Specific Authority 466.038 FS. Law Implemented 466.032(1), 466.033 FS. History–New 2-10-93, Formerly 21-29.002, 61E4-1.002, Amended 10-29-95, Formerly 59CC-1.002, Amended 1-9-02, _____.

DEPARTMENT OF FINANCIAL SERVICES

Division of Worker's Compensation

RULE TITLE: RULE NO.:
Penalties for Employers Currently in Compliance Previously Failing to Secure the Payment of Compensation 69L-6.030

PURPOSE AND EFFECT: To interpret Section 440.107(7), Florida Statutes, to impose penalties against employers currently in compliance with Chapter 440, Florida Statutes, where the employer previously failed to secure the payment of compensation for employees in violation of Chapter 440, Florida Statutes, without requiring service of a stop work order on the employer.

SUBJECT AREA TO BE ADDRESSED: Assessment of penalties against employers currently in compliance with Chapter 440, Florida Statutes, for previous violations of Chapter 440, Florida Statutes, and service of stop work orders against such employers.

SPECIFIC AUTHORITY: 440.107(9), 440.591 FS.

LAW IMPLEMENTED: 440.107(2), 440.107(7) FS.

IF REQUESTED AND NOT DEEMED UNNECESSARY BY THE AGENCY HEAD, A RULE DEVELOPMENT WORKSHOP WILL BE HELD AT THE TIME, DATE AND PLACE SHOWN BELOW:

TIME AND DATE: 9:30 a.m., July 26, 2005

PLACE: Room 104J, Hartman Building, 2012 Capital Circle, Southeast, Tallahassee, Florida

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this program, please advise the Department at least 5 calendar days before the program by contacting the person listed below.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT IS: Andrew Sabolic, Bureau Chief, Bureau of Compliance, Division of Workers' Compensation, Department of Financial Services, 200 East Gaines Street, Tallahassee, Florida 32399-4228, (850)413-1600

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS:

69L-6.030 Penalties for Employers Currently in Compliance Previously Failing to Secure the Payment of Compensation.

When an investigation commenced by the department pursuant to Section 440.107, Florida Statutes, reflects that the employer has failed to secure the payment of workers' compensation, has materially understated or concealed payroll, has materially understated or concealed employee duties so as to avoid proper classification for premium calculations, or has materially misrepresented or concealed information pertinent to the computation and application of an experience rating modification factor, but the employer comes into compliance with the workers' compensation coverage requirements prior to the issuance of a stop work order, such employer shall be assessed a penalty pursuant to Section 440.107(7)(d)1., Florida Statutes, and a stop work order will not be issued for such violations. For purposes of this rule, an investigation commences on the date the department's compliance investigator conducts an on-site inspection of the employer's worksite or business location, or on the date the employer receives a written request to produce business records from the department pursuant to Section 440.107(7)(a), Florida Statutes, whichever is earlier.

Specific Authority 440.107(9), 440.591 FS. Law Implemented 440.107(2), 440.107(7) FS. History–New _____.

Section II
Proposed Rules

DEPARTMENT OF TRANSPORTATION

RULE CHAPTER TITLE: RULE CHAPTER NO.:
Incorporation by Reference 14-15
RULE TITLE: RULE NO.:
Manual of Uniform Minimum Standards for Design, Construction and Maintenance for Streets and Highways 14-15.002

PURPOSE AND EFFECT: The *Manual of Uniform Minimum Standards for Design, Construction and Maintenance for Streets and Highways*, (Topic #625-000-015), commonly referred to as the Greenbook, is being amended. There are extensive amendments to the manual, especially Chapter 17. A copy of the draft can be downloaded from the following website:

http://www.dot.state.fl.us/rddesign/Florida%20Greenbook/FGB.htm.

SUMMARY: The *Manual of Uniform Minimum Standards for Design, Construction and Maintenance for Streets and Highways* is being amended.

SPECIFIC AUTHORITY: 334.044(2), 336.045(1) FS.

LAW IMPLEMENTED: 336.045 FS.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: No Statement of Estimated Regulatory Cost has been prepared.

Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAW.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: James C. Myers, Clerk of Agency Proceedings, Florida Department of Transportation, Office of the General Counsel, 605 Suwannee Street, Mail Station 58, Tallahassee, Florida 32399-0458

THE FULL TEXT OF THE PROPOSED RULE IS:

14-15.002 Manual of Uniform Minimum Standards for Design, Construction and Maintenance for Streets and Highways.

The Manual of Uniform Minimum Standards for Design, Construction and Maintenance for Streets and Highways, May 2005 ~~2002~~, edition, is hereby incorporated by this rule and made a part of the rules of the Department of Transportation. A copy of the manual can be downloaded from the following website:

http://www.dot.state.fl.us/rddesign/Florida%20Greenbook/FGB.htm. A certified copy has been filed with the Department of State. ~~Copies of this Department manual and any amendments thereto are available from the Department of Transportation, Maps and Publications Sales, 605 Suwannee Street, Mail Station 12, Tallahassee, Florida 32399-0450, at no more than cost.~~

Specific Authority 334.044(2), 336.045(1) FS. Law Implemented 336.045 FS. History–New 1-22-76, Amended 7-13-81, 6-24-84, Formerly 14-15.02, Amended 8-25-86, 11-29-89, 11-1-94, 5-15-01, 7-9-02, _____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Robert Quigley, Roadway Design

NAME OF SUPERVISOR OR PERSON WHO APPROVED THE PROPOSED RULE: José Abreu, P.E., Secretary

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: June 21, 2005

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: May 27, 2005

BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND

Pursuant to Chapter 2003-145, Laws of Florida, all notices for the Board of Trustees of the Internal Improvement Trust Fund are published on the Internet at the Department of Environmental Protection's home page at http://www.dep.state.fl.us/ under the link or button titled "Official Notices."

DEPARTMENT OF CORRECTIONS

RULE TITLE:	RULE NO.:
Batterer's Intervention Programs	33-504.201

PURPOSE AND EFFECT: The purpose and effect of the proposed rule repeal is to eliminate reference to a program for which the Department of Corrections no longer has responsibility.

SUMMARY: The rule addressing certification of batterer's intervention programs is being repealed. Chapter 2001-183, Laws of Florida, transferred the Office of Certification and Monitoring of Batterer's Intervention Programs from the Department of Corrections to the Department of Children and Family Services.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: None.

Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 741.325 FS.

LAW IMPLEMENTED: 741.325 FS.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAW.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Perri King Dale, Office of the General Counsel, Department of Corrections, 2601 Blair Stone Road, Tallahassee, Florida 32399-2500

THE FULL TEXT OF THE PROPOSED RULE IS:

33-504.201 Batterer's Intervention Programs.

Specific Authority 741.325 FS. Law Implemented 741.325 FS. History–New 9-29-96, Formerly 33-20.008, Amended 1-12-00, Repealed _____.

NAME OF PERSON ORIGINATING PROPOSED RULE: R. Beth Atchison, Assistant Secretary of Community Corrections

NAME OF SUPERVISOR OR PERSON WHO APPROVED THE PROPOSED RULE: James V. Crosby, Jr., Secretary

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: June 17, 2005

AGENCY FOR HEALTH CARE ADMINISTRATION

Health Facility Regulation/Financial Analysis

RULE TITLES:	RULE NOS.:
Florida Hospital Uniform Reporting System	59E-5.102
Prior Year Report Requirements	59E-5.201
Notice of Violation or Deemed Not Filed and Response	59E-5.205
Instructions and Specifications for Using COMPASS to Prepare and Transmit Hospital Prior Year Reports in Accordance with the Florida Hospital Uniform Reporting System	59E-5.206

PURPOSE AND EFFECT: The Agency intends to replace the electronic Financial Analysis Data Entry System (FADES) with a new electronic data entry system known as (COMPASS). The Agency proposes to require that COMPASS be used as the method by which all hospitals prepare and transmit the prior year actual report electronically to the Agency in accordance with the FHURS.

SUMMARY: All of the current rule language regarding the Financial Analysis Data Entry System (FADES) and the attendant reporting requirements are being replaced with COMPASS as the method to be used by all hospitals to submit the prior year actual report to the Agency.

STATEMENT OF ESTIMATED REGULATORY COST: No statement of Estimated Regulatory Cost has been prepared.

Any person who wishes to provide information regarding the statement of estimated regulatory costs or to provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 408.15(8) FS.

LAW IMPLEMENTED: 408.061(4), 395.701, 154.304, 409.9116, 408.20 FS.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE TIME, DATE AND PLACE SHOWN BELOW:

TIME AND DATE: 10:00 a.m., July 28 2005

PLACE: The Agency for Health Care Administration, Conference Room D, Building 3, 2727 Mahan Drive, Tallahassee, Florida 32308

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULES IS: Chris Augsburger, Regulatory Analyst Supervisor, Bureau of Health Facility Regulation/Financial Analysis Section, 2727 Mahan Drive, MS #28, Tallahassee, FL 32308-5403

THE FULL TEXT OF THE PROPOSED RULES IS:

59E-5.102 Florida Hospital Uniform Reporting System.

(1) The Agency for Health Care Administration hereby adopts and establishes a uniform system for hospital reporting by adopting and incorporating by reference the Florida Hospital Uniform Reporting System (FHURS) Manual, Version 2005-1 ~~92-1~~, June 2005 ~~April 9,1992~~. This manual, which includes reporting forms, has the force and effect of the Agency for Health Care Administration's rules.

(2) A copy of the current FHURS Manual may be obtained, upon payment of the cost of reproduction, by writing to: The Agency for Health Care Administration, Supervisor of Financial Analysis, Bureau of Health Facility Regulation, 2727 Mahan Drive, MS #28, Tallahassee, Florida 32308-5403, or by downloading it free of charge from the Agency's website at http:// ahca.myflorida.com/MCHQ/CON_FA/fa_data/index.shtml.

Specific Authority 408.15(8), 408.061(2) FS. Law Implemented 408.15(8), 408.061(2), 408.07(18)~~(22)~~ FS. History–New 6-11-92, Formerly 10N-5.102, Amended 2-24-94, 3-16-03, 6-8-03, _____.

59E-5.201 Prior Year Report Requirements.

(1) Each hospital shall submit to the Agency, not more than 120 days subsequent to the end of its fiscal year, its prior year report for the fiscal year then ended.

(2) The prior year report shall consist of the following:

(a) For hospital financial accounting periods ending on or after April 30, 2005 ~~subsequent to December 31, 1998,~~ and with corresponding due dates beginning on or after August 29, 2005 ~~April 30, 1999 and beyond~~, the prior year actual report shall be submitted to the Agency using the computer software known as COMPASS. COMPASS ~~"FADES". The FADES software~~ has been developed by the Agency for the purpose of electronically filing the prior year actual report. COMPASS ~~The software is a Visual Basic template~~ is a modified *Microsoft Excel* workbook that reproduces the FHURS worksheets pursuant to Rules 59E-5.102 and 59E-5.103, F.A.C., of this chapter ~~in an electronic format~~. COMPASS ~~The software~~ also exports ~~converts~~ the worksheet data into a specifically defined comma separated text file for transmission to the Agency ~~precisely designed file structure which can be electronically processed through the Agency's computer system~~. Hospitals shall use COMPASS ~~the FADES software~~ to keypunch the required data into the FHURS worksheet formats in accordance with Rule 59E-5.206, F.A.C ~~information and to transmit the data to the Agency~~. COMPASS ~~An installation diskette~~ will be provided to hospitals prior to the due date of the 2005 ~~1999~~ report in a timely manner free of charge. Hospitals shall not use an alternative version of COMPASS ~~the software~~ until such software is approved for use by the Agency. Hospitals shall not request approval for use of alternative software within 120 days prior to the report being due. The COMPASS comma separated text file ~~data produced from the FADES application~~ shall be returned to the Agency by electronic mail (E-mail) using normal electronic protocols for E-mail services. The COMPASS comma separated text file shall be attached to the E-mail message ~~on a 3.5 inch computer diskette pursuant to the formatting requirements provided in Rule 59E-5.206, F.A.C~~.

(b) The E-mail message shall be sent to the Agency on or before the due date of the report and ~~3.5 inch diskette~~ shall contain ~~be submitted with~~ the following information: ~~on an externally affixed label.~~

1. "Hospital FHURS Report".

2. Hospital Name.

3. Hospital Number (8 digit format).

4. Reporting period.

5. "Submission Number" which is the COMPASS generated submission number listed on each worksheet at the time the report is exported ~~represents a progressive count of the number of diskettes sent to the Agency for this report~~.

6. Name of contact person including area code and telephone number.

(c) FHURS "Worksheet A" on paper that contains the appropriate signatures by the Chief Executive Officer and Chief Financial Officer of the hospital;

(d) Two paper copies of the audited financial statements; and

(e) One paper copy of the Medicare cost report.

(3) The actual report shall be prepared for each hospital from the audited financial statements. Whenever an actual report is not in agreement with the corresponding audited financial statements, the hospital shall provide a reconciliation of the amounts presented in the audited financial statements to amounts reported in the actual report.

(4) In the event a hospital's audited actual data is restated in accordance with generally accepted accounting principles, the hospital shall report the restatement to the Agency within 30 days of the issuance of the restatement.

Specific Authority 408.061(2), 408.15(8) FS. Law Implemented 408.061, 408.08 FS. History–New 6-11-92, Formerly 10N-5.201, Amended 3-28-99, _____.

59E-5.205 Notice of Violation or Deemed Not Filed and Response.

(1) Once a report has been filed in accordance with Rules 59E-2.015 and 59E-5.201, F.A.C., the Agency will review the report and determine if:

(a) It conforms to applicable statutory, rule and FHURS Manual requirements.

(b) The data are mathematically accurate, reasonable and verifiable.

(2) If the report does not conform to the above requirements, the report will be deemed "not accepted" and a notice of violation will be sent certified mail, or by other delivery service which provides proof of delivery, to the hospital.

(3) The notice shall clearly indicate the deficiencies found, the corrections or modifications necessary to make it complete or conforming or its data verifiable, as well as the time by which a corrected or modified report must be received by the Agency.

(4) A hospital shall have no fewer than 10 working days following receipt of the notice of violation or notice of deemed not filed to return the requested corrected or modified report to the Agency.

(5) Modifications or corrections to various accounts and worksheet cells shall be made by resubmitting the entire report using the COMPASS comma separated text file. ~~FADES software and be re-transmitted via computer diskette using the formats pursuant to Rule 59E-5.206, F.A.C.~~ The COMPASS comma separated text file shall be returned to the Agency by electronic mail (E-mail) using the normal electronic protocols for E-mail services. The COMPASS comma separated text file shall be attached to the E-mail message. The E-mail message shall contain the following information: ~~The diskette shall be submitted with the following information on an externally affixed label.~~

(a) "Corrections to Hospital FHURS Report."

(b) Hospital Name.

(c) Hospital Number (8 digit format).

(d) Reporting period.

(e) "Submission Number" which is the COMPASS generated submission number listed on each worksheet at the time the report is exported ~~represents a progressive count of the number of diskettes sent to the agency for this report. A cover letter shall be provided with the diskette outlining the contents of the corrections contained on the diskette.~~

(6) The COMPASS comma separated text files containing the prior year actual ~~Actual~~ reports must be properly formatted ~~on a 3.5 inch diskette~~ in accordance with Rule 59E-5.206, F.A.C., of this chapter and readable by Agency software, otherwise the report will be deemed not filed and the hospital will be subject to the penalties for late filing as prescribed in this chapter.

