

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Governmental Oversight and Accountability Committee

BILL: SB 1232

INTRODUCER: Banking and Insurance Committee

SUBJECT: OGSR/Personal Identifying Information in Personal Injury Protection & Property Damage Liability Insurance Policies

DATE: February 9, 2012 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Rubio	Burgess	BI	Favorable
2.	Seay	Roberts	GO	Pre-meeting
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill is the result of the Banking and Insurance Committee’s Open Government Sunset Review of the public records exemption for personal identifying information and insurance policy numbers contained in personal injury protection (PIP) and property damage liability insurance policies. This exemption is set to repeal on October 2, 2012, unless reviewed and saved from repeal by the Legislature. This bill reenacts the public records exemption.

This bill substantially amends section 324.242 of the Florida Statutes.

II. Present Situation:

Public Records Law

The State of Florida has a long history of providing public access to governmental records. The Florida Legislature enacted the first public records law in 1892.¹ One hundred years later, Floridians adopted an amendment to the State Constitution that raised the statutory right of access to public records to a constitutional level.² Article I, s. 24 of the State Constitution, provides that:

Every person has the right to inspect or copy any public record made or received in connection with the official business of any public body, officer, or employee of the state, or persons acting on their behalf, except

¹ Section 1390, 1391 F.S. (Rev. 1892).

² Article I, s. 24 of the State Constitution.

with respect to records exempted pursuant to this section or specifically made confidential by this Constitution. This section specifically includes the legislative, executive, and judicial branches of government and each agency or department created thereunder; counties, municipalities, and districts; and each constitutional officer, board, and commission, or entity created pursuant to law or this Constitution.

In addition to the State Constitution, the Public Records Act,³ which pre-dates public records provision of the State Constitution, specifies conditions under which public access must be provided to records of an agency.⁴ Section 119.07(1)(a), F.S., states:

- (a) Every person who has custody of a public record shall permit the record to be inspected and examined by any person desiring to do so, at any reasonable time, under reasonable conditions, and under supervision by the custodian of the public record.

Unless specifically exempted, all agency records are available for public inspection. The term “public record” is broadly defined to mean:

. . . all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business by any agency.⁵

The Florida Supreme Court has interpreted this definition to encompass all materials made or received by an agency in connection with official business which are used to perpetuate, communicate, or formalize knowledge.⁶ All such materials, regardless of whether they are in final form, are open for public inspection unless made exempt.⁷

Only the Legislature is authorized to create exemptions to open government requirements.⁸ Exemptions must be created by general law and such law must specifically state the public necessity justifying the exemption. Further, the exemption must be no broader than necessary to

³ Chapter 119, F.S.

⁴ The word “agency” is defined in s. 119.011(2), F.S., to mean “. . . any state, county, district, authority, or municipal officer, department, division, board, bureau, commission, or other separate unit of government created or established by law including, for the purposes of this chapter, the Commission on Ethics, the Public Service Commission, and the Office of Public Counsel, and any other public or private agency, person, partnership, corporation, or business entity acting on behalf of any public agency.” The Florida Constitution also establishes a right of access to any public record made or received in connection with the official business of any public body, officer, or employee of the state, or persons acting on their behalf, except those records exempted by law or the state constitution.

⁵ Section 119.011(11), F.S.

⁶ *Shevin v. Byron, Harless, Schaffer, Reid and Associates, Inc.*, 379 So.2d 633, 640 (Fla. 1980).

⁷ *Wait v. Florida Power & Light Company*, 372 So.2d 420 (Fla. 1979).

⁸ Article I, s. 24(c), Fla. Constitution.

accomplish the stated purpose of the law.⁹ A bill enacting an exemption¹⁰ may not contain other substantive provisions, although it may contain multiple exemptions that relate to one subject.¹¹

There is a difference between records that the Legislature has made exempt from public inspection and those that are *confidential* and exempt. If the Legislature makes a record confidential and exempt, such information may not be released by an agency to anyone other than to the persons or entities designated in the statute.¹² If a record is simply made exempt from disclosure requirements then an agency is not prohibited from disclosing the record in all circumstances.¹³

Open Government Sunset Review Act

The Open Government Sunset Review Act (Act)¹⁴ provides for the systematic review, through a 5-year cycle ending October 2 of the 5th year following enactment, of an exemption from the Public Records Act or the Public Meetings Law. Each year, by June 1, the Division of Statutory Revision of the Office of Legislative Services is required to certify to the President of the Senate and the Speaker of the House of Representatives the language and statutory citation of each exemption scheduled for repeal the following year.¹⁵

The Act states that an exemption may be created or expanded only if it serves an identifiable public purpose and if the exemption is no broader than necessary to meet the public purpose it serves. An identifiable public purpose is served if the exemption meets one of three specified criteria and if the Legislature finds that the purpose is sufficiently compelling to override the strong public policy of open government and cannot be accomplished without the exemption. An exemption meets the three statutory criteria if it:

- Allows the state or its political subdivisions to effectively and efficiently administer a governmental program, whose administration would be significantly impaired without the exemption;
- Protects information of a sensitive, personal nature concerning individuals, the release of which would be defamatory or cause unwarranted damage to the good name or reputation of such individuals, or would jeopardize their safety; or
- Protects information of a confidential nature concerning entities, including, but not limited to, a formula, pattern, device, combination of devices, or compilation of information that is used to protect or further a business advantage over those who do not know or use it, the disclosure of which would injure the affected entity in the marketplace.¹⁶

The Act also requires consideration of the following:

⁹ *Memorial Hospital-West Volusia v. News-Journal Corporation*, 729 So. 2d 373, 380 (Fla. 1999); *Halifax Hospital Medical Center v. News-Journal Corporation*, 724 So.2d 567 (Fla. 1999).

