

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; providing an  
 14          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.   (1) The Citizens Property Insurance  
 19           Corporation Mission Review Task Force is created to analyze and  
 20           compile available data and to develop a report setting forth the  
 21           statutory and operational changes needed to return Citizens  
 22           Property Insurance Corporation to its former role as a state-  
 23           created, noncompetitive residual market mechanism that provides  
 24           property insurance coverage to risks that are otherwise entitled  
 25           but unable to obtain such coverage in the private insurance  
 26           market. The task force shall submit a report to the Governor,  
 27           the President of the Senate, and the Speaker of the House of  
 28           Representatives by January 31, 2009. At a minimum, the task

29 force shall analyze and evaluate relevant and applicable  
30 information and data and develop recommendations concerning:

31 (a) The nature of Citizens Property Insurance  
32 Corporation's role in providing property insurance coverage only  
33 if such coverage is not available from private insurers.

34 (b) The ability of the admitted market to offer policies  
35 to those consumers formerly insured through Citizens Property  
36 Insurance Corporation. This consideration shall include, but not  
37 be limited to, the availability of private market reinsurance  
38 and coverage through the Florida Hurricane Catastrophe Fund, the  
39 general adequacy of the admitted market's current rates, and the  
40 capacity of the industry to offer policies to former Citizens  
41 Property Insurance Corporation policyholders within existing  
42 writing ratio limitations.

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

47 (d) The relationships between the exposure of Citizens  
48 Property Insurance Corporation to catastrophic hurricane losses,  
49 the corporation's history of purchasing inadequate or no  
50 reinsurance coverage, and the corporation's lack of adequate  
51 capital to meet its potential claim obligations without  
52 incurring large deficits.

53 (e) The adverse effects on the people and the economy of  
54 this state of the large, multiyear deficit assessments by  
55 Citizens Property Insurance Corporation that may be levied on  
56 businesses and households in this state, and steps that can be

57 taken to reduce those effects.

58 (f) The operational implications of the variation in the  
59 number of policies in force over time in Citizens Property  
60 Insurance Corporation and the merits of outsourcing some or all  
61 of its operational responsibilities.

62 (g) Changes in the mission and operations of Citizens  
63 Property Insurance Corporation to reduce or eliminate any  
64 adverse effect such mission and operations may be having on the  
65 promotion of sound and economic growth and development of the  
66 coastal areas of this state.

67 (h) Appropriate and consistent geographic boundaries of  
68 the high-risk account.

69 (2) The task force shall be composed of 19 members as  
70 follows:

71 (a) Three members appointed by the Speaker of the House of  
72 Representatives.

73 (b) Three members appointed by the President of the  
74 Senate.

75 (c) Four members appointed by the Governor who are not  
76 employed by or professionally affiliated with an insurance  
77 company or a subsidiary of an insurance company, at least two of  
78 whom must be consumer advocates or members of a consumer  
79 advocacy organization or agency.

80 (d) Nine members appointed as representatives of private  
81 insurance companies as follows:

82 1. Two members representing two separate insurance  
83 companies that each provide at least 150,000 homeowner's  
84 insurance policies in this state at the time of the creation of

85 the task force.

86 2. Two members representing two separate insurance  
 87 companies that each provide fewer than 150,000 homeowner's  
 88 insurance policies in this state at the time of the creation of  
 89 the task force.

90 3. Two members representing two separate insurance  
 91 companies among the 10 insurance companies writing the greatest  
 92 amount of commercial multiperil insurance premium in this state  
 93 at the time of the creation of the task force.

94 4. Three members appointed by the Chief Financial Officer  
 95 representing insurance agents in this state.

96  
 97 Of each pair of members appointed under subparagraphs 1., 2.,  
 98 and 3., one shall be appointed by the President of the Senate  
 99 and one by the Speaker of the House of Representatives.

100 (3) The task force shall conduct research, hold public  
 101 meetings, receive testimony, employ consultants and  
 102 administrative staff, and undertake other activities determined  
 103 by its members to be necessary to complete its responsibilities.  
 104 Citizens Property Insurance Corporation shall have appropriate  
 105 senior staff attend task force meetings, shall respond to  
 106 requests for testimony and data by the task force, shall  
 107 otherwise cooperate with the task force, and shall provide  
 108 funding for the necessary costs of implementing the provisions  
 109 of this section.

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

112 (5) Members of the task force shall serve without

113 compensation but are entitled to receive reimbursement for  
 114 travel and per diem as provided in s. 112.061, Florida Statutes.

115 (6) The appointments to the task force must be completed  
 116 within 30 calendar days after the effective date of this act,  
 117 and the task force must hold its initial meeting within 1 month  
 118 after appointment of all members. The task force shall expire no  
 119 later than 60 calendar days after submission of the report  
 120 required in subsection (1).

121 Section 2. The Chief Financial Officer shall provide a  
 122 report on the economic impact on the state of a 1-in-100-year  
 123 hurricane to the Governor, the President of the Senate, and the  
 124 Speaker of the House of Representatives by March 1 of each year.  
 125 The report shall include an estimate of the short-term and long-  
 126 term fiscal impacts of such a storm on Citizens Property  
 127 Insurance Corporation, the Florida Hurricane Catastrophe Fund,  
 128 the private insurance and reinsurance markets, the state  
 129 economy, and the state debt. The report may also include  
 130 recommendations by the Chief Financial Officer for preparing for  
 131 such a hurricane and reducing the economic impact of such a  
 132 hurricane on the state. In preparing the analysis, the Chief  
 133 Financial Officer shall coordinate with and obtain data from the  
 134 Office of Insurance Regulation, Citizens Property Insurance  
 135 Corporation, the Florida Hurricane Catastrophe Fund, the Florida  
 136 Commission on Hurricane Loss Projection Methodology, the State  
 137 Board of Administration, the Office of Economic and Demographic  
 138 Research, and other state agencies.

139 Section 3. This act shall take effect upon becoming a law.