~~(7) Hospitals whose reports are deemed not filed resulting from an improperly formatted diskette will receive an edit report that will attempt to describe the formatting deficiencies in sufficient detail to initiate corrective action by the hospital.~~

Specific Authority 408.061(2),~~(3),(4)(a),(7),~~ 408.15(8) FS. Law Implemented 408.061(2),~~(3),(4)(a),(7),~~ 408.062, 408.08 FS. History–New 6-11-92, Formerly 10N-5.205, Amended 3-28-99, 3-16-03, _____.

59E-5.206 Instructions and Specifications for Using COMPASS ~~the Financial Analysis Data Entry System (FADES)~~ to Prepare and Transmit Hospital Prior Year Reports in Accordance with the Florida Hospital Uniform Reporting System.

(1) The Agency for Health Care Administration hereby establishes a system for the electronic filing of hospital prior year actual reports by adopting and incorporating by reference the Agency software known as COMPASS ~~"FADES"~~, and the COMPASS ~~FADES~~ system specifications contained in the COMPASS USER MANUAL, Version May 2005. ~~"Financial Analysis Data Entry System Manual," Version 98-1.~~ The COMPASS USER MANUAL, Version May 2005 ~~This manual~~ has the force and effect of the Agency for Health Care Administration's rules.

(2) The COMPASS USER MANUAL ~~An initial copy of the FADES Manual~~ will be provided to hospitals free of charge on the Agency's website at http://ahca.myflorida.com/MCHQ/CON_FA/fa_data/compass.shtml. Paper ~~Additional~~ copies may be obtained upon payment of the cost of reproduction by writing The Agency for Health Care Administration, Supervisor of Financial Analysis, Bureau of Health Facility Regulation, 2727 Mahan Drive, MS #28, Tallahassee, Florida 32308-5403 ~~contacting the Agency for Health Care Administration, Office of the Bureau Chief, Certificate of Need/Financial Analysis, 2727 Mahan Drive, Building 3, Room 1221, Tallahassee, FL 32308~~.

Specific Authority 408.061(2), 408.15(8) FS. Law Implemented 408.061, 408.08 FS. History–New 3-28-99, Amended _____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Christopher J. Augsburger, Regulatory Analyst Supervisor

NAME OF SUPERVISOR OR PERSON WHO APPROVED THE PROPOSED RULE: Jeffrey N. Gregg, Bureau Chief, Health Facility Regulation

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: June 22, 2005

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: JUNE 3, 2005

THE MATERIALS INCORPORATED BY REFERENCE IN RULES 59E-5.102 AND 59E-5.206 ARE AVAILABLE UPON REQUEST FROM THE AGENCY FOR HEALTH CARE ADMINISTRATION.

AGENCY FOR HEALTH CARE ADMINISTRATION

Medicaid

RULE TITLE: RULE NO.:

Prescription Drug Coverage Denials 59G-4.255

PURPOSE AND EFFECT: The purpose of this rule is to establish procedures that will expedite the access to fair hearings for eligible Medicaid recipients with cognizable prescription drug claims and to assure full and meaningful compliance with federal and state law, as mandated under 42 CFR 431.221(c), and generally under 42 CFR 431. 205 through 431.246 and Florida Statute 409.919, *et seq*. These procedures are also pursuant to a federal court order in Anthony Hernandez v Rhonda Medows, 02-20964 (US District Court, Southern District of FL).

The rule requires Medicaid-participating pharmacies to provide a pamphlet, which is incorporated by reference, to Medicaid recipients whose prescription drug claims are denied by Medicaid. The pharmacy must enter on the pamphlet, the date, the recipient's name, drug name, and reason for the denial or attach a printout of the computer screen stating the reason for the denial. In addition, Medicaid-participating pharmacies must post a sign informing recipients of a toll-free number that can be called if a prescription is denied and the pharmacy failed to provide the denial information and information pamphlet to the recipient.

The rule requires Medicaid recipients who dispute their prescription denials to contact the Medicaid pharmacy Ombudsman for assistance in resolving the dispute before requesting a fair hearing. The rule also requires recipients to request fair hearings for prescription denials in writing.

SUMMARY: The purpose of this rule amendment is to establish procedures that will expedite the access to fair hearings for eligible Medicaid recipients with cognizable prescription drug claims and to assure full and meaningful compliance with federal and state law. These procedures are also pursuant to a federal court order in Anthony Hernandez v Rhonda Medows, 02-20964 (US District Court, Southern District of FL).

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: No statement of regulatory costs has been prepared.

Any person who wishes to provide information regarding the statement of estimated regulatory costs or to provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 409.902, 409.919 FS.

LAW IMPLEMENTED: 409.902, 409.906 FS.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE TIME, DATE AND PLACE SHOWN BELOW (IF NOT REQUESTED, THIS HEARING WILL NOT BE HELD):

TIME AND DATE: 2:00 p.m., Monday, July 25, 2005

PLACE: Agency for Health Care Administration, 2727 Mahan Drive, Bldg 3, Conference Room D, Tallahassee, Florida

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT IS: Karen Girard, Agency for Health Care Administration, Medicaid Services, 2727 Mahan Drive, Mail Stop 20, Tallahassee, Florida 32308, (850)488-9711

THE FULL TEXT OF THE PROPOSED RULE IS:

59G-4.255 Prescription Drug Coverage Denials.

(1) Medicaid-participating pharmacies shall provide the pamphlet, Important Information about your Florida Medicaid Prescription Drug Benefits, 4/27/04, or Información Importante A cerca de sus beneficios de medicamentos con receta del Medicaid de la Florida, 4/22/04, which are incorporated by reference, to Medicaid recipients whose prescription drug claims are denied by Medicaid and the pharmacy cannot resolve the denial during that day's pharmacy visit. The pharmacy must write on the pamphlet, the date, the recipient's name, the drug name, and the reason for the denial or attach a printout of the computer screen stating the reason for the denial. The pamphlets are available from the Agency for Health Care Administration's website at http://ahca.myflorida.com.

(2) Medicaid-participating pharmacies shall post two signs, one in English and one in Spanish, which are incorporated by reference, informing recipients of a toll-free number that can be called if the prescription is denied and the pharmacy failed to provide the denial information and the Important Information About Your Florida Medicaid Prescription Drug Benefits pamphlet to the recipient. The signs are available from the Agency for Health Care Administration's website at http://ahca.myflorida.com.

(3) Notwithstanding any other provisions of Florida Administrative Code, Rule 65-2.045 et seq., and in accordance with the provisions mandated under 42 CFR 431.221(c) and generally under 42 CFR 431.205 through 431.246 and Florida

Statutes 409.902 and 409.919, the following provisions apply to the fair hearing process for Medicaid recipients who have a denied prescription:

(a) The recipient must contact the Medicaid pharmacy Ombudsman for assistance in resolving the denial before requesting a fair hearing.

(b) The recipient must request the fair hearing in writing. The hearing request can be on the Fair Hearing Request Form contained in the Important Information About Your Florida Medicaid Prescription Drug Benefits pamphlet or by another written request that contains the same information that is on the Fair Hearing Request Form. The recipient or his authorized representative must enter the name of the drug, the reason for denial, the date of the denial, the reason(s) for requesting a hearing, and sign the form or written request.

(c) If the denial was because the drug required prior authorization, the recipient must attach evidence that his physician tried to get prior authorization. Evidence of prior authorization may include a completed, appropriate prior authorization form that was submitted by the recipient's physician. The prior authorization forms are incorporated by reference in Rule 59G-4.250, F.A.C.

(d) If a fair hearing form or written request is incomplete, the Department of Children and Families, Office of Appeals Hearings must send a written notice of rejection of the hearing request to the recipient within ten days. The notice must state the reason the hearing request was rejected.

(e) Recipients do not have the right to a fair hearing if one of the following circumstances applies:

1. The recipient has not made reasonable efforts to resolve rejection of his drug claim. Reasonable efforts are defined as follows:

(a) The recipient performed self-help measures to resolve the claim rejection(s) in questions. The court order defined self help as contacting the prescriber for prior-authorization, returning to the pharmacy on the appropriate date if the reason for rejection(s) is "early refill" when appropriate; cooperating with employees of the pharmacy; and providing information that is within the control of the recipient; and

(b) The recipient contacted the Ombudsman or attempted to contact the Ombudsman (e.g. left a voice mail, left a message with a person other than the Ombudsman, or sent an email or fax to the Ombudsman's office) and provided sufficient information so that the Ombudsman would have been able to either contact the recipient with three business days of the initial attempt by the recipient, or investigate the claim rejection based on the information provided by the recipient in the initial attempt.

2. The prescription drug rejection was due to lack of prior authorization, there is no dispute about whether the drug requires prior authorization, and there is not evidence included with the hearing request that the prescriber tried to obtain prior authorization.

3. If the recipient is challenging the legality of a restriction set forth in a federal Medicaid statute or regulation or state Medicaid statute or rule rather than a factual dispute arising from application of the statute.

4. If the rejection is for an early refill and there is no dispute over whether the refill was in fact early.

5. If the prescription is legally invalid pursuant to any state or federal statute that specifies the legal content of a prescription, and only the prescriber (who must be licensed and authorized to do so) can correct the prescription to make it legally valid and refuses to do so.

6. If the pharmacy is not enrolled as a Medicaid provider; or in the case of an HMO member, the pharmacy is not a participating provider in the HMO.

(f) These procedures do not apply to hearing requests regarding denials of prior authorization requests for those prescriptions identified as protocol drugs by the Agency for Health Care Administration. All hearing requests regarding prior authorization denials of these drugs shall be granted.

Specific Authority 409.902, 409.919 FS. Law Implemented 409.902, 409.906 FS. History–New _____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Karen Girard

NAME OF SUPERVISOR OR PERSON WHO APPROVED THE PROPOSED RULE: Alan Levine, Secretary

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: June 21, 2005

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: April 22, 2005

AGENCY FOR HEALTH CARE ADMINISTRATION

Medicaid

RULE TITLE: RULE NO.:

Payment Methodology for Inpatient Hospital Services 59G-6.020

PURPOSE AND EFFECT: The purpose of the proposed amendment is to incorporate changes to the Florida Title XIX Inpatient Hospital Reimbursement Plan (the Plan) Payment methodology, effective June 1, 2005. These changes are based upon a recalculation of the 2004-05 Special Medicaid payment methodology to reflect final total payments and the estimated payments for 2005-06 to reflect interim payments.

Effective June 1, 2005 and ending June 30, 2005, the final total of all special Medicaid payments (SMPs) will be the lower of (1) -85.90 percent of the total Upper Payment Limit (UPL) for private hospitals and -195.00 percent of the total Upper Payment Limit for non-state public hospitals, or (2) 100 percent of the difference between Medicaid payments and 100 percent of what would have been paid under Medicare payment principles. Interim payments will be adjusted to match this total. The total of all special Medicaid payments will not exceed the Upper Payment Limit.

Effective July 1, 2005, the final total of all special Medicaid payments (SMPs) will be the lower of (1) 35 percent of the total Upper Payment Limit (UPL) for private hospitals and 80 percent of the total Upper Payment Limit for non-state public hospitals, as defined in section VII. B, or (2) 100 percent of the difference between Medicaid payments and 100 percent of what would have been paid under Medicare payment principles. Interim payments will be adjusted to match this total. The total of all special Medicaid payments will not exceed the Upper Payment Limit.

SUMMARY: A recalculation of the 2004-05 Special Medicaid payment methodology to reflect final total payments for Fiscal year 2004-05 and the estimated 2005-06 appropriations to reflect interim total payments.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: No statement of estimated regulatory cost has been prepared.

Any person who wishes to provide information regarding the statement of estimated regulatory costs or to provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 409.919 FS.

LAW IMPLEMENTED: 409.908 FS.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE TIME, DATE AND PLACE SHOWN BELOW (IF NOT REQUESTED, THIS HEARING WILL NOT BE HELD):

TIME AND DATE: 10:00 a.m., July 27, 2005

PLACE: Agency for Health Care Administration, 2727 Mahan Drive, Building 3, Conference Room C, Tallahassee, Florida 32308

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Edwin Stephens, Medicaid Program Analysis, 2727 Mahan Drive, Mail Stop 21, Tallahassee, Florida 32308

THE FULL TEXT OF THE PROPOSED RULE IS:

59G-6.020 Payment Methodology for Inpatient Hospital Services.

Reimbursement to participating inpatient hospitals for services provided shall be in accord with the Florida Title XIX Inpatient Hospital Reimbursement Plan, Version XXVIII ~~XXVII~~, Effective Date _____ ~~October 12, 2004~~, and incorporated herein by reference. A copy of the Plan as revised may be obtained by writing to the Office of the Deputy Secretary for Medicaid, Agency for Health Care Administration, 2727 Mahan Drive, Building 3, Mail Stop 8, Tallahassee, Florida 32308.

Specific Authority 409.919 FS. Law Implemented 409.908 FS. History–New 10-31-85, Formerly 10C-7.391, Amended 10-1-86, 1-10-89, 11-19-89, 3-26-90, 8-14-90, 9-30-90, 9-16-91, 4-6-92, 11-30-92, 6-30-93, Formerly 10C-7.0391, Amended 4-10-94, 8-15-94, 1-11-95, 5-13-96, 7-1-96, 12-2-96, 11-30-97, 9-16-98, 11-10-99, 9-20-00, 3-31-02, 1-8-03, 7-3-03, 2-1-04, 2-16-04, 2-17-04, 10-12-04, _____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Robert Butler

NAME OF SUPERVISOR OR PERSON WHO APPROVED THE PROPOSED RULE: Robert Butler

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: June 22, 2005

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: May 20, 2005

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Pursuant to Chapter 2003-145, Laws of Florida, all notices for the Department of Environmental Protection are published on the Internet at the Department of Environmental Protection's home page at http://www.dep.state.fl.us/ under the link or button titled "Official Notices."

DEPARTMENT OF HEALTH

Board of Speech-Language Pathology and Audiology

RULE TITLE:	RULE NO.:
Standards for Approval of Continuing Education Activities and Providers	64B20-6.002

PURPOSE AND EFFECT: The Board proposes to approve another associational provider, whose program meet the requirements of the rule as a provider of continuing education.

SUMMARY: The rule adds the American Academy of Audiology as a provider for continuing education programs, so long as the programs meet the criteria requirements of Rule 64B20-6.002, F.A.C.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: No Statement of Estimated Regulatory Cost was prepared.

Any person who wishes to provide information regarding the statement of estimated costs, or to provide a proposal for a lower regulatory cost alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 456.013, 468.1135(4), 468.1195(3) FS.

LAW IMPLEMENTED: 468.1195 FS.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE NEXT AVAILABLE FLORIDA ADMINISTRATIVE WEEKLY.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Pamela E. King, Executive Director, Board of Speech-Language Pathology and Audiology, 4052 Bald Cypress Way, Bin #C06, Tallahassee, Florida 32399

THE FULL TEXT OF THE PROPOSED RULE IS:

64B20-6.002 Standards for Approval of Continuing Education Activities and Providers.

(1) through (3) No change.

(4) All programs approved by the American Speech-Language Hearing Association (ASHA) and American Academy of Audiology for continuing education credit for speech-language pathologists or audiologists or assistants that meet the requirements of this rule shall be deemed approved by this Board for continuing education for licensees and certified assistants.

(5) through (7) No change.

