

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.

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

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 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, 2009. 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 only
 46 if such coverage is not available from private insurers.

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

56 (c) The appropriate relationship of rates charged by

57 Citizens Property Insurance Corporation to rates charged by
58 private insurers, with due consideration for the corporation's
59 role as a noncompetitive residual market mechanism.

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

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

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

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

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

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

84 (b) Three members appointed by the President of the

85 Senate.

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

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

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

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

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

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

107
108 Of each pair of members appointed under subparagraphs 1., 2.,
109 and 3., one shall be appointed by the President of the Senate
110 and one by the Speaker of the House of Representatives.

111 (3) The task force shall conduct research, hold public
112 meetings, receive testimony, employ consultants and

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

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

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

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

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

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

148 Section 3. Subsection (3) of section 553.73, Florida
 149 Statutes, is amended, and subsection (13) is added to that
 150 section, to read:

151 553.73 Florida Building Code.--

152 (3) The commission shall select from available national or
 153 international model building codes, or other available building
 154 codes and standards currently recognized by the laws of this
 155 state, to form the foundation for the Florida Building Code. The
 156 commission may modify the selected model codes and standards as
 157 needed to accommodate the specific needs of this state, but only
 158 to the extent that any such modifications strengthen the
 159 structural integrity of buildings constructed in compliance with
 160 provisions of the Florida Building Code relating to wind
 161 protection. Standards or criteria referenced by the selected
 162 model codes shall be similarly incorporated by reference. If a
 163 referenced standard or criterion requires amplification or
 164 modification to be appropriate for use in this state, only the
 165 amplification or modification shall be specifically set forth in
 166 the Florida Building Code. The Florida Building Commission may
 167 approve technical amendments to the code, subject to the

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

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

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

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

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

188
189 The commission shall incorporate within sections of the Florida
190 Building Code provisions which address regional and local
191 concerns and variations, but only to the extent that any such
192 modifications strengthen the structural integrity of buildings
193 constructed in compliance with provisions of the Florida
194 Building Code relating to wind protection. The commission shall
195 make every effort to minimize conflicts between the Florida

196 Building Code, the Florida Fire Prevention Code, and the Life
 197 Safety Code.

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

212 Section 4. Subsection (2) of section (10) of chapter 2007-
 213 1, Laws of Florida, is amended to read:

214 Section 10.

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

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223 Representatives during the 2009 Regular Session of the 2008
224 Legislature.

225 Section 5. For the 2008-2009 fiscal year, the nonrecurring
226 sum of \$250,000 is appropriated from the General Revenue Fund
227 for the purpose of implementing the provisions of this act
228 relating to the Citizens Property Insurance Corporation Mission
229 Review Task Force.

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