

By Senator Burt

16-1665-98

See HM

1 Senate Memorial No. \_\_\_\_

2 A memorial in support of designating the  
3 Florida Windstorm Underwriting Association and  
4 the Florida Residential Property & Casualty  
5 Joint Underwriting Association as tax-exempt  
6 entities under s. 501(c) of the Internal  
7 Revenue Code.

8  
9 WHEREAS, in recent years, catastrophic storms have  
10 caused great destruction of property, inflicting billions of  
11 dollars of losses upon the residents of the State of Florida,  
12 and

13 WHEREAS, many property and casualty insurers, citing  
14 the risks associated with catastrophic storms, have sought in  
15 recent years to abandon the Florida market and hundreds of  
16 thousands of home owners and businesses have been at risk of  
17 being unable to purchase the insurance they need to sustain  
18 the economic life of their communities, and

19 WHEREAS, the State of Florida has sought to ensure the  
20 integrity of its insurance markets, and thus assure the  
21 economic health of this state, by establishing two residual  
22 market mechanisms, the Florida Windstorm Underwriting  
23 Association and the Florida Residential Property and Casualty  
24 Joint Underwriting Association, to offer limited property and  
25 casualty insurance that may be unavailable on the commercial  
26 market, and

27 WHEREAS, the State of Florida has provided that the  
28 Florida Windstorm Underwriting Association and the Florida  
29 Residential Property and Casualty Joint Underwriting  
30 Association be operated on a not-for-profit basis, with no  
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1 possibility for private inurement, and for the exclusive  
2 purpose of providing a public benefit, and

3           WHEREAS, because of their current federal tax status,  
4 neither the Florida Windstorm Underwriting Association nor the  
5 Florida Residential Property and Casualty Joint Underwriting  
6 Association can create and accumulate needed reserves on a  
7 tax-free basis for use in future years when a major  
8 catastrophe occurs, and

9           WHEREAS, designating the Florida Windstorm Underwriting  
10 Association and the Florida Residential Property and Casualty  
11 Joint Underwriting Association as tax-exempt will help those  
12 entities address the financial exigencies that could be  
13 brought on by a catastrophic storm or other major perils by  
14 greatly enhancing their ability to accumulate needed reserves,  
15 and

16           WHEREAS, the Florida Windstorm Underwriting Association  
17 and the Florida Residential Property and Casualty Joint  
18 Underwriting Association merit inclusion under s. 501(c) of  
19 the Internal Revenue Code because they each meet the criteria  
20 generally posited for tax-exempt status, that is, promotion of  
21 a public benefit and prohibition of private inurement, NOW,  
22 THEREFORE,

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24 Be It Resolved by the Legislature of the State of Florida:

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26           That the Congressional delegation of the State of  
27 Florida, the United States Congress, and the President of the  
28 United States are respectfully requested to act with all  
29 deliberate speed to enact legislation designating the Florida  
30 Windstorm Underwriting Association and the Florida Residential  
31 Property and Casualty Joint Underwriting Association as

1 tax-exempt entities under s. 501(c) of the Internal Revenue  
2 Code.  
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