

By Senator Geller

31-1375A-05

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

A bill to be entitled

An act relating to insurance rate filings;  
amending s. 627.062, F.S.; requiring a  
statement of certification to accompany certain  
rate filings; providing statement requirements;  
providing for the adoption of rules by the  
Office of Insurance Regulation; providing an  
effective date.

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

Section 1. Paragraph (a) of subsection (2) of section  
627.062, Florida Statutes, is amended to read:

627.062 Rate standards.--

(2) As to all such classes of insurance:

(a) Insurers or rating organizations shall establish  
and use rates, rating schedules, or rating manuals to allow  
the insurer a reasonable rate of return on such classes of  
insurance written in this state. A copy of rates, rating  
schedules, rating manuals, premium credits or discount  
schedules, and surcharge schedules, and changes thereto, shall  
be filed with the office under one of the following  
procedures:

1. If the filing is made at least 90 days before the  
proposed effective date and the filing is not implemented  
during the office's review of the filing and any proceeding  
and judicial review, then such filing shall be considered a  
"file and use" filing. In such case, the office shall  
finalize its review by issuance of a notice of intent to  
approve or a notice of intent to disapprove within 90 days  
after receipt of the filing. The notice of intent to approve

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

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

19         (3) The chief executive officer and chief financial  
20 officer of each insurer, or its certified public accountant on  
21 its behalf, shall sign a statement of certification to  
22 accompany the rate filing. The statement shall certify the  
23 appropriateness of the information in the rate filing and  
24 certify that the information fairly presents, in all material  
25 respects, the basis of the rate filing. The insurer shall  
26 certify all of the information and factors described in  
27 paragraph (b), including, but not limited to, investment  
28 income. The Office of Insurance Regulation shall adopt by rule  
29 a statement of certification form. The failure to provide a  
30 statement of certification shall result in the rate filing  
31 being disapproved without prejudice to its being refiled.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

The provisions of this subsection shall not apply to workers' compensation and employer's liability insurance and to motor vehicle insurance.

Section 2. This act shall take effect July 1, 2005.

\*\*\*\*\*

SENATE SUMMARY

Requires that a statement of certification accompany certain insurance rate filings. (See bill for details.)