

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Banking and Insurance

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BILL: SB 292

INTRODUCER: Senator Broxson

SUBJECT: Insurance Claims Data

DATE: November 8, 2019

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Arnold	Knudson	BI	<b>Pre-meeting</b>
2.			CM	
3.			RC	

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**I. Summary:**

SB 292 creates loss run reporting requirements for all admitted and nonadmitted insurance carriers.

The bill requires an insurance carrier to provide a loss run statement to the insured within 15 days of receipt of a request submitted by the insured. The statement must be provided electronically or made available through an electronic portal, and the insurance carrier must notify the agent of record at the time the statement was provided.

The bill requires the statement to include a loss run history for the preceding 5 years or, if the history is less than 5 years, a complete loss run history with the insurance carrier.

The bill prohibits an insurance carrier from charging a fee for preparing or annually providing one loss run statement.

The bill takes effect July 1, 2020.

**II. Present Situation:**

**Loss Run Statements**

The loss run statement is a report generated by an insurance carrier showing the claims history of an insured. Currently, many insurance carriers provide insureds with electronic access to loss run statements on a voluntary basis. Insurance carriers may use loss run statements for purposes of underwriting and issuing policies. The statement will usually provide the following information:

- Name and policy number of the insured;
- Date of each loss and claim;
- A brief description of the claim;

- Amounts paid to the insured or on reserve; and
- Whether the claim is open or closed.

**Loss Run Reporting Requirements in Other States**

Among states that have adopted loss run reporting requirements, insurance carriers generally must provide a report within 10 to 30 days following receipt of a written request made by the insured or insured’s agent. Further, the length of historical data required to be included in the provided report ranges 3-5 years.

State examples include:

State	Reporting Timeframe	Amount of Data Required
California	10 days	3 years
Kentucky	20 days	5 years
Louisiana	30 days	3 years
Missouri	20 days	5 years
Oklahoma	30 days	Unspecified
Tennessee	10 days	3 years

There is variance among the states as to which lines of insurance are subject to the reporting requirements. Some states require reporting compliance of all insurance lines while other states require reporting compliance of specific insurance lines only. Similarly, there is variance among the states as to penalties for insurance carriers that fail to provide the requested reports. Some states, like Oklahoma and Tennessee, consider such failure a violation of their respective states’ Unfair Trade Practices Act. Others, like Kentucky, provide penalties either per each individual failure to comply or for each day that the report is not provided.

**III. Effect of Proposed Changes:**

The bill requires an insurance carrier must provide a loss run statement to an insured within 15 days following receipt of a request submitted by the insured. The insurance carrier must notify the agent of record that the statement was provided electronically or made available through an electronic portal. The statement must include a loss run history for the preceding 5 years or, if the history is less than 5 years, a complete loss run history with the insurance carrier. The insurance carrier may not charge a fee for preparing or annually providing one loss run statement.

It creates the following definitions:

- “Loss run statement” means a report relating to risks maintained by an insurer which contains the history of claims occurring during a policy term; and
- “Provide” means to send a document electronically or to allow access through an electronic portal to view or generate a document.

**Section 1** creates s. 626.9202, F.S., to apply these requirements to nonadmitted insurance carriers.

**Section 2** creates s. 627.444, F.S., to apply these requirements to admitted insurance carriers.

**Section 3** provides an effective date of July 1, 2020.

**IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill may help consumers with favorable claim histories to obtain insurance at a lower premium.

C. Government Sector Impact:

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill creates the following sections of the Florida Statutes: 626.9202 and 627.444.

**IX. Additional Information:**

**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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