

1                                   A bill to be entitled  
 2           An act relating to the Florida Commission on Hurricane  
 3           Loss Projection Methodology; providing legislative  
 4           intent; amending s. 627.0628, F.S.; increasing the  
 5           number of members on the commission; providing for  
 6           appointment, qualifications, and attributes for  
 7           additional members; requiring the commission to adopt  
 8           annual revisions to previously adopted actuarial  
 9           methods, principles, standards, models, or output  
 10          ranges; requiring the commission to conduct a study  
 11          relating to projections of wind loss from hurricanes  
 12          and providing requirements with respect thereto;  
 13          providing an effective date.

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

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 17           Section 1. The Legislature intends to enhance the  
 18 expertise immediately available to the commission by increasing  
 19 the membership of the Florida Commission on Hurricane Loss  
 20 Projection Methodology and providing for the appointment of  
 21 additional members with special qualifications or attributes.

22           Section 2. Subsection (2) and paragraph (e) of subsection  
 23 (3) of section 627.0628, Florida Statutes, are amended, and  
 24 subsection (4) is added to that section, to read:

25           627.0628 Florida Commission on Hurricane Loss Projection  
 26 Methodology; public records exemption; public meetings  
 27 exemption.—

28           (2) COMMISSION CREATED.—

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29 (a) There is created the Florida Commission on Hurricane  
30 Loss Projection Methodology, which is assigned to the State  
31 Board of Administration. For the purposes of this section, the  
32 term "commission" means the Florida Commission on Hurricane Loss  
33 Projection Methodology. The commission shall be administratively  
34 housed within the State Board of Administration, but it shall  
35 independently exercise the powers and duties specified in this  
36 section.

37 (b) The commission shall consist of the following 13 ~~11~~  
38 members:

- 39 1. The insurance consumer advocate.
- 40 2. The senior employee of the State Board of  
41 Administration responsible for operations of the Florida  
42 Hurricane Catastrophe Fund.
- 43 3. The Executive Director of the Citizens Property  
44 Insurance Corporation.
- 45 4. The Director of the Division of Emergency Management.
- 46 5. The actuary member of the Florida Hurricane Catastrophe  
47 Fund Advisory Council.
- 48 6. An employee of the office who is an actuary responsible  
49 for property insurance rate filings and who is appointed by the  
50 director of the office.
- 51 7. Seven ~~Five~~ members appointed by the Chief Financial  
52 Officer, as follows:
  - 53 a. An actuary who is employed full time by a property and  
54 casualty insurer that was responsible for at least 1 percent of  
55 the aggregate statewide direct written premium for homeowner's  
56 insurance in the calendar year preceding the member's

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57 | appointment to the commission.

58 |       b. An expert in insurance finance who is a full-time  
59 | member of the faculty of the State University System and who has  
60 | a background in actuarial science.

61 |       c. An expert in statistics who is a full-time member of  
62 | the faculty of the State University System and who has a  
63 | background in insurance.

64 |       d. An expert in computer system design who is a full-time  
65 | member of the faculty of the State University System.

66 |       e. An expert in meteorology who is a full-time member of  
67 | the faculty of the State University System and who specializes  
68 | in hurricanes.

69 |       f. A licensed professional structural engineer with  
70 | expertise in wind mitigation techniques.

71 |       g. A building official who is familiar with mitigation  
72 | techniques and enforcement and whose jurisdiction is in the  
73 | windborne debris region or a coastal high-hazard area or a  
74 | representative from a not-for-profit organization that  
75 | represents property insurance consumers.

76 |       (c) Members designated under subparagraphs (b)1.-5. shall  
77 | serve on the commission as long as they maintain the respective  
78 | offices designated in subparagraphs (b)1.-5. The member  
79 | appointed by the director of the office under subparagraph (b)6.  
80 | shall serve on the commission until the end of the term of  
81 | office of the director who appointed him or her, unless removed  
82 | earlier by the director for cause. Members appointed by the  
83 | Chief Financial Officer under subparagraph (b)7. shall serve on  
84 | the commission until the end of the term of office of the Chief

85 Financial Officer who appointed them, unless earlier removed by  
 86 the Chief Financial Officer for cause. Vacancies on the  
 87 commission shall be filled in the same manner as the original  
 88 appointment.

89 (d) The State Board of Administration shall annually  
 90 appoint one of the members of the commission to serve as chair.

91 (e) Members of the commission shall serve without  
 92 compensation, but shall be reimbursed for per diem and travel  
 93 expenses pursuant to s. 112.061.

94 (f) The State Board of Administration shall, as a cost of  
 95 administration of the Florida Hurricane Catastrophe Fund,  
 96 provide for travel, expenses, and staff support for the  
 97 commission.

98 (g) There shall be no liability on the part of, and no  
 99 cause of action of any nature shall arise against, any member of  
 100 the commission, any member of the State Board of Administration,  
 101 or any employee of the State Board of Administration for any  
 102 action taken in the performance of their duties under this  
 103 section. In addition, the commission may, in writing, waive any  
 104 potential cause of action for negligence of a consultant,  
 105 contractor, or contract employee engaged to assist the  
 106 commission.

107 (3) ADOPTION AND EFFECT OF STANDARDS AND GUIDELINES.—

108 (e) The commission shall adopt revisions to previously  
 109 adopted actuarial methods, principles, standards, models, or  
 110 output ranges every ~~odd~~ year.

111 (4) STUDY OF THE EFFECTS OF WIND VERSUS WATER ON  
 112 PROJECTIONS OF WIND LOSS FROM HURRICANES.—

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113 (a) The commission shall conduct a study to:

114 1. Determine the relative impact of modeled hurricane wind  
115 loss predictions that overlap with modeled storm surge flood  
116 loss predictions on the average annual loss and probable maximum  
117 loss at a county level.

118 2. Identify the parameters of a coefficient that could be  
119 used by modelers to address an unknown loss based on shared wind  
120 and flood losses that are not currently defined by statute or  
121 policy.

122 (b) The study shall include recommendations for improving  
123 the accuracy of predicting wind-only losses, the potential  
124 impact on the overall state probable maximum loss, and the  
125 financial implications for both the Florida Hurricane  
126 Catastrophe Fund and Citizens Property Insurance Corporation  
127 with respect to insurance rates.

128 (c) For the purpose of accurately quantifying wind-related  
129 insurance covered losses and flood insurance covered losses, the  
130 study shall recommend a definition and procedure that:

131 1. May be used in ratemaking for hurricane events that  
132 include combined wind and flood losses.

133 2. Clarifies the insured loss associated with combined  
134 wind and flood losses, including the timing of such losses.

135 (d) The study results, as well as any other information  
136 the commission deems appropriate, shall be reported in writing  
137 by February 1, 2014, to the Governor, the Cabinet, the President  
138 of the Senate, and the Speaker of the House of Representatives.

139 Section 3. This act shall take effect July 1, 2013.