

Tab 1	SB 80 by Lee; (Similar to H 00037) Direct Primary Care											
781564	D	S	RCS	BI, Lee	Delete everything after	10/10	01:12	PM				

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

BANKING AND INSURANCE
Senator Flores, Chair
Senator Steube, Vice Chair

MEETING DATE: Tuesday, October 10, 2017
TIME: 10:00 a.m.—12:30 p.m.
PLACE: *Toni Jennings Committee Room, 110 Senate Office Building*

MEMBERS: Senator Flores, Chair; Senator Steube, Vice Chair; Senators Bracy, Bradley, Braynon, Broxson, Gainer, Garcia, Grimsley, Taddeo, and Thurston

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	SB 80 Lee (Similar H 37)	Direct Primary Care; Authorizing primary care providers or their agents to enter into direct primary care agreements for providing primary care services; providing an exception for primary care providers or their agents from certain requirements under the Florida Insurance Code under certain circumstances, etc. BI 09/13/2017 BI 10/10/2017 Fav/CS HP AP	Fav/CS Yeas 10 Nays 0
	Presentations on Hurricane Insurance Issues		Presented
	Discussion of Property Insurance Post-Loss Assignment of Benefits		Presented
	Other Related Meeting Documents		

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

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

BILL: CS/SB 80

INTRODUCER: Banking and Insurance Committee and Senator Lee

SUBJECT: Direct Primary Care

DATE: October 11, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Knudson	BI	Fav/CS
2.			HP	
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 80 amends the Florida Insurance Code (code) to provide that a direct primary care agreement is not insurance and is not subject to regulation under the code. Direct primary care (DPC) is a primary care medical practice model that eliminates third party payers from the primary care provider-patient relationship. Through a contractual agreement, a patient pays a monthly fee, usually between \$50 and \$100 per individual, to the primary care provider for defined primary care services. The bill also defines DPC agreements and requires them to meet statutory requirements, including consumer disclosures. A contract that does not meet these requirements is not a DPC agreement, and thus will not be exempt from the code.

As of September 2017, 23 states have adopted DPC laws that define DPC as a medical service outside the scope of state insurance regulation.

II. Present Situation:

Direct Primary Care

Direct primary care is a primary care medical practice model that eliminates third party payers from the provider-patient relationship.¹ Through a contractual agreement, a patient generally

¹ The DPC practice model is often compared to the concierge practice model. However, while both provide access to primary care services for a periodic fee, the concierge model generally continues to bill third party payers, such as insurers on a fee for service basis, in addition to the collection of membership and retainer fees. See Phillip M. Eskew and Kathleen Klink,

pays a monthly retainer fee, on average \$77 per individual,² to the primary care provider for defined primary care services, such as office visits, preventive care, annual physical examination, and routine laboratory tests.

After paying the monthly fee, a patient can access all services under the agreement at no extra charge based on the terms of the agreement. Typically, DPC practices provide routine preventive services, screenings, or tests, like lab tests, mammograms, Pap screenings, and vaccinations. A primary care provider DPC model can be designed to address most health care issues, including women's health services, pediatric care, urgent care, wellness education, and chronic disease management.

Some of the potential benefits of the DPC model for providers include reducing patient volume, minimizing administrative and staffing expenses; increasing time with patients; and increasing revenues. In the DPC practice model, the primary care provider eliminates administrative costs associated with filing and resolving insurance claims. Direct primary care practices claim to reduce expenses by more than 40 percent by eliminating administrative staff resources associated with third-party costs.³

In 2014, the American Academy of Private Physicians (AAPP) estimated that approximately 5,500 physicians operate under some type of direct financial relationship with their patients, outside of standard insurance coverage. According to the AAPP, that number has increased around 25 percent per year since 2010.⁴ The Direct Primary Care Coalition has adopted model state legislation for DPC agreements.⁵ As of September 2017, 23 states have adopted DPC legislation, which defines DPC as a medical service outside the scope of state insurance regulation.⁶

Federal Health Care Reform and Direct Primary Care

The federal Patient Protection and Affordable Care Act (PPACA)⁷ requires health insurers to make guaranteed issue coverage available to all individuals and employers without exclusions for preexisting conditions. The PPACA also mandates that insurers that offer qualified health

Direct Primary Care: Practice Distribution and Cost Across the Nation, Journal of the Amer. Bd. of Family Med. (Nov.-Dec. 2015) Vol. 28, No. 6, p. 797, available at: <http://www.jabfm.org/content/28/6/793.full.pdf> (last viewed Sep. 25, 2017).

² *Id.* A study of 141 DPC practices found the average monthly retainer fee to be \$77.38. Of the 141 practices identified, 116 (82 percent) have cost information available online. The average monthly cost to the patient was \$93.26 (median monthly cost, \$75.00; range, \$26.67 to \$562.50 per month) for these 116 practices. Of the 116 DPCs noted, 36 charged a one-time enrollment fee and the average enrollment fee was \$78. Twenty-eight of 116 DPCs charged a fee for office visits in addition to the retainer fee, and the average visit fee was \$16.

³ Lisa Zamosky, *Direct-Pay Medical Practices Could Diminish Payer Headaches*, MEDICAL ECONOMICS, (Apr. 24, 2014).

⁴ David Twiddy, *Practice Transformation: Taking the Direct Primary Care Route*, Family Practice Management, No. 3, (May-June 2014), available at: <http://www.aafp.org/fpm/2014/0500/p10.html> (last viewed Sep. 24, 2017).

⁵ Direct Primary Care Coalition Model State Legislation, available at <http://www.dpcare.org/dpcc-model-legislation>. (last viewed Sep. 24, 2017).

⁶ See <https://www.dpcare.org/state-level-progress-and-issues> (last viewed Sep. 24, 2017).

⁷ Pub. Law No. 111-148 (Mar. 23, 2010) amended by Pub. Law. No. 111-152 (Mar. 30, 2010).

plans (QHPs) provide 10 categories of essential health benefits,⁸ which includes preventive⁹ care and other benefits.

The PPACA addresses the DPC practice model as part of health care reform.¹⁰ Federal regulations provide that a QHP may provide coverage through a DPC medical home plan that meets criteria¹¹ established by the federal Department of Health and Human Services (HHS), if the plan meets all other applicable requirements.¹² For example, an individual could enroll in a DPC plan and obtain coverage through a high deductible health plan (HDHP),¹³ which would provide coverage for severe injuries or chronic conditions. Such an individual may benefit from enrolling in a DPC medical home plan since it may provide greater degree of access to health care for a monthly fee that is substantially less than the annual deductible of the HDHP.

Federal Tax Treatment of Direct Primary Care

Currently the federal tax treatment of direct primary care medical home plans may discourage the use of such plans. For an individual to be eligible to make tax-deductible contributions to a Health Savings Account (HSA), the individual must be covered by an HDHP and no other plan that is not an HDHP, unless the other plan qualifies as disregarded coverage.¹⁴ A DPC medical home plan is not delineated as one of the disregarded coverages under the Internal Revenue Service (IRS) Code. According to the IRS, an individual would not be eligible to make tax-deductible contributions to an HSA while covered by both an HDHP and a DPC medical home plan, unless the DPC plan provided preventive care only.¹⁵ Further, the IRS Code does not permit the periodic payments made to primary care physicians under a DPC model to qualify as a medical expense.¹⁶ Federal legislation is pending to address these issues.¹⁷

State Regulation of Insurance

The Office of Insurance Regulation (OIR) licenses and regulates the activities of insurers, health maintenance organizations (HMOs), and other risk-bearing entities. These specified entities must meet certain requirements for licensure. The Agency for Health Care Administration (AHCA)

⁸ 42 U.S.C. s. 18022.

