

Bill No. CS for SB 286

Barcode 901804

CHAMBER ACTION

Senate

House

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Comm: WD
04/25/2006 09:55 PM

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The Committee on Judiciary (Campbell) recommended the following amendment:

Senate Amendment (with title amendment)

On page 11, between lines 20 and 21,

insert:

Section 7. (1) The Office of Insurance Regulation shall order insurers writing property insurance in this state to make a rate filing effective January 1, 2007, which reduces rates for sinkhole coverage by a factor that reflects the expected effect of the changes contained in this act. In the absence of clear and convincing evidence to the contrary, it is presumed that the expected effect of the act will result in at least a 10-percent reduction in the rates in effect for such insurance on July 1, 2006. In lieu of making the rate filing required in this subsection, an insurer may, upon notification to the Office of Insurance Regulation, implement a 10-percent reduction of its rates, effective January 1, 2007.

(2) Any insurer or rating organization that contends

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1 in the rate filing effective January 1, 2007, or any
2 subsequent rate filing made on or before December 31, 2012,
3 that the presumed reduced rate provided for in subsection (1)
4 is excessive, inadequate, or unfairly discriminatory shall
5 separately state in its filing the rate it contends is
6 appropriate and shall state with specificity the factors or
7 data that it contends should be considered in order to produce
8 such appropriate rate. The insurer or rating organization may
9 use all of the generally accepted actuarial techniques, as
10 provided in s. 627.062, Florida Statutes, in making any filing
11 pursuant to this subsection. The Office of Insurance
12 Regulation shall review each such exception and approve or
13 disapprove it prior to use. It is the insurer's burden to
14 actuarially justify by clear and convincing evidence any
15 deviation that results in a rate that is higher than the
16 presumed reduced rate as provided in subsection (1).

17 (3) If any provision of this act is held invalid by a
18 court of competent jurisdiction, the Department of Financial
19 Services shall permit an adjustment of all rates filed under
20 this section to reflect the effect of such holding on such
21 rates, so as to ensure that the rates are not excessive,
22 inadequate, or unfairly discriminatory.

23
24 (Redesignate subsequent sections.)

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

28 And the title is amended as follows:

29 On page 2, line 4, after the semicolon,

30
31 insert:

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1 requiring the Office of Insurance Regulation to
2 order insurers to file rates for review under
3 certain circumstances; authorizing an insurer
4 or rating operation to dispute an excessive,
5 inadequate, or unfairly discriminatory rate
6 reduction;

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