

The Florida Senate  
**COMMITTEE MEETING EXPANDED AGENDA**  
**MILITARY AFFAIRS, SPACE, AND DOMESTIC SECURITY**  
**Senator Altman, Chair**  
**Senator Sachs, Vice Chair**

**MEETING DATE:** Tuesday, February 7, 2012

**TIME:** 4:00 —6:00 p.m.

**PLACE:** *Mallory Horne Committee Room, 37 Senate Office Building*

**MEMBERS:** Senator Altman, Chair; Senator Sachs, Vice Chair; Senators Bennett, Bullard, Fasano, Gibson, Jones, Norman, and Storms

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	<b>SB 1684</b> Hays	Hurricane Loss Mitigation Program; Revising provisions relating to the program; revising the membership of the program's advisory council; deleting provisions specifying how program funding is to be apportioned; deleting the Manufactured Housing and Mobile Home Mitigation and Enhancement Program, etc.	
		MS 02/01/2012 Temporarily Postponed MS 02/07/2012 BI BC	
Presentation by the Florida Department of Veterans Affairs (Goldstar Families)			
2	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.)

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Prepared By: The Professional Staff of the Military Affairs, Space, and Domestic Security Committee

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BILL: SB 1684

INTRODUCER: Senator Hays

SUBJECT: Hurricane Loss Mitigation Program

DATE: January 31, 2012

REVISED: 2/6/12

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Fleming	Carter	MS	<b>Pre-meeting</b>
2.		BI	
3.		BC	
4.			
5.			
6.			

**I. Summary:**

The bill deletes several provisions within s. 215.559, F.S., relating to the Florida Hurricane Loss Mitigation Program (program) and redefines how the Division of Emergency Management must utilize the \$10 million annually appropriated from the Florida Hurricane Catastrophe Fund to support the program. The bill also creates an advisory council to provide advice and assistance regarding the administration of the program.

The bill substantially amends section 215.559 of the Florida Statutes.

**II. Present Situation:**

**Florida Hurricane Catastrophe Fund**

The Florida Hurricane Catastrophe Fund (FHCF)<sup>1</sup> is a tax-exempt trust fund that was created by the Legislature in 1993 in response to the numerous problems that developed in the residential property insurance market as a result of Hurricane Andrew in August of 1992. The FHCF operates as a state administered insurer reimbursement program (similar to reinsurance) and is mandatory for residential property insurers writing covered policies in the state of Florida.

In order for the FHCF to maintain its tax-exempt status, the Internal Revenue Service mandates that:

Each fiscal year, the Florida Legislature shall appropriate from the investment income of the FHCF an amount no less than \$10 million...for the purpose of providing funding for local governments, state agencies, public and private

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<sup>1</sup> Section 215.555, F.S.

educational institutions, and nonprofit organizations to support programs intended to improve hurricane preparedness, reduce potential losses in the event of a hurricane, provide research into means to reduce such losses, educate or inform the public as to means to reduce hurricane losses, assist the public in determining appropriateness of particular upgrades to structures or in the financing of such upgrades, or to protect local infrastructure from potential damage from a hurricane.<sup>2</sup>

The Legislature satisfies this condition by annually funding the Hurricane Loss Mitigation Program administered by the Florida Division of Emergency Management outlined in s. 215.559, F.S.

### **Hurricane Loss Mitigation Program**

The Legislature passed the Bill Williams Residential Safety and Preparedness Act, creating the Hurricane Loss Mitigation Program (Mitigation Program) in 1999. Located in s. 215.559, F.S., the Mitigation Program receives an annual appropriation of \$10 million from the FHCF which is submitted to the Division of Emergency Management (division) within the Executive Office of the Governor for administration of purposes specified in the section.

Of the \$10 million dollars that are allocated by the Legislature, \$7 million must be used to improve wind resistance of residences and mobile homes, through loans, subsidies, grants, demonstration projects and direct assistance, educate individuals on Florida Building Code cooperative programs, and provide other efforts to prevent or reduce losses or the cost of rebuilding after a disaster (referred to as the Residential Construction Mitigation Program).<sup>3</sup> The remaining \$3 million must be used to retrofit existing facilities used as public hurricane shelters (referred to as the Shelter Retrofit Program).<sup>4</sup>

Under the requirements of the Mitigation Program, the division must provide a full report along with an accounting and evaluation of activities conducted under this section to the Speaker of the House of Representatives, the President of the Senate, and the Majority and Minority Leaders of the House of Representatives and the Senate on January 1 of each year.

According to the 2011 Florida Hurricane Loss Mitigation Program Annual Report, the following amounts were awarded for the 2010-11 fiscal year:

<b>Amount Awarded: State Fiscal Year 2010-2011</b>	
Shelter Retrofit Program	\$3,000,000.00
Residential Construction Program Retrofits	\$821,296.00
Mitigation Planning	\$318,719.00
Public Outreach and Training	\$297,972.00
Manufactured Homes (tie-down retrofit)	\$2,800,000.00
Hurricane Mitigation Research (FIU)	\$700,000.00
<b>TOTAL AWARD AMOUNT</b>	<b>\$7,937,987.00</b>

<sup>2</sup> Section 215.555(7)(c), F.S.

<sup>3</sup> Section 215.559(1)(a), F.S.

<sup>4</sup> Section 215.559(1)(b), F.S.

The Mitigation Program is set to be repealed on June 30, 2021.

Residential Construction Mitigation Program

Section 215.559(1)(a), F.S., requires that \$7 million of the \$10 million appropriated under the Mitigation Program must be used to improve wind resistance and prevent or reduce losses after a disaster. These directives comprise the Residential Construction Mitigation Program (RCMP), and the \$7 million is allocated as follows:

- 40 percent, or \$2.8 million is used to inspect and improve tie-downs for mobile homes, through grants under the Manufactured Housing and Mobile Home Mitigation Enhancement Program at Tallahassee Community College;<sup>5</sup>
- 10 percent, or \$700,000 is directed to the Florida International University center that is dedicated to hurricane research;<sup>6</sup> and
- 50 percent, or \$3.5 million is directed to programs developed by the division with the advice from the statutorily created advisory council in s. 215.559(4), F.S., to help prevent or reduce losses or to reduce the cost of rebuilding after a disaster.<sup>7</sup>

*Mobile Home Tie-Down Enhancement Program*

Section 215.559(2), F.S., sets forth the provisions for the Manufactured Housing and Mobile Home Mitigation and Enhancement Program, known as the Mobile Home Tie-Down Enhancement Program (Tie-Down Program). Tallahassee Community College is the entity statutorily authorized to administer the Tie-Down Program. This program is designed to demonstrate, test and raise awareness of new techniques to enhance manufactured home wind resistance.