Specific Authority 456.013, 468.1135(4), 468.1195(3) FS. Law Implemented 468.1195 FS. History–New 3-14-91, Formerly 21LL-6.002, Amended 9-20-93, Formerly 61F14-6.002, Amended 3-28-95, 10-1-95, Formerly 59BB-6.002, Amended 1-6-00, _____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Board of Speech-Language Pathology and Audiology

NAME OF SUPERVISOR OR PERSON WHO APPROVED THE PROPOSED RULE: Board of Speech-Language Pathology and Audiology

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: May 25, 2005

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: February 4, 2005

DEPARTMENT OF FINANCIAL SERVICES

Division of Workers' Compensation

RULE TITLE: RULE NO.:

Florida Workers' Compensation Health Care Provider Reimbursement Manual 69L-7.020

PURPOSE AND EFFECT: To amend Rule 69L-7.020, F.A.C., to adopt the 2005 second edition of the Florida Workers' Compensation Health Care Provider Reimbursement Manual, incorporate 2005 Medicare values and implement the statewide schedules of maximum medical reimbursement allowances determined by the Three-Member Panel, pursuant to Section 440.13(12), Florida Statutes, at its meeting on November 19, 2004, and otherwise address issues raised by the Three-Member Panel.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS: The Department has considered the regulatory costs of the rule. It is believed that the costs involved are out-weighed by the cost savings and other benefits of the rule.

Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative, must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 440.13(14)(b), 440.591 FS.

LAW IMPLEMENTED: 440.13(7),(12),(14) FS.

IF REQUESTED IN WRITING WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE TIME, DATE, AND PLACE SHOWN BELOW (IF NOT REQUESTED, THIS HEARING WILL NOT BE HELD):

TIME AND DATE: 9:00 a.m., July 22, 2005

PLACE: Room 104J, Hartman Building, 2012 Capital Circle, Southeast, Tallahassee, Florida

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this program, please advise the Department at least 5 calendar days before the program by contacting the person listed above.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Don Davis, Division of Workers' Compensation, Office of Data Quality and Collection, Department of Financial Services, 200 East Gaines Street, Tallahassee, Florida 32399-4226, (850)413-1711

THE FULL TEXT OF THE PROPOSED RULE IS:

69L-7.020 Florida Workers' Compensation Health Care Provider Reimbursement Manual.

(1) The Florida Workers' Compensation Health Care Provider Reimbursement Manual, 2005 Second Edition, is adopted by reference as part of this rule. The manual contains reimbursement policies, guidelines, codes and maximum reimbursement allowances for services and supplies provided by health care providers. Also, the manual includes reimbursement policies and payment methodologies for pharmacists and medical suppliers.

(2) The Physicians' Current Procedural Terminology (CPT®), 2005 ~~2004~~ Professional Edition, Copyright 2004 ~~2003~~, American Medical Association; the Current Dental Terminology, CDT-2005 ~~(CDT-4), Fourth Edition,~~ Copyright 2004 ~~2002~~, American Dental Association; and in part for D codes and for injectable J codes, and for other medical services and supply codes, the American Medical Association "Healthcare Common Procedure Coding System, Medicare's National Level II Codes, HCPCS 2005 ~~2004~~", Seventeenth ~~Sixteenth~~ Edition, Copyright 2004 ~~2003~~, Ingenix Publishing Group, are adopted by reference as part of this rule. When a health care provider performs a procedure or service~~,~~ which is not listed in the Florida Workers' Compensation Health Care Provider Reimbursement Manual, 2005 Second Edition incorporated above, the provider must use a code contained in the CPT®, CDT-2005 ~~CDT-4~~ or HCPCS as specified in this section.

(3) The Florida Workers' Compensation Health Care Provider Reimbursement Manual, 2005 Second Edition incorporated above, is available for inspection during normal business hours at the Florida Department of Financial Services, Document Processing Section, 200 East Gaines Street, Tallahassee, Florida 32399-0311, or via the Department's web site at http://www.fldfs.com.

Specific Authority 440.13(14)(b), 440.591 FS. Law Implemented 440.13(7),(12),(14) FS. History–New 10-1-82, Amended 3-16-83, 11-6-83, 5-21-85, Formerly 38F-7.20, Amended 4-1-88, 7-20-88, 6-1-91, 4-29-92, 2-18-96, 9-1-97, 12-15-97, 9-17-98, 9-30-01, 7-7-02, Formerly 38F-7.020, 4L-7.020, Amended 12-4-03, 1-1-04, 7-4-04, 5-9-05, _____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Dan Sumner, Deputy Director of Workers' Compensation, Division of Workers' Compensation, Department of Financial Services

NAME OF SUPERVISOR OR PERSON WHO APPROVED THE PROPOSED RULE: Tanner Holloman, Director of Workers' Compensation, Division of Workers' Compensation, Department of Financial Services

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: May 3, 2005

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: May 13, 2005

FINANCIAL SERVICES COMMISSION

Office of Insurance Regulation

RULE TITLE: RULE NO.:

Use of Credit Reports and Credit Scores by Insurers 69O-125.005

PURPOSE, EFFECT AND SUMMARY: The proposed rule implements the provisions of Section 626.9741, F.S. created by Senate Bill 40-A, which address compliance; statistical detail standards to ensure that rates or premiums associated with credit reports or scores are not unfairly discriminatory; and standards for review of models, methods, programs, or other processes that produce credit scores to determine that they are not unfairly discriminatory. The rule establishes standards and requirements for the use of credit reports or scores by insurers.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS: None.

Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative, must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 624.308(1), 626.9741(8) FS.

LAW IMPLEMENTED: 624.307(1), 626.9741 FS.

IF REQUESTED IN WRITING WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE TIME, DATE AND PLACE SHOWN BELOW (IF NOT REQUESTED, THIS HEARING WILL NOT BE HELD):

TIME AND DATE: 3:00 p.m., July 26, 2005

PLACE: Room 116, Larson Building, 200 East Gaines Street, Tallahassee, Florida

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this program, please advise the Office at least 5 calendar days before the program by contacting the person listed below.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Michael Milnes, Senior Management Analyst/Supervisor, Property and Casualty Product Review, Office of Insurance Regulation, 200 East Gaines Street, Tallahassee, Florida 32399-0330, e-mail: michael.milnes@fldfs.com

THE FULL TEXT OF THE PROPOSED RULE IS:

69O-125.005 Use of Credit Reports and Credit Scores by Insurers.

(1) For the purpose of this rule, the following definitions apply:

(a) "Applicant", for purposes of Section 626.9741, F.S., means an individual whose credit report or score is requested for underwriting or rating purposes relating to personal lines motor vehicle or personal lines residential insurance and shall not include individuals who have merely requested a quote.

(b) "Credit scoring methodology" means any methodology that uses credit reports or credit scores, in whole or in part, for underwriting or rating purposes.

(c) "Data cleansing" means the correction or enhancement of presumed incomplete, incorrect, missing, or improperly formatted information.

(d) "Personal lines motor vehicle" insurance means insurance against loss or damage to any motorized land vehicle or any loss, liability, or expense resulting from or incidental to ownership, maintenance or use of such vehicle if the contract of insurance shows one or more natural persons as named insureds.

1. The following are not included in this definition:

a. Vehicles used as public livery or conveyance;

b. Vehicles rented to others;

c. Vehicles with more than four wheels;

d. Vehicles used primarily for commercial purposes; and

e. Vehicles with a net vehicle weight of more than 5,000 pounds designed or used for the carriage of goods (other than the personal effects of passengers) or drawing a trailer designed or used for the carriage of such goods.

2. The following are specifically included, inter alia, in this definition:

a. Motorcycles;

b. Motor homes;

c. Antique or classic automobiles; and

d. Recreational vehicles.

(e) "Unfairly discriminatory" means that adverse decisions resulting from the use of a credit scoring methodology disproportionately affects persons belonging to any of the classes set forth in Section 626.9741(8)(c), F.S.

(2) Insurers may not use any credit scoring methodology that is unfairly discriminatory. The burden of demonstrating that the credit scoring methodology is not unfairly discriminatory is upon the insurer.

(3) An insurer may not request or use a credit report or credit score in its underwriting or rating method unless it maintains and adheres to established written procedures that reflect the restrictions set forth in the federal Fair Credit Reporting Act, Section 626.9741, F.S., and these rules.

(4) Upon initial use or any change in that use, insurers using credit reports or credit scores for underwriting or rating personal lines residential or personal lines motor vehicle insurance shall include the following information in filings submitted pursuant to Section 627.062 or 627.0651, F.S.

(a) A listing of the types of individuals whose credit reports or scores the company will use or attempt to use to underwrite or rate a given policy. For example:

1. Person signing application;

2. Named insured or spouse; and

3. All listed operators.

(b) How those individual reports or scores will be combined if more than one is used. For example:

1. Average score used;

2. Highest score used.

(c) The name(s) of the consumer reporting agencies or any other third party vendors from which the company will obtain or attempt to obtain credit reports or scores.

(d) Precise identifying information specifying or describing the credit scoring methodology, if any, the company will use including:

1. Common or trade name;

2. Version, subtype, or intended segment of business the system was designed for; and

3. Any other information needed to distinguish a particular credit scoring methodology from other similar ones, whether developed by the company or by a third party vendor.

(e) The effect of particular scores or ranges of scores (or, for companies not using scores, the effect of particular items appearing on a credit report) on any of the following as applicable:

1. Rate or premium charged for a policy of insurance;

2. Placement of an insured or applicant in a rating tier;

3. Placement of an applicant or insured in a company within an affiliated group of insurance companies;

4. Decision to refuse to issue or renew a policy of insurance or to issue a policy with exclusions or restrictions or limitations in payment plans.

(f) The effect of the absence or insufficiency of credit history (as referenced in Section 626.9741(4)(c)1., F.S.) on any items listed in paragraph (e) above.

(g) The manner in which collection accounts identified with a medical industry code (as referenced in Section 626.9741(4)(c)2., F.S.) on a consumer's credit report will be treated in the underwriting or rating process or within any credit scoring methodology used.

(h) The manner in which collection accounts that are not identified with a medical industry code, but which an applicant or insured demonstrates are the direct result of significant and extraordinary medical expenses, will be treated in the underwriting or rating process or within any credit scoring methodology used.

(i) The manner in which the following will be treated in the underwriting or rating process, or within any credit scoring methodology used:

1. Credit inquiries not initiated by the consumer;

2. Requests by the consumer for the consumer's own credit information;

3. Multiple lender inquiries, if coded by the consumer reporting agency on the consumer's credit report as being from the automobile lending industry or the home mortgage industry and made within 30 days of one another;

4. Multiple lender inquiries that are not coded by the consumer reporting agency on the consumer's credit report as being from the automobile lending industry or the home mortgage industry and made within 30 days of one another, but that an applicant or insured demonstrates are the direct result of such inquiries;

5. Inquiries relating to insurance coverage, if so identified on a consumer's credit report; and

6. Inquiries relating to insurance coverage that are not so identified on a consumer's credit report, but which an applicant or insured demonstrates are the direct result of such inquiries.

(j) The list of all clear and specific primary reasons that may be cited to the consumer as the basis or explanation for an adverse decision under Section 626.9741(3), F.S. and the criteria determining when each of those reasons will be so cited.

(k) A description of the process that the insurer will use to correct any error in premium charged the insured, or in underwriting decision made concerning the insured, if the basis of the premium charged or the decision made is a disputed item that is later removed from the credit report or corrected, provided that the insured first notifies the insurer that the item has been removed or corrected.

(l) A certification that no use of credit reports or scores in rating insurance will apply to any component of a rate or premium attributed to hurricane coverage for residential properties as separately identified in accordance with Section 627.0629, F.S.

(5) Insurers desiring to make adverse decisions for personal lines motor vehicle policies or personal lines residential policies based on the absence or insufficiency of credit history shall either:

(a) Treat such consumers or applicants as otherwise approved by the Office of Insurance Regulation if the insurer presents information that such an absence or inability is related to the risk for the insurer and does not result in a disparate impact on persons belonging to any of the classes set forth in

Section 626.9741(8)(c), F.S. This information will be held as confidential if properly so identified by the insurer and eligible under Section 626.9711, F.S. The information shall include:

1. Data comparing experience for each category of those with absent or insufficient credit history to each category of insureds separately treated with respect to credit and having sufficient credit history;

2. A statistically credible method of analysis that concludes that the relationship between absence or insufficiency and the risk assumed is not due to chance;

3. A statistically credible method of analysis that concludes that absence or insufficiency of credit history does not disparately impact persons belonging to any of the classes set forth in Section 626.9741(8)(c), F.S.;

4. A statistically credible method of analysis that confirms that the treatment proposed by the insurer is quantitatively appropriate; and

5. Statistical tests establishing that the treatment proposed by the insurer is warranted for the total of all consumers with absence or insufficiency of credit history and for at least two subsets of such consumers;

(b) Treat such consumers as if the applicant or insured had neutral credit information, as defined by the insurer. Should an insurer fail to specify a definition, neutral is defined as the average score that a stratified random sample of consumers or applicants having sufficient credit history would attain using the insurer's credit scoring methodology; or

(c) Exclude credit as a factor and use other criteria. These other criteria must be specified by the insurer and must not result in average treatment for the totality of consumers with an absence of or insufficiency of credit history any less favorable than the treatment of average consumers or applicants having sufficient credit history.

(6) Insurers desiring to make adverse decisions for personal lines motor vehicle or personal lines residential insurance based on information contained in a credit report or score shall file with the Office information establishing that the results of such decisions do not correlate so closely with the zip code of residence of the insured as to constitute a decision based on place of residence of the insured in violation of Section 626.9741(4)(c)(3), F.S.

(7)(a) Insurers using credit reports or credit scores for underwriting or rating personal lines residential or personal lines motor vehicle insurance shall develop, maintain, and adhere to written procedures consistent with Section 626.9741(4)(e), F.S. providing appeals for applicants or insureds whose credit reports or scores are unduly influenced by dissolution of marriage, death of a spouse, or temporary loss of employment.

(b) These procedures shall be subject to examination by the Office at any time.

(8)(a)1. Insurers using credit reports or credit scoring in rating personal lines motor vehicle or personal lines residential insurance shall develop, maintain, and adhere to written procedures to review the credit history of an insured who was adversely affected by such use at initial rating of the policy or subsequent renewal thereof.

2. These procedures shall be subject to examination by the Office at any time.

3. The procedures shall comply with the following:

a. A review shall be conducted:

(I) No later than 2 years following the date of any adverse decision, or

(II) Any time, at the request of the insured, but no more than once per policy period without insurer assent.

b. The insurer shall notify the named insureds annually of their right to request the review in (II) above. Renewal notices issued 120 days or less after the effective date of this rule are not included in this requirement.

c. The insurer shall adjust the premium to reflect any improvement in credit history no later than the first renewal date that follows a review of credit history. The renewal premium shall be subject to other rating factors lawfully used by the insurer.

d. The review shall not be used by the insurer to cancel, refuse to renew, or require a change in the method of payment or payment plan based on credit history.

(b)1. As an alternative to the requirements in paragraph (8)(a), insurers using credit reports or scores at the inception of a policy but not for re-underwriting shall develop, maintain, and adhere to written procedures.

