

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Hays offered the following:

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3 **Amendment to Amendment (870297)**

4 Remove line(s) 2735-2837 and insert:

5 Section 18. (1) The Citizens Property Insurance
6 Corporation Mission Review Task Force is created to analyze and
7 compile available data and to develop a report setting forth the
8 statutory and operational changes needed to return Citizens
9 Property Insurance Corporation to its former role as a state-
10 created, noncompetitive residual market mechanism that provides
11 property insurance coverage to risks that are otherwise entitled
12 but unable to obtain such coverage in the private insurance
13 market. The task force shall submit a report to the Governor,
14 the President of the Senate, and the Speaker of the House of
15 Representatives by January 31, 2009. At a minimum, the task

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

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

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

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

33 (d) The relationships between the exposure of Citizens
34 Property Insurance Corporation to catastrophic hurricane losses,
35 the corporation's history of purchasing any reinsurance
36 coverage, and the corporation's capital capacity to meet its
37 potential claim obligations without incurring large deficits.

38 (e) The projected assessments on all policies required to
39 offset the lack of capital to pay claims.

40 (f) The projections under paragraph (e) shall be specific
41 to losses of \$3 billion, \$12 billion, and \$23 billion caused by
42 a storm or a group of storms in any given year.

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43 (g) The operational implications of the variation in the
44 number of policies in force over time in Citizens Property
45 Insurance Corporation and the merits of outsourcing some or all
46 of its operational responsibilities.

47 (h) Changes in the mission and operations of Citizens
48 Property Insurance Corporation to reduce or eliminate any
49 adverse effect such mission and operations may be having on the
50 promotion of sound and economic growth and development of the
51 coastal areas of this state.

52 (i) Appropriate and consistent geographic boundaries of
53 the high-risk account.

54 (j) The rankings, by county, of the average approved rates
55 in Citizens Property Insurance Corporation and any savings
56 associated with policyholder choice in selecting Citizens.

57 (2) The task force shall be composed of 11 members as
58 follows:

59 (a) Two members appointed by the Speaker of the House of
60 Representatives.

61 1. One member representing a property and casualty
62 residential insurer that provides at least 150,000 homeowner's
63 insurance policies in this state at the time of the creation of
64 the task force.

65 2. One member representing a surplus lines insurance
66 company.

67 (b) Two members appointed by the President of the
68 Senate.

69 1. One member representing a property and casualty
70 commercial non-residential insurer.

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71 2. One member representing a property and casualty
72 residential insurer with fewer than 150,000 homeowner's policies
73 in this state at the time of the creation of the task force.

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

79 (d) Two members appointed by the Chief Financial Officer
80 representing insurance agents in this state.

81 (e) One member representing Citizens Property Insurance
82 Corporation selected by Citizens Chairman of the Board.

83 (f) The Commissioner of Insurance Regulation or his or her
84 designee.

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

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

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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.

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 Section 19. The Chief Financial Officer shall provide a
107 report on the economic impact on the state of a 1-in-100-year
108 hurricane to the Governor, the President of the Senate, and the
109 Speaker of the House of Representatives by March 1 of each year.
110 The report shall include an estimate of the short-term and long-
111 term fiscal impacts of such a storm on Citizens Property
112 Insurance Corporation, the Florida Hurricane Catastrophe Fund,
113 the private insurance and reinsurance markets, the state
114 economy, and the state debt. The report shall also include an
115 analysis of the average premium increase to reach a 1-in-100-
116 year hurricane event and list the average cost, in both a
117 percentage and dollar amount, impact to consumers on a county-
118 level basis. The report may also include recommendations by the
119 Chief Financial Officer for preparing for such a hurricane and
120 reducing the economic impact of such a hurricane on the state.
121 In preparing the analysis, the Chief Financial Officer shall
122 coordinate with and obtain data from the Office of Insurance
123 Regulation, Citizens Property Insurance Corporation, the Florida
124 Hurricane Catastrophe Fund, the Florida Commission on Hurricane

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125 Loss Projection Methodology, the State Board of Administration,
126 the Office of Economic and Demographic Research, and other state
127 agencies.

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