The Tie-Down Program provides free tie-down retrofit services to eligible owners of manufactured homes.<sup>8</sup> It is not the intention of the Tie-Down Program to bring existing manufactured homes up to code, but instead to make a mobile home as wind resistant as funding, physical characteristics and condition of premises permit.<sup>9</sup> To qualify for participation in the Tie-Down Program, a manufactured home must:

- Be located within the boundaries of a mobile home community, in which 60% of the homes in the community have committed to participate in program;
- Have been built and installed prior to September 1999; and
- Be at least 15 inches from the ground to the sidewall of the home.<sup>10</sup>

During the 2010-11 fiscal year, the Tie-Down Program provided tie-downs and retrofitted over 1,995 manufactured homes in 16 mobile home communities within 8 Florida counties.<sup>11</sup> Since its inception in 2000, 22,265 manufactured homes have benefited from the free services provided

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<sup>5</sup> Section 215.559(2), F.S.

<sup>6</sup> Section 215.559(3), F.S.

<sup>7</sup> Florida Division of Emergency Management. Hurricane Loss Mitigation Program. 2011 Annual Report. (on file with the Senate Military Affairs, Space, and Domestic Security Committee).

<sup>8</sup> A tie-down system is designed to secure a manufactured home to the ground.

<sup>9</sup> Tallahassee Community College. *Tie Down Program Information Sheet*. (On file with Senate Military Affairs, Space, and Domestic Security Committee).

<sup>10</sup> *Id.*

<sup>11</sup> Tallahassee Community College. *Mobile Home Tie Down Program: 2010-2011 Annual Report*. (on file with Senate Military Affairs, Space, and Domestic Security Committee).

through the Tie-Down Program.<sup>12,13</sup>

*Florida International University Hurricane Research Program*

Of the moneys allocated to the division for administration of the RCMP, 10 percent, or \$700,000, is annually allocated to Florida International University to conduct research on the following issues:

- Elimination of state and local barriers to upgrading existing mobile homes and communities;
- Recycling of existing older mobile homes; and
- Hurricane loss reduction devices and techniques for site-built residences.<sup>14</sup>

*RCMP Competitive Funding Projects*

Fifty-percent of the RCMP funds, or \$3.5 million, are to be used to help prevent or reduce losses or to reduce the cost of rebuilding after a disaster. To meet these directives, the division, with the assistance from the advisory council established in s. 215.559(4), F.S., annually develops a framework of grant projects which are awarded for a one-year performance period. During the 2010-11 fiscal year, 17 RCMP projects were recommended for funding, which spanned the following three subject categories: residential mitigation retrofit projects; public outreach; and mitigation planning.

Shelter Retrofit Program

Section 215.559(1)(b), F.S., requires that \$3 million of the \$10 million appropriated under the Mitigation Program must be used to retrofit existing facilities used as public hurricane shelters. This is referred to as the Shelter Retrofit Program. A major component in the division's strategy to reduce the state's shelter deficit is to provide funding for cost-effective retrofit or other mitigation measures on existing buildings that can provide additional shelter capacity.

The division must annually prepare a Shelter Retrofit Report for the Governor and Legislature which provides the division's list of facilities recommended to be retrofitted using local, state, and federal funds. The report prioritizes facilities with specific projects and cost estimates which, when funded, will improve relative safety and reduce the emergency shelter space deficit of the state. The shelter retrofit projects are identified through a survey program implemented by the division, and are only recommended when the retrofit can create spaces that meet American Red Cross' *Standards for Hurricane Evacuation Shelter Selection* (ARC 4496, January 2002).

Advisory Council

Section 215.559(4), F.S., establishes an advisory council to provide project recommendations, selection criteria and guiding principles to administer the Mitigation Program. Membership of the advisory council consists of the following:

- A representative designated by the Chief Financial Officer;
- A representative designated by the Florida Home Builders Association;
- A representative designated by the Florida Insurance Council;

<sup>12</sup> This number does not include Tie-Down Program participants for fiscal year 2000-01, as Tallahassee Community College did not administer the program during that fiscal year.

<sup>13</sup> E-mail correspondence with TCC Tie Down Program Administrator. February 3, 2012 (on file with Senate Military Affairs, Space, and Domestic Security Committee).

<sup>14</sup> Division of Emergency Management. *Residential Construction Mitigation Program website*. Available at: <http://www.floridadisaster.org/mitigation/rcmp/index.htm>.

- A representative designated by the Federation of Manufactured Home Owners;
- A representative designated by the Florida Association of Counties;
- A representative designated by the Florida Manufactured Housing Association; and
- A representative designated by the Florida Building Commission.

### **My Safe Florida Home Program**

In 2006, the Legislature created the Florida Comprehensive Hurricane Damage Mitigation Program and appropriated \$250 million to provide financial incentives and assistance for residential property owners in Florida to retrofit their properties, making them less vulnerable to hurricane damage and helping decrease the cost of residential property insurance. Subsequently renamed the My Safe Florida Home (MSFH) program, it was created to help Floridians identify and make improvements to strengthen their homes against hurricanes through free hurricane mitigation inspections and grant funds.<sup>15</sup>

The MSFH program began operation on August 15, 2006 and was administered by the Department of Financial Services (DFS). The MSFH program is no longer operative as all funds originally appropriated to the program were exhausted and no additional funding was appropriated. The program was created with the intention to:

- Provide free home inspections for at least 400,000 site-built single-family, residential properties; and
- Provide grants to at least 35,000 applicants before June 30, 2009.

These two measures provided the heart of the program and were established to go hand in hand. The purpose of the inspections was to identify weaknesses in residential structures that would make them especially vulnerable in a hurricane. The purpose of the grants was to assist the owners of such structures in “mitigating” those weaknesses.

Throughout the life of the MSFH program, 401,372 homes were inspected and 40,258 homeowners received hurricane mitigation grants, in which the average grant amount per homeowner was approximately \$3,320.<sup>16</sup>

### **Florida Public Hurricane Loss Projection Model<sup>17</sup>**

After Hurricane Andrew in 1992, insurance companies began to use privately developed catastrophe loss models to estimate expected losses. Catastrophe models are complex computer simulations that property insurers worldwide use to project potential losses from natural catastrophes, such as hurricanes, earthquakes, and tornados.<sup>18</sup>

The 2000 Legislature authorized the creation of a public hurricane loss projection model (public

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<sup>15</sup> The My Safe Florida Home program is established in s. 215.5586, F.S.

