

By Senator Broxson

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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 policy"
22 means a workers' compensation policy that is based on approved
23 rates multiplied by applicable class codes and is not changed by
24 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.

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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 the
33 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 limit.

48 (b) If a qualified insurer in this state issues a
49 guaranteed cost workers' compensation insurance policy on an
50 approved form and with approved rates to a qualified insured, an
51 accompanying form governing a qualified loss-sensitive program
52 of reinsurance must be filed with the office for informational
53 purposes but does not require approval from the commissioner of
54 the office.

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

57 627.4102 Informational filing of forms.—

58 (1) Property and casualty forms, except workers'

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

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

67 (b) At the time the informational filing is made, a
68 notarized certification is attached to the filing that certifies
69 that each form within the filing is in compliance with all
70 applicable state laws and rules. The certification must be on
71 the insurer's letterhead and signed and dated by the insurer's
72 president, chief executive officer, general counsel, or an
73 employee of the insurer responsible for the filing on behalf of
74 the insurer. The certification must contain the following
75 statement, and no other language: "I, ...(name)..., as
76 ...(title)... of ...(insurer name)..., do hereby certify that
77 this form filing has been thoroughly and diligently reviewed by
78 me and by all appropriate company personnel, as well as company
79 consultants, if applicable, and certify that each form contained
80 within the filing is in compliance with all applicable Florida
81 laws and rules. Should a form be found not to be in compliance
82 with Florida laws and rules, I acknowledge that the Office of
83 Insurance Regulation shall disapprove the form."

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