



200586

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
03/03/2010	.	
	.	
	.	
	.	

---

The Committee on Banking and Insurance (Bennett) recommended the following:

**Senate Amendment (with title amendment)**

Between lines 778 and 779  
insert:

Section 4. Section 627.0613, Florida Statutes, is amended  
to read:

627.0613 Consumer advocate.—The Chief Financial Officer  
must appoint a consumer advocate who shall ~~must~~ represent the  
general public of the state before the department and the  
office. The consumer advocate shall ~~must~~ report directly to the  
Chief Financial Officer, but is not otherwise under the  
authority of the department or of any employee of the



200586

13 department. The consumer advocate has such powers as are  
14 necessary to carry out the duties of the office of consumer  
15 advocate, including, but not limited to, the powers to:

16 (1) Recommend to the department or office, by petition, the  
17 commencement of any proceeding or action; intervene as a party  
18 ~~appear~~ in any proceeding or action before the department or  
19 office; seek review before the Division of Administrative  
20 Hearings of any agency action arising out of any proceeding or  
21 action before the department or office in which the consumer  
22 advocate appeared as a party; or intervene as a party ~~appear~~ in  
23 any proceeding before the Division of Administrative Hearings  
24 relating to subject matter under the jurisdiction of the  
25 department or office.

26 (2) Have access to and use of all files, records, and data  
27 of the department or office.

28 (3) Examine rate and form filings submitted to the office,  
29 hire consultants as necessary to aid in the review process, and  
30 recommend to the department or office any position deemed by the  
31 consumer advocate to be in the public interest.

32 (a) The consumer advocate shall notify the office within 14  
33 days after the date that a filing is made if the consumer  
34 advocate intends to examine the filing.

35 (b) If the consumer advocate determines that additional  
36 information relating to the filing is needed in order to  
37 complete an examination, the consumer advocate may submit a  
38 demand for the additional information to the insurer within 21  
39 days after the date that the filing was made. The consumer  
40 advocate shall provide a copy of the demand to the office at the  
41 same time that the demand is sent to the insurer. The insurer



200586

42 shall provide the additional information relating to the filing  
43 to the consumer advocate and the office within 15 days after  
44 receipt of a demand from the consumer advocate.

45 (c) The consumer advocate shall present any recommendations  
46 regarding a filing to the office:

47 1. Within 21 days after the date that a filing was made if  
48 no additional information is requested from the insurer; or

49 2. Within 15 days after receipt of additional information  
50 requested.

51 (d) The actuary who examines the filing and prepares the  
52 recommendations for the consumer advocate must certify that,  
53 based on the actuary's knowledge, his or her recommendations are  
54 consistent with accepted actuarial principles.

55 (e) The office shall respond in writing to the consumer  
56 advocate by accepting or rejecting each recommendation. If the  
57 consumer advocate submits recommendations on a filing that is  
58 the subject of a public hearing by the office, the office shall  
59 specifically respond in writing to each recommendation and, in  
60 so doing, shall specifically state its reasons for accepting or  
61 rejecting each recommendation. If the office issues an order  
62 approving or disapproving a filing, the response of the office  
63 to the consumer advocate's recommendations shall also be  
64 included in the order.

65 (f) The office may not approve or disapprove a filing, or  
66 issue a notice of intent to approve or notice of intent to  
67 disapprove the filing, before the office responds to the  
68 recommendations of the consumer advocate.

69 (4) Prepare an annual report card for each authorized  
70 personal residential property insurer. The consumer advocate



200586

71 shall adopt rules to grade, on a form and using a letter grade  
72 scale developed by the commission by rule, which grades each  
73 insurer based on the following factors:

74 (a) The number and nature of consumer complaints, as a  
75 market share ratio, received by the department against the  
76 insurer.

77 (b) The disposition of all complaints received by the  
78 department.

79 (c) The average length of time for payment of claims by the  
80 insurer.

81 (d) The number of incurred claims and closed claims in this  
82 state for both personal residential and commercial residential  
83 property insurance.

