

By Senator Farmer

34-00150-18

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1                   A bill to be entitled  
2           An act relating to motor vehicle insurance rates;  
3           amending s. 627.0651, F.S.; providing that the use of  
4           a United States Postal Service zip code or a  
5           combination of zip codes as a rating territory for  
6           motor vehicle insurance rates is deemed unfairly  
7           discriminatory; providing an effective date.  
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9 Be It Enacted by the Legislature of the State of Florida:  
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11           Section 1. Subsection (8) of section 627.0651, Florida  
12 Statutes, is amended to read:

13           627.0651 Making and use of rates for motor vehicle  
14 insurance.—

15           (8) Rates are not unfairly discriminatory if averaged  
16 broadly among members of a group; nor are rates unfairly  
17 discriminatory even though they are lower than rates for  
18 nonmembers of the group. However, such rates are unfairly  
19 discriminatory if they are not actuarially measurable and  
20 credible and sufficiently related to actual or expected loss and  
21 expense experience of the group so as to assure that nonmembers  
22 of the group are not unfairly discriminated against. The use of  
23 a single United States Postal Service zip code or a combination  
24 of zip codes as a rating territory is ~~shall be~~ deemed unfairly  
25 discriminatory ~~unless filed pursuant to paragraph (1)(a) and the~~  
26 ~~justification for its rate incorporates sufficient actual or~~  
27 ~~expected loss and loss adjustment expense experience so as to be~~  
28 ~~actuarially sound. The office shall require that any rate filing~~  
29 ~~resulting from the use of a single zip code as a rating~~

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30 ~~territory does not contain a rate or rate change that is~~  
31 ~~excessive, inadequate, or unfairly discriminatory.~~

32 Section 2. This act shall take effect July 1, 2018.