

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative(s) Sands and Reagan offered the following:

2
3 **Amendment (with title amendment)**

4 Remove everything after the enacting clause and insert:

5 Section 1. Effective June 1, 2007, subsection (15) is
6 added to section 627.215, Florida Statutes, to read:

7 627.215 Excessive profits for workers' compensation,
8 employer's liability, commercial property, and commercial
9 casualty insurance prohibited.--

10 (15) (a) Each insurer group offering workers' compensation
11 or employer's liability insurance shall also file a schedule of
12 loss and loss adjustment experience in this state for each of
13 the 10 years previous to the most recent accident year. The
14 incurred losses and loss adjustment expenses shall be valued as
15 of December 31 of the first year following the latest accident
16 year to be reported, developed to an ultimate basis, and at nine

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17 12-month intervals thereafter, each developed to an ultimate
18 basis, so that a total of ten evaluations will be provided for
19 each accident year. The first year to be included shall be
20 accident year 1996, so that the reporting of 10 accident years
21 under this revised evaluation will not take place until accident
22 year 2005 data is included in the first report under this
23 subsection that shall be filed prior to July 1, 2008, and this
24 section shall not apply until an insurer group has 10 years of
25 loss experience in this state. For reporting purposes unrelated
26 to determining excessive profits, the loss and loss adjustment
27 experience of each accident year shall continue to be reported
28 until each accident year has been reported at eight stages of
29 development.

30 (b) For those insurer groups offering workers'
31 compensation or employer's liability insurance during the years
32 1996 through 2005, an excessive profit has been realized if
33 underwriting gain is greater than the anticipated underwriting
34 profit plus 5 percent of earned premiums for the 10 most recent
35 calendar years for which data is to be filed under this section.
36 Any excess profit of an insurance company offering workers'
37 compensation or employer's liability insurance during such
38 period of time shall be returned to policyholders in the form of
39 a cash refund or a credit toward future purchase of insurance.
40 The excessive amount shall be refunded on a pro rata basis in
41 relation to the final compilation year earned premiums to the
42 workers' compensation policyholders of record of the insurer
43 group on December 31 of the final compilation year.

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44 Section 2. Section 627.442, Florida Statutes, is created
45 to read:

46 627.442 Insurance contracts.--A person who requires a
47 workers' compensation insurance policy pursuant to a
48 construction contract may not reject a workers' compensation
49 insurance policy issued by a self-insurance fund that is subject
50 to part V of chapter 631 based upon the self-insurance fund not
51 being rated by a nationally recognized insurance rating service.

52 Section 3. If any provision of this act or application to
53 any person or circumstances is held invalid, the invalidity
54 shall not affect other provisions or applications of the act
55 which can be given effect without the invalid provision or
56 application, and to this end the provisions of the act are
57 declared severable.

58 Section 4. Except as otherwise expressly provided by this
59 act, this act shall take effect upon becoming a law.

60
61 ===== T I T L E A M E N D M E N T =====

62 Remove the entire title and insert:

63 A bill to be entitled

64 An act relating to insurance; amending s. 627.215, F.S.;

65 providing additional filing requirements for certain

66 insurers; providing criteria for such requirements;

67 requiring refunds of certain excessive profits under

68 certain circumstances; creating s. 627.442, F.S.;

69 prohibiting the rejection of workers' compensation

70 insurance policies issued by certain self-insurance funds

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HOUSE AMENDMENT

Bill No. SB 1748

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71 | under certain circumstances; providing severability;
72 | providing effective dates.

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