



800292

LEGISLATIVE ACTION

Senate

House

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Floor: 8/AD/3R

05/01/2013 01:49 PM

Senator Simmons moved the following:

Senate Amendment (with directory and title amendments)

Between lines 1186 and 1187

insert:

(3)

(d)1. The following categories or kinds of insurance and types of commercial lines risks are not subject to paragraph

(2) (a) or paragraph (2) (f):

a. Excess or umbrella.

b. Surety and fidelity.

c. Boiler and machinery and leakage and fire extinguishing equipment.

d. Errors and omissions.



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- 14 e. Directors and officers, employment practices, fiduciary
15 liability, and management liability.
- 16 f. Intellectual property and patent infringement liability.
- 17 g. Advertising injury and Internet liability insurance.
- 18 h. Property risks rated under a highly protected risks
19 rating plan.
- 20 i. General liability.
- 21 j. Nonresidential property, except for collateral
22 protection insurance as defined in s. 624.6085.
- 23 k. Nonresidential multiperil.
- 24 l. Excess property.
- 25 m. Burglary and theft.
- 26 n. Medical malpractice for a facility that is not a
27 hospital licensed under chapter 395, a nursing home licensed
28 under part II of chapter 400, or an assisted living facility
29 licensed under part I of chapter 429.
- 30 o. Medical malpractice for a health care practitioner who
31 is not a dentist licensed under chapter 466, a physician
32 licensed under chapter 458, an osteopathic physician licensed
33 under chapter 459, a chiropractic physician licensed under
34 chapter 460, a podiatric physician licensed under chapter 461, a
35 pharmacist licensed under chapter 465, or a pharmacy technician
36 registered under chapter 465.
- 37 ~~p.~~ Any other commercial lines categories or kinds of
38 insurance or types of commercial lines risks that the office
39 determines should not be subject to paragraph (2) (a) or
40 paragraph (2) (f) because of the existence of a competitive
41 market for such insurance, similarity of such insurance to other
42 categories or kinds of insurance not subject to paragraph (2) (a)



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43 or paragraph (2)(f), or to improve the general operational
44 efficiency of the office.

45 2. Insurers or rating organizations shall establish and use
46 rates, rating schedules, or rating manuals to allow the insurer
47 a reasonable rate of return on insurance and risks described in
48 subparagraph 1. which are written in this state.

49 3. An insurer shall ~~must~~ notify the office of any changes
50 to rates for insurance and risks described in subparagraph 1.
51 within 30 days after the effective date of the change. The
52 notice must include the name of the insurer, the type or kind of
53 insurance subject to rate change, total premium written during
54 the immediately preceding year by the insurer for the type or
55 kind of insurance subject to the rate change, and the average
56 statewide percentage change in rates. Actuarial data
57 ~~Underwriting files, premiums, losses, and expense statistics~~
58 with regard to rates for such insurance and risks ~~written by an~~
59 ~~insurer~~ must be maintained by the insurer for 3 years after the
60 effective date of changes to those rates and are subject to
61 examination by the office. The office may require the insurer to
62 incur the costs associated with an examination. Upon
63 examination, the office, in accordance with generally accepted
64 and reasonable actuarial techniques, shall consider the rate
65 factors in paragraphs (2)(b), (c), and (d) and the standards in
66 paragraph (2)(e) to determine if the rate is excessive,
67 inadequate, or unfairly discriminatory.

68 4. A rating organization shall ~~must~~ notify the office of
69 any changes to loss cost for insurance and risks described in
70 subparagraph 1. within 30 days after the effective date of the
71 change. The notice must include the name of the rating



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72 organization, the type or kind of insurance subject to a loss
73 cost change, loss costs during the immediately preceding year
74 for the type or kind of insurance subject to the loss cost
75 change, and the average statewide percentage change in loss
76 cost. Actuarial data with regard to changes to loss cost for
77 risks not subject to paragraph (2) (a) or paragraph (2) (f) must
78 be maintained by the rating organization for 2 years after the
79 effective date of the change and are subject to examination by
80 the office. The office may require the rating organization to
81 incur the costs associated with an examination. Upon
82 examination, the office, in accordance with generally accepted
83 and reasonable actuarial techniques, shall consider the rate
84 factors in paragraphs (2) (b)-(d) and the standards in paragraph
85 (2) (e) to determine if the rate is excessive, inadequate, or
86 unfairly discriminatory.

87 Section 27. If SB 468 or similar legislation is adopted in
88 the same legislative session and becomes law, effective July 2,
89 2013, paragraph (d) of subsection (3) of section 627.062,
90 Florida Statutes, as amended by SB 468 or similar legislation,
91 is amended to read:

92 627.062 Rate standards.—

93 (3)

94 (d)1. The following categories or kinds of insurance and
95 types of commercial lines risks are not subject to paragraph
96 (2) (a) or paragraph (2) (f):

97 a. Excess or umbrella.