2. These procedures shall be subject to examination by the Office at any time.

3. The procedures shall comply with the following:

a. Insureds shall be reevaluated no later than 3 years following policy inception based on allowable underwriting or rating factors, excluding credit information.

b. The rate or premium charged to an insured shall not be greater, solely as a result of the reevaluation, than the rate or premium charged for the immediately preceding policy term. This shall not be construed to prohibit an insurer from applying regular underwriting criteria (which may result in a greater premium) or general rate increases to the premium charged.

c. For insureds that received an adverse decision notification at policy inception, no residual effects of that adverse decision shall survive the reevaluation. This means that the reevaluation must be complete enough to make it possible for insureds adversely impacted at inception to attain the lowest available rate for which comparable insureds are eligible, considering only allowable underwriting or rating factors (excluding credit information) at the time of the reevaluation.

(9) No credit scoring methodology shall be used for personal lines motor vehicle or personal lines residential property insurance unless that methodology has been demonstrated to be a valid predictor of the insurance risk to be assumed by an insurer for the applicable type of insurance. The demonstration of validity detailed below need only be provided with the first rate, rule, or underwriting guidelines filing following the effective date of this rule and at any time a change is made in the credit scoring methodology. Other such filings may instead refer to the most recent prior filing containing a demonstration. Information supplied in the context of a demonstration of validity will be held as confidential if properly so identified by the insurer and eligible under Section 626.9711, F.S. A demonstration of validity shall include:

(a) A listing of the persons that contributed substantially to the development of the most current version of the method, including resumes of the persons, if obtainable, indicating their qualifications and experience in similar endeavors.

(b) An enumeration of all data cleansing techniques that have been used in the development of the method, which shall include:

1. The nature of each technique;

2. Any biases the technique might introduce; and

3. The prevalence of each type of invalid information prior to correction or enhancement.

(c) All data input that was used by the model developers in the derivation and calibration of the model parameters.

1. Data shall be in sufficient detail to permit the Office to conduct multiple regression testing for validation of the credit scoring methodology.

2. Data, including field definitions, shall be supplied in electronic format compatible with the software used by the Office.

(d) Statistical results showing that the model and parameters are predictive and not overlapping or duplicative of any other variables used to rate an applicant to such a degree as to render their combined use actuarially unsound. Such results shall include the period of time for which each element from a credit report is used.

(e) A precise listing of all elements from a credit report that are used in scoring, and the formula used to compute the score, including the time period during which each element is used. Such listing is confidential if properly so identified by the insurer.

(f) An assessment by a qualified actuary, economist, or statistician (whether or not employed by the insurer) other than persons who contributed substantially to the development of the credit scoring methodology, concluding that there is a significant statistical correlation between the scores and frequency or severity of claims. The assessment shall:

1. Identify the person performing the assessment and show his or her educational and professional experience qualifications; and

2. Include a test of robustness of the model, showing that it performs well on a credible validation data set. The validation data set may not be the one from which the model was developed.

(g) Documentation consisting of statistical testing of the application of the credit scoring model to determine whether it results in a disproportionate impact on the classes set forth in Section 626.9741(8)(c), F.S. A model that disproportionately affects any such class of persons is presumed to have a disparate impact and is presumed to be unfairly discriminatory.

1. Statistical analysis shall be performed on the current insureds of the insurer using the proposed credit scoring model, and shall include the raw data and detailed results on each classification set forth in Section 626.9741(8)(c), F.S. In lieu of such analysis insurers may use the alternative in 2. below.

2. Alternatively, insurers may submit statistical studies and analyses that have been performed by educational institutions, independent professional associations, or other reputable entities recognized in the field, that indicate that there is no disproportionate impact on any of the classes set forth in Section 626.9741(8)(c), F.S. attributable to the use of credit reports or scores. Any such studies or analyses shall have been done concerning the specific credit scoring model proposed by the insurer.

3. The Office will utilize generally accepted statistical analysis principles in reviewing studies submitted which support the insurer's analysis that the credit scoring model does not disproportionately impact any class based upon race, color, religion, marital status, age, gender, income, national origin, or place of residence. The Office will permit reliance on such studies only to the extent that they permit independent verification of the results.

(h) The testing or validation results obtained in the course of the assessment in paragraphs (d) and (f) above.

(i) Internal Insurer data that validates the premium differentials proposed based on the scores or ranges of scores.

1. Industry or countrywide data may be used to the extent that the Florida insurer data lacks credibility based upon generally accepted actuarial standards. Insurers using industry or countrywide data for validation shall supply Florida insurer data and demonstrate that generally accepted actuarial standards would allow reliance on each set of data to the extent the insurer has done so.

2. Validation data including claims on personal lines residential insurance policies that are the result of acts of God shall not be used unless such acts occurred prior to January 1, 2004.

3. The mere copying of another company's system will not fulfill the requirement to validate proposed premium differentials unless the filer has used a method or system for less than 3 years and demonstrates that it is not cost effective to retrospectively analyze its own data. Companies under common ownership, management, and control may copy to fulfill the requirement to validate proposed premium differentials if they demonstrate that the characteristics of the business to be written by the affiliate doing the copying are sufficiently similar to the affiliate being copied to presume common differentials will be accurate.

(j) The credibility standards and any judgmental adjustments, including limitations on effects, that have been used in the process of deriving premium differentials proposed and validated in paragraph (i) above.

(k) An explanation of how the credit scoring methodology treats discrepancies in the information that could have been obtained from different consumer reporting agencies: Equifax, Experian, or TransUnion. This shall not be construed to require insurers to obtain multiple reports for each insured or applicant.

(l)1. The date that each of the analyses, tests, and validations required in paragraphs (d) through (j) above was most recently performed, and a certification that the results continue to be applicable.

2. Any item not reviewed in the previous 5 years is unacceptable.

Specific Authority 624.308(1), 626.9741(8) FS. Law Implemented 624.307(1), 626.9741 FS. History–New _____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Michael Milnes, Property and Casualty Product Review, Office of Insurance Regulation

NAME OF SUPERVISOR OR PERSON WHO APPROVED THE PROPOSED RULE: Tom Streukens, Deputy Commissioner, Office of Insurance Regulation

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: June 16, 2005

DATE NOTICES OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: October 31, 2003 and February 27, 2004

FINANCIAL SERVICES COMMISSION

Office of Insurance Regulation

RULE TITLES:	RULE NOS.:
Use of Filed Rates	69O-170.005
Rate Manual Filings and Revisions	69O-170.006
Annual Rate Filings	69O-170.007
Filing Procedures for Property and Casualty Insurance Rates, Rules, Underwriting Guidelines, and Forms	69O-170.013
Actuarial Memorandum	69O-170.0135
Homeowners Insurance Ratemaking and Rate Filing Procedures	69O-170.014
Dwelling Insurance Ratemaking and Rate Filing Procedures	69O-170.0141
Ratemaking and Rate Filing Procedures for Commercial Residential Insurance and All Other Lines	69O-170.0142
Ratemaking and Rate Filing Procedures for Liability Insurance for Medical Malpractice	69O-170.0143
Forms	69O-170.0155

PURPOSE, EFFECT AND SUMMARY: Improve the ability of the Office to fulfill its' statutory duty of reviewing rate filings to determine whether they are not excessive, inadequate or unfairly discriminatory by providing specific detail of the components to be provided in a rate filing essential for such determination; Delete outdated language and mandate electronic filing; Add specific filing details for medical malpractice coverage; Add provisions for streamlined rate filings; Adopt amended Form OIR-B1-583, Florida Expense Supplement Calculation of Company Loss Cost Multiplier, and other forms used in the rate filing process.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS: None.

Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative, must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 624.308(1) FS.

LAW IMPLEMENTED: 624.307(1), 624.418(2), 624.4211, 624.424, 624.604, 624.605, 627.021, 627.062, 627.062(2), 627.0645, 627.065, 627.0651, 627.221, 627.301, 627.331 FS.

IF REQUESTED IN WRITING WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE TIME, DATE AND PLACE SHOWN BELOW (IF NOT REQUESTED, THIS HEARING WILL NOT BE HELD):

TIME AND DATE: 9:30 a.m., July 26, 2005

PLACE: Room 116, Larson Building, 200 East Gaines Street, Tallahassee, Florida

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this program, please advise the Office at least 5 calendar days before the program by contacting the person listed below.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULES IS: Frank Dino, Life and Health Product Review, Office of Insurance Regulation, e-mail: Frank.dino@fldfs.com

THE FULL TEXT OF THE PROPOSED RULES IS:

PART I RATE FILING PROCEDURES

69O-170.005 Use of Filed Rates.

(1) This rule applies to all property and casualty insurance to which s. ~~Section~~ 627.062 or 627.0651, F.S., applies.

~~(a) Section 627.062, F.S., applies to property, casualty and surety insurance on subjects of insurance resident, located, or to be performed in Florida.~~

~~(b) Section 627.062 does not apply to the following:~~

~~1. Reinsurance, except joint reinsurance as provided in Section 627.311, F.S.~~

~~2. Insurance against loss of or damage to aircraft, their hulls, accessories, or equipment.~~

~~3. Liability arising out of the ownership, maintenance, or use of aircraft, other than workers' compensation and employer's liability.~~

~~4. Insurance of vessels or craft, their cargoes, marine builders' risks, marine protection and indemnity, or other risks commonly insured under ocean marine coverages.~~

~~5. Surplus lines insurance placed under the provisions of Sections 626.913-626.937, F.S.~~

~~6. Health insurance.~~

(2) Any ~~Each insurer making a~~ rate filing made with the Office ~~pursuant to Section 627.062, F.S., for all applicable classes,~~ shall ~~may~~ elect whether ~~to file~~ rates are filed as "file and use" or "use and file~~.~~" as defined in ss. 627.062(2) or 627.0651(1), F.S.

~~(a) "File and use" is defined as a rate filing made at least 60 days before the proposed effective date and which filing is not implemented during the Office's review of the filing and any proceeding or judicial review.~~

~~(b) "Use and file" is defined as rate filing made less than 60 days before the proposed effective date or no later than 30 days after the effective date.~~

(3) The filing of rates ~~as required in Section 627.062(2)(a)1. and 2., F.S.,~~ requires that specific rates be filed and precludes the filing of ranges of rates.

(4) All rate filings shall be submitted pursuant to Rule 69O-170.013, F.A.C. ~~Each insurer making rate filings pursuant to Section 627.062 F.S., shall state in a cover letter or filing memorandum whether the filing is submitted as "file and use" or "use and file."~~

~~(5) If "file and Use' is selected, the insurer shall include, as part of the filing, the proposed effective date for new and renewal business.~~

(5)~~(6)~~ For ~~If~~ "use and file" filings, any filing which is not made within the timelines provided by statute, e.g., the filing is received by the Office more than 30 days after the effective date, shall result in the Office's issuance of a Notice of Intent to disapprove ~~is selected, the insurer shall include, as part of the filing, final printed manual pages and effective dates for new and renewal business~~.

(6)(a) Changing the filing designation during the review of the filing from "file and use" to "use and file" or from "use and file" to "file and use", shall constitute a withdrawal of the filing and require a timely resubmission under the revised filing type as a new filing.

(b) Notwithstanding the above and with the approval of the Office, the effective date for a "file and use" filing may be amended to be shorter than the 90 or 60 days indicated in Section 627.062 or 627.0651, F.S., as long as the amended effective date is subsequent to the approval of the Office and provides the required statutory policyholder notice.

Specific Authority 624.308(1) FS. Law Implemented 624.307~~(1)~~, 627.062, 627.0651 FS., History–New 10-21-87, Formerly 4-72.005, Amended 1-27-92, Formerly 4-170.005, Amended _____.

69O-170.006 Rate Manual Filings and Revisions.

~~(1) All companies authorized to write property, casualty, surety and private passenger automobile lines of insurance excluding worker's compensation, who have filings in force in the State of Florida, shall provide the Department of Insurance with a complete manual, for each applicable line which such insurer is authorized to write, concurrent with the insurer's next base rate filing made on or after March 1, 1989, or if no rate filing is made, no later than January 1, 1990. Each manual filed with the Department shall include all currently applicable rates, rules, definitions and symbol pages. In addition, private passenger automobile and homeowners manuals shall include all currently applicable underwriting rules. Each manual page shall reflect the Department stamp, or the insurer shall submit a letter signed by an officer certifying that the manual pages being submitting represent all pages which are current and on file with the Department. Each manual shall be supplied in paper form in a binder.~~

(1)~~(2) Thereafter,~~ E~~e~~ach insurer shall submit ~~revised~~ manual pages and a checklist page or manual revision notice specifying the rule of application, effective date and the page number of:

(a) through (d) No change.

(2)~~(3) In order to enable the Office to maintain complete and up-to-date rate manuals,~~ T~~t~~he following shall be included on each manual page:

(a) Insurer ~~Company~~ Name(s);

(b) Line of Business and Program Name (if applicable);

(c) Page Number (each page should have a unique number); and

(d) Revision Date or other Date connected with the filing, e.g., filing date, effective date, editing date, etc. (specify the type of date used).

(3)~~(4)~~(a) Insurers ~~Companies~~ shall include a separate cover letter and manual for each line of business, as designated in paragraph (c)~~(d)~~ below~~, and by program within each line~~.

~~For every filing submit three copies of each manual page for each company. If the initial submission, as required by subsection (1), is not a filing but a complete unchanged manual, submit one copy of each manual for each company. These manuals shall be supplied in paper form~~.

~~(b) All filings and manual pages shall be filed on 8 1/2" by 11" paper or smaller.~~

(b)~~(c)~~ Except for private passenger automobile insurance, homeowners and dwelling fire and liability, insurers authorized by a rating organization to utilize the rating organization's loss costs and rules, after those loss costs and rules have been approved for use by the Office, need only file the loss cost multiplier to be used with those loss costs ~~companies that utilize rates and rules from a rating organization such as Insurance Services Office and Surety Association of America, etc., need only to file the rates, rules, deviations or effective dates, which are the exceptions to those filed on behalf of the company by the rating organization~~.

(c)~~(d)~~ For purposes of identifying filings submitted to the Office, a line of business shall be identified by one of the following. Additional identification may be used as needed. Filings for types of insurance not on this list should contain appropriate identification.

1. through 9. No change.

10. Other ~~General~~ Liability (including Excess and Umbrella Coverage).

11. No change.

12. Mobile Homeowners.

13. through 17. No change.

18. Dwelling Fire and Liability.

(d)~~(e)~~ Insurers ~~Companies~~ that submit filings on a group basis may submit manual pages on a group basis, provided each manual page identifies the insurers ~~companies~~ to which it is applicable.

~~(5) If available on microfilm, manuals shall also be supplied in this form with a computer tape index. This is in addition to the paper manuals required above. The specifications for microfilm and computer tape are as follows:~~

~~Microfilm Specifications~~

~~(a)1. Reduction Ratio: 24:1 through 40:1~~

~~2. Indexing: 1 level~~

~~Each document receives an image mark, all image marks are same size either small or medium, for example: 2 level.~~

~~Each key document (i.e., first page of each rate section) receives a medium sized image mark. Each attachment receives a small image mark.~~

~~3. Film: 16 mm silver based (Ester base) microfilm – 100 ft. 2.5 mil Kodak 100 ft., 1460 Ester base, or – 215 ft. 5.0 mil Kodak 215 ft., 3460 Ester base.~~

~~Note: Thin base (215 ft.) film is preferred.~~

~~4. Film must be processed and stored in industry standard (ANSI cartridge) return reel.~~

~~Kodak solid flange return reel, cat. # 144 2193~~

~~– No Leader~~

~~– No Trailer~~

~~– No Cartridge Film~~

~~– Each Roll Must Have a Trail Holder~~

~~Data Tape Specifications~~

~~(b)1. Input Tape~~

~~a. 1600 Bpi~~

~~b. 9 Track, 600-2400 foot lengths~~

~~c. ASCII or EBCDIC~~

~~d. Fixed length fields (identify field size & starting point)~~

~~e. Fixed length records (identify record size)~~

~~f. Fixed length blocks (identify block size & number of blocks) (maximum block size 4,000 bytes)~~

~~g. Labels allowed if verification positions are identified~~

~~h. Must identify if label exists~~

~~i. No stacked files~~

~~j. Additional data fields may reside on tape but each field must have a beginning and ending point.~~

~~2. Fields Required~~

~~a. State insurance identification # Company code~~

~~b. Form numbers~~

~~c. Line of business code (supply code)~~

~~d. File date~~

~~e. New date – renew date~~

~~f. Form _ Rate _ Both _~~

(4)~~(6)~~(a) All private passenger automobile and homeowners insurance underwriting guidelines, for both new and renewal business, are subject to filing requirements.