⁹ Available at: <https://www.hhs.gov/healthcare/about-the-law/preventive-care/index.html#>. (last viewed Sep. 25, 2017).

¹⁰ See 42 U.S.C. ss. 18021. The Secretary of Health and Human Services shall permit a qualified health plan to provide coverage through a qualified direct primary care medical home plan that meets criteria established by the Secretary, so long as the qualified health plan meets all requirements that are otherwise applicable and the services covered by the medical home plan are coordinated with the entity offering the qualified health plan.

¹¹ The HHS has not adopted criteria to date.

¹² See 45 C.F.R. 156.245.

¹³ A high deductible health plan (HDHP) has a higher deductible than typical plans and a maximum limit on the amount of the annual deductible and out-of-pocket medical expenses an insured must pay for covered services. In 2017, for self-only coverage, the annual minimum deductible is \$1,300 and the maximum is \$6,550. An HDHP may provide preventive care benefits without a deductible or with a deductible less than the minimum annual deductible. See https://www.irs.gov/publications/p969#en_US_2016_publink1000204030 (last viewed September 25, 2017).

¹⁴ 26 U.S.C. s. 223(c).

¹⁵ See U.S. Department of Treasury letter from John A. Koskinen, Commissioner of the Internal Revenue Service, to U.S. Senator Patty Murray (Jun. 30, 2014) (on filed with Senate Committee on Banking and Insurance).

¹⁶ See 26 U.S.C. s. 213(d).

¹⁷ The Primary Care Enhancement Act of 2017 available at <https://www.congress.gov/bill/115th-congress/house-bill/365/text> (last viewed September 25, 2017).

establishes quality of care standards for HMOs and prepaid health clinics under part III of ch. 641, F.S. Before receiving a certificate of authority from the OIR, an HMO and a prepaid health clinic must receive a Health Care Provider Certificate¹⁸ from the AHCA pursuant to part III of ch. 641, F.S.¹⁹

Currently, Florida law does not address DPC agreements. However, a medical provider offering DPC agreements may be considered to be operating a prepaid health clinic if the medical provider is offering to provide services in exchange for a prepaid fixed fee.²⁰

Prepaid Health Clinics

Prepaid health clinics²¹ are required to obtain a certificate of authority from the OIR pursuant to part II of ch. 641, F.S. The entity must meet minimum surplus requirements²² and comply with solvency protections for the benefit of subscribers by securing insurance or filing a surety bond with the OIR.²³ Part II also provides that the procedures for offering basic services and offering and terminating contracts to subscribers may not unfairly discriminate based on age, health, or economic status.²⁴

III. Effect of Proposed Changes:

Section 1 creates s. 624.27, F.S., which expressly exempts DPC agreements from the Florida Insurance Code. The section provides that the act of entering into a DPC agreement does not constitute the business of insurance and is not subject to the Florida Insurance Code. The section also provides that a primary care provider or an agent of a primary care provider is not required to obtain a certification of authority or license under any chapter of the Florida Insurance Code, in order to market, sell, or offer to sell a DPC agreement.

To qualify for the exemption, a direct primary care agreement must meet the following minimum requirements and disclosures:

- Be in writing and signed by the provider or the provider's agent and the patient, the patient's legal representative, or their employer;
- Allow a party to terminate the agreement with 30 days' advance written notice and provide for the immediate termination of the agreement if the physician-patient relationship is violated or a party breaches the terms of the agreement;
- Describe the scope of primary care services covered by the monthly fee;

¹⁸ Section 641.49, F.S.

¹⁹ Section 641.48, F.S., provides that the purpose of part III of ch. 641, F.S., is to ensure that HMOs and prepaid health clinics deliver high-quality care to their subscribers.

²⁰ Part II of ch. 641, F.S.

²¹ Section 641.402, F.S., defines the term, "prepaid health clinic," to mean any organization authorized under part II that provides, either directly or through arrangements with other persons, basic services to persons enrolled with such organization, on a prepaid per capita or prepaid aggregate fixed-sum basis, including those basic services which subscribers might reasonably require to maintain good health. However, no clinic that provides or contracts for, either directly or indirectly, inpatient hospital services, hospital inpatient physician services, or indemnity against the cost of such services shall be a prepaid health clinic.

²² Section 641.406, F.S.

²³ Section 641.409, F.S.

²⁴ Section 641.406, F.S.

- Specify the monthly fee and any fees for primary care services not covered by the monthly fee;
- Specify the duration of the agreement and any automatic renewal provisions;
- Offer a refund of monthly fees paid in advance if the provider ceases to offer primary care services for any reason; and
- Contain the following statements in contrasting color and 12-point or larger type on the same page as the applicant's signature:
 - "This agreement is not health insurance, and the primary care provider will not file any claims against the patient's health insurance policy or plan for reimbursement of any primary care services covered by this agreement."
 - "This agreement does not qualify as minimum essential coverage to satisfy the individual shared responsibility provision of the federal Patient Protection and Affordable Care Act, Pub. L. No. 111-148."
 - "This agreement is not workers' compensation insurance and may not replace an employer's obligations under ch. 440, F.S."

Further, the section defines the following terms:

- "Direct primary care agreement" means a contract between a primary care provider and a patient, the patient's legal representative, or an employer which must satisfy the requirements regarding contract terms and disclosures within subsection (4) of the bill and does not indemnify for services provided by a third party.
- "Primary care provider" means a licensed health care practitioner under ch. 458, F.S., (medical doctor or physician assistant); ch. 459, F.S., (osteopathic doctor or physician assistant); ch. 460, F.S., (chiropractic physician); or ch. 464, F.S., (nurses and advanced registered nurse practitioners); or a primary care group practice, who provides primary care services to patients.
- "Primary care services" means the screening, assessment, diagnosis, and treatment conducted within the competency and training of the primary care provider for the purpose of promoting health or detecting and managing disease or injury.

Section 2 provides that the bill takes effect July 1, 2018.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

This bill removes regulatory uncertainty for health care providers by stating that the direct primary care agreement is not insurance, and as a result, the OIR does not regulate the agreements. This statutory change eliminates a long-standing concern regarding part II of ch. 641, F.S., which requires licensure and regulation of prepaid health clinics. Currently, that section of the code is unclear about the treatment of these types of arrangements with providers. To date, the OIR has not licensed any direct primary care providers under part II to provide such services.

Additional primary care providers may elect to pursue a direct primary care model and establish direct primary care practices that may increase patients' access to affordable primary care services.

Many individuals have high deductible policies and must meet a significant out of pocket cost to access many types of medical care. The DPC agreements may provide a less expensive option for accessing certain services. For many patients, the greater use of direct primary care agreements may decrease reliance on emergency rooms as a source of routine care.

C. Government Sector Impact:

According to the Department of Management Services, the bill would not have a direct impact on the department, which includes the Division of State Group Insurance.²⁵

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 624.27 of the Florida Statutes.

²⁵ Florida Department of Management Services, *Analysis of SB 80* (Oct. 4, 2017) (on file with the Senate Committee on Banking and Insurance).

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Banking and Insurance on October 10, 2017:

The CS places the direct primary care contracting requirements within the Florida Insurance Code, rather than ch. 456, F.S.

- B. **Amendments:**

None.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
10/10/2017	.	
	.	
	.	
	.	

The Committee on Banking and Insurance (Lee) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Section 624.27, Florida Statutes, is created to
read:

624.27 Direct primary care agreements; exemption from
code.—

(1) As used in this section, the term:

(a) "Direct primary care agreement" means a contract



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11 between a primary care provider and a patient, a patient's legal
12 representative, or a patient's employer, which meets the
13 requirements of subsection (4) and does not indemnify for
14 services provided by a third party.

