

1 A bill to be entitled
2 An act relating to hurricane preparedness and insurance;
3 creating the Citizens Property Insurance Corporation
4 Mission Review Task Force; providing purposes; requiring a
5 report; providing report requirements; providing for
6 appointment of members; providing responsibilities;
7 specifying service without compensation; providing for
8 reimbursement of per diem and travel expenses; providing
9 meeting requirements; requiring the corporation to assist
10 the task force; providing for the expiration of the task
11 force; requiring the Chief Financial Officer to provide a
12 report on the economic impact on the state of certain
13 hurricanes; providing report requirements; amending s.
14 553.73, F.S.; limiting the authority of the Florida
15 Building Commission to modify certain codes and standards
16 under certain circumstances; requiring counties and
17 municipalities to enforce certain windborne debris
18 protections and structural guidelines; requiring the
19 commission to amend the Florida Building Code to require
20 application of certain standards and eliminate certain
21 exceptions; prohibiting amendment of the Florida Building
22 Code to diminish certain requirements; authorizing the
23 commission to amend the code to enhance certain
24 requirements; amending s. 10, ch. 2007-1, Laws of Florida;
25 revising reporting requirements for the commission's
26 voluntary "Code Plus" guidelines; providing an
27 appropriation; providing an effective date.
28

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

30
 31 Section 1. (1) The Citizens Property Insurance
 32 Corporation Mission Review Task Force is created to analyze and
 33 compile available data and to develop a report setting forth the
 34 statutory and operational changes needed to return Citizens
 35 Property Insurance Corporation to its former role as a state-
 36 created, noncompetitive residual market mechanism that provides
 37 property insurance coverage to risks that are otherwise entitled
 38 but unable to obtain such coverage in the private insurance
 39 market. The task force shall submit a report to the Governor,
 40 the President of the Senate, and the Speaker of the House of
 41 Representatives by January 31, 2008. At a minimum, the task
 42 force shall analyze and evaluate relevant and applicable
 43 information and data and develop recommendations concerning:

44 (a) The nature of Citizens Property Insurance
 45 Corporation's role in providing property insurance coverage when
 46 and only if such coverage is not available from private
 47 insurers.

48 (b) The ability of the admitted market to offer policies
 49 to those consumers formerly insured through Citizens Property
 50 Insurance Corporation. This consideration shall include, but not
 51 be limited to, the availability of private market reinsurance
 52 and coverage through the Florida Hurricane Catastrophe Fund, the
 53 general adequacy of the admitted market's current rates, and the
 54 capacity of the industry to offer policies to former Citizens
 55 Property Insurance Corporation policyholders within existing
 56 writing ratio limitations.

57 (c) The appropriate relationship of rates charged by
58 Citizens Property Insurance Corporation to rates charged by
59 private insurers, with due consideration for the corporation's
60 role as a noncompetitive residual market mechanism.

61 (d) The relationships between the exposure of Citizens
62 Property Insurance Corporation to catastrophic hurricane losses,
63 the corporation's history of purchasing inadequate or no
64 reinsurance coverage, and the corporation's lack of adequate
65 capital to meet its potential claim obligations without
66 incurring large deficits.

67 (e) The adverse effects on the people and the economy of
68 this state of the large, multiyear deficit assessments by
69 Citizens Property Insurance Corporation that may be levied on
70 businesses and households in this state, and steps that can be
71 taken to reduce those effects.

72 (f) The operational implications of the variation in the
73 number of policies in force over time in Citizens Property
74 Insurance Corporation and the merits of outsourcing some or all
75 of its operational responsibilities.

76 (g) Changes in the mission and operations of Citizens
77 Property Insurance Corporation to reduce or eliminate any
78 adverse effect such mission and operations may be having on the
79 promotion of sound and economic growth and development of the
80 coastal areas of this state.

81 (2) The task force shall be composed of 17 members as
82 follows:

83 (a) Three members appointed by the Speaker of the House of
84 Representatives.

85 (b) Three members appointed by the President of the
86 Senate.

87 (c) Three members appointed by the Governor who are not
88 employed by or professionally affiliated with an insurance
89 company or a subsidiary of an insurance company.

90 (d) Eight members appointed as representatives of private
91 insurance companies as follows:

92 1. Two members representing two separate insurance
93 companies in this state that each provide at least 300,000
94 property insurance policies statewide at the time of the
95 creation of the task force.

96 2. Two members representing two separate insurance
97 companies in this state that each provide at least 100,000 but
98 no more than 299,000 property insurance policies statewide at
99 the time of the creation of the task force.

100 3. Two members representing two separate insurance
101 companies in this state that each provide fewer than 100,000
102 property insurance policies statewide at the time of the
103 creation of the task force.

104 4. Two members appointed by the Chief Financial Officer
105 representing insurance agents in this state, at least one of
106 whom represents the largest property and casualty insurance
107 agent's association in this state.

108
109 Of each pair of members appointed under subparagraphs 1., 2.,
110 and 3., one shall be appointed by the President of the Senate
111 and one by the Speaker of the House of Representatives.

112 (3) The task force shall conduct research, hold public

113 meetings, receive testimony, employ consultants and
114 administrative staff, and undertake other activities determined
115 by its members to be necessary to complete its responsibilities.
116 Citizens Property Insurance Corporation shall have appropriate
117 senior staff attend task force meetings, shall respond to
118 requests for testimony and data by the task force, and shall
119 otherwise cooperate with the task force.

120 (4) A member of the task force may not delegate his or her
121 attendance or voting power to a designee.