<sup>16</sup> Department of Financial Services. *My Safe Florida Home 2009 Annual Report*. Available at: <http://www.mysafefloridahome.com/education.asp>.

<sup>17</sup> Summary information on the Florida Public Hurricane Loss Projection Model obtained from Office of Program Policy Analysis and Government Accountability. Report No. 11-25: *Steps Could Be Taken to Reduce the Public Hurricane Loss Projection Model's Reliance on State Funding* (December 2011). Available at: <http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1125rpt.pdf>.

<sup>18</sup> There are 4 private companies in Florida that have been approved to offer hurricane loss projection models. These include: AIR Worldwide, Applied Research Associates, EQECAT, and Risk Management Solutions.

model) in which the Office of Insurance Regulation (OIR) contracted with Florida International University (FIU) to develop in 2001. In March 2006 the public model was activated and in August 2007 it was found acceptable by the Florida Commission on Hurricane Loss Projection Methodology.<sup>19</sup>

The public model was built to assess hurricane risk and predict annual expected insured residential losses in Florida for an insurance company, zip code, county, or for the entire state. OIR uses the public model as an independent tool to facilitate its review of the reasonableness of the rates proposed in company filings. Without the public model, OIR's basis for rate determinations would be each insurer's own selected private model and corresponding loss data.

OIR holds the copyright for the public model, which means that it has exclusive rights to the model but can authorize others to use it. FIU is the lead institution for developing and operating the public model, but it collaborates with several other public and private Florida universities (including Florida State University, the Florida Institute of Technology, the University of Florida, and the University of Miami) and the U.S. National Oceanic and Atmospheric Administration. In addition to OIR, users of the public model include Citizens Property Insurance Corporation, the Florida Hurricane Catastrophe Fund, and some private insurers.<sup>20</sup>

Since 2000, the Legislature has provided approximately \$11 million to OIR for the creation, operation, and maintenance of the public model.

### **III. Effect of Proposed Changes:**

The bill amends s. 215.559, F.S., to revise provisions relating to the Florida Hurricane Loss Mitigation Program (Mitigation Program). Specifically, the bill removes the current provisions discussed above which outline how the Division of Emergency Management must use the \$10 million annually appropriated from the Florida Hurricane Catastrophe Fund.

The bill replaces the current provisions outlining the program and provides that the purpose of the Mitigation Program is to:

- Provide funding and supervision for the public hurricane loss projection model;
- Supervise and fund the My Safe Florida Home Program;
- Establish a statewide program for inspection standards and data collection related to hurricane loss;
- Further the science of hurricane mitigation by working with all types of businesses, scientists, and academics in order to further the availability and measure the effectiveness of new ways to mitigate hurricane damage to homes;
- Be a state resource on the assessment of the potential expected cost of hurricane damage and the results of mitigation; and
- Provide regulatory oversight to the Office of Insurance Regulation on the applicability and use of wind mitigation discounts for homeowners' insurance.

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<sup>19</sup> The Florida Commission on Hurricane Loss Projection Methodology is an independent body of experts created by the Legislature in 1995 for the purpose of developing standards and reviewing hurricane loss models used in the development of residential property insurance rates and the calculation of probable maximum loss levels.

<sup>20</sup> Property insurers contract with FIU to use the model and pay the university for these services.

Additionally, the bill establishes an advisory council to provide advice and assistance regarding the administration of the Mitigation Program. Membership of the council consists of:

- The Director of the Office of Insurance Regulation, or his or her designee;
- The Insurance Consumer Advocate, or his or designee;
- Two representatives of homeowners' insurance companies; one of whom represents small companies and is to be appointed by the President of the Senate and one of whom represents large companies and is to be appointed by the Speaker of the House of Representatives.
- Two scientists, one of whom has experience and training in the sciences related to wind or the building code and is to be appointed by the President of the Senate, and one of whom has a background in engineering and is to be appointed by the Speaker of the House of Representatives.
- Two legislators, one appointed by the President of the Senate, and one appointed by the Speaker of the House of Representatives;
- One representative of the reinsurance industry, who is appointed jointly by the President of the Senate and the Speaker of the House of Representatives; and
- One scientist who has a background in modeling appointed by the Division of Emergency Management.

The bill provides an effective date of July 1, 2012.

#### **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:**

The bill removes from the current law the Mobile Home Tie-Down Program. As a result, an owner of a manufactured home that was built before September 1999 would no longer be eligible for free tie-down retrofit services to help protect the manufactured home from high winds during a catastrophic event such as a hurricane.



The bill provides for the funding and supervision of the My Safe Florida Home Program. This program would allow residential property owners in Florida to receive financial incentives and assistance to retrofit their properties, making them less vulnerable to hurricane damage and helping decrease the cost of residential property insurance.

**C. Government Sector Impact:**

The bill does not change the total amount of funds that are to be annually appropriated from the Florida Hurricane Catastrophe Fund (\$10 million) to the Hurricane Loss Mitigation Program (Mitigation Program). However, the bill redirects the allocation of such funds to support revised priorities for the Mitigation Program.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:**

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

None.

**B. Amendments:**

None.



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LEGISLATIVE ACTION

Senate

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House

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The Committee on Military Affairs, Space, and Domestic Security  
(Bennett) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause  
and insert:

Section 1. Section 215.559, Florida Statutes, is amended to  
read:

215.559 Hurricane Loss Mitigation Program.—A Hurricane Loss  
Mitigation Program is established in the Division of Emergency  
Management.

(1) The purpose of the program is to:

(a) Reduce the vulnerability of and damage to residential  
structures from wind, wind-driven rain, and wind-driven debris



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during high-wind events through the implementation of a  
residential mitigation retrofit program;

(b) Ensure that residential mitigation activities  
prioritize wind-borne debris regions throughout the state;

(c) Ensure that all mitigation projects will be reviewed,  
inspected, and designed by technical and environmental  
professionals;

(d) Ensure that all mitigation projects be cost-effective  
and provide a positive return on investment;

(e) Ensure that all products and systems are installed in  
accordance with the Florida Building Code and manufacturer's  
installation specifications and have a product approval number  
from the building code;

(f) Ensure that all mitigation activities follow recognized  
best practices for residential wind mitigation and provide  
increased sustainability;

(g) Ensure that all mitigation activities are tracked and  
analyzed after the event in order to measure the effectiveness  
of the mitigation program. A database must be maintained to  
capture all necessary information;

(h) Ensure that participation by homeowners is voluntary.