15 (b) "Primary care provider" means a health care provider
16 licensed under chapter 458, chapter 459, chapter 460, or chapter
17 464, or a primary care group practice, who provides primary care
18 services to patients.

19 (c) "Primary care services" means the screening,
20 assessment, diagnosis, and treatment of a patient conducted
21 within the competency and training of the primary care provider
22 for the purpose of promoting health or detecting and managing
23 disease or injury.

24 (2) A direct primary care agreement does not constitute
25 insurance and is not subject to the Florida Insurance Code. The
26 act of entering into a direct primary care agreement does not
27 constitute the business of insurance and is not subject to the
28 Florida Insurance Code.

29 (3) A primary care provider or an agent of a primary care
30 provider is not required to obtain a certificate of authority or
31 license under the Florida Insurance Code to market, sell, or
32 offer to sell a direct primary care agreement.

33 (4) For purposes of this section, a direct primary care
34 agreement must:

35 (a) Be in writing.

36 (b) Be signed by the primary care provider or an agent of
37 the primary care provider and the patient, the patient's legal
38 representative, or the patient's employer.

39 (c) Allow a party to terminate the agreement by giving the



40 other party at least 30 days' advance written notice. The
41 agreement may provide for immediate termination due to a
42 violation of the physician-patient relationship or a breach of
43 the terms of the agreement.

44 (d) Describe the scope of primary care services that are
45 covered by the monthly fee.

46 (e) Specify the monthly fee and any fees for primary care
47 services not covered by the monthly fee.

48 (f) Specify the duration of the agreement and any automatic
49 renewal provisions.

50 (g) Offer a refund to the patient, the patient's legal
51 representative, or the patient's employer of monthly fees paid
52 in advance if the primary care provider ceases to offer primary
53 care services for any reason.

54 (h) Contain, in contrasting color and in at least 12-point
55 type, the following statement on the signature page: "This
56 agreement is not health insurance and the primary care provider
57 will not file any claims against the patient's health insurance
58 policy or plan for reimbursement of any primary care services
59 covered by the agreement. This agreement does not qualify as
60 minimum essential coverage to satisfy the individual shared
61 responsibility provision of the Patient Protection and
62 Affordable Care Act, 26 U.S.C. s. 5000A. This agreement is not
63 workers' compensation insurance and does not replace an
64 employer's obligations under chapter 440, Florida Statutes."

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

66
67 ===== T I T L E A M E N D M E N T =====

68 And the title is amended as follows:



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69 Delete everything before the enacting clause
70 and insert:

71 A bill to be entitled
72 An act relating to direct primary care agreements;
73 creating s. 624.27, F.S.; providing definitions;
74 specifying that a direct primary care agreement does
75 not constitute insurance and is not subject to the
76 Florida Insurance Code; specifying that entering into
77 a direct primary care agreement does not constitute
78 the business of insurance and is not subject to the
79 code; providing that a certificate of authority or a
80 license under the code is not required to market,
81 sell, or offer to sell a direct primary care
82 agreement; specifying requirements for a direct
83 primary care agreement; providing an effective date.

By Senator Lee

20-00216A-18

201880__

1 A bill to be entitled
 2 An act relating to direct primary care; creating s.
 3 456.0625, F.S.; defining terms; authorizing primary
 4 care providers or their agents to enter into direct
 5 primary care agreements for providing primary care
 6 services; providing applicability; specifying
 7 requirements for direct primary care agreements;
 8 creating s. 624.27, F.S.; providing construction and
 9 applicability of the Florida Insurance Code as to
 10 direct primary care agreements; providing an exception
 11 for primary care providers or their agents from
 12 certain requirements under the code under certain
 13 circumstances; providing an effective date.
 14
 15 Be It Enacted by the Legislature of the State of Florida:
 16
 17 Section 1. Section 456.0625, Florida Statutes, is created
 18 to read:
 19 456.0625 Direct primary care agreements.-
 20 (1) As used in this section, the term:
 21 (a) "Direct primary care agreement" means a contract
 22 between a primary care provider and a patient, the patient's
 23 legal representative, or an employer which meets the
 24 requirements specified under subsection (3) and which does not
 25 indemnify for services provided by a third party.
 26 (b) "Primary care provider" means a health care
 27 practitioner licensed under chapter 458, chapter 459, chapter
 28 460, or chapter 464 or a primary care group practice that
 29 provides medical services to patients which are commonly

Page 1 of 3

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

20-00216A-18

201880__

30 provided without referral from another health care provider.
 31 (c) "Primary care service" means the screening, assessment,
 32 diagnosis, and treatment of a patient for the purpose of
 33 promoting health or detecting and managing disease or injury
 34 within the competency and training of the primary care provider.
 35 (2) A primary care provider or an agent of the primary care
 36 provider may enter into a direct primary care agreement for
 37 providing primary care services. Section 624.27 applies to a
 38 direct primary care agreement.
 39 (3) A direct primary care agreement must:
 40 (a) Be in writing.
 41 (b) Be signed by the primary care provider or an agent of
 42 the primary care provider and the patient, the patient's legal
 43 representative, or an employer.
 44 (c) Allow a party to terminate the agreement by giving the
 45 other party at least 30 days' advance written notice. The
 46 agreement may provide for immediate termination due to a
 47 violation of the physician-patient relationship or a breach of
 48 the terms of the agreement.
 49 (d) Describe the scope of primary care services that are
 50 covered by the monthly fee.
 51 (e) Specify the monthly fee and any fees for primary care
 52 services not covered by the monthly fee.
 53 (f) Specify the duration of the agreement and any automatic
 54 renewal provisions.
 55 (g) Offer a refund to the patient of monthly fees paid in
 56 advance if the primary care provider ceases to offer primary
 57 care services for any reason.
 58 (h) Contain, in contrasting color and in not less than 12-

Page 2 of 3

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

20-00216A-18

201880__

59 point type, the following statements on the same page as the
60 applicant's signature:

61 1. This agreement is not health insurance, and the primary
62 care provider will not file any claims against the patient's
63 health insurance policy or plan for reimbursement of any primary
64 care services covered by this agreement.

65 2. This agreement does not qualify as minimum essential
66 coverage to satisfy the individual shared responsibility
67 provision of the federal Patient Protection and Affordable Care
68 Act, Pub. L. No. 111-148.

69 3. This agreement is not workers' compensation insurance
70 and may not replace the employer's obligations under chapter
71 440.

72 Section 2. Section 624.27, Florida Statutes, is created to
73 read:

74 624.27 Application of code as to direct primary care
75 agreements.—

76 (1) A direct primary care agreement, as defined in s.
77 456.0625, does not constitute insurance and is not subject to
78 any chapter of the Florida Insurance Code. The act of entering
79 into a direct primary care agreement does not constitute the
80 business of insurance and is not subject to any chapter of the
81 Florida Insurance Code.

82 (2) A primary care provider or an agent of a primary care
83 provider is not required to obtain a certificate of authority or
84 license under any chapter of the Florida Insurance Code to
85 market, sell, or offer to sell a direct primary care agreement
86 pursuant to s. 456.0625.

87 Section 3. This act shall take effect July 1, 2018.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10/10/17
Meeting Date

80
Bill Number (if applicable)

Topic Direct Primary Care

Amendment Barcode (if applicable)

Name Tim Nungesser

Job Title Legislative Director

Address 110 E. Jefferson St.