122 (5) Members of the task force shall serve without
123 compensation but are entitled to receive reimbursement for
124 travel and per diem as provided in s. 112.061, Florida Statutes.

125 (6) The appointments to the task force must be completed
126 within 30 calendar days after the effective date of this act,
127 and the task force must hold its initial meeting within 1 month
128 after appointment of all members. The task force shall expire no
129 later than 60 calendar days after submission of the report
130 required in subsection (1).

131 Section 2. The Chief Financial Officer shall provide a
132 report on the economic impact on the state of a 1-in-250-year
133 hurricane to the Governor, the President of the Senate, and the
134 Speaker of the House of Representatives by March 1 of each year.
135 The report shall include an estimate of the short-term and long-
136 term fiscal impacts of such a storm on Citizens Property
137 Insurance Corporation, the Florida Hurricane Catastrophe Fund,
138 the private insurance and reinsurance markets, the state
139 economy, and the state debt. The report may also include
140 recommendations by the Chief Financial Officer for preparing for

141 such a hurricane and reducing the economic impact of such a
 142 hurricane on the state. In preparing the analysis, the Chief
 143 Financial Officer shall coordinate with and obtain data from the
 144 Office of Insurance Regulation, Citizens Property Insurance
 145 Corporation, the Florida Hurricane Catastrophe Fund, the Florida
 146 Commission on Hurricane Loss Projection Methodology, the State
 147 Board of Administration, the Office of Economic and Demographic
 148 Research, and other state agencies.

149 Section 3. Subsection (3) of section 553.73, Florida
 150 Statutes, as amended by chapter 2007-1, Laws of Florida, is
 151 amended, and subsection (13) is added to that section, to read:

152 553.73 Florida Building Code.--

153 (3) The commission shall select from available national or
 154 international model building codes, or other available building
 155 codes and standards currently recognized by the laws of this
 156 state, to form the foundation for the Florida Building Code. The
 157 commission may modify the selected model codes and standards as
 158 needed to accommodate the specific needs of this state, but only
 159 to the extent that any such modifications strengthen, not
 160 weaken, the structural integrity of buildings constructed in
 161 compliance with provisions of the Florida Building Code relating
 162 to wind protection. Standards or criteria referenced by the
 163 selected model codes shall be similarly incorporated by
 164 reference. If a referenced standard or criterion requires
 165 amplification or modification to be appropriate for use in this
 166 state, only the amplification or modification shall be
 167 specifically set forth in the Florida Building Code. The Florida
 168 Building Commission may approve technical amendments to the

169 code, subject to the requirements of subsections (7) and (8),
 170 after the amendments have been subject to the following
 171 conditions:

172 (a) The proposed amendment has been published on the
 173 commission's website for a minimum of 45 days and all the
 174 associated documentation has been made available to any
 175 interested party before any consideration by any Technical
 176 Advisory Committee;

177 (b) In order for a Technical Advisory Committee to make a
 178 favorable recommendation to the commission, the proposal must
 179 receive a three-fourths vote of the members present at the
 180 Technical Advisory Committee meeting and at least half of the
 181 regular members must be present in order to conduct a meeting;

182 (c) After Technical Advisory Committee consideration and a
 183 recommendation for approval of any proposed amendment, the
 184 proposal must be published on the commission's website for not
 185 less than 45 days before any consideration by the commission;
 186 and

187 (d) Any proposal may be modified by the commission based
 188 on public testimony and evidence from a public hearing held in
 189 accordance with chapter 120.

190
 191 The commission shall incorporate within sections of the Florida
 192 Building Code provisions which address regional and local
 193 concerns and variations, but only to the extent that any such
 194 modifications strengthen, not weaken, the structural integrity
 195 of buildings constructed in compliance with provisions of the
 196 Florida Building Code relating to wind protection. The

CS/CS/HB 1223

2007

197 commission shall make every effort to minimize conflicts between
198 the Florida Building Code, the Florida Fire Prevention Code, and
199 the Life Safety Code.

200 (13) Each county and municipality in this state shall, at
201 a minimum, enforce the windborne debris protections and
202 structural guidelines adopted by the American Society of Civil
203 Engineers in the standard commonly referred to as ASCE 7-02.
204 Notwithstanding s. 109, chapter 2000-141, Laws of Florida, the
205 Florida Building Commission shall amend the Florida Building
206 Code to require application of ASCE 7-02 throughout the state
207 and to eliminate all exceptions providing less stringent
208 requirements. Provisions of the Florida Building Code, including
209 those contained in referenced standards and criteria, relating
210 to wind resistance shall not be amended pursuant to this
211 subsection to diminish construction requirements; however, the
212 commission may amend the provisions to enhance those
213 construction requirements.

214 Section 4. Subsection (2) of section 10 of chapter 2007-1,
215 Laws of Florida, is amended to read:

216 Section 10.

217 (2) The Florida Building Commission shall develop
218 voluntary "Code Plus" guidelines for increasing the hurricane
219 resistance of buildings. The guidelines may be modeled on the
220 requirements for the High Velocity Hurricane Zone and must
221 identify products, systems, and methods of construction that the
222 commission anticipates could result in stronger construction.
223 The commission shall include these guidelines in its report to
224 the President of the Senate and the Speaker of the House of

CS/CS/HB 1223

2007

225 Representatives during the 2008 Regular Session of the
226 Legislature.

227 Section 5. For the 2007-2008 fiscal year, the nonrecurring
228 sum of \$250,000 is appropriated from the General Revenue Fund
229 for the purpose of implementing the provisions of this act
230 relating to the Citizens Property Insurance Corporation Mission
231 Review Task Force.

232 Section 6. This act shall take effect upon becoming a law.