(2) The program shall:

(a) Provide funding and supervision for the public  
hurricane loss projection model established under s. 627.06281;

(b) Establish a statewide program for inspection standards  
and data collection related to hurricane loss;

(c) Further the science of hurricane mitigation by working  
with all types of businesses, scientists, and academics in order  
to further the availability and measure the effectiveness of new



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ways to mitigate hurricane damage to homes;

(d) Be a state resource on the assessment of potential costs of hurricane damage and the results of mitigation; and

(e) Determine appropriate wind mitigation standards based on hurricane loss models and the applicability and use of wind mitigation discounts for homeowners' insurance.

(3)(1) The Legislature shall annually appropriate \$10 million of the moneys authorized for appropriation under s. 215.555(7)(c) from the Florida Hurricane Catastrophe Fund to the division for the purposes set forth in this section.

(a) Of that ~~the~~ amount:

1.(a) Seven million dollars ~~in funds~~ shall be used for programs to improve the wind resistance of residences and mobile homes, including loans, subsidies, grants, demonstration projects, and direct assistance; educating persons concerning the Florida Building Code cooperative programs with local governments and the Federal Government; and other efforts to prevent or reduce losses or reduce the cost of rebuilding after a disaster. Of that amount:

a. Forty percent shall be used to establish a statewide program for inspection standards and data collection related to hurricane and windstorm loss and to fund the public hurricane loss projection model.

b. Ten percent shall be allocated to the Florida International University center dedicated to hurricane research. The center shall develop a preliminary work plan to eliminate the state and local barriers to upgrading existing mobile homes and communities, research and develop a program for the recycling of existing older mobile homes, and support programs



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of research and development relating to hurricane loss reduction devices and techniques for site-built residences. The center's preliminary plan shall be reviewed by the advisory council established under subsection (4), which shall provide comments and recommendations to the center with respect to the plan. The State University System also shall consult with the division and assist the division with the report required under subsection (5).

~~2.(b)~~ Three million dollars in funds shall be used to retrofit existing facilities used as public hurricane shelters. Each year the division shall prioritize the use of these funds for projects included in the annual report of the Shelter Retrofit Report prepared in accordance with s. 252.385(3). The division must give funding priority to projects in regional planning council regions that have shelter deficits and to projects that maximize the use of state funds.

~~(2)(a)~~ Forty percent of the total appropriation in paragraph (1)(a) shall be used to inspect and improve tie-downs for mobile homes.

~~(b)1.~~ The Manufactured Housing and Mobile Home Mitigation and Enhancement Program is established. The program shall require the mitigation of damage to or the enhancement of homes for the areas of concern raised by the Department of Highway Safety and Motor Vehicles in the 2004-2005 Hurricane Reports on the effects of the 2004 and 2005 hurricanes on manufactured and mobile homes in this state. The mitigation or enhancement must include, but need not be limited to, problems associated with weakened trusses, studs, and other structural components caused by wood rot or termite damage; site-built additions; or tie-down



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~~systems and may also address any other issues deemed appropriate by Tallahassee Community College, the Federation of Manufactured Home Owners of Florida, Inc., the Florida Manufactured Housing Association, and the Department of Highway Safety and Motor Vehicles. The program shall include an education and outreach component to ensure that owners of manufactured and mobile homes are aware of the benefits of participation.~~

~~2. The program shall be a grant program that ensures that entire manufactured home communities and mobile home parks may be improved wherever practicable. The moneys appropriated for this program shall be distributed directly to Tallahassee Community College for the uses set forth under this subsection.~~

~~3. Upon evidence of completion of the program, the Citizens Property Insurance Corporation shall grant, on a pro rata basis, actuarially reasonable discounts, credits, or other rate differentials or appropriate reductions in deductibles for the properties of owners of manufactured homes or mobile homes on which fixtures or construction techniques that have been demonstrated to reduce the amount of loss in a windstorm have been installed or implemented. The discount on the premium must be applied to subsequent renewal premium amounts. Premiums of the Citizens Property Insurance Corporation must reflect the location of the home and the fact that the home has been installed in compliance with building codes adopted after Hurricane Andrew. Rates resulting from the completion of the Manufactured Housing and Mobile Home Mitigation and Enhancement Program are not considered competitive rates for the purposes of s. 627.351(6)(d)1. and 2.~~

~~4. On or before January 1 of each year, Tallahassee~~



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~~Community College shall provide a report of activities under this subsection to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The report must set forth the number of homes that have taken advantage of the program, the types of enhancements and improvements made to the manufactured or mobile homes and attachments to such homes, and whether there has been an increase in availability of insurance products to owners of manufactured or mobile homes.~~

~~Tallahassee Community College shall develop the programs set forth in this subsection in consultation with the Federation of Manufactured Home Owners of Florida, Inc., the Florida Manufactured Housing Association, and the Department of Highway Safety and Motor Vehicles. The moneys appropriated for the programs set forth in this subsection shall be distributed directly to Tallahassee Community College to be used as set forth in this subsection.~~

~~(3) Of moneys provided to the division in paragraph (1)(a), 10 percent shall be allocated to the Florida International University center dedicated to hurricane research. The center shall develop a preliminary work plan approved by the advisory council set forth in subsection (4) to eliminate the state and local barriers to upgrading existing mobile homes and communities, research and develop a program for the recycling of existing older mobile homes, and support programs of research and development relating to hurricane loss reduction devices and techniques for site-built residences. The State University System also shall consult with the division and assist the division with the report required under subsection (6).~~



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~~(4) Except for the programs set forth in subsection (3), the division shall develop the programs set forth in this section in consultation with an advisory council consisting of a representative designated by the Chief Financial Officer, a representative designated by the Florida Home Builders Association, a representative designated by the Florida Insurance Council, a representative designated by the Federation of Manufactured Home Owners, a representative designated by the Florida Association of Counties, a representative designated by the Florida Manufactured Housing Association, and a representative designated by the Florida Building Commission.~~

(b) (5) Moneys provided to the division under this section are intended to supplement, not supplant, the division's other funding sources.

