

Bill No. PCS for SB 1980 (070118)

Barcode 645778

CHAMBER ACTION

Senate

House

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The Committee on Banking and Insurance (Posey) recommended the following amendment:

Senate Amendment (with title amendment)

On page 26, line 12 through 17, delete those lines

and insert:

Section 7. Effective July 1, 2006, paragraphs (a) and (b) of subsection (2) and subsection (5) of section 627.062, Florida Statutes, are amended, and subsection (9) is added to that section, 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:

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

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

27 3. The chief executive officer and the chief financial
28 officer of each property insurer, or its certified public
29 accountant acting on its behalf, shall sign a statement of
30 certification, sworn under oath, to accompany the rate filing.
31 The statement must certify the appropriateness of the

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1 information provided in the rate filing and that the
2 information fairly presents, in all material respects, the
3 basis of the rate filing submitted by the property and
4 casualty insurer. The insurer shall certify all of the
5 information and factors described in paragraph (b), including,
6 but not limited to, investment income. The Office of Insurance
7 Regulation shall adopt by rule the form for the statement of
8 certification. Failure to provide the statement of
9 certification shall result in the rate filing being
10 disapproved without prejudice to be refiled.

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

14 And the title is amended as follows:

15 On page 2, line 9, after the second semicolon,

16

17 insert:

18 requiring the chief executive officer and the
19 chief financial officer of each property
20 insurer, or its certified public accountant
21 acting on its behalf, to sign a statement of
22 certification, sworn under oath, to accompany
23 the rate filing;

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