Phone 850 445-5361

Tallahassee FL 32301

City State Zip

Email tim.nungesser@nfb.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing National Federation of Independent Business

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10/10/17

Meeting Date

80

Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Chris Nuland

Job Title _____

Address 1000 Riverside Ave #240

Phone 909-233-3051

Street

Jacksonville, FL 32209

Email nulandlaw@aol.com

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Chapter, American College of Physicians

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

70

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10/10/17

Meeting Date

Bill Number (if applicable)

Topic Direct Primary Care

Amendment Barcode (if applicable)

Name Ron Watson

Job Title Lobbyist

Address 3738 Mardon Way

Phone 850 567-1202

Street

Tallahassee FL

City

State

Zip

Email watson.stacy@comcast.net

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Chiropractic Physician Association

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10-10-2017

Meeting Date

SB 80

Bill Number (if applicable)

Topic DIRECT PRIMARY CARE

Amendment Barcode (if applicable)

Name STEPHEN R. WINN

Job Title EXECUTIVE DIRECTOR

Address 2544 BLAIRSTONE PINES DR

Phone 878-7364

Street

TALLAHASSEE

FL

32301

Email

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FLORIDA OSTEOPATHIC MEDICAL ASSOCIATION

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10/10/17

Meeting Date

80

Bill Number (if applicable)

Topic DIRECT PRIMARY CARE

Amendment Barcode (if applicable)

Name PAUL LAMBERT

Job Title

Address 263 Rosehill Drive North

Phone 850 597-2696

Tallahassee FL 32312

Email PLAMBERT@PAULLAMBERTLAW.COM

Speaking: [X] For [] Against [] Information

Waive Speaking: [X] In Support [] Against (The Chair will read this information into the record.)

Representing FLORIDA CHIROPRACTIC ASSOCIATION

Appearing at request of Chair: [] Yes [X] No

Lobbyist registered with Legislature: [X] Yes [] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10-10
Meeting Date

SB 80
Bill Number (if applicable)

Topic Direct Primary Care

Amendment Barcode (if applicable)

Name Jorrod Fowler

Job Title Dir. of Health Care Policy

Address 1430 Piedmont Drive

Phone 850-224-6496

Street

Tallahassee FL

32308

Email Jfowler@flmedical.org

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Medical Association

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10/16/17
Meeting Date

80
Bill Number (if applicable)

Topic Direct Primary Care

Amendment Barcode (if applicable)

Name Corinne Omixon

Job Title Lobbyist

Address 119 S. Monroe St.
Street

Phone 850 746 5795

Tallahassee, FL 32301
City State Zip

Email corinneomixon@gmail.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Academy of Physician Assistants

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

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10-10-17
Meeting Date

SB 80
Bill Number (if applicable)

Topic Direct Primary Care

Amendment Barcode (if applicable)

Name Jay Millson

Job Title EVP

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Jacksonville FL 32258
City State Zip

Phone 904-400-6189

Email jmillson@fapf.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FL Academy of Family Physicians

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

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10/10/17

Meeting Date

80

Bill Number (if applicable)

Topic Direct Primary Care

Amendment Barcode (if applicable)

Name Alexandra Abboud

Job Title Gov. Affairs Liaison

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FL

State

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Zip

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Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing The Florida Dental Association

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

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10/10/2017

Meeting Date

SB 80

Bill Number (if applicable)

Topic DIRECT PRIMARY CARE

Amendment Barcode (if applicable)

Name CESAR GRAJALES

Job Title COALITIONS DIRECTOR

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TALLAHASSEE FL. 32301

City

State

Zip

Email cgrajales@belibre.org

Speaking: [] For [] Against [] Information

Waive Speaking: [x] In Support [] Against (The Chair will read this information into the record.)

Representing AMERICANS FOR PROSPERITY

Appearing at request of Chair: [] Yes [] No

Lobbyist registered with Legislature: [x] Yes [] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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APPEARANCE RECORD

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80

Bill Number (if applicable)

Meeting Date

Topic Direct Primary Care

Amendment Barcode (if applicable)

Name Andrew Hosek

Job Title Policy Analyst

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Phone

Street

Tallahassee

FL

City

State

Zip

Email ahosek@afphq.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Americans for Prosperity

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)



Florida Office of Insurance Regulation

Hurricane Irma Update

Presented to:

Senate Banking & Insurance Committee

October 10, 2017



Pre-Hurricane Irma Actions Taken to Benefit Consumers

- Issued more than 18 consumer outreach announcements
- Prepared catastrophe claims data call for insurance company reporting
- Maintained close contact with insurance company presidents to determine unmet needs and stress importance of expediting claims handling for consumers
- Followed up on implementation of evacuation plans for more than 70 licensed continuing care retirement facilities in Florida
- Issued an early prescription refill notice to all health insurance companies
- Reminded consumers about available contact information for homeowners insurance companies to help in reporting a claim



Post-Hurricane Irma Actions Taken to Benefit Consumers

- Issued more than 78 consumer outreach announcements
- Monitor consumer complaints received by DFS Consumer Services
- Met with Roy Wright, National Flood Insurance Program Director, to discuss flood claims affecting Floridians
- Activated catastrophe claims data call reporting for insurance companies
- Assisted insurance companies with deployment of new technology to assess damage and process claims
- Issued an Emergency Order



Emergency Order Issued in Response to Hurricane Irma

The Office issued an Emergency Order on September 13, 2017 that:

- Specifically prohibits cancellation or nonrenewal of any residential policy if the property sustained damage from Hurricane Irma and until 90 days after it has been repaired;
- Broadly prohibits cancellation or nonrenewal of any insurance policy between September 4th through October 15th;
- To date, suspends over 300 new rate filings for rate increases from taking effect between September 4th through December 3rd



Hurricane Irma Claims Data

(reporting as of October 6, 2017)

- 703,671 statewide claims reported
- \$4.5 billion in estimated insured losses
- 24.6% of claims closed



State Board of Administration

Florida Hurricane Catastrophe Fund

Senate Banking and Insurance Committee

October 10, 2017

WHY WAS THE FHCF CREATED?

- The Legislature created the FHCF to provide market stability in the wake of dislocations in the Florida economy in general and the property insurance market in particular, as well as the contraction in world reinsurance capacity, caused by Hurricane Andrew in 1992
- FHCF is critical to the health of the Florida economy both before and after a catastrophic hurricane
- *Created and structured to:*
 - Provide a long term *stable and ongoing* source of reimbursement to insurers for a portion of their catastrophic hurricane losses
 - Provide *additional on-going insurance capacity* for the state

WHY WAS THE FHCF CREATED?

- Help build a *stable and competitive residential property insurance market* for the long term
- *Lessen the impact* of market shocks after major events when they occur in the future
- Limit coverage to *catastrophic* losses in order to build up claims paying capacity for major events
- Allow high probability, low-loss events that *can easily be handled by the private sector* to remain exclusively with the private sector
- Be *exempt from federal taxation*
- Be *stable, predictable, and reliable*

HOW IS THE FHCF OPERATED?

- The FHCF *implements* the law and is *operated* to:
 - Maintain *full liquidity* when economically feasible
 - *Maximize* capacity
 - *Minimize* potential reliance on assessments
 - Provide *clarity and transparency* through the rulemaking process