(b) For filings involving base rate adjustments other than private passenger automobile and homeowners, insurers shall describe in sufficient detail ~~in writing~~ all changes to the underwriting guidelines since the inception of the submitted experience period in order that the Office may ascertain the actuarial impact upon proposed rates pursuant to s. ~~Section~~ 627.062, F.S.

(c) For the purpose of paragraph (4)~~(6)~~(b):~~,~~

1. U~~u~~nderwriting guidelines shall mean qualitative standards affecting the eligibility of risks for insurance, but do not include procedures for determining eligibility (such as delegations of binding authority).

2. Qualitative standards shall mean standards affecting the quality of risk such as loss history, credit scoring, acceptable number of claims or claim frequencies, required loss control, or violation points or prior accidents in the case of motor vehicles; and does not include quantitative standards that relate to the size of risks (such as square footage, number of vehicles, or gross receipts) or standards that relate to the amount of coverage that will be provided ~~paragraphs (6)(b) and (6)(c) do not require the descriptions of such underwriting guidelines which were effectuated prior to the end of the experience~~

~~period preceding the effective date of this rule~~. ~~Furthermore, paragraphs (6)(b) and (6)(c) shall not be construed to require the filing of underwriting guidelines. The provisions of this paragraph shall not affect the ability of the Office to request guidelines or filings of such guidelines where otherwise allowed by law.~~

Specific Authority 624.308(1) FS. Law Implemented 624.307~~(1)~~, 627.062(2), 627.331 FS. History–New 3-1-89, Formerly 4-72.006, 4-170.006, Amended _____.

69O-170.007 Annual Rate Filings.

(1)(a) This rule applies to each insurer or rating organization subject to s. 627.0645, F.S. ~~or duly authorized rating organization filing rates for, any line of property and/or casualty insurance to which Part I of Chapter 627, F.S., applies, as set forth in Section 627.021, F.S., and as defined in Sections 624.604 and 624.605, F.S., except workers' compensation and employer's liability insurance, and commercial property and casualty insurance, as defined in Section 627.0625(1), F.S., other than commercial multiple line and commercial motor vehicle.~~

(b)1. Commercial Multiple Line insurance, for purposes of this rule, is defined as insurance that includes a combination of one or more property lines of insurance, e.g., fire and allied lines, and one or more casualty lines of insurance, e.g., general liability, burglary and theft.

2. Commercial Multiple Line insurance shall be interpreted as being the same as Commercial Multiple Peril insurance.

3. Commercial Multiple Line insurance or Commercial Multiple Peril insurance which is written on an indivisible premium basis is subject to this rule.

4. Divisible premium Commercial Multiple Peril policies shall not be subject to this rule.

(c) A base rate filing considers the overall rate level and individual components of a line or subline being reviewed, although all are not necessarily revised in a base rate filing. A base rate filing may include, for example ~~but is not limited to~~, a package modification factor.

(d) For purposes of identifying filings submitted to the Office ~~Department~~, a line of business shall be identified by one of the following, although additional identification may be used as needed:~~.~~

1. Commercial Automobile; ~~Commercial Motor Vehicle~~

2. Commercial Multiple Peril Policy ~~Line Packages~~ (with indivisible premium);

3. Dwelling Fire and Liability;

4. Homeowners;

5. Mobile Homeowners;

6. Motor Home and Motorcycle;

7. Personal Inland Marine;

8. Personal Liability; and ~~Personal Umbrella~~

9. Private Passenger Automobile.

~~(b) This rule does not apply to risk retention groups as defined in Sections 627.943-.944, F.S.; professional liability self-insurance trust funds as defined in Section 627.356, F.S.; medical malpractice self-insurance trust funds as defined in Section 627.357, F.S.; or commercial self-insurance trust funds as defined in Section 624.462, F.S.~~

(2) Each ~~such~~ insurer or each ~~such~~ rating organization filing rates for ~~on behalf of~~ one or more insurers shall make annual base rate filings with the Office ~~department~~ for each line or subline of insurance no later than 12 months after its previous certification or base rate filing effective date for new business.

~~(a) In all cases, the new business effective date or dates as supplied to and as approved by the Office will be the applicable current effective date or dates.~~

~~(b) All annual base rate filings are to be received by the Office no later than 12 months after the current effective date of the last base rate or certification filing. A filing will be considered received by the Office if it is physically in the possession of Insurance Regulation personnel at Tallahassee, Florida 32314-5320.~~

(3)(a) Filings shall be submitted in accordance with the requirements of this rule. ~~and, for~~

1. F~~f~~ilings submitted in accordance with paragraph ~~subsections~~ (4)(a) ~~and (4)(b),~~ below, shall demonstrate that the rates filed are not excessive, inadequate, or unfairly discriminatory, and ~~for~~

2. F~~f~~ilings submitted in accordance with paragraph ~~subsection~~ (4)(b) ~~(4)(c)~~, below, shall demonstrate that the rates ~~filings~~ are actuarially sound and not inadequate.

(b)1. The filings required by this rule shall be on an individual insurer ~~company~~ basis unless the rates for insurers ~~companies~~ within a group are derived from the pooled experience of those insurers ~~companies~~.

2. If the rates for more than one insurer ~~company~~ within a group are derived from pooled experience, then the filing may be made on a multiple insurer ~~company~~ basis but the cover letter for the filing shall explicitly state what the rates are and what insurers ~~companies~~ are included in the group. Insurers may submit a filing on behalf of any combination of insurers within the insurers' group, provided the effective dates are identical for every insurer and program identified in the filing.

(c)1. The insurer shall submit all filings to the Office at https://iportal.fldfs.com, the industry portal to the Office's I-File System, as adopted in Rule 69O-170.0155, F.A.C. ~~affix the bar code labels to the upper right-hand corner of the required forms, and shall submit the forms to the Department at the following address: Office of Insurance Regulation, Post Office Box 5320, Tallahassee, Florida 32314-5320. Questions concerning bar code labels shall be directed to the Bureau of Data Control at (850)922-3149, ext. 2626. For additional bar code labels, the insurer shall submit a written request, which shall include the company's most current FEIN number, and~~

~~which shall be accompanied by payment in the amount of $30 per company, to the Bureau of Data Control at the post office box indicated above.~~

2. A filing shall be considered received by the Office on business days between the hours of 8:00 a.m. and 5:00 p.m. eastern time. Filings received after 5:00 p.m. shall be considered to be received the next business day.

~~(d) Group Filings. For group filings, the insurer shall affix a bar code label for each company to the form. If the form is not large enough for all the bar code labels for the companies involved, the insurer shall use the back of the transmittal form. Original transmittal forms with bar codes may be copied for use with future filings. The insurer is encouraged to keep the original bar code transmittal form for future copying and mail only the copies. Companies shall submit only three copies of a group filing, provided the information for each company is identical. Three copies of each filing for each company in the group are not required when the information is identical.~~

(4) The filing required by this rule shall be satisfied by either (a) or (b) below. ~~one of the following methods:~~

(a) A ~~new or revised base~~ rate filing prepared by or under the direct supervision of ~~and signed by~~ an actuary. The filing shall be signed by the actuary and shall ~~which~~ contain~~s~~ documentation demonstrating that the proposed rates are not excessive, inadequate, or unfairly discriminatory, and be submitted pursuant to ~~the applicable rating laws and in compliance with~~ Rule 69O-170.013, F.A.C. ~~For purposes of this rule, "actuary" means an individual who is a member of the Casualty Actuarial Society~~.

~~(b) By having new or revised base rate filings prepared and signed by the company ratemaker or by consultants, either of which shall have a minimum of 5 years' experience in insurance ratemaking and by complying with Rule 69O-170.013, F.A.C.~~

(b)1.~~(c)~~ If no rate change is proposed, a filing which consists of a certification by an actuary ~~or by an experienced company ratemaker or by a consultant~~ that the existing ~~base~~ rate level produces rates which are actuarially sound and which are not inadequate~~, as defined in Section 627.062 or Section 627.0651, F.S., whichever is applicable~~.

2. Form OIR-B1-582, "Universal Standardized Data Letter, " as adopted in Rule 69O-170.0155, F.A.C.

3. Form OIR-B1-586, "Florida Property and Casualty – Annual Rate Filings Certification," as ~~rev. 10/92, which is hereby~~ adopted in Rule 69O-170.0155, F.A.C.~~, and incorporated by reference shall be completed in triplicate, including a properly affixed bar code, and accompanied by a stamped self-addressed envelope.~~

4. The data shall be on a direct basis. ~~Identify whether the loss data includes LAE and/or IBNR. Certification of an existing rate level does not preclude making a base rate filing during the following 12 months.~~

(c) If an insurer does not employ or otherwise retain the services of an actuary, as defined by Section 627.0645(8), F.S., the filing under paragraph (a) or (b) above shall:

1. Be prepared by a person meeting the requirements of Section 627.0645(5), F.S., herein referred to as a qualified ratemaker.

2. Be reviewed and signed by an employee of the insurer who is authorized to approve rate filings.

3. Include detailed information on the preparer's experience to demonstrate compliance with Section 627.0645(5), F.S.

4. Include a certification of an officer of the insurer that the insurer does not employ or otherwise retain the services of an actuary.

5. If the submission does not contain the material required by this paragraph (c), it will result in the Office's issuance of a Notice of Intent to disapprove.

~~(d) By being a member or subscriber of a licensed rating organization to which the insurer has given rate filing authorization and which complies with the requirements of Section 627.0645, F.S. Deviations filed by an authorized insurer to any rating organization's base rate filing shall not be subject to this rule.~~

(d)1.~~(e)~~ For purposes of this rule, a prospective loss cost filing, using the most recently approved loss costs, submitted to the Office by a duly authorized rating organization, may be considered as part of a base rate filing.

2. The factors for converting loss costs to rates shall be filed by the submitting insurer and approved by the Office.

3. All deviations from a rating or advisory organization's loss costs are to be certified or adequately supported.

4. An insurer may choose ~~either~~:

a. T~~t~~o file and distribute final rate pages;~~, or~~

b. T~~t~~o file or reference loss cost pages filed and distributed by a rating organization; or

c. T~~t~~o file loss cost pages distributed by an advisory organization plus the insurer's ~~company's~~ factors used to convert the prospective loss costs to rates.

5. An insurer shall use Form OIR-B1-583, "Florida Expense Supplement Calculation of Insurer Loss Cost Multiplier," as adopted in Rule 69O-170.0155, F.A.C., ~~the following form, which is hereby adopted and incorporated by reference,~~ in filing the factors to convert a rating or advisory organization's prospective loss costs to rates and shall comply with Rule 69O-170.013, F.A.C.~~: Form OIR583, "Florida Expense Supplement Calculation of Company Loss Cost Multiplier," rev. 10/92.~~

~~(f) An insurer must be authorized by a rating or advisory organization to use its loss costs before it bases its rates on the rating or advisory organizations' loss costs. When a rating organization converts from rates to loss costs for a particular line of business, the rating organization will cease filing rates~~

~~on behalf of authorized insurers. When this happens, the insurer may have an annual base rate filing requirement for each line of business defined in this rule and these annual base rate filings shall be received by the Office no later than 12 months after the current effective date of the insurer's or rating organization's last base rate filing. Insurers shall keep in contact with their rating or advisory organizations and with the Office to determine when their annual filing requirement begins.~~

(e)1.~~(g)~~ A request for exemption pursuant to s. 627.0645(2)(b), F.S., shall include Form OIR-B1-584, "Florida Property and Casualty – Annual Rate Filing-Exemption," as adopted in Rule 69O-170.0155, F.A.C. and shall be submitted through https://iportal.fldfs.com. ~~After receiving a request to be exempt from the requirements of this rule, the Office shall, for good cause due to insignificant numbers of policies in force or to an insignificant premium volume, exempt a company, by line of coverage. A company shall submit in triplicate, including a properly affixed bar code, accompanied by a stamped, self addressed envelope an exemption request on Form OIR 584, "Florida Property and Casualty – Annual Rate Filing Exemption," rev. 10/92, which is hereby adopted and incorporated by reference~~.

2. The exemption shall remain in effect for as long as there is not an increase in premium volume.

~~(h) All forms adopted in this rule may be obtained from the Bureau of Property/Casualty Forms & Rates, Post Office Box 5320, Tallahassee, FL 32314-5320, and may be reproduced at will. All filings shall be sent to the Bureau of Property/Casualty Forms & Rates, Division of Insurer Services, Office of Insurance Regulation, Post Office Box 5320, Tallahassee, Florida 32314-5320.~~

(5) A request for extension meeting the conditions of Section 627.0645(6), F.S., ~~If a filing is still being prepared on the date it is required to be filed, the insurer may apply to the Office in writing for an extension of up to an additional 30 days in which to submit the filing. The request for an extension shall be received by the Office no later than 5:00 PM on the date the filing is due. The request for extension~~ will be approved automatically upon receipt.

~~(6) Nothing in this rule shall limit the Office's authority to review rates at any time or to find that a rate or rate change is excessive, inadequate, or unfairly discriminatory pursuant to Section 627.062 or Section 627.0651, F.S.~~

~~(7) In addition to the provisions regarding discontinuance of use of a policy policies form in Section 627.0645(1)(h) F.S., the Office is authorized to suspend or revoke an insurer's certificate pursuant to Section 624.418, F.S., or to impose a fine pursuant to Section 624.4211, F.S., for failure to comply with this rule.~~

~~(8) Each filing shall include a completed Form OIR-1436 (rev. 2/98), Annual Rate Filing Form, which is hereby adopted and incorporated by reference, and is available from the address in paragraph (4)(h).~~

Specific Authority 624.308, 624.424(1)(c) FS. Law Implemented 624.307~~(1)~~, 624.418(2), 624.4211, 624.424(1)(c), 627.021, 627.062, 627.0645, 627.0651, 627.221, 627.301 FS. History–New 12-25-90, Formerly 4-72.007, Amended 1-27-92, 3-9-93, 9-7-93, 12-17-00, Formerly 4-170.009, Amended _____.

69O-170.013 Filing Procedures for Property and Casualty Insurance Rates, Rules, Underwriting Guidelines, and Forms.

(1)(a) The procedures in this rule apply to all insurance rate, rule~~, underwriting guidelines~~ or form filings for property and casualty insurance as defined in ss.~~Sections~~ 624.604, 624.605, 634.011(8), 634.301(4), 634.401(14), 642.015(3)~~(5)~~, 648.25(1), 635.011(1), and 627.826(1), F.S.