98 b. Surety and fidelity.

99 c. Boiler and machinery and leakage and fire extinguishing
100 equipment.



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- 101 d. Errors and omissions.
- 102 e. Directors and officers, employment practices, fiduciary
- 103 liability, and management liability.
- 104 f. Intellectual property and patent infringement liability.
- 105 g. Advertising injury and Internet liability insurance.
- 106 h. Property risks rated under a highly protected risks
- 107 rating plan.
- 108 i. General liability.
- 109 j. Nonresidential property, except for collateral
- 110 protection insurance as defined in s. 624.6085.
- 111 k. Nonresidential multiperil.
- 112 l. Excess property.
- 113 m. Burglary and theft.
- 114 n. Medical malpractice for a facility that is not a
- 115 hospital licensed under chapter 395, a nursing home licensed
- 116 under part II of chapter 400, or an assisted living facility
- 117 licensed under part I of chapter 429.
- 118 o. Medical malpractice for a health care practitioner who
- 119 is not a dentist licensed under chapter 466, a physician
- 120 licensed under chapter 458, an osteopathic physician licensed
- 121 under chapter 459, a chiropractic physician licensed under
- 122 chapter 460, a podiatric physician licensed under chapter 461, a
- 123 pharmacist licensed under chapter 465, or a pharmacy technician
- 124 registered under chapter 465.
- 125 p. Any other commercial lines categories or kinds of
- 126 insurance or types of commercial lines risks that the office
- 127 determines should not be subject to paragraph (2) (a) or
- 128 paragraph (2) (f) because of the existence of a competitive
- 129 market for such insurance, similarity of such insurance to other



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130 categories or kinds of insurance not subject to paragraph (2) (a)
131 or paragraph (2) (f), or to improve the general operational
132 efficiency of the office.

133 2. Insurers or rating organizations shall establish and use
134 rates, rating schedules, or rating manuals to allow the insurer
135 a reasonable rate of return on insurance and risks described in
136 subparagraph 1. which are written in this state.

137 3. An insurer shall notify the office of any changes to
138 rates for insurance and risks described in subparagraph 1.
139 within 30 days after the effective date of the change. The
140 notice must include the name of the insurer, the type or kind of
141 insurance subject to rate change, total premium written during
142 the immediately preceding year by the insurer for the type or
143 kind of insurance subject to the rate change, and the average
144 statewide percentage change in rates. Actuarial data with regard
145 to rates for such risks must be maintained by the insurer for 3
146 2 years after the effective date of changes to those rates and
147 are subject to examination by the office. The office may require
148 the insurer to incur the costs associated with an examination.
149 Upon examination, the office, in accordance with generally
150 accepted and reasonable actuarial techniques, shall consider the
151 rate factors in paragraphs (2) (b), (c), and (d) and the
152 standards in paragraph (2) (e) to determine if the rate is
153 excessive, inadequate, or unfairly discriminatory.

154 4. A rating organization shall notify the office of any
155 changes to loss cost for insurance and risks described in
156 subparagraph 1. within 30 days after the effective date of the
157 change. The notice must include the name of the rating
158 organization, the type or kind of insurance subject to a loss



159 cost change, loss costs during the immediately preceding year
160 for the type or kind of insurance subject to the loss cost
161 change, and the average statewide percentage change in loss
162 cost. Actuarial data with regard to changes to loss cost for
163 risks not subject to paragraph (2)(a) or paragraph (2)(f) must
164 be maintained by the rating organization for 2 years after the
165 effective date of the change and are subject to examination by
166 the office. The office may require the rating organization to
167 incur the costs associated with an examination. Upon
168 examination, the office, in accordance with generally accepted
169 and reasonable actuarial techniques, shall consider the rate
170 factors in paragraphs (2)(b)-(d) and the standards in paragraph
171 (2)(e) to determine if the rate is excessive, inadequate, or
172 unfairly discriminatory.

173
174 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====

175 And the directory clause is amended as follows:
176 Delete lines 1135 - 1136
177 and insert:

178 Section 26. Paragraph (b) of subsection (2) and paragraph
179 (d) of subsection (3) of section 627.062, Florida Statutes, are
180 amended to read:

181
182 ===== T I T L E A M E N D M E N T =====

183 And the title is amended as follows:
184 Delete line 105
185 and insert:

186 or unfairly discriminatory; revising provisions
187 relating to requirements for maintaining and examining



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188 actuarial data with regard to rate changes; amending
189 s. 627.0628,