84 (e) ~~(d)~~ Any other factors that the consumer advocate  
85 commission identifies as assisting policyholders in making  
86 informed choices about homeowner's insurance.

87 (5) Prepare an annual budget for presentation to the  
88 Legislature by the department, which budget must be adequate to  
89 carry out the duties of the office of consumer advocate.

90 Section 5. Subsection (2) of section 627.0621, Florida  
91 Statutes, is amended to read:

92 627.0621 Transparency in rate regulation.—

93 (2) WEBSITE FOR PUBLIC ACCESS TO RATE FILING INFORMATION.—

94 (a) With respect to any residential property rate filing,  
95 the office shall provide the following information on a publicly  
96 accessible Internet website:

97 1. The overall rate change requested by the insurer.

98 2. The rate change approved by the office along with all of  
99 the actuary's assumptions and recommendations forming the basis



200586

100 of the office's decision.

101 3. Certification by the office's actuary that, based on the  
102 actuary's knowledge, his or her recommendations are consistent  
103 with accepted actuarial principles.

104 (b) For any rate filing, whether or not the filing is  
105 subject to a public hearing, the office shall provide on its  
106 website a means for any policyholder who may be affected by a  
107 proposed rate change to send an e-mail regarding the proposed  
108 rate change. Such e-mail must be accessible to the actuary  
109 assigned to review the rate filing.

110 (c) With respect to any rate filing, the office shall  
111 publish on a publicly accessible Internet website the  
112 recommendations of the consumer advocate with regard to changes  
113 requested by the insurer in rates, rating schedules, rating  
114 manuals, premium credits schedules, discount schedules, or  
115 surcharge schedules, and the response of the office to the  
116 recommendations.

117 Section 6. Subsection (4) is added to section 627.06281,  
118 Florida Statutes, to read:

119 627.06281 Public hurricane loss projection model; reporting  
120 of data by insurers.—

121 (4) The consumer advocate may have access to and the use of  
122 the public hurricane loss projection model, including all loss  
123 data and associated exposure data for residential property  
124 insurance policies submitted to the office or Florida  
125 International University, analyses of data, assumptions and  
126 factors used to develop each component of the public model, and  
127 all detailed loss results for analytical purposes, including any  
128 analysis or evaluation of the model required under actuarial



200586

129 standards of practice.

130

131

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

133

134 And the title is amended as follows:

135

136 Delete line 60

137 and insert:

138

139 of the Legislature; amending s. 627.0613, F.S.;

140 clarifying the authority of the consumer advocate to

141 intervene as a party in any proceeding or action

142 before the Office of Insurance Regulation, the

143 Department of Financial Services, or the Division of

144 Administrative Hearings; requiring the consumer

145 advocate to notify the Office of Insurance Regulation

146 whether the consumer advocate intends to examine a

147 rate or form filing within a specified period of time;

148 authorizing the consumer advocate to submit a demand

149 to the insurer for additional information concerning a

150 filing within a specified period of time; requiring

151 the consumer advocate to submit his or her

152 recommendations relating to a filing to the Office of

153 Insurance Regulation; requiring the office to respond

154 in writing to the consumer advocate by accepting or

155 rejecting each recommendation proffered by the

156 consumer advocate; prohibiting the office from

157 approving or disapproving a filing, or issuing a



200586

158 notice of intent to approve or notice of intent to  
159 disapprove the filing, before responding to the  
160 recommendations of the consumer advocate; requiring  
161 the consumer advocate to adopt rules for an annual  
162 report card to grade each authorized personal  
163 residential property insurer; amending s. 627.0621,  
164 F.S.; requiring the Office of Insurance Regulation to  
165 publish on a publicly accessible website the  
166 recommendations of the consumer advocate relating to a  
167 rate filing and the response of the office to the  
168 recommendations; amending s. 627.06281, F.S.;;  
169 authorizing the consumer advocate to have access to  
170 and the use of the public hurricane loss projection  
171 model, along with associated data; amending s.  
172 627.0629, F.S.;