(b) Underwriting guidelines for private passenger automobile, homeowners' and mobile homeowners' insurance, for both new and renewal business, shall be filed pursuant to this rule.

(2)(a) A "rate filing" contains all the information submitted in the filing made by the insurer, plus any supplemental information received during the course of the Office's review, for all purposes of the filing made under Section 627.062(2)(a) or 627.0651, F.S., and shall be the sole basis for determination of final agency action.

(b) Any information provided subsequent to the Office's issuance of a notice of intent to disapprove pursuant to Section 627.062 or 627.0651, F.S., will be a new filing subject to the filing requirements of this rule chapter and applicable statutes. ~~The procedures in this rule supersede any other procedures relating to filing procedures and actuarial memoranda. All material submitted shall be legible.~~

(3) Filing Submittal Requirements.

(a) Complete rate, rule, underwriting guidelines for both new and renewal business, and form filings shall be submitted with the following information:

1. Form OIR-B1-582, "Universal Standardized Data Letter," as adopted in Rule 69O-170.0155, F.A.C.

2. Cover letter that shall include, at a minimum:~~; and~~

a. The purpose of the filing;

b. For rate and rule filings, an identification as to whether the filing is made under "file and use" or "use and file", including the proposed effective date of the rates or the date the rates were implemented;

c. If this is a resubmission of a previous file, a brief explanation of the prior filing, including reference to the corresponding Florida filing log number shall be provided;

d. For a rate filing for which a form is also being filed, identification of the corresponding filing log number for the form or when the form will be submitted; ~~and~~

3. Explanatory memorandum which shall:~~-~~

a. Explain the organization of the components of the filing;

b. Identify and highlight the changes from the current situation;

c. Include any explanation required by Rule 69O-170.006, F.A.C.;

d. If there is no rate effect, a detailed explanation of how it was so determined or why it is believed that there is no rate effect.

4. For filings with a rate effect, an actuarial opinion and supporting memorandum prepared pursuant to Rule 69O-170.0135, F.A.C.

5. Filing procedures and content required for specific lines of business as delineated in the following rules:

a. Rule 69O-170.014, F.A.C., (Homeowners and Mobile Homes);

b. Rule 69O-175.003, F.A.C., (Private Passenger Auto);

c. Rule 69O-170.0141, F.A.C., (Dwelling);

d. Rule 69O-170.0142, F.A.C., (Commercial Residential/All Other Property & Casualty);

e. Rule 69O-170.0143, F.A.C. (Professional Liability for Medical Malpractice); and

6. Manual pages formatted in compliance with subsection 69O-170.006(2), F.A.C. Subsequent to the initial filing, the insurer may defer submitting final amended manual pages until the Office concludes its analysis. Final approval will not occur until final manual pages have been submitted.

(b) All filings shall:

~~1. Be submitted in the above order with the Universal Standardized Data Letter serving as a cover sheet;~~

1.~~2.~~ Be separated into either rate/rule only or form only filings; and

2.~~3.~~ Be separated by line of business in accordance with Rule 69O-170.006, F.A.C.

(c) Group Filings. Insurers may submit a filing on behalf of any combination of insurers within the insurers' group, provided the effective dates are identical for every insurer and the program is identified in the filing ~~the information submitted in the filing is identical for every insurer identified in the filing and~~.

(4) An insurer may file for approval of a rate change that incorporates the prospective application of uniform rate changes over a period not to exceed one year from the effective date of the rates, i.e., a 1% monthly rate change in lieu of a 12.7% base rate change on the effective date. If a company elects to utilize this option, it shall update the rates on the Rate Collection System (RCS) as the rates change, but it is not necessary to update the RCS more frequently than quarterly. The RCS update filing shall be made as a "rule" filing and shall not require additional supporting documentation other than reference to the file log number where the prospective rate change was approved and a clear statement of the purpose of the filing. ~~The following rules also apply to the specific rate/rule filing procedures:~~

~~(a) Rule 69O-170.014, F.A.C., (Homeowners);~~

~~(b) Rule 69O-175.003, F.A.C., (Private Passenger Auto),~~

~~(c) Rule 69O-170.0141, F.A.C., (Dwelling),~~

~~(d) Rule 69O-170.0142, F.A.C., (Commercial Residential/All Other Property & Casualty).~~

(5)(a) In lieu of an experience based filing, an insurer may make a streamlined filing that is within the following parameters (applied at the coverage level or policy type). This provision is not applicable to medical malpractice, workers' compensation insurance coverages, or rating organizations; ~~The Office maintains voluntary checklists for insurers' information in properly complying with relevant statutes and rules. The completion of checklists does not preclude the Office from requiring additional information or further explanation of data. Filing checklists are for insurer information only.~~

1. The total rate change, including this proposed and previous filings with effective dates within the 12 months ending on the effective date of this proposed filing, is within +/-5%, and;

2. The annual rate change to any individual insured, including this proposed and previous filings with effective dates within the 12 months ending on the effective date of this proposed filing is within +/-10%.

(b)1. This provision may be used no more frequently than for two consecutive years at which time the next filing shall be a fully justified experience based filing;

2. The filing shall include an actuarial opinion that the rates meet the standards of subsection 69O-170.0135(1), F.A.C., and an exhibit of the premiums, losses and loss ratios for the experience period and the period during which the proposed rates are anticipated to be in effect; and

3. The on-line RCS shall by completed.

(c) The filing shall be exempt from:

1. The completion of the on-line experience data collection;

2. Filing a supporting actuarial memorandum; and

3. Filing an experience based justification.

(6)(a) ~~All filings sent by U.S. Postal Service shall be addressed to: Property and Casualty Forms and Rates, Post Office Box 7700, Tallahassee, FL 32314-7700.~~

~~(b) For delivery other than U.S. Postal Service or hand delivery, filings shall be addressed to: Bureau of Property and Casualty Forms and Rates, Room 233-A, Larson Building, 200 East Gaines Street, Tallahassee, FL 32399-0330.~~

~~(c) Subsequent to July 1, 2003,~~ A~~a~~ll filings shall be submitted electronically to https://iportal.fldfs.com, the industry portal to the Office's I-File System, as adopted in Rule 69O-170.0155, F.A.C. ~~or by computer diskette meeting the compatibility requirements mandated by Section 624.424(1)(c), F.S. Deadlines for filing will not be extended~~

~~due to shipping delays, format incompatibility, data corruption, or any other impediment which results from an election to file by diskette~~.

(b) A filing shall be considered received by the Office on business days between the hours of 8:00 a.m. and 5:00 p.m. eastern time. Filings received after 5:00 p.m. shall be considered to be received the next business day.

(7)(a) A rate filing shall contain documentation demonstrating that the proposed rates meet the standards and conditions of s. 627.062 or 627.0651, F.S., as applicable.

(b) It is the responsibility of the insurer to ensure that the filing contains all the information and documentation the insurer wants considered that supports the rate requested.

(c) A rate filing shall contain information and documentation sufficient for an actuary practicing in the same field to evaluate the work.

(d) Any submission that does not contain the information and documentation required by subsection (3) above, or for which required filing forms have not been completed in their entirety, will result in the Office's issuance of a Notice of Intent to disapprove.

(8)(a) The Office may request additional information or clarification to evaluate the filing for compliance with applicable statutory provisions.

(b) To allow the Office sufficient time to perform a proper review, the insurer shall submit by a date certain stated in a clarification letter any required additional information, explanation of data, or justification of assumptions.

(c) Unless the date is extended by the Office, failure to adequately address the issues by the date stated in the clarification letter may result in a notice of intent to disapprove the filing by the Office.

Specific Authority 624.308, 624.424(1)(c) FS. Law Implemented 624.307~~(1)~~, 624.424(1)(c), 624.604, 624.605, 627.062, 627.0645, 627.0651 FS. History–New 3-30-92, Amended 3-9-93, 8-23-93, 10-3-94, 8-3-95, 10-2-96, 6-19-03, Formerly 4-170.013, Amended _____.

69O-170.0135 Actuarial Memorandum.

(1)(a) An actuarial opinion and memorandum supporting the opinion shall state that the rates are not excessive, inadequate, or unfairly discriminatory and comply with the laws of this state.

(b) If the opinion cannot be given, a complete explanation of the reason or qualifications shall be provided.

(c) If the opinion and memorandum are prepared by a different individual from the person who prepared the prior filing, an explanation of the reason for this change shall be provided.

(2)(a) The memorandum, along with any required online data and rate submission material, shall support and document the basis of the opinion.

(b) It is not necessary to repeat, within the memorandum, any data that has been submitted through the online collection system; however, the memorandum shall so indicate and shall provide any necessary explanation.

(c) If an insurer, in addition to the completion of the required rate indications component of the I-File System, chooses to develop the proposed rates by using data or a method that is different from that which underlies the rate indications component of the I-File System, the memorandum shall contain detailed documentation and development of the method, assumptions and proposed rates, detailed documentation that the method is consistent with generally accepted and reasonable actuarial techniques, and that the resulting rates are not excessive, inadequate or unfairly discriminatory. The insurer may also provide any explanation for the Office to consider in the review of the filing pursuant to Section 627.062 or 627.0651, F.S., as to why it believes that the methodology or technique used in the filing is more appropriate for the filing than the methodology or technique used in the I-File System indications. The use of different data or method does not create a presumption of the appropriateness or inappropriateness of either method.

(d) The memorandum shall be such that an actuary qualified in the same practice area in which the filing is made could evaluate the reasonableness of the work.

(e) Each of the following items that are pertinent to the filing shall be identified and discussed:

1. The source and description of the experience data used, including homogeneity and reasonableness of the data used as a statistical basis to measure the expected claim costs over the rating period;

2. Verification that the data used does not include punitive damage awards;

3. Operational issues, including changes in underwriting guidelines as indicated in paragraph 69O-170.006(4)(b), F.A.C., and other influences on the experience data that will impact the expected experience during the rating period, including large non-recurring claims and loss experience pertaining to actual catastrophic events, how these compare to expected, and how they are incorporated into the rate development;

4. Premium and loss trends;

5. Basis of the credibility standard for complementing the experience data, along with support for the selection of that standard whenever the standard has changed from the previous filing;

6. Average statewide rate change, and an exhibit showing the ranges of impact on policyholders of the changes proposed in the current filing and the factors affecting the range of impact;

7. The effect of reinsurance or any other method of smoothing claim volatility and how it was included in the rate development;

8. Expense experience and anticipated expense needs for the rating period;

9. Analysis of investment income and return on surplus and how it was included in the rate analysis, including demonstration of compliance with the provisions of Rule 69O-170.003 or 69O-175.001, F.A.C.;

10. Disclosure and explanation of the basis of judgment made on assumptions or resulting rates; and

11. The expense factors in each rate filing, which shall be divided into the following categories:

a. Commissions and brokerage;

b. Other acquisition expenses;

c. General expenses;

d. Premium taxes;

e. Miscellaneous licenses and fees;

f. Profit and contingencies;

g. Reinsurance costs; and

h. Other expenses.

(3) Standards.

(a) Premium on-leveling methodology and calculations shall be clearly documented. An overall rate level history for the pertinent past shall be provided. Insurers not using this history in their calculations shall fully describe the method used. The insurer shall provide the policy term distribution, e.g., what percentage of the policies have been annual policies versus six-month policies.

(b) If a model accepted by the Florida Commission on Hurricane Loss Projection Methodology is used, it shall be the current version of the model, however, the immediate prior version of the model accepted by the Commission of the model may be used if the filing is submitted no more than three months after the date the current version is accepted by the Commission.

(c) The use of contingent commissions as supporting data for rate changes is prohibited unless:

1. There is a contractual arrangement between the insurer and its agents concerning the payment of contingent commissions; and

2. The insurer demonstrates that it is not paying contingent commissions from profits higher than anticipated in its filings.

(d) The ultimate incurred losses shall be based on best estimate assumptions, i.e., the assumptions the actuary expects to be realized over the period for which the rates are anticipated to be in effect.

Specific Authority 624.308(1) FS. Law Implemented 624.307, 627.062, 627.0651 FS. History–New _____.

69O-170.014 Homeowners Insurance Ratemaking and Rate Filing Procedures.

(1)(a) This rule shall apply to all homeowners insurance rates filed pursuant to s. ~~Section~~ 627.062, F.S.

(b) For purposes of this rule, reference to homeowners insurance shall include mobile homeowners insurance written on homeowners type policies and mobile homeowners insurance written on auto physical damage type policies.

(c) The information required by this rule shall be included as a required component of the filing made pursuant to subsection 69O-170.013(3), F.A.C.

(2) ~~Homeowners and Mobile Homeowners~~ Filing Submittal Requirements:

~~(a) Complete rate, rule, rate/rule and underwriting guidelines shall be submitted with the following information:~~

~~1. Form OIR-B1-582, "Universal Standardized Data Letter," as adopted in Rule 69O-170.015, F.A.C.;~~

~~2. Cover letter; and~~

~~3. Explanatory memorandum.~~

(a)~~(b)1.~~ Each insurer ~~writing homeowners insurance, including mobile homeowners insurance written on homeowners type policies and mobile homeowners insurance written on auto physical damage type policies, in Florida~~ shall file electronically the information ~~with the Office such information as~~ required by ~~the Office by~~ the I-File System and the Homeowners' Rate Collection System (HRCS) as adopted in Rule 69O-170.0155, F.A.C., at https://iportal.fldfs.com ~~using the computer software provided to insurers by the Office~~.

(b) Required supporting documentation referenced in the I-File System and HRCS shall be provided.

(c) Accurate entry of information into the rate indications workbook component of the I-File System will result in an aggregate average statewide rate indication. The accuracy and integrity of the information provided shall be the responsibility of the insurer.

~~2. Insurers may electronically submit their rating data by completing their filing on-line through the Office's Internet Filing System (IFS) and the Rate Collection System (RCS) at https://iportal.fldfs.com or by utilizing the Homeowners Rate Collection System (HRCS) software provided to insurers by the Office on its web site.~~

~~(c) All filings sent by U.S. Postal Service shall be addressed to: Property and Casualty Forms and Rates, Post Office Box 7700, Tallahassee, FL 32314-7700.~~

~~(d) For delivery other than U.S. Postal Service or hand delivery, filings shall be addressed to: Bureau of Property and Casualty Forms and Rates, Room 233-A, Larson Building, 200 East Gaines Street, Tallahassee, FL 32399-0330.~~

~~(e) Subsequent to July 1, 2003, all filings shall be submitted electronically to https://iportal.fldfs.com or by computer diskette meeting the compatibility requirements mandated by Section 624.424(1)(e), F.S. Deadlines for filing will not be extended due to shipping delays, format incompatibility, data corruption, or any other impediment which results from an election to file by diskette.~~

~~(f) All filings shall be separated by line of business in accordance with Rule 69O-170.006, F.A.C.~~

~~(g) All manual pages shall be formatted in compliance with subsection 69O-170.006(3), F.A.C.~~

~~(3) Any submission which is not completed according to the above referenced instructions, or is missing any of the properly completed forms, including supporting documentation, shall not constitute a filing pursuant to Section 627.062, F.S., and shall be returned to the insurer as "incomplete".~~

~~(4) Group Filings. Insurers may submit a filing on behalf of any combination of insurers within the insurers' group provided the information submitted in the filing is identical for every insurer identified in the filing.~~

~~(5)(a) The submission of data outlined on the homeowners and mobile homeowners checklist does not preclude the Office from requiring additional information or further explanation of data.~~

~~(b) The insurer shall submit any required additional information or further explanation of data by a date certain stated in a clarification letter, to allow the Office sufficient time to perform a proper review.~~

~~(c) Failure to correct the deficiencies by the date stated in the clarification letter will result in a notice of intent to disapprove the filing by the Office.~~

(3)The information identified in subsections (4) through (9) below is submitted within the I-File System and HRCS collection indicated in subparagraph (2)(a)1. above.

