

1 A bill to be entitled
 2 An act relating to loss-sensitive workers'
 3 compensation insurance programs; amending s. 627.072,
 4 F.S.; defining terms; providing that a qualified
 5 insurer's form for offering a qualified loss-sensitive
 6 program of reinsurance, which accompanies the issuance
 7 of a certain guaranteed cost workers' compensation
 8 insurance policy to a qualified insured, must be filed
 9 with the Office of Insurance Regulation but does not
 10 require approval; amending s. 627.4102, F.S.;
 11 providing an exemption for certain qualified loss-
 12 sensitive programs of reinsurance; providing an
 13 effective date.

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

16
 17 Section 1. Subsection (6) is added to section 627.072,
 18 Florida Statutes, to read:

19 627.072 Making and use of rates.—

20 (6) (a) As used in this subsection, the term:

21 1. "Guaranteed cost workers' compensation insurance
 22 policy" means a workers' compensation policy that is based on
 23 approved rates multiplied by applicable class codes and is not
 24 changed by losses in the period for which it is issued.

25 2. "Qualified insured" means an insured that has its

26 | principal place of business in this state and has an annual
27 | workers' compensation premium of at least \$500,000.

28 | 3. "Qualified insurer" means an insurance company that:

29 | a. Is authorized to transact insurance in this state.

30 | b. Has a combined loss ratio of less than 100 on January 1
31 | of the 2 preceding years.

32 | c. Has assets in excess of \$500 million on January 1 of
33 | the year in which the guaranteed cost workers' compensation
34 | insurance policy is issued.

35 | d. Has a rating of A+ from A.M. Best.

36 | 4. "Qualified loss-sensitive program of reinsurance" means
37 | an offering that:

38 | a. Is issued to the same insured in connection with a
39 | guaranteed cost workers' compensation insurance policy.

40 | b. Is effected through a separate reinsurance arrangement
41 | with a reinsurer admitted in a state accredited by the National
42 | Association of Insurance Commissioners (NAIC).

43 | c. Provides that the insured may participate in the
44 | underwriting profit or risk that is associated with the
45 | guaranteed cost workers' compensation insurance policy issued to
46 | that insured and is maintained in a segregated cell account.

47 | d. Contains a minimum and maximum loss participation
48 | limit.

49 | (b) If a qualified insurer in this state issues a
50 | guaranteed cost workers' compensation insurance policy on an

51 approved form and with approved rates to a qualified insured, an
52 accompanying form governing a qualified loss-sensitive program
53 of reinsurance must be filed with the office for informational
54 purposes but does not require approval from the commissioner of
55 the office.

56 Section 2. Subsection (1) of section 627.4102, Florida
57 Statutes, is amended to read:

58 627.4102 Informational filing of forms.—

59 (1) Property and casualty forms, except workers'
60 compensation and personal lines forms, and forms governing a
61 qualified loss-sensitive program of reinsurance, as defined in
62 s. 627.072(6), are exempt from the approval process required
63 under s. 627.410 if:

64 (a) The form has been electronically submitted to the
65 office in an informational filing made through I-File 30 days
66 before the delivery or issuance for delivery of the form within
67 this state; and

68 (b) At the time the informational filing is made, a
69 notarized certification is attached to the filing that certifies
70 that each form within the filing is in compliance with all
71 applicable state laws and rules. The certification must be on
72 the insurer's letterhead and signed and dated by the insurer's
73 president, chief executive officer, general counsel, or an
74 employee of the insurer responsible for the filing on behalf of
75 the insurer. The certification must contain the following

76 | statement, and no other language: "I, ...(name)..., as
77 | ...(title)... of ...(insurer name)..., do hereby certify that
78 | this form filing has been thoroughly and diligently reviewed by
79 | me and by all appropriate company personnel, as well as company
80 | consultants, if applicable, and certify that each form contained
81 | within the filing is in compliance with all applicable Florida
82 | laws and rules. Should a form be found not to be in compliance
83 | with Florida laws and rules, I acknowledge that the Office of
84 | Insurance Regulation shall disapprove the form."

85 | Section 3. This act shall take effect July 1, 2018.