LOSS REIMBURSEMENTS

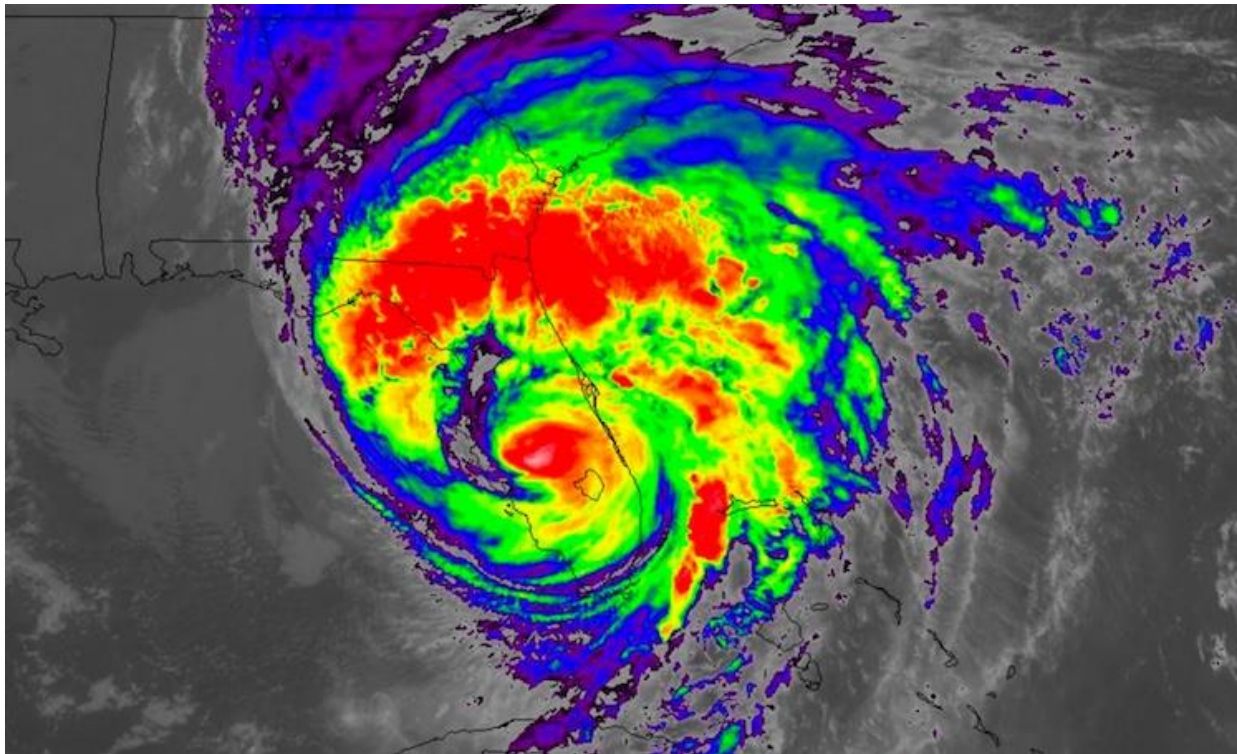
- Participating insurers are reimbursed on a paid basis
- **Limited Liability** equal to cash and the amount we are able to bond (up to \$17B limit) but there is a responsibility to take reasonable steps to:
 - Maximize capacity
 - Ensure we can perform and pay claims timely and sufficiently
 - Pay on an on-going basis
- **Emergency assessments** - If cash is insufficient to continue to pay claims, the FHCF must issue revenue bonds which are paid with emergency assessments on a broad base of Florida policyholders

FHCF'S FINANCIAL STRENGTH

- The FHCF is fully liquid up to and slightly over its maximum limit for the 2017-2018 contract year:
 - \$17.0B Maximum Statutory Limit
 - \$14.9B Projected Year-End Fund Balance
 - \$2.7B Pre-event Bonds
 - \$1.0B Risk Transfer
- No post-event bonds outstanding
- Emergency assessments ended – 0% on all policies new or renewed on or after 1/1/15

HURRICANE IRMA

- First Landfall on September 10, 2017 at Cudjoe Key as Cat 4
- Second Landfall at Marco Island as Cat 3



HURRICANE IRMA - FHCF LOSSES

Update on FHCF Loss Estimates

CONTACT INFORMATION

Anne Bert – Chief Operating Officer

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Fax: (850) 413-1344

Website: www.sbafla.com/fhcf

Address: Florida Hurricane Catastrophe Fund
State Board of Administration of Florida
1801 Hermitage Boulevard
Tallahassee, Florida 32308

Department of Financial Services

Response to Hurricane Irma

**Senate Banking and Insurance Committee
October 10, 2017**



Chief Financial Officer Jimmy Patronis
State of Florida

DFS' Role in Response

- Division of State Fire Marshal
 - Coordinate mutual aid for fire and rescue services, through the pre-staging of resources and organizing personnel and resource needs post-storm
 - Coordinate urban search and rescue missions as well as incident management teams throughout the state
- Division of Investigative and Forensic Services (DIFS)
 - Mutual aid missions for local law enforcement
 - Staff urban search and rescue missions
 - Post storm anti-fraud strike teams
- Division of Consumer Services
 - Pre-storm and post-storm consumer/media alerts
 - Post-storm insurance villages & consumer PSAs
 - One-on-one insurance advice for Floridians
 - Clearinghouse of consumer insurance complaints
- Division of Insurance Agents and Agency Services
 - Licensing emergency adjusters
 - Extending continuing education deadlines for licensees



State Fire Marshal Response

- The Division of State Fire Marshal is responsible for ESF 4 – Firefighting and ESF 9 – Urban Search and Rescue
- ESF 4 is responsible for coordinating resources for structural firefighting and EMS services
- ESF 4 & 9 mobilized more than 1,100 Federal, State and regional personnel
- Specifically, 31 Urban Search and Rescue teams were utilized along with six reconnaissance teams
- Two Incident Management Teams with 72 specialized personnel and another 3 47 fire/rescue liaisons, PIO officers and EOC support personnel were mobilized



DIFS Response

- The Bureau of Fire and Arson Investigations assists with the Division of State Fire Marshal for all urban search and rescue activities via the State of Florida's Emergency Support Function (ESF) 9
- 30 Bureau of Fire and Arson Investigations detectives were deployed for urban search and rescue or recon missions



- DIFS dispatched 86 detectives on 14 missions for Hurricane Irma response through ESF 16 (Law Enforcement)
- DIFS' detectives respond to mutual aid requests for assistance through the EOC and are assigned to missions, for example, providing security for water/MRE distribution centers

DIFS Response

- The CFO has formed (3) anti-fraud strike teams to be deployed across the state to educate and protect consumers during their post-storm recovery
- (3) 5-member squads will work in areas heavily impacted by Hurricane Irma:
 - South Florida, including Miami-Dade and Monroe counties
 - Southwest Florida, including Lee and Collier counties
 - Central Florida, including Polk and Orange counties
- These detectives will work with communities to educate homeowners, homeowners' associations and local law enforcement about the red flags associated with insurance fraud, such as:
 - Unlicensed adjustors and contractors
 - Workers' compensation fraud
 - False intent from vendors
- DIFS staff continues to work in Monroe County, and DIFS has deployed personnel to assist with Puerto Rico relief efforts through the Emergency Management Assistance Compact



Consumer Services Response

- The Division of Consumer Services held hurricane preparation events in St. Augustine and Pensacola this summer, allowing our insurance experts to walk consumers through their policies in advance of storms
- Prior to landfall, the Division released consumer and media alerts full of pre-storm preparation tips
- A Hurricane Irma insurance resources webpage was created to serve as a one-stop shop for insurance information, including: tips for filing claims, fraud prevention tips, and direct links to FEMA, NFIP, and the Small Business Administration



- After Irma, the Division co-hosted (4) insurance villages with U.S. Senator Marco Rubio's office at FEMA Disaster Recovery Centers:
 - Located in Jacksonville, St. Augustine, Ft. Myers and Naples
 - 35 Companies attended along with FAIA and the Consumer Protection Coalition
- Additional staff have attended local events to provide claims filing assistance or answer any insurance-related questions
- The Division will soon host insurance events in Monroe County

Consumer Services Response

- The Department's Helpline has received 2,203 Irma-related calls
- Approximately 74% of the callers requested assistance with general information:
 - Company contact information
 - Claims-filing process
 - Coverage questions – what is covered, what's not
 - Financial options to assist with non-insured damage/hurricane deductible
- 154 calls have resulted in complaints against an insurance company – no company trends have been identified
- Complaints are mostly related to waiting for an adjuster, the cancellation/non-renewal of a policy or a claim denial
- Helpline assistance is most used when a claim has matured, therefore we expect to see our Hurricane Irma complaints increase as claims are paid or denied



Agents and Agency Services Response

- The Division of Insurance Agents and Agency Services is responsible for the licensing of insurance professionals, including those who can adjust claims on behalf of a company or an insured
- As of September 30, 2017:
 - 227,910 individuals licensed to adjust property insurance claims
 - 225,926 can adjust claims on behalf of insurers
 - 115,665 All-Lines Adjuster licenses
 - 95,606 General Lines Agents licenses
 - 14,655 Emergency Adjuster licenses
 - 1,984 are Public Adjusters
- By comparison, Florida had 198,538 total licensees in these categories at this point last year, an increase of 29,372 licensees during the past 12 months.



