

Amendment No.

CHAMBER ACTION

Senate

House

.

1 Representative(s) Hays offered the following:

2
3 **Amendment (with title amendment)**

4 On page 38, between lines 10 and 11,
5 insert:

6 Section 13. (1) The Citizens Property Insurance
7 Corporation Mission Review Task Force is created to analyze and
8 compile available data and to develop a report setting forth the
9 statutory and operational changes needed to return Citizens
10 Property Insurance Corporation to its former role as a state-
11 created, noncompetitive residual market mechanism that provides
12 property insurance coverage to risks that are otherwise entitled
13 but unable to obtain such coverage in the private insurance
14 market. The task force shall submit a report to the Governor,
15 the President of the Senate, and the Speaker of the House of
16 Representatives by January 31, 2008. At a minimum, the task

289793

5/2/2007 5:13:21 PM

Amendment No.

17 force shall analyze and evaluate relevant and applicable
18 information and data and develop recommendations concerning:

19 (a) The nature of Citizens Property Insurance
20 Corporation's role in providing property insurance coverage when
21 and only if such coverage is not available from private
22 insurers.

23 (b) The ability of the admitted market to offer policies
24 to those consumers formerly insured through Citizens Property
25 Insurance Corporation. This consideration shall include, but not
26 be limited to, the availability of private market reinsurance
27 and coverage through the Florida Hurricane Catastrophe Fund, the
28 general adequacy of the admitted market's current rates, and the
29 capacity of the industry to offer policies to former Citizens
30 Property Insurance Corporation policyholders within existing
31 writing ratio limitations.

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

36 (d) The relationships between the exposure of Citizens
37 Property Insurance Corporation to catastrophic hurricane losses,
38 the corporation's history of purchasing inadequate or no
39 reinsurance coverage, and the corporation's lack of adequate
40 capital to meet its potential claim obligations without
41 incurring large deficits.

42 (e) The adverse effects on the people and the economy of
43 this state of the large, multiyear deficit assessments by
44 Citizens Property Insurance Corporation that may be levied on
289793

5/2/2007 5:13:21 PM

Amendment No.

45 businesses and households in this state, and steps that can be
46 taken to reduce those effects.

47 (f) The operational implications of the variation in the
48 number of policies in force over time in Citizens Property
49 Insurance Corporation and the merits of outsourcing some or all
50 of its operational responsibilities.

51 (g) Changes in the mission and operations of Citizens
52 Property Insurance Corporation to reduce or eliminate any
53 adverse effect such mission and operations may be having on the
54 promotion of sound and economic growth and development of the
55 coastal areas of this state.

56 (2) The task force shall be composed of 17 members as
57 follows:

58 (a) Three members appointed by the Speaker of the House of
59 Representatives.

60 (b) Three members appointed by the President of the
61 Senate.

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

65 (d) Eight members appointed as representatives of private
66 insurance companies as follows:

67 1. Two members representing two separate insurance
68 companies in this state that each provide at least 300,000
69 property insurance policies statewide at the time of the
70 creation of the task force.

71 2. Two members representing two separate insurance
72 companies in this state that each provide at least 100,000 but
289793

5/2/2007 5:13:21 PM

Amendment No.

73 no more than 299,000 property insurance policies statewide at
74 the time of the creation of the task force.

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

79 4. Two members appointed by the Chief Financial Officer
80 representing insurance agents in this state, at least one of
81 whom represents the largest property and casualty insurance
82 agent's association in this state.

83
84 Of each pair of members appointed under subparagraphs 1., 2.,
85 and 3., one shall be appointed by the President of the Senate
86 and one by the Speaker of the House of Representatives.

87 (3) The task force shall conduct research, hold public
88 meetings, receive testimony, employ consultants and
89 administrative staff, and undertake other activities determined
90 by its members to be necessary to complete its responsibilities.
91 Citizens Property Insurance Corporation shall have appropriate
92 senior staff attend task force meetings, shall respond to
93 requests for testimony and data by the task force, and shall
94 otherwise cooperate with the task force.

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

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

289793

5/2/2007 5:13:21 PM

Amendment No.

100 (6) The appointments to the task force must be completed
101 within 30 calendar days after the effective date of this act,
102 and the task force must hold its initial meeting within 1 month
103 after appointment of all members. The task force shall expire no
104 later than 60 calendar days after submission of the report
105 required in subsection (1).
106

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

108 On page 2, between lines 27 and 28,
109 insert:
110 creating the Citizens Property Insurance Corporation Mission
111 Review Task Force; providing purposes; requiring a report;
112 providing report requirements; providing for appointment of
113 members; providing responsibilities; specifying service without
114 compensation; providing for reimbursement of per diem and travel
115 expenses; providing meeting requirements; requiring the
116 corporation to assist the task force; providing for the
117 expiration of the task force;