(4)~~(6)~~(a) Each rate filing shall contain either:

1. through 2. No change.

(b)1. No change.

2. This subsection shall not apply if~~:~~

~~a.~~ a~~A~~ rate change is filed in response to law changes which relate to specific types of policies~~; or~~

~~b. A rate change is filed in response to specific factual developments or circumstances that are reasonably expected to affect only certain types of policies for which the changes are filed.~~

(5)~~(7)~~(a) Each rate filing which proposes changes to base rates as to any policy for which rates vary by territory shall contain either:

1. through 2. No change.

(b) No change.

(6)~~(8)~~ The earned premiums and incurred losses included in the rate level indications shall be direct calendar/accident year or direct fiscal/accident year, Florida-only data. ~~Any other data which the insurer believes to be pertinent to the filing may also be provided.~~

~~(9) The following forms, as adopted in Rule 69O-170.015, F.A.C., are included in the Homeowners Rate Filing Collection Systems provided by the Office:~~

~~(a) Form OIR-B1-1102, "Florida Homeowners Rating Examples/Annual Rates";~~

~~(b) Form OIR-B1-1103, "Florida – Statewide Rate Level Effect/Homeowners", with its instructions; and~~

~~(c) Form OIR-B1-1104, "Florida – Rate Level Effect by Type by Territory/ Homeowners", with its instructions.~~

(10) through (12) renumbered (7) through (9) No change.

Specific Authority 624.308(1) FS. Law Implemented 624.307~~(1)~~, 624.424, 627.062, 627.0645 FS. History–New 8-23-93, Amended 10-3-94, 10-2-96, 3-31-98, 1-25-99, 6-19-03, Formerly 4-170.014, Amended _____.

69O-170.0141 Dwelling Insurance Ratemaking and Rate Filing Procedures.

(1)(a) This rule shall apply to all dwelling fire and extended coverage insurance rates filed pursuant to s. ~~Section~~ 627.062, F.S.

(b) For purposes of this rule, reference to dwelling fire insurance shall include mobile home dwelling insurance written on dwelling fire type policies.

(c) The information required by this rule shall be included as a required component of the filing made pursuant to subsection 69O-170.013(3), F.A.C.

(2) ~~Dwelling Fire and Extended Coverage Insurance~~ Filing Submittal Requirements:

~~(a) Complete rate, rule, rate/rule and underwriting guidelines shall be submitted with the following information:~~

~~1. Form OIR-B1-582, "Universal Standardized Data Letter," as adopted in Rule 69O-170.015, F.A.C.;~~

~~2. Cover letter; and~~

~~3. Explanatory memorandum.~~

(a)~~(b)1~~. Each insurer ~~writing dwelling fire and extended coverage in Florida~~ shall file electronically ~~with~~ the ~~Office such~~ information as required by ~~the Office by~~ the I-File System and the Dwelling Rate Collection System (DRCS), as adopted in Rule 69O-170.0155, F.A.C., at https://iportal.fldfs.com ~~using the computer software provided to insurers by the Office~~.

(b) Required supporting documentation referenced in the I-File System and DRCS shall be provided.

(c) Accurate entry of information into the rate indications workbook component of the I-File System will result in an aggregate average statewide rate indication. The accuracy and integrity of the information provided shall be the responsibility of the insurer.

~~2. Insurers may electronically submit their rating data by completing their filing on-line through the Office's Internet Filing System (IFS) and the Rate Collection System (RCS) at https://iportal.fldfs.com or by utilizing the Dwelling Rate Collection System (DRCS) software provided to insurers by the Office on its web site.~~

~~(c) All filings sent by U.S. Postal Service shall be addressed to: Property and Casualty Forms and Rates, Post Office Box 7700, Tallahassee, FL 32314-7700.~~

~~(d) For delivery other than U.S. Postal Service or hand delivery, filings shall be addressed to: Bureau of Property and Casualty Forms and Rates, Room 233-A, Larson Building, 200 East Gaines Street, Tallahassee, FL 32399-0330.~~

~~(e) Subsequent to July 1, 2003, all filings shall be submitted electronically to https://iportal.fldfs.com or by computer diskette meeting the compatibility requirements mandated by Section 624.424(1)(c), F.S. Deadlines for filing will not be extended due to shipping delays, format incompatibility, data corruption, or any other impediment which results from an election to file by diskette.~~

~~(f) All filings shall be separated by line of business in accordance with subsection 69O-170.006, F.A.C.~~

~~(g) All manual pages shall be formatted in compliance with subsection 69O-170.006(3), F.A.C.~~

~~(3) Any submission which is not completed according to the above referenced instructions, or is missing any of the properly completed forms, including supporting documentation, shall not constitute a filing pursuant to Section 627.062, F.S., and shall be returned to the insurer as "incomplete".~~

~~(4) Group Filings. Insurers may submit a filing on behalf of any combination of insurers within the insurers' group provided the information submitted in the filing is identical for every insurer identified in the filing.~~

~~(5)(a) The submission of data outlined on dwelling fire and extended coverage checklists does not preclude the Office from requiring additional information or further explanation of data.~~

~~(b) The insurer shall submit the required additional information or further explanation of data by a date certain stated in a clarification letter, to allow the Office sufficient time to perform a proper review.~~

~~(c) Failure to correct the deficiencies by the date stated in the clarification letter will result in a notice of intent to disapprove the filing by the Office.~~

(3) The information identified in subsections (4) through (9) below is submitted within the I-File System and DRCS collection indicated in paragraph (2)(a) above.

(4)~~(6)~~(a) Each rate filing shall contain either:

1. through 2. No change.

(b)1. No change.

2. This subsection shall not apply if~~:~~

~~a.~~ a~~A~~ rate change is filed in response to law changes which relate to specific types of policies~~; or~~

~~b. A rate change is filed in response to specific factual developments or circumstances that are reasonably expected to affect only certain types of policies for which the changes are~~ filed.

(5)~~(7)~~ No change.

(6)~~(8)~~ The earned premiums and incurred losses included in the rate level indications shall be direct calendar/accident year or direct fiscal/accident year, Florida-only data. ~~Any other data which the insurer believes to be pertinent to the filing may also be provided.~~

~~(9) The following forms, as adopted in Rule 69O-170.015, F.A.C., are included in the Dwelling Rate Collection Systems provided by the Office:~~

~~(a) Form OIR-B1-1193, "Florida Dwelling Rating Examples/Annual Rates";~~

~~(b) Form OIR-B1-1194, "Florida – Statewide Rate Level Effect/Dwelling", with its instructions; and~~

~~(c) Form OIR-B1-1195, "Florida – Rate Level Effect by Type by Territory/Dwellings", with its instructions.~~

(10) through (12) renumbered (7) through (9) No change.

Specific Authority 624.308(1) FS. Law Implemented 624.307~~(1)~~, 627.062 FS. History–New 10-2-96, Amended 3-31-98, 1-25-99, 6-19-03, Formerly 4-170.0141, Amended _____.

69O-170.0142 Ratemaking and Rate Filing Procedures for Commercial Residential Insurance and All Other Lines.

(1)(a) The procedures in this rule apply to all commercial residential insurance rates filed pursuant to s. ~~Section~~ 627.062, F.S., and all other lines of property and casualty insurance as defined in ss. ~~Section~~ 624.604 and 624.605, F.S.~~, except that this rule does not apply to workers' compensation insurance as defined in Section 624.605(1)(e), Florida Statutes.~~

(b) This rule does not apply to medical malpractice coverage which is subject to Rule 69O-170.0143, F.A.C. or workers' compensation insurance as defined in Section 624.605(1)(c), F.S.

(c)~~(b)~~ No change.

(2) The f~~F~~iling s~~S~~ubmittal r~~R~~equirements in this rule are in addition to the information required by subsection 69O-170.013(3), F.A.C. and shall be included as a required component of the filing made pursuant to subsection 69O-170.013(3), F.A.C.

~~(a) Complete rate, rule, underwriting guidelines, and form filings shall be submitted with the following information:~~

~~1. Form OIR-B1-582, "Universal Standardized Data Letter," as adopted in Rule 69O-170.0155, F.A.C.~~

~~2. Cover letter; and~~

~~3. Explanatory memo.~~

~~(b) All filings shall:~~

~~1. Be submitted in the above order with the Universal Standardized Data Letter serving as a cover sheet;~~

~~2. Be separated into either rate/rule only or form only filings;~~

~~3. Be separated by line of business in accordance with Rule 69O-170.006, F.A.C.; and~~

~~4. All manual pages shall be formatted in compliance with subsections 69O-170.006(2),(3), F.A.C.~~

~~(c) Group Filings. Insurers may submit a filing on behalf of any combination of insurers within the insurers' group, provided the information submitted in the filing is identical for every insurer identified in the filing.~~

~~(3) Any submission which is not completed according to the above referenced instructions or is missing any of the properly completed forms, including supporting documentation, shall not constitute a filing pursuant to Section 627.062, F.S., and shall be returned to the insurer as "incomplete".~~

~~(4)(a) The submission of data outlined on the property and casualty commercial lines checklist does not preclude the Office from requiring additional information or further explanation of data.~~

~~(b) The insurer shall submit the required additional information or further explanation of data by a date certain stated in a clarification letter, to allow the Office sufficient time to perform a proper review.~~

~~(c) Failure to correct the deficiencies by the date stated in the clarification letter will result in a notice of intent to disapprove the filing by the Office.~~

~~(5)(a) All filings sent by U.S. Postal Service shall be addressed to: Property and Casualty Forms and Rates, Post Office Box 7700, Tallahassee, FL 32314-7700.~~

~~(b) For delivery other than U.S. Postal Service or hand delivery, filings shall be addressed to: Bureau of Property and Casualty Forms and Rates, Room 233-A, Larson Building, 200 East Gaines Street, Tallahassee, FL 32399-0330.~~

~~(c) Subsequent to July 1, 2003, all filings shall be submitted electronically to https://iportal.fldfs.com or by computer diskette meeting the compatibility requirements mandated by Section 624.424(1)(c), F.S. Deadlines for filing will not be extended due to shipping delays, format incompatibility, data corruption, or any other impediment which results from an election to file by diskette.~~

(3)~~(6)~~(a) Each rate filing shall contain either:

1. through 2. No change.

(b)1. No change.

2. This subsection shall not apply if a rate change is filed in response to law changes which relate to specific types of policies ~~or if a rate change is filed in response to specific factual developments or circumstances that are reasonably expected to affect only certain types of policies for which the changes are filed~~.

(4)~~(7)~~(a) If the filing adopts a rating organization's prospective loss costs, the filing shall include Form OIR-B1-583 (pages 1 and 2), "Florida Expense Supplement Calculation of Company Loss Cost Multiplier" as adopted in Rule 69O-170.015, F.A.C.

(b) through (c) No change.

(d) The data shall identify whether the loss data includes LAE (Loss Adjustment Expense) and/or IBNR (Incurred But Not Reported).

(5)~~(8)~~ No change.

(6)(a)~~(9)~~ The earned premiums and incurred losses included in the rate level indications shall include Florida-only data.

(b) An insurer shall prepare separate indications for those policies on an occurrence basis and for those policies on a claims-made basis.

(c) The premium and loss data supporting a rate level indication for policies on an occurrence basis shall be stated on an accident year basis.

(d) The premium and loss data supporting a rate level indication for policies on a claims-made basis shall be stated on a report year basis ~~be accident year, Florida only data~~. ~~Any other data which the insurer believes to be pertinent to the filing may also be provided. The insurer shall provide the logical connection between such other data and the subject matter of the filing.~~

(10) through (11) renumbered (7) through (8) No change.

~~(12) Each insurer shall include in its rate filings:~~

~~(a) A separate exhibit listing that portion of the final rates/premium allocated to conflagration, hurricane, or other catastrophe hazards.~~

~~(b) An estimate of the total dollar amount allocated to such conflagration, hurricane, or other catastrophe hazards for the 12 month period beginning with the effective date of the applicable filing.~~

~~(c) A rate filing for residential property insurance shall be separated into 2 components, rates for:~~

~~1. Hurricane coverage; and~~

~~2. All other coverages.~~

(9)~~(13)~~ No change.

Specific Authority 624.308(1) FS. Law Implemented 624.307~~(1)~~, 627.062, 624.604, 624.605 FS. History–New 10-2-96, Formerly 4-170.0142, Amended _____.

69O-170.0143 Ratemaking and Rate Filing Procedures for Liability Insurance for Medical Malpractice.

(1)(a) This rule shall apply to all medical malpractice insurance rates filed pursuant to Section 627.062, F.S.,

(b) The information required by this rule shall be included as a required component of the filing made pursuant to subsection 69O-170.013(3), F.A.C.

(c) For purposes of this rule, reference to liability insurance for medical malpractice shall include insurance on the following types of risks:

1. Hospitals licensed under Chapter 395, F.S.;

2. Physicians licensed under Chapter 458, F.S.;

3. Osteopathic physicians licensed under Chapter 459, F.S.;

4. Podiatric physicians licensed under Chapter 461, F.S.;

5. Dentists licensed under Chapter 466, F.S.;

6. Chiropractic physicians licensed under Chapter 460, F.S.;

7. Naturopaths licensed under Chapter 462, F.S.;

8. Nurses licensed under Chapter 464, F.S.;

9. Midwives licensed under Chapter 467, F.S.;

10. Clinical laboratories registered under Chapter 483, F.S.;

11. Physician assistants licensed under Chapters 458, F.S., or 459, F.S.;

12. Physical therapists and physical therapist assistants licensed under Chapter 486, F.S.;

13. Health maintenance organizations certificated under part I of Chapter 641, F.S.;

14. Ambulatory surgical centers licensed under Chapter 395, F.S.;

15. Other medical facilities as defined in subparagraph 627.351(4)(h)2., F.S.;

16. Individuals or facilities licensed under Chapter 400, F.S.;

17.a. Blood banks,

b. Plasma centers,

c. Industrial clinics, and

d. Renal dialysis facilities;

18.a. Professional associations,

b. Partnerships,

c. Corporations,

d. Joint ventures, or

e. Other associations for professional activity by health care providers; or

19. Any other liability insurance covering errors or omissions which may result in bodily injury.

(2) All filings shall contain:

(a) Either Form OIR-B1-583 (pages 1 and 2) or Form OIR-B1-595 as adopted in Rule 69O-170.0155, F.A.C., as applicable.

(b)1. A list of each of the insurer's programs or types of policies within the Medical Malpractice line of business and whether each program or policy type is provided on an occurrence basis, a claim-made basis, or on both bases.

2. A statement by the insurer as to:

a. Whether each program or policy type is subject to the annual rate filing required under s. 627.062(7)(f), F.S.; and

b. Whether that annual rate filing is being made under the current rate filing or has been made under a prior submission.

3. A list of the insurer's programs or types of policies which are rated based on exposure units expressed in Physician Years.

(c) Adoption of Loss Costs Filed by a Rating Organization. A filing which adopts the prospective loss costs promulgated by a rating organization and approved for use by the Office shall include Form OIR-B1-583 (pages 1 and 2), "Florida Expense Supplement Calculation of Insurer Loss Cost Multiplier" as adopted in Rule 69O-170.0155, F.A.C.

