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LEGISLATIVE ACTION

Senate	.	House
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Floor: 3/AD/2R	.	Floor: SENAT/C
03/04/2016 01:00 PM	.	03/09/2016 02:49 PM
	.	

Senator Brandes moved the following:

Senate Amendment (with title amendment)

Between lines 799 and 800

insert:

Section 26. Paragraph (d) of subsection (3) of section
627.062, Florida Statutes, is amended to read:

627.062 Rate standards.—

(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):



- 12 a. Excess or umbrella.
13 b. Surety and fidelity.
14 c. Boiler and machinery and leakage and fire extinguishing
15 equipment.
16 d. Errors and omissions.
17 e. Directors and officers, employment practices, fiduciary
18 liability, and management liability.
19 f. Intellectual property and patent infringement liability.
20 g. Advertising injury and Internet liability insurance.
21 h. Property risks rated under a highly protected risks
22 rating plan.
23 i. General liability.
24 j. Nonresidential property, except for collateral
25 protection insurance as defined in s. 624.6085.
26 k. Nonresidential multiperil.
27 l. Excess property.
28 m. Burglary and theft.
29 n. Travel insurance, if issued as a master group policy
30 with a situs in another state where each certificateholder pays
31 less than \$30 in premium for each covered trip and where the
32 insurer has written less than \$1 million in annual written
33 premiums in the travel insurance product in this state during
34 the most recent calendar year.
35 ~~o.~~ Medical malpractice for a facility that is not a
36 hospital licensed under chapter 395, a nursing home licensed
37 under part II of chapter 400, or an assisted living facility
38 licensed under part I of chapter 429.
39 ~~p.~~ Medical malpractice for a health care practitioner who
40 is not a dentist licensed under chapter 466, a physician



41 licensed under chapter 458, an osteopathic physician licensed
42 under chapter 459, a chiropractic physician licensed under
43 chapter 460, a podiatric physician licensed under chapter 461, a
44 pharmacist licensed under chapter 465, or a pharmacy technician
45 registered under chapter 465.

46 ~~q.p.~~ Any other commercial lines categories or kinds of
47 insurance or types of commercial lines risks that the office
48 determines should not be subject to paragraph (2) (a) or
49 paragraph (2) (f) because of the existence of a competitive
50 market for such insurance or similarity of such insurance to
51 other categories or kinds of insurance not subject to paragraph
52 (2) (a) or paragraph (2) (f), or to improve the general
53 operational efficiency of the office.

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

58 3. An insurer shall notify the office of any changes to
59 rates for insurance and risks described in subparagraph 1.
60 within 30 days after the effective date of the change. The
61 notice must include the name of the insurer, the type or kind of
62 insurance subject to rate change, and the average statewide
63 percentage change in rates. Actuarial data with regard to rates
64 for such risks must be maintained by the insurer for 2 years
65 after the effective date of changes to those rates and are
66 subject to examination by the office. The office may require the
67 insurer to incur the costs associated with an examination. Upon
68 examination, the office, in accordance with generally accepted
69 and reasonable actuarial techniques, shall consider the rate



70 factors in paragraphs (2)(b), (c), and (d) and the standards in
71 paragraph (2)(e) to determine if the rate is excessive,
72 inadequate, or unfairly discriminatory.

73 4. A rating organization shall notify the office of any
74 changes to loss cost for insurance and risks described in
75 subparagraph 1. within 30 days after the effective date of the
76 change. The notice must include the name of the rating
77 organization, the type or kind of insurance subject to a loss
78 cost change, loss costs during the immediately preceding year
79 for the type or kind of insurance subject to the loss cost
80 change, and the average statewide percentage change in loss
81 cost. Actuarial data with regard to changes to loss cost for
82 risks not subject to paragraph (2)(a) or paragraph (2)(f) must
83 be maintained by the rating organization for 2 years after the
84 effective date of the change and are subject to examination by
85 the office. The office may require the rating organization to
86 incur the costs associated with an examination. Upon
87 examination, the office, in accordance with generally accepted
88 and reasonable actuarial techniques, shall consider the rate
89 factors in paragraphs (2)(b)-(d) and the standards in paragraph
90 (2)(e) to determine if the rate is excessive, inadequate, or
91 unfairly discriminatory.

92 Section 27. Subsection (1) of section 627.0645, Florida
93 Statutes, is amended to read:

94 627.0645 Annual filings.—

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

98 (a) Workers' compensation and employer's liability



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99 insurance; ~~or~~

100 (b) Insurance as defined in ss. 624.604 and 624.605,
101 limited to coverage of commercial risks other than commercial
102 residential multiperil; or,

103 (c) Travel insurance, if issued as a master group policy
104 with a situs in another state where each certificateholder pays
105 less than \$30 in premium for each covered trip and where the
106 insurer has written less than \$1 million in annual written
107 premiums in the travel insurance product in this state during
108 the most recent calendar year,

109
110 shall make an annual base rate filing for each such line with
111 the office no later than 12 months after its previous base rate
112 filing, demonstrating that its rates are not inadequate.

113
114 ===== T I T L E A M E N D M E N T =====

115 And the title is amended as follows:

116 Delete line 106

117 and insert:

118 property; amending s. 627.062, F.S.; adding specified
119 travel insurance to a list of insurance and risks to
120 which certain rate filing requirements do not apply;
121 amending s. 627.0645, F.S.; adding specified travel
122 insurance to a list of insurance exempted from a
123 certain annual base rate filing requirement; providing
124 an appropriation and authorizing a