Agents and Agency Services Response

- During the month of September, the Department issued 17,857 new licenses, authorizing the licensee to adjust property claims:
 - 14,655 Emergency Adjuster licenses
 - 2,432 All-Lines Adjuster licenses
 - 724 General Lines Agents licenses
 - 46 Public Adjuster licenses.
- By comparison, we issued 4,742 licenses in these same categories during September 2016
- At this time there are 39,789 licensed adjusters without appointments



Agents and Agency Services Response

- Chief Financial Officer Jimmy Patronis extended continuing education deadlines for licensed insurance professionals in Florida, allowing them to focus on assisting with post-storm claims
- Continuing education deadlines are set by the licensee's birthday month, and any licensee with a deadline in September, October, or November will now have an extended deadline of December 31, 2017, to complete their continuing education requirements
- The extension applies to all insurance professional licensees that require continuing education, including insurance adjusters, agents and customer representatives. No form or application process is required to be approved for this extension. The Department updated its online database to automatically reflect the new deadline.
- Additionally, the Bureau of Investigations has conducted many hours of investigative field work checking insurance adjusters in the field to confirm they are licensed. This effort is in partnership with the Division of Workers Compensation which was checking contractors in the field for proper workers' compensation insurance.

Department of Financial Services

Questions?

DFS Legislative Affairs: 850-413-2863



Chief Financial Officer Jimmy Patronis
State of Florida

Citizens Property Insurance Corporation Hurricane Irma Preparation and Response

Barry Gilway
President, CEO and Executive Director



HURRICANE IRMA

Top 10 Counties with Claims

Miami-Dade	19,261
Monroe	7,992
Broward	7,717
Pinellas	3,095
Palm Beach	2,410
Lee	1,879
Collier	1,866
Brevard	1,042
Pasco	798
Sarasota	801

As of October 5, 2017

- As of October 5, Citizens had received 51,958 claims. The bulk of claims have come from Miami-Dade (37.1 percent), Monroe (15.4 percent) and Broward Counties (14.9 percent).
- Over the next 18 to 24 months, that figure is expected to reach 70,000.



Hurricane Irma Costs and Financial Outlook

- The gross modeled loss related to Irma is \$1.2 billion
- Projected reinsurance recoveries are \$193.6 million
- Projected net loss is \$1.0 billion

This means that surplus of \$7.4 billion will be reduced by the projected net loss of \$1.0 billion – remaining surplus of \$6.4 billion.

Citizens has not encountered any difficulties with the payment of claims. We have sufficient liquidated funds for the projected losses related to Hurricane Irma

- Nine press releases were sent to advise the press and stakeholders of important developments and recovery efforts
- Customer and agent emails were leveraged to ensure customers and agents were both prepared and informed about storm-related and recovery activities
 - A total of 18 emails were sent throughout September with over 637,941 recipients
- Radio advertising to encourage pre-storm preparations and notify listeners of the CRC locations ran in four key markets: Tampa Bay, Miami, Ft. Myers/Naples and the Keys
 - A total of 1,792 radio spots ran from 9/8-9/27
- Website traffic on Irma-focused pages remained steady throughout the month
 - There were 25,027 views of the Hurricane Irma page and FAQ page
 - From 9/5-9/30, there was an average of 12,600 sessions per day
- Social media posts also were used to help promote a message of preparedness and notify of CRC locations
 - Ads were rotated on both Twitter and Facebook to ensure maximum reach and relevance
 - The combined campaigns amassed 655,130 impressions for Citizens' accounts

- A CRC is a fully functioning remote office, equipped with necessary supplies and technology, including a mobile generator and satellite solutions
- Functions are customer-facing and include:
 - Verifying coverage
 - Filing First Notice of Loss (FNOL)
 - Providing Additional Living Expense (ALE) advance checks, when appropriate
- Deployed as soon as it was safe to travel, including:
 - Three Field Service Vehicles (FSVs) which provide the technology and supplies needed for each CRC
 - 50+ employees from all Citizens locations throughout the state



CRC Locations Operation and Production

- Opened three CRCs on Friday, September 15th, within days of the storm exiting Florida and maintained presence for three full weeks
 - Key Largo (9/15 – 10/5)
 - Naples* (9/15 – 9/17)
 - Florida City* (9/15 – 9/18)
 - Marathon Key (9/19 – 10/5)
 - North Miami Beach (9/20 – 9/24)
 - Satellite office in Big Pine Key (9/20 – 10/5)

**Relocated CRCs as demand changed*

The CRCs :

- Assisted over 2,500 people, including close to 1,800 policyholders
 - Provided information to non-policyholders regarding other assistance available in area
- Filed over 800 FNOLs
- Provided over \$1.1M in ALE advances

- Partnered with five vendors for 24/7 First Notice of Loss call center support consisting of over 865 trained Customer Service Representatives across 11 site locations
- Serviced over 88,000 calls with a Service Level of 83.2%
 - 83.2% of all phone calls were answered < 20 seconds
- Activated proactive outbound calling campaigns promoting an efficient and accurate claim experience for policyholders, focusing on the following:
 - Verified policyholder contact information for the adjuster
 - Reminded policyholders of repair options to property if applicable
 - Educated policyholders on any Citizens' Catastrophe Response Centers open in Monroe County for Additional Living Expense advancements



Citizens Agency Support

- Providing daily report of claim activity to Agency Principals
- Conducted seven post-landfall Agency conference calls
 - Provided updates on claim counts and activities
 - Updates on Catastrophe Response Center (CRC) locations
 - Provided support material (Coverage Q&A's)
 - Conducted live Q&A
- Deployed Agency Management resources to help impacted agencies and customers
 - Collier, Monroe Counties
 - Resources "in-agency" to assist customers and provide ALE
- Conducting targeted outreach to agencies with more than 100 claims

- Citizens has 1,314 dedicated claims resources handling Irma claims
- Specialized CAT Task Field and CAT Desk Teams established:
 - Fast-Track Desk unit handling lower severity claims
 - Homeowners and Commercial Desk Adjusters working moderate severity claims
 - Large Loss Specialized Teams handling high severity claims
 - Dual-peril loss claims group is evaluating claims where surge has been identified at FNOL
 - A Claims Resolution team is handling reopened claims or reassignments from the fast-track team
- Citizens utilized drones and roof reports from our estimating software to assist in the adjustment of the claims and reviewed post event aerial imagery to evaluate the severity of damages in the Florida Keys and coastal areas impacted by Hurricane Irma.