(d) Rate Filings not involving the adoption of Loss Costs. Insurers shall provide the following:

1.Ratemaking Methodology:

a. The actuarial memorandum and the supporting exhibits define a standard ratemaking methodology. The proposed rates and/or rate changes should be the result of the ratemaking methodology operating on the insurer's data.

b. An insurer shall establish a standard ratemaking methodology and utilize it consistently over time. However, an insurer may elect to change its standard ratemaking methodology. If an insurer does so, it shall thoroughly document the reasons for the change.

2. Judgment: An insurer may employ its judgment and elect to depart from its ratemaking methodology. If an insurer does so, it shall thoroughly document the reasons for the departure from its standard ratemaking methodology.

3. Loss Data:

a. Programs or policy types written on an occurrence basis shall present the following loss data on an accident year basis:

(I) Direct losses paid to date on reported claims;

(II) Case basis estimates of unpaid direct losses on reported claims;

(III) The total number of reported claims.

b. Programs or policy types written on a claims-made basis shall present the following loss data on a report year basis:

(I) Direct losses paid to date on reported claims.

(II) Case basis estimates of unpaid direct losses on reported claims.

(III) The total number of reported claims.

4. Allocated Loss Adjustment Expense Data: An insurer may, at its option:

a. Include direct paid and unpaid allocated loss adjustment expenses with direct paid and unpaid losses and indicate that the data includes both direct losses and direct allocated loss adjustment expenses; or

b. Present direct paid and unpaid allocated loss adjustment expenses separately from direct paid and unpaid losses.

5. Actuarial Adjustments to Losses and Allocated Loss Adjustment Expenses. Filings shall consider the following adjustments to losses and allocated loss adjustment expenses:

a. Loss Development;

b. Adjustment for known changes in claim costs and claim frequency;

c. Adjustment for anticipated future changes in claim costs and/or claim frequency;

d. Unallocated Loss Adjustment Expenses.

6. Premium and Exposure Data:

a. Filings which utilize a Loss Ratio approach to ratemaking shall provide collected direct written premium and collected direct earned premium;

b. Filings which utilize a Pure Premium approach to ratemaking shall provide direct earned exposure measured in Physician Years;

c. An insurer may also utilize other direct earned exposure units the insurer believes will support its proposed rate change.

7. Actuarial Adjustments to Premium and Exposure Data:

a. Filings based on a Loss Ratio approach shall clearly demonstrate:

(I) How collected premium has been adjusted to the current rate level.

(II) That the losses utilized in the filing were generated by the earned premium considered in the filing.

b. Filings based on a Pure Premium approach shall clearly demonstrate:

(I) That base-equivalent exposures, if utilized, have been determined using the current rating plan.

(II) That the losses utilized in the filing were generated by the earned exposure utilized in the filing.

8. Expense (other than loss adjustment expenses) Data:

a. A rate filing, other than the adoption of loss costs, shall include Form OIR-B1-595, "Florida Expense Supplement for Independent Rate Filings" as adopted in Rule 69O-170.0155, F.A.C.

b. All expense data shall be presented on a direct basis:

(I) Commission/Brokerage expense ratios, Premium Tax ratios, and Other Tax ratios shall be determined as ratios to direct written premium.

(II) General Expense ratios and Other Acquisition Expense ratios shall be determined as ratios to direct earned premium.

9. Credibility: The filing shall contain a thorough explanation of how the concept of credibility, including the use of accident-year weights or report-year weights, has been incorporated into the filing.

(e)1. In addition to the direct ratemaking approach in subsection (5), an insurer may elect to include the costs of reinsurance in a rate filing.

2. Where the insurer elects to do so, the cost of reinsurance shall consider:

a. All reinsurance contracts related to the subject matter of the filing;

b. The amount to be paid to the reinsurer;

c. Ceding commissions to be paid to the insurer by the reinsurer;

d. Expected reinsurance recoveries; and

e. Other relevant information specifically relating to cost such as a retrospective profit sharing agreement between the insurer and the reinsurer.

(f) Actuarial Documentation Required.

1. The actuarial memorandum contained in the filing shall describe in detail how the proposed rates have been derived from the experience presented.

2. The filing shall also contain actuarial exhibits that provide the details of all the calculations involved. The exhibits shall provide adequate documentation and footnotes to facilitate a thorough review of the calculations by the Office.

Specific Authority 624.308(1) FS. Law Implemented 624.307, 627.062, 624.604, 624.605 FS. History–New _____.

(Substantial rewording of Rule 69O-170.0155 follows. See Florida Administrative Code for present text.)

69O-170.0155 Forms.

(1) The following forms are hereby adopted and incorporated by reference:

	Form #	Title	Date
(a)	OIR-B1-582	Universal Standardized Data Letter	10/04
(b)	OIR-B1-583	Florida Expense Supplement Calculation of Insurer Loss Cost Multiplier	04/04
(c)	OIR-B1-584	Florida Property and Casualty – Annual Rate Filing-Exemption	07/03
(d)	OIR-B1-586	Florida Property and Casualty – Annual Rate Filings Certification	07/04
(e)	OIR-B1-595	Florida Expense Supplement for Independent Rate Filings	07/03
(f)	OIR-B1-HRCS	Homeowners' Rate Collection System (HRCS)	07/03
(g)	OIR-B1-DRCS	Dwelling Rate Collection System (DRCS)	07/03
(h)	OIR-B1-ARCS	Automobile Rate Collection System (ARCS)	07/03
(i)	OIR-B1-RIWBK	Personal Lines Standardized Rate Indications Workbook	07/04
(j)	OIR-B1-IFILE	I-File	11/04

(2) Forms are available and may be printed from the Office's web site: https://www.fldfs.com.

Specific Authority 624.308(1) FS. Law Implemented 624.307~~(1)~~, 624.424, 627.062, 627.0645 FS. History–New 6-19-03, Formerly 4-170.0155, Amended _____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Frank Dino, Actuary, Life and Health Product Review, Office of Insurance Regulation

NAME OF SUPERVISOR OR PERSON WHO APPROVED THE PROPOSED RULE: Tom Streukens, Deputy Commissioner, Office of Insurance Regulation

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: June 16, 2005

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: May 7, 2004 and July 23, 2004

FINANCIAL SERVICES COMMISSION

Office of Insurance Regulation

RULE TITLE: RULE NO.:

Motor Vehicle Insurance Ratemaking and Rate Filing Procedures 69O-175.003

PURPOSE, EFFECT AND SUMMARY: Improve the quality of rate filings by providing specific detail of the components of a filing so as to minimize the Office's processing of incomplete filings; Delete outdated language and mandate electronic filing; and Update and adopt rate filing forms.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS: None.

Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative, must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 624.308(1) FS.

LAW IMPLEMENTED: 624.307(1), 624.424, 627.062, 627.0651 FS.

IF REQUESTED IN WRITING WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE TIME, DATE AND PLACE SHOWN BELOW (IF NOT REQUESTED, THIS HEARING WILL NOT BE HELD):

TIME AND DATE: 9:30 a.m., July 26, 2005

PLACE: Room 116, Larson Building, 200 East Gaines Street, Tallahassee, Florida

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this program, please advise the Office at least 5 calendar days before the program by contacting the person listed below.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Frank Dino, Life and Health Product Review, Office of Insurance Regulation, e-mail: Frank.dino@fldfs.com

THE FULL TEXT OF THE PROPOSED RULE IS:

69O-175.003 Motor Vehicle Insurance Ratemaking and Rate Filing Procedures.

(1)(a) This rule shall apply to all motor vehicle insurance rates filed pursuant to Sections 627.062 and 627.0651, F.S., except for provisions which are specifically limited to private passenger motor vehicle insurance rates.

(b) The information required by this rule shall be included as a required component of the filing made pursuant to subsection 69O-170.013(3), F.A.C.

(c) Filings shall pertain only to the Private Passenger Automobile Insurance.

(2) ~~Motor Vehicle Insurance Rate~~ Filing Submittal Requirements~~:~~.

~~(a) Complete rate, rule, rate/rule and underwriting guidelines shall be submitted with the following:~~

~~1. Form OIR-B1-582, "Universal Standardized Data Letter", as adopted in Rule 4-170.015, F.A.C.;~~

~~2. Cover letter; and~~

~~3. Explanatory memorandum.~~

(a)~~(b)~~1. Each insurer ~~writing motor vehicle insurance in Florida~~ shall file electronically ~~with~~ the ~~Office such~~ information ~~as~~ required by ~~the Office.~~

~~2. Private passenger motor vehicle insurers may electronically submit their rating data by completing their filing on-line through~~ the I-File ~~Office's Internet Filing~~ System (IFS) and the ~~Rate Collection System (RCS) at https://iportal.fldfs.com or by utilizing the~~ Automobile Rate Collection System (ARCS), as adopted in Rule 69O-170.0155, F.A.C., at https://www.iportal.fldfs.com ~~software provided to insurers by the Office on its web site~~.

2. Required supporting documentation referenced in the I-File System or ARCS shall be provided.

3. Accurate entry of information into the rate indications workbook component of the I-File System will result in an aggregate average statewide rate indication developed from such data. The accuracy and integrity of the information provided shall be the responsibility of the insurer.

~~(c) All filings sent by U.S. Postal Service shall be addressed to: Property and Casualty Forms and Rates, Post Office Box 7700, Tallahassee, FL 32314-7700.~~

~~(d) For delivery other than U.S. Postal Service or hand delivery, filings shall be addressed to: Bureau of Property and Casualty Forms and Rates, Room 233 A Larson Building, 200 East Gaines Street, Tallahassee, FL 32399-0330.~~

~~(e) Subsequent to July 1, 2003, all filings shall be submitted electronically to https://iportal.fldfs.com or by computer diskette meeting the compatibility requirements mandated by Section 624.424(1)(e), F.S. Deadlines for filing will not be extended due to shipping delays, format incompatibility, data corruption, or any other impediment which results from an election to file by diskette.~~

~~(f) All filings shall be separated by line of business in accordance with Rule 4-170.006,~~ F.A.C.

~~(g) All manual pages shall be formatted in compliance with subsection 4-170.006(3), F.A.C.~~

(b)~~(h)~~ All filings shall identify by program the percentage of policies written on a 6 ~~six~~ month and annual policy term.

~~(i) Any submission which is not completed according to the above referenced instructions or is missing any of the properly completed forms with supporting documentation shall not constitute a filing pursuant to Section 627.0651, F.S., and shall be returned to the insurer as "incomplete".~~

~~(3) Group Filings. Insurers may submit a filing on behalf of any combination of insurers within the insurers' group provided the information submitted in the filing is identical for every insurer identified in the filing.~~

~~(4) The submission of data outlined on the motor vehicle rate/rule checklists does not preclude the Office from requiring additional information or further explanation of data. The insurer shall submit the required additional information or further explanation of data by a date certain stated in the clarification letter, to allow the Office sufficient time to perform a proper review. Failure to correct the deficiencies by the date certain in the clarification letter will result in disapproval of the filing by the Office.~~

(3)~~(5)~~ The following information shall be submitted within the I-File System and ARCS collection indicated in subparagraph (2)(a)1. above.

(a) Each rate filing which proposes changes to base rates shall contain separate rate level indications and support for such indications on a statewide basis for each type of motor vehicle coverage which the insurer writes in Florida. This provision shall apply to all rate filings regardless of whether a filing requests rate changes for one, more than one, or all coverages written. This subsection shall not apply if a rate change is filed in response to law changes which relate to specific types of coverage ~~or if a rate change is filed in response to specific factual developments or circumstances that are reasonably expected to affect only certain types of coverage for which the changes are filed~~.

(b)~~(6)~~ Each rate filing which proposes changes to base rates as to any coverage for which rates vary by territory shall contain separate support by territory for each type of motor vehicle coverage for which a proposed rate change is filed. This provision shall apply to each territory regardless of whether the rate filing requests rate changes for one, more than one, or all territories.

(c)~~(7)~~ All rate filings which propose changes to base rates shall include calendar/accident year, Florida-only data for liability coverages and either calendar year or calendar/accident year, Florida-only data for physical damage coverages~~, and any other data which the insurer believes to be pertinent to the filing~~.

(d) The expense factors in each private passenger automobile rate filing shall be divided into the following categories:

1. Commissions and brokerages;
2. Other acquisition expenses;
3. General expenses;
4. Premium taxes;
5. Miscellaneous licenses and fees; and
6. Other special expenses.

(4)~~(8)~~ Private passenger motor vehicle rates, rating schedules, or rating manuals shall contain provisions for individual risk premium modification for collision, personal injury protection, bodily injury liability, and property damage liability coverage based on, among other factors, at least one aspect of an insured's driving record unless the insurer demonstrates with adequate support that failure to do so is not unfairly discriminatory. For purposes of this subsection, aspects of "driving record" include number or type of accidents, and number or type of violations.

~~(9) The following forms, which are hereby adopted and incorporated by reference, are included in the private passenger rate filing software provided by the Office:~~

~~(a) Form OIR-B-1575, "Florida Private Passenger Auto Rating Examples/Annual Rates," (Rev. 2/91);~~

~~(b) Form OIR-B-1576, "Florida – Statewide Rate Level Effect/Voluntary Private Passenger Auto," with its instructions, (Rev. 2/91);~~

~~(c) Form OIR-B-1577, "Florida – Rate Level Effect by Coverage by territory/Voluntary Private Passenger Auto," with its instructions, (Rev. 2/91); and~~

~~(d) Form OIR-B-1578, "Florida – Rate Level Effect for All Coverages by Territory/Voluntary Private Passenger Auto," with its instructions, (Rev. 2/91).~~

~~(10) All Office of Insurance Regulation Forms may be obtained from:~~

~~(a) The Department of Financial Service's Web site located at www.fldfs.com; or~~

~~(b) The Bureau of Property and Casualty Forms and Rates, Division of Insurer Services, Office of Insurance Regulation, Larson Building, Tallahassee, FL 32399-0330, (850)413-3146.~~

~~(11) The expense factors in each private passenger automobile rate filing shall be divided into the following categories:~~

~~(a) Commissions and brokerages;~~

~~(b) Other acquisition expenses;~~

~~(c) General expenses;~~

~~(d) Premium taxes;~~

~~(e) Miscellaneous licenses and fees; and~~

~~(f) Other special expenses.~~

Specific Authority 624.308(1) FS. Law Implemented 624.307~~(1)~~, 624.424, 627.062, 627.0651 FS. History–New 11-29-89, Amended 6-9-91,Formerly 4-57.003, Amended 11-2-92, 10-2-96, 3-31-98, 1-25-99, 6-19-03, Formerly 4-175.005, Amended _____.

NAME OF PERSON ORIGINATING PROPOSED RULE: Frank Dino, Actuary, Life and Health Product Review, Office of Insurance Regulation

NAME OF SUPERVISOR OR PERSON WHO APPROVED THE PROPOSED RULE: Tom Streukens, Deputy Commissioner, Office of Insurance Regulation

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: June 16, 2005

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Section III
Notices of Changes, Corrections and Withdrawals

BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND

Pursuant to Chapter 2003-145, Laws of Florida, all notices for the Board of Trustees of the Internal Improvement Trust Fund are published on the Internet at the Department of Environmental Protection's home page at http://www.dep.state.fl.us/ under the link or button titled "Official Notices."