

1 A bill to be entitled
 2 An act relating to a property insurance pilot program;
 3 providing for a wind-deductible reimbursement cooperative
 4 pilot program for named tropical storms; providing for
 5 using sales tax revenues for such program; providing
 6 legislative intent; providing definitions; requiring the
 7 Department of Revenue to provide certain sales tax
 8 revenues to the Department of Financial Services in the
 9 pilot region for program purposes; providing for the
 10 Department of Financial Services to establish a public-
 11 private cooperative for certain purposes; authorizing the
 12 cooperative to establish and collect fees; providing
 13 rulemaking authority; providing for annual reports;
 14 providing for future repeal; providing an effective date.

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

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 18 Section 1. Wind-deductible reimbursement cooperative pilot
 19 program for named tropical storms.--

20 (1) FINDINGS AND INTENT.--The Legislature finds that there
 21 is a growing economic crisis in insurance that requires bold
 22 action. To allow for the private sector to offer lower rates for
 23 insurance coverage, deductibles need to be higher. Such an
 24 increase in deductibles must be done while protecting the
 25 consumer and the financial obligations of the insurer from
 26 overexposure. This section initiates the creation of the wind-
 27 deductible reimbursement cooperative pilot program for named
 28 tropical storms.

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29 (2) DEFINITIONS.--As used in this section, the term:

30 (a) "Department" means the Department of Financial
31 Services.

32 (b) "Pilot region" means the counties of Brevard, Duval,
33 Lake, Orange, and Seminole.

34 (c) "Sales tax revenue" means the general sales and use
35 tax collected under s. 212.05, Florida Statutes, exclusive of
36 any discretionary local tax.

37 (3) WIND-DEDUCTIBLE REIMBURSEMENT COOPERATIVE PILOT
38 PROGRAM FOR NAMED TROPICAL STORMS.--

39 (a) Notwithstanding any other law, the Department of
40 Revenue shall make available to the department one-twelfth of
41 the sales tax revenues generated annually in the pilot region.

42 (b) The department shall use this money in the pilot
43 region to fund a public-private cooperative called the
44 Deductible Recovery Cooperative, Inc. This nonprofit cooperative
45 is to facilitate the offer of wind-deductible coverage for the
46 consumer in the pilot region that keeps the state's exposure
47 down for named tropical storms and helps the private sector
48 provide consumers lower property insurance rates. The
49 cooperative shall use funds provided from sales tax revenues for
50 the program to reimburse consumers participating in the program
51 the difference between the standard deductible and the increased
52 deductible required under the program. The deductible increase
53 for wind coverage under the program shall be twice the standard
54 deductible for such coverage.

55 (c) The cooperative may collect a membership fee within
56 the pilot region for enrolling insureds in the program and may

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57 provide for administrative fees. The cooperative shall work with
58 the department to establish procedures necessary to conduct
59 program requirements.

60 (d) The department may adopt rules under ss. 120.536(1)
61 and 120.54, Florida Statutes, to implement and administer this
62 section.

63 (4) REPORT.--The department shall report annually by
64 December 31 of each year to the Governor, the President of the
65 Senate, and the Speaker of the House of Representatives
66 concerning the activities and expenditures of the program under
67 this section.

68 (5) REPEAL.--This section expires December 31, 2012.

69 Section 2. This act shall take effect July 1, 2007.