(4) An advisory council shall be established to provide advice and assistance regarding the administration of the program. The advisory council shall consist of:

(a) The director of the Office of Insurance Regulation, or his or her designee, who may not serve as chair of the committee;

(b) The director of the Division of Emergency Management, or his or her designee;

(c) The Insurance Consumer Advocate, or his or her designee;

(d) Two representatives of authorized homeowners' insurers, one of whom represents insurers with less than \$25 million in surplus and is appointed by the President of the Senate, and one of whom represents insurers with more than \$25 million in surplus and is appointed by the Speaker of the House of





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Representatives;

(e) Two scientists, one of whom has experience and training in the sciences related to windstorm loss mitigation or the Florida Building Code and is appointed by the President of the Senate, and one of whom has a background in engineering and is appointed by the Speaker of the House of Representatives;

(f) Two legislators, one appointed by the President of the Senate, and one appointed by the Speaker of the House of Representatives;

(g) Two representatives of the reinsurance industry, one whom is a representative of a direct reinsurer and is appointed by the President of the Senate, and one of whom is a representative of a reinsurance intermediary and is appointed by the Speaker of the House of Representatives;

(h) One scientist who has a background in modeling and is appointed by the division; and

(i) One representative from the windstorm mitigation inspection industry who is appointed jointly by the President of the Senate and the Speaker of the House of Representatives.

(5)~~(6)~~ On January 1st of each year, the division shall provide a full report and accounting of activities under this section and an evaluation of such activities to the Speaker of the House of Representatives, the President of the Senate, and the Majority and Minority Leaders of the House of Representatives and the Senate. Upon completion of the report, the division shall deliver the report to the Office of Insurance Regulation. The Office of Insurance Regulation shall review the report and ~~shall~~ make such recommendations available to the insurance industry as the Office of Insurance Regulation deems



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appropriate. These recommendations may be used by insurers for potential discounts or rebates pursuant to s. 627.0629. The Office of Insurance Regulation shall make such recommendations within 1 year after receiving the report.

~~(6)(7)~~ This section expires ~~is repealed~~ June 30, 2021.

Section 2. Section 627.711, Florida Statutes, is amended to read:

627.711 Notice of premium discounts for hurricane loss mitigation; uniform mitigation verification inspection form.—

(1) Using a form prescribed by the Florida Building Commission, in consultation with the Division of Emergency Management ~~Office of Insurance Regulation~~, the insurer shall clearly notify the applicant or policyholder of any personal lines residential property insurance policy, at the time of the issuance of the policy and at each renewal, of the availability and the range of each premium discount, credit, other rate differential, or reduction in deductibles, and combinations thereof ~~of discounts, credits, rate differentials, or reductions in deductibles~~, for properties on which fixtures or construction techniques demonstrated to reduce the amount of loss in a windstorm can be or have been installed or implemented. The prescribed form must ~~shall~~ describe generally what actions the policyholders may be able to take to reduce their windstorm premium. The prescribed form and a list of such ranges approved by the Florida Building Commission, in consultation with the office, for each insurer licensed in the state and providing such discounts, credits, other rate differentials, or reductions in deductibles for properties described in this subsection shall be made available for electronic viewing and downloading



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~~download from the Department of Financial Services' or the  
Office of Insurance Regulation's Internet website. The Financial  
Services Commission may adopt rules to implement this  
subsection.~~

(2)(a) The Florida Building Financial Services Commission,  
in consultation with the Division of Emergency Management, shall  
develop by rule a uniform mitigation verification inspection  
form ~~to that shall~~ be used by all insurers when submitted by  
policyholders for the purpose of factoring discounts for wind  
insurance. In developing the form, the Florida Building  
Commission, together with the Division of Emergency Management,  
shall seek input from insurance, construction, and home  
inspector and building code representatives. ~~Further,~~ The  
commission shall also provide guidance as to the length of time  
the inspection results are valid.

(a) An insurer shall accept as valid a uniform mitigation  
verification form signed by the following authorized mitigation  
inspectors who have completed at least 3 hours of hurricane  
mitigation training approved by the Construction Industry  
Licensing Board which includes hurricane mitigation techniques  
and compliance with the uniform mitigation verification form and  
completion of a proficiency examination:

1. A home inspector licensed under s. 468.8314 ~~who has~~  
~~completed at least 3 hours of hurricane mitigation training~~  
~~approved by the Construction Industry Licensing Board which~~  
~~includes hurricane mitigation techniques and compliance with the~~  
~~uniform mitigation verification form and completion of a~~  
~~proficiency exam;~~

2. A building code inspector certified under s. 468.607;



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274           3. A general, building, or residential contractor licensed  
275 under s. 489.111;

276           4. A professional engineer licensed under s. 471.015;

277           5. A professional architect licensed under s. 481.213; or

278           6. Any other individual or entity recognized by the insurer  
279 as possessing the necessary qualifications to properly complete  
280 a uniform mitigation verification form.

281           (b) An insurer may, ~~but is not required to,~~ accept a form  
282 from any other person possessing qualifications and experience  
283 acceptable to the insurer.

284           (3) A person who is authorized to sign a mitigation  
285 verification form must inspect the structures referenced by the  
286 form personally, not through employees or other persons, and  
287 must certify or attest to personal inspection of the structures  
288 referenced by the form. ~~However, licensees under s. 471.015 or~~  
289 ~~s. 489.111 may authorize a direct employee, who is not an~~  
290 ~~independent contractor, and who possesses the requisite skill,~~  
291 ~~knowledge and experience, to conduct a mitigation verification~~  
292 ~~inspection. Insurers shall have the right to request and obtain~~  
293 ~~information from the authorized mitigation inspector under s.~~  
294 ~~471.015 or s. 489.111, regarding any authorized employee's~~  
295 ~~qualifications prior to accepting a mitigation verification form~~  
296 ~~performed by an employee that is not licensed under s. 471.015~~  
297 ~~or s. 489.111.~~

298           (4) An authorized mitigation inspector that signs a uniform  
299 mitigation form, ~~and a direct employee authorized to conduct~~  
300 ~~mitigation verification inspections under paragraph (3),~~ may not  
301 commit misconduct in performing hurricane mitigation inspections  
302 or in completing a uniform mitigation form that causes financial



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harm to a customer or their insurer; or that jeopardizes a customer's health and safety. Misconduct occurs when an authorized mitigation inspector signs a uniform mitigation verification form that:

(a) Falsely indicates that he or she personally inspected the structures referenced by the form;

(b) Falsely indicates the existence of a feature that ~~which~~ entitles an insured to a mitigation discount that ~~which~~ the inspector knows does not exist or did not personally inspect;

(c) Contains erroneous information due to the gross negligence of the inspector; or

(d) Contains a pattern of demonstrably false information regarding the existence of mitigation features that could give an insured a false evaluation of the ability of the structure to withstand major damage from a hurricane endangering the safety of the insured's life and property.

