

By the Committees on Budget Subcommittee on General Government Appropriations; and Banking and Insurance; and Senator Smith

601-04293-12

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1                   A bill to be entitled  
2           An act relating to insurance; amending s. 624.307,  
3           F.S.; authorizing the Office of Insurance Regulation  
4           to expend funds for the professional development of  
5           its employees; amending s. 627.4133, F.S.; providing  
6           that the transfer of a policy to certain other  
7           insurers is considered a renewal of the policy rather  
8           than a cancellation or nonrenewal; requiring notice of  
9           such transfer; specifying which types of policies such  
10          transfer provisions apply to; amending s. 627.442,  
11          F.S.; exempting certain insurers from performing  
12          onsite premium audits for workers' compensation  
13          insurance; providing an effective date.

14  
15 Be It Enacted by the Legislature of the State of Florida:

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17           Section 1. Subsections (7) and (8) of section 624.307,  
18           Florida Statutes, are renumbered as subsections (8) and (9),  
19           respectively, and a new subsection (7) is added to that section,  
20           to read:

21           624.307 General powers; duties.—

22           (7) The office, within existing resources, may expend funds  
23           for the professional development of its employees, including,  
24           but not limited to, professional dues for employees who are  
25           required to be members of professional organizations;  
26           examinations leading to professional designations required for  
27           employment with the office; training courses and examinations  
28           provided through, and to ensure compliance with, the National  
29           Association of Insurance Commissioners; or other training

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30 courses related to the regulation of insurance.

31 Section 2. Subsection (8) is added to section 627.4133,  
32 Florida Statutes, to read:

33 627.4133 Notice of cancellation, nonrenewal, or renewal  
34 premium.—

35 (8) Upon expiration of the policy term, an insurer may  
36 transfer a commercial lines policy to another authorized insurer  
37 that is a member of the same group or owned by the same holding  
38 company as the transferring insurer. The transfer constitutes a  
39 renewal of the policy and may not be treated as a cancellation  
40 or a nonrenewal of the policy. The insurer must provide notice  
41 of its intent to transfer the policy at least 45 days before the  
42 effective date of the transfer along with the financial rating  
43 of the authorized insurer to which the policy is being  
44 transferred. Such notice may be provided in the notice of  
45 renewal premium. This subsection does not apply to a policy  
46 providing residential property insurance coverage, except for  
47 farmowners insurance and commercial general liability policies  
48 providing farm coverage or commercial property policies  
49 providing farm coverage.

50 Section 3. Subsection (2) of section 627.442, Florida  
51 Statutes, is amended to read:

52 627.442 Insurance contracts.—

53 (2) Notwithstanding s. 440.381(3), an insurer having at  
54 least \$200 million in surplus, or an insurer within an insurer  
55 group that has at least \$400 million in surplus, as reflected in  
56 the combined annual statement filed by the insurer group with  
57 the office, is not required to perform physical onsite premium  
58 ~~audits are not required~~ for workers' compensation coverage,

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59 other than an audit required by ~~the insurance policy or~~ an order  
60 of the office, or ~~at least once each policy period,~~ if requested  
61 by the insured.

62 Section 4. This act shall take effect upon becoming a law.