

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative R. Garcia offered the following:

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3 **Amendment (with title amendment)**

4 Remove line 130 and insert:

5 Section 5. Effective July 1, 2007, section 627.4108,
6 Florida Statutes, is created to read:

7 627.4108 Credit for administrative efficiencies.--A life
8 or health insurer or health maintenance organization may offer
9 to groups a credit reflecting demonstrable administrative
10 savings resulting from efficiencies that occur when two or more
11 life or health insurance products, or a health maintenance
12 organization contract and one or more life or health insurance
13 products, are purchased from the insurer or its affiliated
14 companies or health maintenance organization. The insurer or
15 health maintenance organization shall be required to demonstrate
16 to the office that the proposed credit is reasonable, does not

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17 exceed the administrative savings, and is offered in a
18 nondiscriminatory manner. Such demonstration may be submitted
19 for approval separate from any premium rate filing. In no event
20 shall such credit, resulting in reduction of revenue, be
21 reflected in the experience used in rate filings. The commission
22 may establish by rule procedures to be used in ascertaining the
23 appropriate amount and reasonableness of the credit in relation
24 to the administrative savings and to ensure that it is offered
25 in a nondiscriminatory manner.

26 Section 6. Except as otherwise expressly provided in this
27 act, this act shall take effect January 1, 2008, and

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

30 Remove line 9 and 10 and insert:

31 maintenance contracts; creating s. 627.4108, F.S.; authorizing
32 life or health insurers or health maintenance organizations to
33 offer to groups a credit reflecting demonstrable administrative
34 savings resulting from efficiencies under specified conditions;
35 providing applicability; authorizing the Financial Services
36 Commission to establish certain rules; providing effective
37 dates.