

Bill No. CS for SB 1866

Barcode 103240

	CHAMBER ACTION	
<u>Senate</u>		<u>House</u>

1	.
2	.
3	.
4	.
5	.
6	.
7	.
8	.
9	.
10	.

Floor: 15/AD/2R
05/02/2007 12:52 PM

11 Senators Atwater and Deutch moved the following amendment:

13 **Senate Amendment (with title amendment)**

14 On page 20, line 28, through
15 page 22, line 15, delete those lines

17 and insert:

18 Section 6. Paragraph (a) of subsection (2) of section
19 627.062, Florida Statutes, as amended by chapter 2007-1, Laws
20 of Florida, is amended, and subsection (10) is added to that
21 section, to read:

22 627.062 Rate standards.--

23 (2) As to all such classes of insurance:

24 (a) Insurers or rating organizations shall establish
25 and use rates, rating schedules, or rating manuals to allow
26 the insurer a reasonable rate of return on such classes of
27 insurance written in this state. A copy of rates, rating
28 schedules, rating manuals, premium credits or discount
29 schedules, and surcharge schedules, and changes thereto, shall
30 be filed with the office under one of the following procedures
31 except as provided in subparagraph 3.:

Bill No. CS for SB 1866

Barcode 103240

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

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

26 3. For all filings made or submitted on or after
27 January 25, 2007, but on or before December 31, 2008, an
28 insurer seeking a rate that is greater than the rate most
29 recently approved by the office shall make a "file and use"
30 filing. This subparagraph applies to property insurance only.
31 For purposes of this subparagraph, automobile collision and

Bill No. CS for SB 1866

Barcode 103240

1 comprehensive coverages are not considered to be property
2 coverages.

3
4 The provisions of this subsection shall not apply to workers'
5 compensation and employer's liability insurance and to motor
6 vehicle insurance.

7 (10) Any interest paid pursuant to s. 627.70131(5) may
8 not be included in the insurer's rate base and may not be used
9 to justify a rate or rate change.

10

11

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

13 And the title is amended as follows:

14 On page 1, line 29, after the semicolon,

15

16 insert:

17 prohibiting an insurer from including certain
18 interest paid in the insurer's rate base;
19 prohibiting an insurer from using such interest
20 to justify a rate or rate change;

21

22

23

24

25

26

27

28

29

30

31