

By Senator Montford

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1 A bill to be entitled
2 An act relating to commercial insurer rate filing
3 procedures; amending s. 627.062, F.S.; limiting to
4 residential property insurers the requirement that
5 property insurers certify certain information
6 presented in rate filings as truthful, complete, and
7 in compliance with specified actuarial techniques;
8 amending s. 627.0645, F.S.; revising the types of
9 commercial insurers that are exempt from making
10 certain required annual base rate filings with the
11 Office of Insurance Regulation; reenacting s.
12 627.0651(14) (a), F.S., relating to the making and use
13 of rates for motor vehicle insurance, to incorporate
14 the amendment made to s. 627.0645, F.S., in a
15 reference thereto; providing an effective date.

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17 Be It Enacted by the Legislature of the State of Florida:

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19 Section 1. Paragraph (a) of subsection (8) of section
20 627.062, Florida Statutes, is amended to read:

21 627.062 Rate standards.—

22 (8) (a) The chief executive officer or chief financial
23 officer of a residential property insurer and the chief actuary
24 of a residential property insurer must certify under oath and
25 subject to the penalty of perjury, on a form approved by the
26 commission, the following information, which must accompany a
27 residential property rate filing:

28 1. The signing officer and actuary have reviewed the rate
29 filing;

3-00897A-15

2015916__

30 2. Based on the signing officer's and actuary's knowledge,
31 the rate filing does not contain any untrue statement of a
32 material fact or omit ~~to state~~ a material fact necessary to make
33 the statements ~~made~~, in light of the circumstances under which
34 such statements were made, not misleading;

35 3. Based on the signing officer's and actuary's knowledge,
36 the information and other factors described in paragraph (2) (b),
37 including, but not limited to, investment income, fairly present
38 in all material respects the basis of the rate filing for the
39 periods presented in the filing; and

40 4. Based on the signing officer's and actuary's knowledge,
41 the rate filing reflects all premium savings that are reasonably
42 expected to result from legislative enactments and are in
43 accordance with generally accepted and reasonable actuarial
44 techniques.

45 Section 2. Subsection (1) of section 627.0645, Florida
46 Statutes, is amended to read:

47 627.0645 Annual filings.—

48 (1) Each rating organization filing rates for, and each
49 insurer writing, any line of property or casualty insurance to
50 which this part applies, except:

51 (a) Workers' compensation and employer's liability
52 insurance; or

53 (b) Commercial property insurance and commercial casualty
54 insurance, which have the same meaning as the terms "property
55 insurance" and "casualty insurance" as defined in ss. 624.604
56 and 624.605, respectively, but limited to coverage for
57 commercial risks s. 627.0625(1) other than commercial multiple
58 line and commercial motor vehicle,

3-00897A-15

2015916__

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60 shall make an annual base rate filing for each such line with
61 the office no later than 12 months after its previous base rate
62 filing, demonstrating that its rates are not inadequate.

63 Section 3. For the purpose of incorporating the amendment
64 made by this act to section 627.0645, Florida Statutes, in a
65 reference thereto, paragraph (a) of subsection (14) of section
66 627.0651, Florida Statutes, is reenacted to read:

67 627.0651 Making and use of rates for motor vehicle
68 insurance.—

69 (14) (a) Commercial motor vehicle insurance is not subject
70 to subsection (1), subsection (2), or subsection (9) or s.
71 627.0645.

72 Section 4. This act shall take effect July 1, 2015.