(5) The licensing board of an authorized mitigation inspector that violates subsection (4) may commence disciplinary proceedings and impose administrative fines and other sanctions authorized under the authorized mitigation inspector's licensing act. ~~Authorized mitigation inspectors licensed under s. 471.015 or s. 489.111 shall be directly liable for the acts of employees that violate subsection (4) as if the authorized mitigation inspector personally performed the inspection.~~

(6) An insurer, person, or other entity that obtains evidence of fraud or evidence that an authorized mitigation inspector ~~or an employee authorized to conduct mitigation verification inspections under paragraph (3)~~ has made false statements in the completion of a mitigation inspection form



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shall file a report with the Division of Insurance Fraud, along with all of the evidence in its possession which ~~that~~ supports the allegation of fraud or falsity. An insurer, person, or other entity making the report is ~~shall be~~ immune from liability, in accordance with s. 626.989(4), for any statements made in the report, during the investigation, or in connection with the report. The Division of Insurance Fraud shall issue an investigative report if it finds that probable cause exists to believe that the authorized mitigation inspector, ~~or an employee authorized to conduct mitigation verification inspections under paragraph (3),~~ made intentionally false or fraudulent statements in the inspection form. Upon conclusion of the investigation and a finding of probable cause that a violation has occurred, the Division of Insurance Fraud shall send a copy of the investigative report to the office and a copy to the agency responsible for the professional licensure of the authorized mitigation inspector, whether or not a prosecutor takes action based upon the report.

(7) An individual or entity who knowingly provides or utters a false or fraudulent mitigation verification form with the intent to obtain or receive a discount on an insurance premium to which the individual or entity is not entitled commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

(8) At its expense, the insurer may require that a uniform mitigation verification form provided by a policyholder, a policyholder's agent, or an authorized mitigation inspector or inspection company be independently verified by an inspector, an inspection company, or an independent third-party quality



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assurance provider that ~~which~~ possesses a quality assurance program before accepting the uniform mitigation verification form as valid.

Section 3. This act shall take effect July 1, 2012.

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

And the title is amended as follows:

Delete everything before the enacting clause  
and insert:

A bill to be entitled

An act relating to the Hurricane Loss Mitigation Program; amending s. 215.559, F.S.; revising provisions relating to the program; providing purposes and program duties including funding and supervising the public hurricane loss projection model; providing additional specification as to how moneys appropriated to the Division of Emergency Management for the program are spent; revising the membership of the program's advisory council; deleting the Manufactured Housing and Mobile Home Mitigation and Enhancement Program; amending s. 627.711, F.S.; requiring the form used by insurers to provide notice of premium discounts and the uniform mitigation verification inspection form to be prescribed by the Florida Building Commission, in consultation with the Division of Emergency Management; revising who must conduct such mitigation verification inspections and sign such form; providing an effective date.



105714

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
02/06/2012	.	
	.	
	.	
	.	

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The Committee on Military Affairs, Space, and Domestic Security (Storms) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 37 - 180  
and insert:  
division for the purposes set forth in this section. Of the  
amount:

(a) Seven million dollars in funds shall be used for  
programs to improve the wind resistance of residences and mobile  
homes, including loans, subsidies, grants, demonstration  
projects, and direct assistance; educating persons concerning  
the Florida Building Code cooperative programs with local  
governments and the Federal Government; and other efforts to





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13 prevent or reduce losses or reduce the cost of rebuilding after  
14 a disaster.

15 (b) Three million dollars in funds shall be used to  
16 retrofit existing facilities used as public hurricane shelters.  
17 Each year the division shall prioritize the use of these funds  
18 for projects included in the annual report of the Shelter  
19 Retrofit Report prepared in accordance with s. 252.385(3). The  
20 division must give funding priority to projects in regional  
21 planning council regions that have shelter deficits and to  
22 projects that maximize the use of state funds.

23 (2)(a) Forty percent of the total appropriation in  
24 paragraph (1)(a) shall be used to inspect and improve tie-downs  
25 for mobile homes.

26 (b)1. The Manufactured Housing and Mobile Home Mitigation  
27 and Enhancement Program is established. The program shall  
28 require the mitigation of damage to or the enhancement of homes  
29 for the areas of concern raised by the Department of Highway  
30 Safety and Motor Vehicles in the 2004-2005 Hurricane Reports on  
31 the effects of the 2004 and 2005 hurricanes on manufactured and  
32 mobile homes in this state. The mitigation or enhancement must  
33 include, but need not be limited to, problems associated with  
34 weakened trusses, studs, and other structural components caused  
35 by wood rot or termite damage; site-built additions; or tie-down  
36 systems and may also address any other issues deemed appropriate  
37 by Tallahassee Community College, the Federation of Manufactured  
38 Home Owners of Florida, Inc., the Florida Manufactured Housing  
39 Association, and the Department of Highway Safety and Motor  
40 Vehicles. The program shall include an education and outreach  
41 component to ensure that owners of manufactured and mobile homes



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are aware of the benefits of participation.

2. The program shall be a grant program that ensures that entire manufactured home communities and mobile home parks may be improved wherever practicable. The moneys appropriated for this program shall be distributed directly to Tallahassee Community College for the uses set forth under this subsection.

3. Upon evidence of completion of the program, the Citizens Property Insurance Corporation shall grant, on a pro rata basis, actuarially reasonable discounts, credits, or other rate differentials or appropriate reductions in deductibles for the properties of owners of manufactured homes or mobile homes on which fixtures or construction techniques that have been demonstrated to reduce the amount of loss in a windstorm have been installed or implemented. The discount on the premium must be applied to subsequent renewal premium amounts. Premiums of the Citizens Property Insurance Corporation must reflect the location of the home and the fact that the home has been installed in compliance with building codes adopted after Hurricane Andrew. Rates resulting from the completion of the Manufactured Housing and Mobile Home Mitigation and Enhancement Program are not considered competitive rates for the purposes of s. 627.351(6)(d)1. and 2.

4. On or before January 1 of each year, Tallahassee Community College shall provide a report of activities under this subsection to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The report must set forth the number of homes that have taken advantage of the program, the types of enhancements and improvements made to the manufactured or mobile homes and attachments to such homes, and



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whether there has been an increase in availability of insurance products to owners of manufactured or mobile homes.

