insurers by the office or the type I center
11 at a state university; or

12 (b) Loss reports for the 2004 hurricanes which are
13 required to be filed with the office pursuant to order by the
14 office, or to such similar reports as may be required for
15 future hurricanes.

16 (3) This section is subject to the Open Government
17 Sunset Review Act of 1995 in accordance with s. 119.15, and
18 shall stand repealed on October 2, 2009, unless reviewed and
19 saved from repeal through reenactment by the Legislature.

20 Section 2. The Legislature finds and declares that it
21 is a public necessity to make reports of hurricane loss data
22 and associated exposure data which are specific to a
23 particular insurance company exempt from section 119.07(1),
24 Florida Statutes, and Section 24(a), Article I of the State
25 Constitution in order that proprietary business information of
26 an insurer be protected. The Legislature finds that revealing
27 such information would reveal marketing strategies of an
28 insurer and could substantially harm insurers in the insurance
29 market by giving competitor insurers an unfair economic
30 advantage. Loss exposure data of an insurer includes the type
31 and location of properties insured by an insurer and this

1 information is of value to an insurer and would provide a
2 competitive advantage if disclosed to another insurer.
3 Information concerning the hurricane losses that are paid by
4 an insurer for specific types and locations of homes is
5 proprietary in nature and could also promote litigation and
6 result in direct economic harm to the insurer.

7 Section 3. Paragraph (e) is added to subsection (3) of
8 section 627.0628, Florida Statutes, to read:

9 627.0628 Florida Commission on Hurricane Loss
10 Projection Methodology.--

11 (3) ADOPTION AND EFFECT OF STANDARDS AND GUIDELINES.--

12 (e)1. A trade secret, as defined in s. 812.081, which
13 is used in designing and constructing a hurricane loss model
14 and which is provided pursuant to this section by a private
15 company to the commission, office, or consumer advocate
16 appointed pursuant to s. 627.0613, is exempt from s. 119.07(1)
17 and s. 24(a), Art. I of the State Constitution.

18 2. That portion of a meeting of the commission or of a
19 rate proceeding on an insurer's rate filing at which a trade
20 secret made confidential and exempt by this paragraph is
21 discussed is exempt from s. 286.011 and s. 24(b), Art. I of
22 the State Constitution.

23 3. This paragraph is subject to the Open Government
24 Sunset Review Act of 1995 in accordance with s. 119.15, and
25 shall stand repealed on October 2, 2009, unless reviewed and
26 saved from repeal through reenactment by the Legislature.

27 Section 4. The Legislature finds that it is a public
28 necessity that a trade secret, as defined in section 812.081,
29 Florida Statutes, that is used in the design and construction
30 of a hurricane loss model, and that is provided pursuant to
31 law by a private company to the Commission on Hurricane Loss

1 Projection Methodology, the Office of Insurance Regulation, or
2 an appointed consumer advocate be made confidential and exempt
3 from public-records requirements and be made exempt from
4 public-meetings requirements. Disclosing trade secrets would
5 negatively impact the business interests of a private company
6 that has invested substantial economic resources in developing
7 the model, and competitor companies would gain an unfair
8 competitive advantage if provided access to such information.
9 Reliable projections of hurricane losses are necessary in
10 order to ensure that rates for residential property insurance
11 meet the statutory requirement that rates be neither excessive
12 or inadequate. This goal is served by enabling the Commission
13 on Hurricane Loss Projection Methodology, the Office of
14 Insurance Regulation, and the consumer advocate appointed
15 pursuant to section 627.0613, Florida Statutes, to have access
16 to all aspects of hurricane loss models, and encouraging
17 private companies to submit such models to the commission,
18 office, and consumer advocate for review without concern that
19 proprietary information or trade secrets will be disclosed. In
20 addition, without protecting such information during meetings
21 or proceedings at which the information is discussed,
22 competitors and other persons could attend those meetings and
23 discover the proprietary information or trade secrets.

24 Section 5. Sections 1 and 2 of this act shall take
25 effect on the same date that CS for Senate Bill 1488 or
26 similar legislation takes effect requiring insurers to report
27 hurricane loss and exposure data to the Office of Insurance
28 Regulation or to a public university for developing a
29 hurricane loss model, if such legislation is adopted in the
30 same legislative session or an extension thereof and becomes
31 law, and sections 3 and 4 of this act shall take effect on the

1 same date that CS for Senate Bill 1488 or similar legislation
2 takes effect, providing for the Office of Insurance Regulation
3 and the consumer advocate appointed pursuant to section
4 627.0613, Florida Statutes, to have access to assumptions used
5 in privately owned hurricane loss models, if such legislation
6 is adopted in the same legislative session or an extension
7 thereof and becomes law.

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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
COMMITTEE SUBSTITUTE FOR
Senate Bill 1478

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12 Provides that the public records exemption for loss and
13 exposure data reported by an insurer for the public hurricane
14 model does not apply to reports of data that are aggregated
15 for all insurers by the Office of Insurance Regulation or the
16 type I center at a state university; or to loss reports for
17 the 2004 hurricane required to be filed with office pursuant
18 to order or similar reports for future hurricanes.

19 Revises public necessity statement.

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