



620194

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/20/2013	.	
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The Committee on Banking and Insurance (Richter) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Paragraph (d) of subsection (3) and paragraph
(e) of subsection (7) of section 627.062, Florida Statutes, are
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):



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- 13 a. Excess or umbrella.
14 b. Surety and fidelity.
15 c. Boiler and machinery and leakage and fire extinguishing
16 equipment.
17 d. Errors and omissions.
18 e. Directors and officers, employment practices, fiduciary
19 liability, and management liability.
20 f. Intellectual property and patent infringement liability.
21 g. Advertising injury and Internet liability insurance.
22 h. Property risks rated under a highly protected risks
23 rating plan.
24 i. General liability.
25 j. Nonresidential property, except for collateral
26 protection insurance as defined in s. 624.6085.
27 k. Nonresidential multiperil.
28 l. Excess property.
29 m. Burglary and theft.
30 n. Medical malpractice for a facility that is not a
31 hospital licensed under chapter 395, a nursing home licensed
32 under part II of chapter 400, or an assisted living facility
33 licensed under part I of chapter 429.
34 o. Medical malpractice for a health care practitioner who
35 is not a dentist licensed under chapter 466, a physician
36 licensed under chapter 458, an osteopathic physician licensed
37 under chapter 459, a chiropractic physician licensed under
38 chapter 460, or a podiatric physician licensed under chapter
39 461.
40 ~~p.n.~~ Any other commercial lines categories or kinds of
41 insurance or types of commercial lines risks that the office



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42 determines should not be subject to paragraph (2) (a) or
43 paragraph (2) (f) because of the existence of a competitive
44 market for such insurance, similarity of such insurance to other
45 categories or kinds of insurance not subject to paragraph (2) (a)
46 or paragraph (2) (f), or to improve the general operational
47 efficiency of the office.

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

52 3. An insurer shall ~~must~~ notify the office of any changes
53 to rates for insurance and risks described in subparagraph 1.
54 within 30 days after the effective date of the change. The
55 notice must include the name of the insurer, the type or kind of
56 insurance subject to rate change, ~~total premium written during~~
57 ~~the immediately preceding year by the insurer for the type or~~
58 ~~kind of insurance subject to the rate change,~~ and the average
59 statewide percentage change in rates. Actuarial data
60 ~~Underwriting files, premiums, losses, and expense statistics~~
61 with regard to rates for such insurance and risks ~~written by an~~
62 ~~insurer~~ must be maintained by the insurer for 2 years after the
63 effective date of changes to those rates and are subject to
64 examination by the office. The office may require the insurer to
65 incur the costs associated with an examination. Upon
66 examination, the office, in accordance with generally accepted
67 and reasonable actuarial techniques, shall consider the rate
68 factors in paragraphs (2) (b), (c), and (d) and the standards in
69 paragraph (2) (e) to determine if the rate is excessive,
70 inadequate, or unfairly discriminatory.



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

90 (7) The provisions of this subsection apply only to rates
91 for medical malpractice insurance and control to the extent of
92 any conflict with other provisions of this section.

93 (e) For medical malpractice rates subject to paragraph
94 (2) (a), the ~~each~~ medical malpractice insurer shall ~~must~~ make a
95 rate filing under this section, sworn to by at least two
96 executive officers of the insurer, at least once each calendar
97 year.

98 Section 2. Subsection (1) of section 627.410, Florida
99 Statutes, is amended to read:



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100 627.410 Filing, approval of forms.—