Tallahassee Community College shall develop the programs set forth in this subsection in consultation with the Federation of Manufactured Home Owners of Florida, Inc., the Florida Manufactured Housing Association, and the Department of Highway Safety and Motor Vehicles. The moneys appropriated for the programs set forth in this subsection shall be distributed directly to Tallahassee Community College to be used as set forth in this subsection.

(3) Of moneys provided to the division in paragraph (1)(a), 10 percent shall be allocated to the Florida International University center dedicated to hurricane research. The center shall develop a preliminary work plan approved by the advisory council set forth in subsection (4) to eliminate the state and local barriers to upgrading existing mobile homes and communities, research and develop a program for the recycling of existing older mobile homes, and support programs of research and development relating to hurricane loss reduction devices and techniques for site-built residences. The State University System also shall consult with the division and assist the division with the report required under subsection (6).

(4) Except for the programs set forth in subsection (3), the division shall develop the programs set forth in this section in consultation with an advisory council consisting of a representative designated by the Chief Financial Officer, a representative designated by the Florida Home Builders Association, a representative designated by the Florida



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Insurance Council, a representative designated by the Federation of Manufactured Home Owners, a representative designated by the Florida Association of Counties, a representative designated by the Florida Manufactured Housing Association, and a representative designated by the Florida Building Commission.

(5) Moneys provided to the division under this section are intended to supplement, not supplant, the division's other funding sources.

(6) An advisory council shall be established to provide advice and assistance regarding the administration of the program. The advisory council shall consist of:

(a) The Director of the Office of Insurance Regulation, or his or her designee, who may not serve as chair of the committee;

(b) The Insurance Consumer Advocate, or his or her designee;

(c) Two representatives of homeowners' insurance companies, one of whom represents small companies and is appointed by the President of the Senate, and one of whom represents large companies and is appointed by the Speaker of the House of Representatives;

(d) Two scientists, one of whom has experience and training in the sciences related to wind or the building code and is appointed by the President of the Senate, and one of whom has a background in engineering and is appointed by the Speaker of the House of Representatives;

(e) Two legislators, one appointed by the President of the Senate, and one appointed by the Speaker of the House of Representatives;



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(f) One representative of the reinsurance industry, who is appointed jointly by the President of the Senate and the Speaker of the House of Representatives; and

(f) One scientist who has a background in modeling appointed by the division.

(7)~~(6)~~ On January 1st of each year, the division shall provide a full report and accounting of activities under this section and an evaluation of such activities to the Speaker of the House of Representatives, the President of the Senate, and the Majority and Minority Leaders of the House of Representatives and the Senate. Upon completion of the report, the division shall deliver the report to the Office of Insurance Regulation. The Office of Insurance Regulation shall review the report and ~~shall~~ make such recommendations available to the insurance industry as the Office of Insurance Regulation deems appropriate. These recommendations may be used by insurers for potential discounts or rebates pursuant to s. 627.0629. The Office of Insurance Regulation shall make such recommendations within 1 year after receiving the report.

(8)~~(7)~~ This section expires ~~is repealed~~ June 30, 2021.

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

And the title is amended as follows:

Delete lines 6 - 9

and insert:

advisory council; providing an effective date.

By Senator Hays

20-01371-12

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1 A bill to be entitled  
2 An act relating to the Hurricane Loss Mitigation  
3 Program; amending s. 215.559, F.S.; revising  
4 provisions relating to the program; providing  
5 purposes; revising the membership of the program's  
6 advisory council; deleting provisions specifying how  
7 program funding is to be apportioned; deleting the  
8 Manufactured Housing and Mobile Home Mitigation and  
9 Enhancement Program; providing an effective date.

10  
11 Be It Enacted by the Legislature of the State of Florida:

12  
13 Section 1. Section 215.559, Florida Statutes, is amended to  
14 read:

15 215.559 Hurricane Loss Mitigation Program.—A Hurricane Loss  
16 Mitigation Program is established in the Division of Emergency  
17 Management.

18 (1) The purpose of the program is to:

19 (a) Provide funding and supervision for the public  
20 hurricane loss projection model;

21 (b) Supervise and fund the My Safe Florida Home Program;

22 (c) Establish a statewide program for inspection standards  
23 and data collection related to hurricane loss;

24 (d) Further the science of hurricane mitigation by working  
25 with all types of businesses, scientists, and academics in order  
26 to further the availability and measure the effectiveness of new  
27 ways to mitigate hurricane damage to homes;

28 (e) Be a state resource on the assessment of the potential  
29 expected cost of hurricane damage and the results of mitigation;

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and

(f) Provide regulatory oversight to the Office of Insurance Regulation on the applicability and use of wind mitigation discounts for homeowners' insurance.

(2)~~(1)~~ The Legislature shall annually appropriate \$10 million of the moneys authorized for appropriation under s. 215.555(7)(c) from the Florida Hurricane Catastrophe Fund to the division for the purposes set forth in this section. ~~Of the amount:~~

~~(a) Seven million dollars in funds shall be used for programs to improve the wind resistance of residences and mobile homes, including loans, subsidies, grants, demonstration projects, and direct assistance; educating persons concerning the Florida Building Code cooperative programs with local governments and the Federal Government; and other efforts to prevent or reduce losses or reduce the cost of rebuilding after a disaster.~~

~~(b) Three million dollars in funds shall be used to retrofit existing facilities used as public hurricane shelters. Each year the division shall prioritize the use of these funds for projects included in the annual report of the Shelter Retrofit Report prepared in accordance with s. 252.385(3). The division must give funding priority to projects in regional planning council regions that have shelter deficits and to projects that maximize the use of state funds.~~

~~(2)(a) Forty percent of the total appropriation in paragraph (1)(a) shall be used to inspect and improve tie-downs for mobile homes.~~

~~(b)1. The Manufactured Housing and Mobile Home Mitigation~~

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59 ~~and Enhancement Program is established. The program shall~~  
60 ~~require the mitigation of damage to or the enhancement of homes~~  
61 ~~for the areas of concern raised by the Department of Highway~~  
62 ~~Safety and Motor Vehicles in the 2004-2005 Hurricane Reports on~~  
63 ~~the effects of the 2004 and 2005 hurricanes on manufactured and~~  
64 ~~mobile homes in this state. The mitigation or enhancement must~~  
65 ~~include, but need not be limited to, problems associated with~~  
66 ~~weakened trusses, studs, and other structural components caused~~  
67 ~~by wood rot or termite damage; site-built additions; or tie-down~~  
68 ~~systems and may also address any other issues deemed appropriate~~  
69 ~~by Tallahassee Community College, the Federation of Manufactured~~  
70 ~~Home Owners of Florida, Inc., the Florida Manufactured Housing~~  
71 ~~Association, and the Department of Highway Safety and Motor~~  
72 ~~Vehicles. The program shall include an education and outreach~~  
73 ~~component to ensure that owners of manufactured and mobile homes~~  
74 ~~are aware of the benefits of participation.~~

