

Bill No. HB 1937, 2nd Eng.

Barcode 624518

CHAMBER ACTION

Senate

House

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11 Senator Garcia moved the following **amendment to amendment**
12 (435620):

14 **Senate Amendment (with title amendment)**

15 On page 56, between lines 29 and 30,

17 insert:

18 Section 24. Task Force on Long-Term Solutions for
19 Florida's Hurricane Insurance Market.--

20 (1) TASK FORCE CREATED.--There is created the Task
21 Force on Long-Term Solutions for Florida's Hurricane Insurance
22 Market.

23 (2) ADMINISTRATION.--The task force shall be
24 administratively housed within the Office of the Chief
25 Financial Officer, but shall operate independently of any
26 state officer or agency. The Office of the Chief Financial
27 Officer shall provide such administrative support as the task
28 force deems necessary to accomplish its mission and shall
29 provide necessary funding for the task force within its
30 existing resources. The Executive Office of the Governor, the
31 Department of Financial Services, and the Office of Insurance

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1 Regulation shall provide substantive staff support for the
2 task force.

3 (3) MEMBERSHIP.--The members of the task force shall
4 be appointed as follows:

5 (a) The Governor shall appoint three members who have
6 expertise in financial matters, one of whom is a
7 representative of the mortgage lending industry, one of whom
8 is a representative of the real estate or construction
9 industry, and one of whom is a representative of insurance
10 consumers.

11 (b) The Chief Financial Officer shall appoint three
12 members who have expertise in financial matters, one of whom
13 is a representative of a national property insurer or of a
14 Florida-only subsidiary of a national property insurer, one of
15 whom is a representative of a domestic property insurer in
16 this state, and one of whom is a representative of insurance
17 agents.

18 (c) The President of the Senate shall appoint three
19 members.

20 (d) The Speaker of the House of Representatives shall
21 appoint three members.

22 (e) The Commissioner of Insurance Regulation shall
23 serve as an ex officio voting member of the task force.

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25 Members of the task force shall serve without compensation but
26 are entitled to receive reimbursement for per diem and travel
27 expenses as provided in section 112.061, Florida Statutes.

28 (4) PURPOSE AND INTENT.--The Legislature recognizes
29 that the continued availability of hurricane insurance
30 coverage for property owners in this state is essential to the
31 state's economic survival. The Legislature further recognizes

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1 that legislative efforts to resolve problems in the hurricane
 2 insurance market in 2005 may not be sufficient to address this
 3 state's long-term needs and that further action may be
 4 necessary in subsequent legislative sessions. The purpose of
 5 the task force is to make recommendations to the legislative
 6 and executive branches of this state's government relating to
 7 the creation and maintenance of insurance capacity in the
 8 private sector and public sector which is sufficient to ensure
 9 that all property owners in this state are able to obtain
 10 appropriate insurance coverage for hurricane losses, as
 11 further described in this section.

12 (5) SPECIFIC TASKS.--The task force shall conduct such
 13 research and hearings as it deems necessary to achieve the
 14 purposes specified in subsection (4) and shall develop
 15 information on relevant issues, including, but not limited to,
 16 the following issues:

17 (a) Whether this state currently has sufficient
 18 hurricane insurance capacity to ensure the continuation of a
 19 healthy, competitive marketplace, taking into consideration
 20 both private-sector resources and public-sector resources.

21 (b) Identifying the future demands on this state's
 22 hurricane insurance capacity, taking into account population
 23 growth, coastal growth, and anticipated future hurricane
 24 activity.

25 (c) Whether the Florida Hurricane Catastrophe Fund
 26 fulfilled its purpose of creating additional insurance
 27 capacity sufficient to ameliorate the current dangers to the
 28 state's economy and to the public health, safety, and welfare
 29 in its response to the 2004 hurricane season.

30 (d) The extent to which the growth in Citizens
 31 Property Insurance Corporation is attributable to insufficient

1 insurance capacity.

2 (e) The extent to which the growth trends of Citizens
3 Property Insurance Corporation create long-term problems for
4 property owners, buyers, and sellers in this state and for
5 other persons and businesses that depend on a viable market.

6 (f) The operation and role of Citizens Property
7 Insurance Corporation, including:

8 1. How to ensure that the corporation operates as an
9 insurer of last resort which does not compete with insurers in
10 the voluntary market, but which charges rates that are not
11 excessive, inadequate, or unfairly discriminatory;

12 2. Whether the bonuses paid by the corporation to
13 carriers taking policies out of the corporation provide a
14 cost-effective means of reducing the potential liability of
15 the corporation;

16 3. Whether the "Consumer Choice" law should be
17 repealed or amended to ensure that the corporation serves as
18 the insurer of last resort;

19 4. Whether coverage amounts should be limited;

20 5. Whether the corporation has hired an adequate level
21 of permanent claims and adjusting staff in addition to
22 outsourcing its claims-adjusting functions to independent
23 adjusting firms;

24 6. The effect of reducing or expanding the areas that
25 are eligible for coverage in the high-risk, wind-only account;

26 7. Whether the corporation should purchase reinsurance
27 or take other actions that reduce the potential for debt
28 financing and deficit assessments; and

29 8. An evaluation of the infrastructure and
30 administration of the corporation and how to improve customer
31 service, claims handling, and communication and the exchange

1 of information with agents of policyholders of the
2 corporation.

3 (6) REPORT AND RECOMMENDATIONS.--By April 1, 2006, the
4 task force shall provide a report containing findings relating
5 to the tasks identified in subsection (5) and recommendations
6 consistent with the purposes of this section and also
7 consistent with such findings. The task force shall submit the
8 report to the Governor, the Chief Financial Officer, the
9 President of the Senate, and the Speaker of the House of
10 Representatives. The task force may also submit such interim
11 reports as it deems appropriate.

12 (7) ADDITIONAL ACTIVITIES.--The task force shall
13 monitor the implementation of hurricane insurance-related
14 legislation enacted during the 2005 Regular Session and shall
15 make such additional recommendations as it deems appropriate
16 for further legislative action during the 2004-2006
17 legislative biennium.

18 (8) EXPIRATION.--The task force shall expire at the
19 end of the 2004-2006 legislative biennium.

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21 (Redesignate subsequent sections.)

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

25 And the title is amended as follows:

26 On page 66, line 12, after the semicolon,

27
28 insert:

29 creating the Task Force on Long-Term Solutions
30 for Florida's Hurricane Insurance Market;
31 requiring the Executive Office of the Governor,

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1 the Department of Financial Services, and the
2 Office of Insurance Regulation to provide
3 administrative support and staff support;
4 providing membership; providing purpose and
5 intent; providing for research and hearings on
6 specified issues; requiring the task force to
7 submit a report of findings and recommendations
8 to the Governor, the Chief Financial Officer,
9 the President of the Senate, and the Speaker of
10 the House of Representatives; providing for
11 additional activities; providing for expiration
12 of the task force;

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