



LEGISLATIVE ACTION

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

The Committee on Banking and Insurance (Fasano) 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



206560

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



206560

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



206560

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



206560

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



206560

129 standards of practice.

130

131

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

133 And the title is amended as follows:

134 Delete line 60

135 and insert:

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

137 clarifying the authority of the consumer advocate to

138 intervene as a party in any proceeding or action

139 before the Office of Insurance Regulation, the

140 Department of Financial Services, or the Division of

141 Administrative Hearings; requiring the consumer

142 advocate to notify the Office of Insurance Regulation

143 whether the consumer advocate intends to examine a

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

145 authorizing the consumer advocate to submit a demand

146 to the insurer for additional information concerning a

147 filing within a specified period of time; requiring

148 the consumer advocate to submit his or her

149 recommendations relating to a filing to the Office of

150 Insurance Regulation; requiring the office to respond

151 in writing to the consumer advocate by accepting or

152 rejecting each recommendation proffered by the

153 consumer advocate; prohibiting the office from

154 approving or disapproving a filing, or issuing a

155 notice of intent to approve or notice of intent to

156 disapprove the filing, before responding to the

157 recommendations of the consumer advocate; requiring



206560

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