



363290

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/13/2011	.	
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The Committee on Banking and Insurance (Smith) recommended the following:

Senate Amendment (with title amendment)

Between lines 147 and 148
insert:

Section 5. Present paragraph (f) of subsection (7) of section 627.062, Florida Statutes, is redesignated as paragraph (g), and a new paragraph (f) is added to that subsection, to read:

627.062 Rate standards.—

(7)

(f) In reviewing any rate filing under this subsection, the office shall consider as part of the insurer's rate base the



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13 insurer's loss adjustment expenses or defense and cost
14 containment expenses only to the extent that the expenses are
15 below or do not exceed the national average for such expenses,
16 as determined by the office, for the prior calendar year. An
17 insurer's loss adjustment expenses or defense and cost
18 containment expenses in excess of the national average may not
19 be used to justify a rate or rate change.

20

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

22 And the title is amended as follows:

23 Delete line 15

24 and insert:

25 apply; amending s. 627.062, F.S.; requiring the Office
26 of Insurance Regulation to consider, as part of the
27 insurer's rate base, the insurer's loss adjustment
28 expenses or defense and cost containment expenses;
29 providing that a rate or rate change may not be
30 justified by an insurer's loss adjustment expenses or
31 defense and cost containment expenses in excess of the
32 national average; amending s. 627.4147, F.S.; deleting
33 a