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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/07/2012	.	
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The Committee on Governmental Oversight and Accountability  
(Bogdanoff) recommended the following:

**Senate Amendment**

Delete lines 56 - 113  
and insert:

Section 2. The Legislature finds that it is a public necessity that proprietary business information provided to the Office of Insurance Regulation by a title insurance agency or insurer, including, but not limited to, trade secrets, be made confidential and exempt from the requirements of s. 119.07(1), Florida Statutes, and s. 24(a), Article I of the State Constitution. The disclosure of information, such as revenue data, loss expense data, gross receipts, the amount of taxes



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13 paid, the amount of capital investment, customer identification,  
14 and the amount of employee wages paid, could injure a business  
15 in the marketplace by providing its competitors with detailed  
16 insights into the financial status and the strategic plans of  
17 the business, thereby diminishing the advantage that the  
18 business maintains over competitors that do not possess such  
19 information. Without this exemption, title insurance agencies  
20 and title insurers, whose records are generally not required to  
21 be open to the public, might refrain from providing accurate and  
22 unbiased data, thus impairing the Office of Insurance  
23 Regulation's ability to set fair and adequate title insurance  
24 rates. Proprietary business information derives actual or  
25 potential independent economic value from not being generally  
26 known to, and not being readily ascertainable by proper means  
27 by, other persons who can derive economic value from its  
28 disclosure or use. The Office of Insurance Regulation, in  
29 performing its lawful duties and responsibilities, may need to  
30 obtain information from the proprietary business information.  
31 Without an exemption from public records requirements for  
32 proprietary business information provided to the Office of  
33 Insurance Regulation, such information becomes a public record  
34 when received and must be divulged upon request. Divulgence of  
35 any proprietary business information under the public records  
36 law would destroy the value of that property to the proprietor,  
37 causing a financial loss not only to the proprietor but also to  
38 the residents of this state due to the loss of reliable  
39 financial data necessary for fair and adequate rate regulation.  
40 Release of proprietary business information would give business  
41 competitors an unfair advantage and weaken the position in the



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42 marketplace of the proprietor that owns or controls the  
43 proprietary business information. The harm to businesses in the  
44 marketplace and to the effective administration of the  
45 ratemaking function caused by the public disclosure of such  
46 information far outweighs the public benefits derived from its  
47 release. In addition, the confidentiality provided by this act  
48 does not preclude the reporting of statistics in the aggregate  
49 concerning the collection of data, as well as the names of the  
50 title insurance agencies and title insurers participating in the  
51 data collection. Such aggregate reported data is available to  
52 the public and is important to an assessment of the setting of  
53 title insurance premiums. Thus, the Legislature declares that it  
54 is a public necessity that proprietary business information of  
55 title insurers and title insurance agencies provided to the  
56 Office of Insurance Regulation be made confidential and exempt  
57 from s. 119.07(1), Florida Statutes, and s. 24(a), Article I of  
58 the State Constitution.