

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 645 (2012)

Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u>      </u>	(Y/N)
ADOPTED AS AMENDED	<u>      </u>	(Y/N)
ADOPTED W/O OBJECTION	<u>      </u>	(Y/N)
FAILED TO ADOPT	<u>      </u>	(Y/N)
WITHDRAWN	<u>      </u>	(Y/N)
OTHER	<u>      </u>	

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1 Committee/Subcommittee hearing bill: Government Operations  
2 Subcommittee

3 Representative Moraitis offered the following:

4  
5 **Amendment**

6 Remove lines 57-111 and insert:

7 necessity that proprietary business information provided to the  
8 Office of Insurance Regulation by a title insurance agency or  
9 insurer, including, but not limited to, trade secrets, be made  
10 confidential and exempt from the requirements of s. 119.07(1),  
11 Florida Statutes, and s. 24(a), Article I of the State  
12 Constitution. The disclosure of information, such as revenue  
13 data, loss expense data, gross receipts, the amount of taxes  
14 paid, the amount of capital investment, customer identification,  
15 and the amount of employee wages paid, could injure a business  
16 in the marketplace by providing its competitors with detailed  
17 insights into the financial status and the strategic plans of  
18 the business, thereby diminishing the advantage that the  
19 business maintains over competitors that do not possess such

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20 information. Without this exemption, title insurance agencies  
21 and title insurers, whose records are generally not required to  
22 be open to the public, might refrain from providing accurate and  
23 unbiased data, thus impairing the Office of Insurance  
24 Regulation's ability to set fair and adequate title insurance  
25 rates. Proprietary business information derives actual or  
26 potential independent economic value from not being generally  
27 known to, and not being readily ascertainable by proper means  
28 by, other persons who can derive economic value from its  
29 disclosure or use. The Office of Insurance Regulation, in  
30 performing its lawful duties and responsibilities, may need to  
31 obtain information from the proprietary business information.  
32 Without an exemption from public records requirements for  
33 proprietary business information provided to the Office of  
34 Insurance Regulation, such information becomes a public record  
35 when received and must be divulged upon request. Divulgence of  
36 any proprietary business information under the public records  
37 law would destroy the value of that property to the proprietor,  
38 causing a financial loss not only to the proprietor but also to  
39 the residents of this state due to the loss of reliable  
40 financial data necessary for fair and adequate rate regulation.  
41 Release of proprietary business information would give business  
42 competitors an unfair advantage and weaken the position in the  
43 marketplace of the proprietor that owns or controls the  
44 proprietary business information. The harm to businesses in the  
45 marketplace and to the effective administration of the  
46 ratemaking function caused by the public disclosure of such  
47 information far outweighs the public benefits derived from its

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48 release. In addition, the confidentiality provided by this act  
49 does not preclude the reporting of statistics in the aggregate  
50 concerning the collection of data, as well as the names of the  
51 title insurance agencies and title insurers participating in the  
52 data collection. Such aggregate reported data is available to  
53 the public and is important to an assessment of the setting of  
54 title insurance premiums. Thus, the Legislature declares that it  
55 is a public necessity that proprietary business information of  
56 title insurers and title insurance agencies provided to the  
57 Office of Insurance Regulation be made confidential and exempt  
58 from s.

59