Claims Response Additional Teams

- **Key West Operations:** Citizens has established a base claims operation response in Key West, under one roof, at a local hotel with a deployment of 100 tenured, experienced Citizens Staff and contracted adjusters, under Citizens' management.
- **SIU Operations:** Citizens' Staff Special Investigation Unit has established a specialized team to investigate all areas of potential insurance fraud, consumer price gouging, agency improprieties, Public Adjuster improprieties, reporting to Department of Financial Services as identified.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10/10/2017

Meeting Date

Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Anne Bert

Job Title Chief Operating Officer, Florida Hurricane Catastrophe Fund

Address 1801 Hermitage Boulevard, Suite 100

Phone (850) 413-1340

Street

Tallahassee

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32308

Email anne.bert@sbafla.com

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing _____

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

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10-10-17

Meeting Date

Bill Number (if applicable)

Topic DFS Hurricane Irma Response

Amendment Barcode (if applicable)

Name Elizabeth Boyd

Job Title Director of Legislative Affairs

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City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing CFO Patronis

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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10/10/17
Meeting Date

Bill Number (if applicable)

Topic Hurricane Irma / Post Assignment of Benefits

Amendment Barcode (if applicable)

Name Danny Gilway

Job Title President / CEO / Executive Director

Address _____
Street

Phone _____

City State Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Citizens Property Insurance Corporation

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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10/10/2017

Meeting Date

Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Anne Bert

Job Title Chief Operating Officer, Florida Hurricane Catastrophe Fund

Address 1801 Hermitage Boulevard, Suite 100

Phone (850) 413-1340

Street

Tallahassee

Florida

32308

Email anne.bert@sbafla.com

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing _____

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

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Oct. 10, 2017
Meeting Date

Bill Number (if applicable)

Topic HURRICANE INSURANCE ISSUES

Amendment Barcode (if applicable)

Name Chip MERLIN

Job Title Policyholder Attorney

Address 777 S. FLORIDA AVE #950

Phone 813 695 8733

Tampa FL 33602

City State Zip

Email wmerlin@merlinlawgroup.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Policyholders

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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Property Insurance Post-Loss Assignment of Benefits Speaker Bios

Commissioner David Altmaier

Commissioner Altmaier was appointed as the Florida's Insurance Commissioner on April 29, 2016 by the Financial Services Commission. He leads a 292-member team at the Office of Insurance Regulation overseeing a complex insurance marketplace in a state with one of the highest catastrophe exposures for hurricanes.

David Bronstein

Mr. Bronstein is a trial attorney and founding partner of Bronstein and Carmona, P.A., in Ft. Lauderdale, Florida. His current trial practice focuses on a full spectrum of insurance matters, with an emphasis on suspicious insurance claims, property coverage claims, and automobile negligence and general liability matters.

Angel Conlin

Ms. Conlin is Vice President and General Counsel at American Strategic Insurance Corp. She leads the Legal and Compliance department, which is responsible for managing all legal matters for the ASI group of companies. She serves as Chairperson of the Florida Insurance Council and served on the Florida Insurance Consumer Advocates' Homeowners' Policy & Claims Bill of Rights Working Group.

Dave DeBlander

Mr. DeBlander is the founder and owner of Pro Clean Restoration and Cleaning in Pensacola, FL. Pro Clean has won many awards including the Better Business Bureau's "Marketplace Ethics Award" which they have won three times, and they are charter members of the Pensacola News Journal's "Best of the Bay" Business Hall of Fame. They were named by the Pensacola Chamber of Commerce as their "Small Business of the Month" in October 2008 and June 2016.

Barry Gilway

Mr. Gilway has served as Citizens' President, CEO and Executive Director since June 2012, where he oversees all operations and serves as liaison to Citizens' Board of Governors. He is an accomplished insurance executive with 46 plus years background in insurance, including CEO of Zurich Canada, Executive VP of Zurich North America, CEO of Maryland Casualty Companies and Executive VP of Crum and Forster, along with additional senior management positions.

Lee Jacobson

Mr. Jacobson is a civil litigation attorney in Orlando, Florida. He is a partner at the Orlando-based law firm, Hale, Hale & Jacobson, P.A. He represents clients in matters of personal injury, bad faith insurance claims, and wrongful death.

Sha'Ron James

Ms. James serves as the state's Insurance Consumer Advocate. As Insurance Consumer Advocate, she is committed to finding solutions to the insurance problems facing Floridians, calling attention to questionable insurance practices, and ensuring that the market responds to the needs of Florida's diverse population.

Topic List for Property Insurance Post-Loss Assignment of Benefits (AOB) Panel Discussion

I. Contract Terms

- 1. Assignment must be in writing.**
- 2. Assignment must be executed by all named insureds or one named insured.**
- 3. Limit the assignment's transfer of rights to only the right to seek payment for work performed by the assignee.**
- 4. Require the assignee to provide a copy of the agreement to the insurer within a time certain.**
- 5. The assignment agreement must detail the work to be performed.**
- 6. Create a right of rescission and notify the policyholder in writing of right to rescind within 7 business or calendar days.**
- 7. Allow or prohibit assignee billing of policyholders for work performed before the assignment is rescinded.**
- 8. Notify the policyholder of effect of assignment and right of rescission.**
- 9. Notice to policyholder of effect of assignment and right of rescission. Alternatively, allow the assignee to charge the policyholder for work denied by the insurer.**
- 10. Prohibit the assignment from imposing penalty or fee for rescission, a check or mortgage processing fee, or an administrative fee.**

II. Claim Adjustment

- 1. Maintain records of all services provided under the assignment.**
- 2. Cooperate with the insurer's investigation of the claim.**
- 3. Provide the insurer with all records related to the services provided.**
- 4. Deliver a copy of the assignment agreement to the insurer within 3 business days of its execution.**
- 5. Provide the insurer with a written, itemized, per-unit cost statement of the services performed concurrently with a request for payment.**
- 6. Require an insurer to make an initial inspection within 7 days after receiving the assignment agreement or within 7 days after a state of emergency is terminated, whichever is later.**

III. Work and Billing Standards

- 1. Require each assignee to provide the policyholder with accurate and up-to-date revised statements of the scope of work to be performed, as supplemental or additional repairs are required.**
- 2. Each assignee must provide the policyholder and insurer a final invoice within 7 business days after the work was completed.**
- 3. Assignee performing water remediation must be certified compliant with American National Standards Institute water remediation standards.**
- 4. Require each assignee to perform work in accordance with current and accepted industry standards.**
- 5. An assignee may not pay more than \$750 in referral fees.**

IV. Litigation and Attorney Fees

- 1. Require the insured or the assignee to give pre-suit notice before the filing of a lawsuit against an insurer, including a final invoice or estimate of work.**
- 2. As a condition precedent to filing a suit, the assignee must submit to examinations under oath and participate in appraisal or other alternative dispute resolution methods in accordance with the policy.**
- 3. Prohibit assignees from recovering attorney fees under s. 627.428, F.S., and s. 626.9379, F.S.**

V. Managed Repair

- 1. Prohibit assignment agreements from modifying the terms or conditions of managed repair programs.**
- 2. Prohibit insurers from requiring that particular vendors perform repairs and prohibit insurers from recommending particular vendors unless requested by the insured.**

VI. Prohibition

- 1. Allow insurance contracts to prohibit the post-loss assignment of benefits.**
- 2. Allow property insurance contracts to prohibit the post-loss assignment of benefits above a certain dollar amount.**
- 3. Prohibit the assignment of the right to enforce payment for post-loss benefits under the policy.**
- 4. Prohibit the assignment of the right to adjust, negotiate, or settle any portion of a claim to a person other than an adjuster or attorney.**
- 5. Specify that a property insurance contract may not prohibit the post-loss assignment of benefits.**

VII. Rate Relief

VIII. Other Provisions

- 1. Define a post-loss assignment of benefits in statute.**
- 2. Exempt assignments to subsequent purchasers of property and a power of attorney under ch. 709, F.S.**
- 3. Require insurers to report AOB claim information to the Office of Insurance Regulation.**

CourtSmart Tag Report

Room: EL 110

Case No.:

Type:

Caption: Banking and Insurance Committee

Judge:

Started: 10/10/2017 10:04:41 AM

Ends: 10/10/2017 12:32:16 PM Length: 02:27:36

10:04:40 AM Meeting called to order - roll call
10:05:29 AM Chair Flores explains agenda
10:05:29 AM Chair Flores welcomes new members
10:05:40 AM Welcome to new senators to the committee : Senators Bradley, Broxson, Grimsley and Taddeo
10:07:09 AM Commissioner Altmeier presentation on Hurricane Issues
10:08:16 AM Hurricane Irma Issues
10:08:23 AM Presented by Commissioner Altmeyer
10:11:28 AM Explanation of what efforts are in place prior to the threat of Hurricane
10:12:04 AM Explanation of efforts after the hurricane hits
10:16:24 AM Chair Flores recognizes for questions
10:17:02 AM Sen Braynon with question
10:18:06 AM Response from commissioner
10:19:08 AM Senator Braynon with follow up question
10:19:08 AM Response from commissioner
10:19:20 AM Response from commissioner
10:21:54 AM Senator Bradley with question
10:22:07 AM response from Commissioner
10:23:03 AM Chair Flores comment
10:23:48 AM Sen Braynon with question
10:24:03 AM response from commissioner
10:24:40 AM follow up from Sen Braynon
10:25:40 AM Sen Thurston with question
10:25:50 AM Commissioner responds
10:27:57 AM follow up from Sen Thurston
10:28:11 AM response from commissioner
10:29:07 AM follow up from Sen Thurston
10:29:29 AM response from commissioner
10:30:15 AM Sen. Thurston with question
10:30:24 AM response from commissioner
10:31:00 AM question to commissioner from Sen Thurston
10:31:14 AM response from commissioner
10:31:40 AM Sen Broxson with question
10:31:52 AM response from commissioner
10:32:05 AM follow up question from Sen Broxson
10:32:16 AM response from Commissioner
10:32:39 AM Sen Flores
10:32:58 AM Ann Bert, Chief Operating Of Florida Hurricane Catastrophe Fund
10:38:50 AM Sen Flores with question
10:39:00 AM response from Ann Bert
10:39:11 AM Ann Bert continues
10:40:47 AM questions
10:40:52 AM No questions
10:40:57 AM Elizabeth Boyd Director of Legislative Affairs Tallahassee
10:43:11 AM Sen Flores interupts for SB 80
10:43:27 AM Sen Lee will present SB 80
10:43:59 AM amendment for SB 80 barcode 781564 explained by Sen Lee
10:44:54 AM Sen Lee explains application of the amendment to the bill substance
10:46:25 AM questions
10:47:31 AM amendment adopted
10:47:40 AM Tim Nungesser legislative director National Federation of Independent Business
10:47:48 AM Chris Nuland waive in support
10:47:52 AM Ron Watson Direct Primary Care Florida Chiropractic Physician Association waive in support

10:48:03 AM Steve Winn executive director of Florida Osteopathic Medical Association waive in support
10:48:07 AM Paul Lambert Florida Chiropractic Association waive in support
10:48:12 AM Connie Mixon of Florida Academy of Physician Assistant waive in support
10:48:14 AM Jay Millson EVP FI Academy of Family Physicians Jacksonville FI waive in support
10:48:14 AM Jarred Fowler Director of Health Care policy of Florida Medical Association waive in support
10:48:20 AM Alexandra Abboud Gov Affairs Liaison The Florida Dental Association - waive in support
10:48:27 AM Cesar Grajales of Americans for Prosperity
10:48:34 AM Andrew Hosek Policy Analyst of Americans for Prosperity
10:48:56 AM Sen Thurston with question to sen lee
10:50:23 AM Sen Lee response
10:51:20 AM Sen Thurston follow up
10:51:31 AM response from Sen Lee
10:51:59 AM no debate
10:52:03 AM Sen Lee closes
10:52:16 AM call roll on SB 0
10:52:28 AM Favorably pass
10:53:26 AM Elizabeth Boyd continues
11:00:52 AM question from Sen Flores
11:01:00 AM response
11:01:06 AM E Boyd continues
11:01:47 AM questions?
11:01:54 AM no questions
11:02:02 AM Barry Gilway - presentation on Hurricane Irma issues of Citizens Property Insurance Corporation
11:04:31 AM question from Sen Flores
11:04:40 AM Barry Gilway continues
11:13:10 AM question from Sen Broxson
11:13:21 AM response from Gilway
11:14:09 AM Broxson follow up
11:14:34 AM response from Gilway
11:16:52 AM Sen Broxson follow up
11:17:07 AM response from Gilway
11:19:12 AM response from Gilway
11:19:14 AM question from Sen Flores
11:19:28 AM Response from Gilway
11:19:49 AM Sen Thurston with question
11:20:35 AM Response from Gilway
11:21:21 AM Follow up from Sen Thurston
11:22:06 AM response from Gilway
11:23:13 AM Follow up from Sen Thurston
11:23:47 AM Sen Thurston follow up
11:23:57 AM Barry Gilway responds
11:26:53 AM Sen Thurston with question on adjusters
11:27:09 AM response from Gilway
11:28:24 AM Sen Thurston follow up question
11:28:40 AM Response from Gilway
11:35:10 AM question from Sen Broxson
11:36:10 AM response
11:36:28 AM question from Sen Brayon
11:37:26 AM response from Gilway
11:38:45 AM follow up from Sen Brayon
11:38:54 AM response from Gilway
11:39:06 AM Sen Taddeo with question
11:39:15 AM Response from Gilway
11:42:00 AM Chip Mirlin
11:43:00 AM of Tampa florida
11:47:41 AM Sen Flores comments
11:48:48 AM Sen Flores calls up Panel
11:50:03 AM Panel introductions
11:50:19 AM Comissioner Altmeyer
11:50:27 AM David Bronstein Florida Justice Repform Institute
11:50:32 AM Angel Conlan Vice President
11:50:45 AM David Blander

11:50:54 AM Barry Gilway
11:50:59 AM Jacobson, orlando
11:51:11 AM James - state insurance advocate
11:51:27 AM AOB discussion led by Sen Flores
11:56:55 AM Panel is open
12:00:07 PM Sen Bradley comments on mr. Jacobsen's and Miss Conlan.
12:02:09 PM Sen Bradley with question to Ms Conlan
12:02:47 PM Sen Bradley with question to Ms Conlan
12:04:08 PM Comments from panel
12:04:57 PM Sen Bradley with question
12:05:56 PM MS Conlan responds
12:06:24 PM Sen Flores comments
12:06:53 PM Ms James is requested to comment
12:07:36 PM Sen flores - Next topic -
12:08:08 PM Transfer of rights
12:08:16 PM Is there objectionon prohibiting grants of all rights to the vendor
12:09:19 PM Mr. Jacobson responds
12:10:31 PM Next topic. Requiring copy of agreement to insured
12:11:37 PM Sen Flores asks Mr. Gilway
12:12:34 PM Mr. Jacobson comments
12:13:18 PM Sen Flores comments
12:13:44 PM Next issue - whether or not the assignment should be detailed.
12:15:20 PM Next issue - whether or not the assignment should be detailed.
12:15:28 PM Commissioner responds
12:15:33 PM Mr. Gilway responds
12:17:00 PM Sen Flores comments
12:17:24 PM commisioner comments
12:19:02 PM Sen Broxson comments
12:20:45 PM Commissioner responds
12:23:13 PM Sen Flores
12:23:33 PM Sen Braynon comments
12:25:20 PM Sen Braynon
12:27:35 PM Sen Braynon
12:27:40 PM Commissioner
12:29:08 PM Sen Flores - concludes the panel discussion
12:29:54 PM Senator Braynon comments
12:30:54 PM Senator Gainer comments
12:31:22 PM Senator Flores adjourns the meeting