¹⁰ Under s. 119.15, F.S., an existing exemption may be considered a new exemption if the exemption is expanded to cover additional records.

¹¹ Art. I, s. 24(c), Fla. Constitution.

¹² Attorney General Opinion 85-62.

¹³ *Williams v. City of Minneola*, 575 So.2d 683, 687 (Fla. 5th DCA), review denied, 589 So.2d 289 (Fla. 1991).

¹⁴ Section 119.15, F.S.

¹⁵ Section 119.15(5)(a), F.S.

¹⁶ Section 119.15(4)(b), F.S.

- What specific records or meetings are affected by the exemption?
- Whom does the exemption uniquely affect, as opposed to the general public?
- What is the identifiable public purpose or goal of the exemption?
- Can the information contained in the records or discussed in the meeting be readily obtained by alternative means? If so, how?
- Is the record or meeting protected by another exemption?
- Are there multiple exemptions for the same type of record or meeting that it would be appropriate to merge?

No-Fault Motor Vehicle Insurance

Under a non-fault insurance system, medical and other benefits are provided without regard to Fault in return for limitations on lawsuits for non-economic damages.

In Special Session C of 2007, the Legislature passed CS/HB 13C, which revived and reenacted the Florida Motor Vehicle No-Fault Law (No-Fault Law), effective January 1, 2008.¹⁷ The No-Fault Law requires every owner and registrant of a motor vehicle that is required to be licensed and registered in Florida to maintain \$10,000 worth of first-party insurance known as personal injury protection,¹⁸ and \$10,000 worth of property damage liability coverage.¹⁹

Insurers must notify the named insured, in writing, that a cancellation or nonrenewal of the required policies will be reported to the Department of Highway Safety and Motor Vehicles (DHSMV), and that failure to maintain such coverage will result in the loss of registration and driving privileges in this state. Also, the notification must include the amount of the reinstatement fees. The insurer, however, is not civilly liable for failing to provide notice.²⁰

To ensure compliance with the No-Fault Law, every insurer issuing either of the required policies must report information regarding renewal, cancellation, or nonrenewal to DHSMV within 45 days of the effective date or within 30 days of the issuance of a new policy. The failure of an insurer to file the proper reports to DHSMV constitutes a violation of the Florida Insurance Code.²¹

Public Records Exemption Under Review

Current law provides that personal identifying information of an insured or former insured and an insurance policy number, regarding personal injury protection and property damage liability insurance policies, held by DHSMV is confidential and exempt from public records requirements. Upon receipt of a written request and a copy of a crash report, DHSMV must release the policy number for a policy covering a vehicle involved in a motor vehicle accident to:

- Any person involved in the accident;
- The attorney of any person involved in the accident; or

¹⁷ Chapter 2007-324, L.O.F.

¹⁸ See ss. 627.733 and 627.736, F.S.

¹⁹ Section 324.022, F.S.

²⁰ See s. 324.0221(1)(b), F.S.

²¹ See s. 324.0221(1)(a), F.S.

- A representative of the insurer of any person involved in the accident.²²

The law provides for retroactive application of the public record exemption.²³

Banking and Insurance Committee's Open Government Sunset Review

Based on an Open Government Sunset Review of the exemption, Senate professional staff of the Banking and Insurance Committee recommended that the Legislature retain the public records exemption in s. 324.242, F.S. This recommendation was made in light of the information gathered for the Sunset Review, which indicated that a public necessity continues to exist in maintaining the exemption. The review found that the public records exemption continues to benefit policyholders by preventing the disclosure of personal identifying information paired with driver's license numbers, which could potentially be used for identity theft. The public records exemption also benefits insurers by preventing disclosure of information that would essentially allow competitors access to trade secret information that details each individual insurer's book of business.

III. Effect of Proposed Changes:

Section 1 amends s. 324.242, F.S., reenacting and saving from repeal the public records exemption for the Florida Motor Vehicle No-Fault Law.

Section 2 provides an effective date of October 1, 2012.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

This bill retains an already-existing public records exemption and thus is not subject to requirement that the exemption must pass with a two-thirds vote of both houses of the Legislature. The bill complies with the requirement of article I, section 24 of the State Constitution that public records exemptions may only be addressed in legislation separate from substantive changes to law.

C. Trust Funds Restrictions:

None.

²² Section 324.242(2), F.S.

²³ Section 324.242(3), F.S.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.