101 (1) A ~~Ne~~ basic insurance policy or annuity contract form,
102 or application form where written application is required and is
103 to be made a part of the policy or contract, ~~or~~ group
104 certificates issued under a master contract delivered in this
105 state, or printed rider or endorsement form or form of renewal
106 certificate, may not ~~shall~~ be delivered or issued for delivery
107 in this state, ~~unless~~ the form has been filed with the office by
108 or on ~~in~~ behalf of the insurer that ~~which~~ proposes to use such
109 form and has been approved by the office or filed pursuant to s.
110 627.4102. This provision does not apply to surety bonds or to
111 policies, riders, endorsements, or forms of unique character
112 that ~~which~~ are designed for and used with ~~relation to~~ insurance
113 on ~~upon~~ a particular subject, ~~(other than as to health~~
114 ~~insurance)~~, or that ~~which~~ relate to the manner of distributing
115 ~~distribution of~~ benefits or to the reservation of rights and
116 benefits under life or health insurance policies and are used at
117 the request of the individual policyholder, contract holder, or
118 certificateholder. For ~~As to~~ group insurance policies
119 effectuated and delivered outside this state but covering
120 persons resident in this state, the group certificates to be
121 delivered or issued for delivery in this state shall be filed
122 with the office for information purposes only.

123 Section 3. Section 627.4102, Florida Statutes, is created
124 to read:

125 627.4102 Informational filing of forms.—

126 (1) Property and casualty forms, except workers'
127 compensation forms, are exempt from the approval process
128 required under s. 627.410 if:



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

133 (b) At the time the informational filing is made, a
134 notarized certification is attached to the filing that certifies
135 that each form within the filing is in compliance with all
136 applicable state laws and rules. The certification must be on
137 the insurer's letterhead and signed and dated by the insurer's
138 president, chief executive officer, general counsel, or an
139 employee of the insurer responsible for the filing on behalf of
140 the insurer. The certification must contain the following
141 statement, and no other language: "I, ...[name]..., as
142 ...[title]... of ...[insurer name]..., do hereby certify that
143 this form filing has been thoroughly and diligently reviewed by
144 me and by all appropriate company personnel, as well as company
145 consultants, if applicable, and certify that each form contained
146 within the filing is in compliance with all applicable Florida
147 laws and rules. Should a form be found not to be in compliance
148 with Florida laws and rules, I acknowledge that the Office of
149 Insurance Regulation shall disapprove the form."

150 (2) If the filing contains a form that is not in compliance
151 with state laws and rules, the form filing, at the discretion of
152 the office, is subject to prior review and approval pursuant to
153 s. 627.410, and the period for review and approval established
154 under s. 627.410(2) begins to run on the date the office
155 notifies the insurer of the discovery of the noncompliant form.

156 (3) A Notice of Change in Policy Terms form required under
157 s. 627.43141(2) shall be filed as a part of the informational



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158 filing for a renewal policy that contains a change. If a renewal
159 policy that was certified requires such form, the insurer must
160 provide a sample copy of the form to the named insured's agent
161 before or upon providing the form to the named insured.

162 (4) This section does not preclude an insurer from electing
163 to file any form for approval under s. 627.410 that would
164 otherwise be exempt under this section.

165 (5) The provisions of this section supersede and replace
166 the existing order issued by the office exempting specified
167 property and casualty forms from the requirements of s. 627.410.

168 Section 4. This act shall take effect July 1, 2013.

169

170 ===== T I T L E A M E N D M E N T =====

171 And the title is amended as follows:

172 Delete everything before the enacting clause
173 and insert:

174 A bill to be entitled
175 An act relating to property and casualty insurance
176 rates and forms; amending s. 627.062, F.S.; exempting
177 medical malpractice insurance that covers certain
178 providers and practitioners from specified rate filing
179 requirements; revising provisions relating to
180 notification of rate changes to codify the amendments
181 made to s. 627.062(3)(d)3., F.S., by s. 1, ch. 2011-
182 160, Laws of Florida, in lieu of the amendments made
183 by s. 12, ch. 2011-39, Laws of Florida, and making
184 editorial changes; amending s. 627.410, F.S.;
185 conforming provisions to changes made by the act;
186 creating s. 627.4102, F.S.; providing for an



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187 informational filing of certain forms that are exempt
188 from the Office of Insurance Regulation's approval
189 process; requiring an informational filing to include
190 a notarized certification from the insurer and
191 providing a statement that must be included in the
192 certification; authorizing the office to require prior
193 review and approval of a form that is not in
194 compliance; requiring a Notice of Change In Policy
195 Terms form to be filed with a changed renewal policy;
196 providing for construction and applicability;
197 providing an effective date.