75 ~~2. The program shall be a grant program that ensures that~~  
76 ~~entire manufactured home communities and mobile home parks may~~  
77 ~~be improved wherever practicable. The moneys appropriated for~~  
78 ~~this program shall be distributed directly to Tallahassee~~  
79 ~~Community College for the uses set forth under this subsection.~~

80 ~~3. Upon evidence of completion of the program, the Citizens~~  
81 ~~Property Insurance Corporation shall grant, on a pro rata basis,~~  
82 ~~actuarially reasonable discounts, credits, or other rate~~  
83 ~~differentials or appropriate reductions in deductibles for the~~  
84 ~~properties of owners of manufactured homes or mobile homes on~~  
85 ~~which fixtures or construction techniques that have been~~  
86 ~~demonstrated to reduce the amount of loss in a windstorm have~~  
87 ~~been installed or implemented. The discount on the premium must~~



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88 ~~be applied to subsequent renewal premium amounts. Premiums of~~  
89 ~~the Citizens Property Insurance Corporation must reflect the~~  
90 ~~location of the home and the fact that the home has been~~  
91 ~~installed in compliance with building codes adopted after~~  
92 ~~Hurricane Andrew. Rates resulting from the completion of the~~  
93 ~~Manufactured Housing and Mobile Home Mitigation and Enhancement~~  
94 ~~Program are not considered competitive rates for the purposes of~~  
95 ~~s. 627.351(6)(d)1. and 2.~~

96 ~~4. On or before January 1 of each year, Tallahassee~~  
97 ~~Community College shall provide a report of activities under~~  
98 ~~this subsection to the Governor, the President of the Senate,~~  
99 ~~and the Speaker of the House of Representatives. The report must~~  
100 ~~set forth the number of homes that have taken advantage of the~~  
101 ~~program, the types of enhancements and improvements made to the~~  
102 ~~manufactured or mobile homes and attachments to such homes, and~~  
103 ~~whether there has been an increase in availability of insurance~~  
104 ~~products to owners of manufactured or mobile homes.~~

105  
106 ~~Tallahassee Community College shall develop the programs set~~  
107 ~~forth in this subsection in consultation with the Federation of~~  
108 ~~Manufactured Home Owners of Florida, Inc., the Florida~~  
109 ~~Manufactured Housing Association, and the Department of Highway~~  
110 ~~Safety and Motor Vehicles. The moneys appropriated for the~~  
111 ~~programs set forth in this subsection shall be distributed~~  
112 ~~directly to Tallahassee Community College to be used as set~~  
113 ~~forth in this subsection.~~

114 ~~(3) Of moneys provided to the division in paragraph (1)(a),~~  
115 ~~10 percent shall be allocated to the Florida International~~  
116 ~~University center dedicated to hurricane research. The center~~

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117 ~~shall develop a preliminary work plan approved by the advisory~~  
118 ~~council set forth in subsection (4) to eliminate the state and~~  
119 ~~local barriers to upgrading existing mobile homes and~~  
120 ~~communities, research and develop a program for the recycling of~~  
121 ~~existing older mobile homes, and support programs of research~~  
122 ~~and development relating to hurricane loss reduction devices and~~  
123 ~~techniques for site-built residences. The State University~~  
124 ~~System also shall consult with the division and assist the~~  
125 ~~division with the report required under subsection (6).~~

126 ~~(4) Except for the programs set forth in subsection (3),~~  
127 ~~the division shall develop the programs set forth in this~~  
128 ~~section in consultation with an advisory council consisting of a~~  
129 ~~representative designated by the Chief Financial Officer, a~~  
130 ~~representative designated by the Florida Home Builders~~  
131 ~~Association, a representative designated by the Florida~~  
132 ~~Insurance Council, a representative designated by the Federation~~  
133 ~~of Manufactured Home Owners, a representative designated by the~~  
134 ~~Florida Association of Counties, a representative designated by~~  
135 ~~the Florida Manufactured Housing Association, and a~~  
136 ~~representative designated by the Florida Building Commission.~~

137 ~~(5) Moneys provided to the division under this section are~~  
138 ~~intended to supplement, not supplant, the division's other~~  
139 ~~funding sources.~~

140 (3) An advisory council shall be established to provide  
141 advice and assistance regarding the administration of the  
142 program. The advisory council shall consist of:

143 (a) The Director of the Office of Insurance Regulation, or  
144 his or her designee, who may not serve as chair of the  
145 committee;

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146       (b) The Insurance Consumer Advocate, or his or her  
147 designee;

148       (c) Two representatives of homeowners' insurance companies,  
149 one of whom represents small companies and is appointed by the  
150 President of the Senate, and one of whom represents large  
151 companies and is appointed by the Speaker of the House of  
152 Representatives;

153       (d) Two scientists, one of whom has experience and training  
154 in the sciences related to wind or the building code and is  
155 appointed by the President of the Senate, and one of whom has a  
156 background in engineering and is appointed by the Speaker of the  
157 House of Representatives;

158       (e) Two legislators, one appointed by the President of the  
159 Senate, and one appointed by the Speaker of the House of  
160 Representatives;

161       (f) One representative of the reinsurance industry, who is  
162 appointed jointly by the President of the Senate and the Speaker  
163 of the House of Representatives; and

164       (f) One scientist who has a background in modeling  
165 appointed by the division.

166       (4) ~~(6)~~ On January 1st of each year, the division shall  
167 provide a full report and accounting of activities under this  
168 section and an evaluation of such activities to the Speaker of  
169 the House of Representatives, the President of the Senate, and  
170 the Majority and Minority Leaders of the House of  
171 Representatives and the Senate. Upon completion of the report,  
172 the division shall deliver the report to the Office of Insurance  
173 Regulation. The Office of Insurance Regulation shall review the  
174 report and ~~shall~~ make such recommendations available to the

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insurance industry as the Office of Insurance Regulation deems appropriate. These recommendations may be used by insurers for potential discounts or rebates pursuant to s. 627.0629. The Office of Insurance Regulation shall make such recommendations within 1 year after receiving the report.

(5) ~~(7)~~ This section expires ~~is repealed~~ June 30, 2021.

Section 2. This act shall take effect July 1, 2012.