

597-1980A-07

Proposed Committee Substitute by the Committee on Banking and Insurance

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A bill to be entitled  
An act relating to insurance regulation;  
amending s. 627.0613, F.S.; clarifying and  
revising the authority of the consumer advocate  
within the Office of Insurance Regulation of  
the Department of Financial Services; requiring  
that the consumer advocate have access to  
certain hurricane loss-projection models;  
requiring the office to address recommendations  
submitted by the consumer advocate with respect  
to rate filings; requiring the consumer  
advocate to conduct certain investigations;  
authorizing the consumer advocate to subpoena  
witnesses and records; requiring the consumer  
advocate to seek review of certain agency  
action under ch. 120, F.S.; requiring the  
consumer advocate to research and analyze  
insurance issues and disseminate information;  
providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 627.0613, Florida Statutes, as amended by section 17 of chapter 2007-1, Laws of Florida, is amended to read:

627.0613 Consumer advocate.--The Chief Financial Officer must appoint a consumer advocate who must represent the general public of the state before the department and the office. The consumer advocate must report directly to the Chief Financial Officer, but is not otherwise under the authority of the department or of any employee of the

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1 department. The consumer advocate has such powers as are  
2 necessary to carry out the duties of the office of consumer  
3 advocate, including, but not limited to, the powers to:

4 (1) Recommend to the department or office, by  
5 petition, the commencement of any proceeding or action; appear  
6 in any proceeding or action before the department or office  
7 and in appellate actions regarding those proceedings; and  
8 intervene as a party; or appear in any proceeding before the  
9 Division of Administrative Hearings or arbitration panel  
10 specified in s. 627.062(6) relating to subject matter under  
11 the jurisdiction of the department or office.

12 (2) Have access to and use of all files, records, and  
13 data of the department or office, including any public model  
14 for hurricane loss projections developed pursuant to s.  
15 627.06281.

16 (3) Examine rate and form filings submitted to the  
17 office, hire consultants as necessary to aid in the review  
18 process, and recommend to the department or office any  
19 position deemed by the consumer advocate to be in the public  
20 interest. In approving a rate or form filing, the office shall  
21 specifically address each recommendation submitted by the  
22 consumer advocate.

23 (4) Prepare an annual report card for each authorized  
24 property insurer, on a form and using a letter-grade scale  
25 developed by the commission by rule, which grades each insurer  
26 based on the following factors:

27 (a) The number and nature of consumer complaints  
28 received by the department against the insurer.

29 (b) The disposition of all complaints received by the  
30 department.

31 (c) The average length of time for payment of claims

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1 by the insurer.

2 (d) Any other factors the commission identifies as  
3 assisting policyholders in making informed choices about  
4 homeowner's insurance.

5 (5) Prepare an annual budget for presentation to the  
6 Legislature by the department, which budget must be adequate  
7 to carry out the duties of the office of consumer advocate.

8 (6) Conduct investigations of insurance schemes,  
9 patterns or practices relating to unfair trade practices,  
10 unfair claims-handling practices, deceptive or misleading  
11 sales practices, or coercion or intimidation of insurance  
12 consumers. In carrying out investigations, the consumer  
13 advocate shall have the powers set forth in s. 624.321. If the  
14 consumer advocate believes further regulatory action should be  
15 taken, he or she shall refer the investigation to the office  
16 or department. If the office or department determines that no  
17 regulatory action is warranted, the office or department shall  
18 inform the consumer advocate, in writing, of the basis for its  
19 decision. An insurer that fails to comply with a subpoena is  
20 subject to disciplinary action under s. 624.418(2) in the same  
21 manner as if it had violated an order of the office or  
22 department or failed to submit its books and records for  
23 examination.

24 (7) Seek review, pursuant to chapter 120, of any  
25 proposed agency action and any determination, finding, or  
26 order of the office, department, or commission in any  
27 proceeding in which the consumer advocate has participated as  
28 a party.

29 (8) Research and analyze insurance issues from the  
30 perspective of consumers and prepare and disseminate such  
31 information as the consumer advocate considers appropriate to

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1 inform or assist consumers, the department, the office, and  
2 the commission.

3           Section 2. This act shall take effect upon becoming a  
4 law.

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