

1 A bill to be entitled
 2 An act relating to commercial insurance; amending s.
 3 627.062, F.S.; exempting certain categories or types of
 4 insurance and types of commercial lines risks from certain
 5 filing and review requirements; requiring certain
 6 information to be maintained by an insurer and subject to
 7 examination by the Office of Insurance Regulation;
 8 amending s. 627.0651, F.S.; excluding commercial motor
 9 vehicle insurance from certain motor vehicle insurance
 10 rate filing requirements; conforming cross-references;
 11 providing an effective date.

12
 13 Be It Enacted by the Legislature of the State of Florida:

14
 15 Section 1. Paragraph (d) is added to subsection (3) of
 16 section 627.062, Florida Statutes, to read:

17 627.062 Rate standards.—

18 (3)

19 (d)1. The following categories or kinds of insurance and
 20 types of commercial lines risks are not subject to the filing
 21 and review requirements of subsection (2):

22 a. Excess or umbrella.

23 b. Surety and fidelity.

24 c. Boiler and machinery and leakage and fire extinguishing
 25 equipment.

26 d. Commercial motor vehicle insurance.

27 e. Errors and omissions.

28 f. Professional liability, except medical malpractice

- 29 coverage.
- 30 g. Directors and officers, employment practices, and
- 31 management liability.
- 32 h. Intellectual property and patent infringement
- 33 liability.
- 34 i. Advertising injury and Internet liability insurance.
- 35 j. Property risks rated under a highly protected risks
- 36 rating plan.
- 37 k. Unique or unusual risks or portions of risks which are
- 38 not rated according to manuals, rating plans, or rate schedules,
- 39 including "a" rates.
- 40 1. Any other commercial lines categories or kinds of
- 41 insurance or types of commercial lines risks that the office
- 42 determines should not be subject to the filing and review
- 43 requirements of subsection (2) for reasons of the existence of a
- 44 competitive market for such insurance, similarity of such
- 45 insurance to other categories or kinds of insurance not subject
- 46 to filing and review requirements of subsection (2), or to
- 47 improve the general operational efficiency of the office.
- 48 2. Underwriting files, premiums, losses, and expense
- 49 statistics with regard to risks written by an insurer not
- 50 subject to the filing and review requirements of subsection (2)
- 51 under this paragraph shall be maintained by the insurer and
- 52 subject to examination by the office.

53 Section 2. Subsections (1) and (11) of section 627.0651,
 54 Florida Statutes, are amended to read:

55 627.0651 Making and use of rates for motor vehicle
 56 insurance.—

HB 1563

2010

57 (1) (a) Insurers shall establish and use rates, rating
58 schedules, or rating manuals to allow the insurer a reasonable
59 rate of return on motor vehicle insurance written in this state.
60 A copy of rates, rating schedules, and rating manuals, and
61 changes therein, shall be filed with the office under one of the
62 following procedures:

63 1.~~(a)~~ If the filing is made at least 60 days before the
64 proposed effective date and the filing is not implemented during
65 the office's review of the filing and any proceeding and
66 judicial review, such filing shall be considered a "file and
67 use" filing. In such case, the office shall initiate proceedings
68 to disapprove the rate and so notify the insurer or shall
69 finalize its review within 60 days after receipt of the filing.
70 Notification to the insurer by the office of its preliminary
71 findings shall toll the 60-day period during any such
72 proceedings and subsequent judicial review. The rate shall be
73 deemed approved if the office does not issue notice to the
74 insurer of its preliminary findings within 60 days after the
75 filing.

76 2.~~(b)~~ If the filing is not made in accordance with the
77 provisions of subparagraph 1. ~~paragraph (a)~~, such filing shall
78 be made as soon as practicable, but no later than 30 days after
79 the effective date, and shall be considered a "use and file"
80 filing. An insurer making a "use and file" filing is potentially
81 subject to an order by the office to return to policyholders
82 portions of rates found to be excessive, as provided in
83 subsection (11).

84 (b) Commercial motor vehicle insurance is not subject to

HB 1563

2010

85 the filing requirements of this subsection.

86 (11) In the event the office finds that a rate or rate
87 change is excessive, inadequate, or unfairly discriminatory, the
88 office shall issue an order of disapproval specifying that a new
89 rate or rate schedule which responds to the findings of the
90 office be filed by the insurer. The office shall further order
91 for any "use and file" filing made in accordance with
92 subparagraph (1)(a)2. ~~paragraph (1)(b)~~, that premiums charged
93 each policyholder constituting the portion of the rate above
94 that which was actuarially justified be returned to such
95 policyholder in the form of a credit or refund. If the office
96 finds that an insurer's rate or rate change is inadequate, the
97 new rate or rate schedule filed with the office in response to
98 such a finding shall be applicable only to new or renewal
99 business of the insurer written on or after the effective date
100 of the responsive filing.

101 Section 3. This act shall take effect January 1, 2011.