

## Insurance - Pushing for Meaningful Reform



After intense debate on the floor, Senator Atwater explains proposed legislation.

I believe that windstorm insurance remains the greatest financial hardship for coastal Floridians. Let me update you on what we just adopted in Florida law to provide rate relief to Florida consumers and new measures to hold insurance companies more accountable for their behavior. Today, Floridians are receiving property insurance from private market companies and from the State provider, Citizens. We have long respected the role of the private market, but frankly, it was time to help Floridians find affordable coverage even if the private market wasn't interested in helping.

Some private insurance companies are out of control! They want none of the risk and all of the profit. They drop your windstorm coverage like a hot potato but want to keep your low-risk, high-profit business of fire and theft protection. Unless they get higher and higher rates approved they will threaten to cancel policies.

Historically, the state insurance program of last resort (Citizens) was required to charge higher rates than the private market and if any private market player offered coverage to a Citizen's customer they would be required to accept it (no matter what the price). What a racket! This was done to ensure that government was not taking over an industry and was only offering something that was not available in the private market. This worked for a few years but the private market greed just became overwhelming.

During the special session in January, we reduced the expense of private market companies doing business in Florida. Some companies took advantage of these changes while others snubbed their noses. So during the regular session we pressed further to allow Citizens to compete on price and product. This will allow consumers to get a rate quote from Citizens

on not only wind coverage but theft and fire as well. Floridians can now get a Citizens quote for the exact same coverage they are paying their private market company. The power is now in the hands of every Floridian to price shop and to take their quote to their private market insurer and tell them to match it or lose your business!

We also set new standards for paying claims. Insurance companies must now pay claims within 90 days or be prepared to pay the claim settlement with interest! I say if a Floridian has to come out of pocket while waiting on their insurance company then that Floridian should be paid back with interest! The insurance companies screamed to stop this but we insisted! So our new insurance law requires your insurance company to pay timely or get ready to pay with interest.

The long struggle to get insurance rates down is far from over. But I will keep working it. Please take the opportunity to get a rate quote at [www.shopandcomparerates.com](http://www.shopandcomparerates.com) or call Citizens at (877) 227-3492. Together we can keep working to make the prospect of home ownership a reality for every Floridian.



## PROPERTY TAX UPDATE

The people of our state asked for relief from what had grown to an overwhelming burden to all homeowners. From the beginning, the tax reform process was driven by Floridians like you. Your thoughts and concerns provided vital input that helped us shape the reforms we passed in the recently completed Special Session.

There are two parts to this reform, a statutory component and a constitutional component. The statutory change is effective immediately and accomplishes two milestones: tax cuts now and a revenue cap forever.

The legislation requires that all cities and counties cut property taxes in the upcoming 2007-2008 fiscal year back to the 2006-2007 revenue levels.

- The bill caps local government spending so that government will not grow faster than a family's ability to pay taxes.
- This legislation respects local control. All local governments have the option to override the roll backs and caps on revenue.

The Constitutional component (part two) will be placed before the voters on January 29, 2008. Voters will decide whether or not to authorize a new "super exemption" to every homesteader in our state, regardless of how long they've owned their home. Going forward, those who choose the "super exemption" will benefit from the cap on local government spending. We believe the cap will allow an annual growth rate of 3 to 5 percent per year. This amendment is predicted to provide an average of \$1300 in relief per homestead property owner in 2008 and 2009 -- a 44% reduction in property taxes. For many Floridians, that would amount to one mortgage payment a year or allow a Floridian to fully fund a pre-paid college scholarship. The amendment provides for a few things:

- A substantial increase in the homestead exemption. Homeowners will receive between \$50,000 and \$195,000 with the super exemption (depending on the value of their home), as compared to the flat \$25,000 exemption in Save Our Homes.
- Florida businesses will receive a \$25,000 exemption from ad valorem taxes on tangible personal property (TPP). Of the 1.3 million businesses expected to file this year, 1 million will receive a total exemption. Furthermore, they will never have to file the burdensome paperwork associated with the tax again.
- A reduced tax assessment on properties used to provide affordable housing.
- Allows each homestead property owner to choose between the new super exemption OR the current "Save Our Homes" plan.

Though some have said the tax cut will translate into a cut in education, the claim is simply not true.

- Education funding is protected by the state constitution.
- Each year, rain or shine, the legislature has increased funding.
- We **can** have tax cuts *and* a quality education for our children.

**Floridians told us they wanted tax relief that was immediate, fair, responsible, and predictable. The legislation we passed during this Special Session meets each of those expectations.**

- It is **immediate** — taxpayers will begin receiving relief with their very next property tax bill.
- It is **fair** — it does away with the gaping inequities that have arisen and provides relief to every property tax payer in the state.
- It is **responsible** — it respects local control but requires governments to live within their means.
- It is **predictable** — no longer will Floridians need to worry about erratic spikes in property taxes.

Floridians will no longer feel trapped under the burden of excessive taxes. The Florida Senate responded to the call for tax reform with this extraordinary relief package, placing the American Dream back within the reach of every Floridian.



Outside a town hall meeting, Senator Atwater explains the property tax legislation to some Delray Beach residents.

Please take the opportunity to get a rate quote at [www.shopandcomparerates.com](http://www.shopandcomparerates.com) or call Citizens at (877) 227-3492.

### ENVIRONMENT

Florida's environment is unlike any other in the world, with the Everglades at the heart of our state's ecosystem and natural beauty. Unfortunately, Everglades National Park has been seriously damaged. We have a responsibility to work to restore this precious resource. The Comprehensive Everglades Restoration Plan passed during the 2007 Legislative Session devotes over \$200 million in funding to cleaning up this vital ecosystem.

We recognize that our beaches are in a state of emergency. With every surge and storm we are holding our breath, hoping Mother Nature holds back the tides. We are currently working with State and Federal agencies on long and short term solutions for our threatened coastline.

### EDUCATION

Everyone can remember a special teacher who inspired them to work hard and passed on a curious love for learning. Recognizing the need to compensate those teachers, the legislature passed the Merit Award Program, which provides bonuses to outstanding teachers, school-based staff, and administrators. This program rewards educators whose classroom performance is exemplary and encourages them to seek out Florida as a place to grow professionally.

Continuing our tradition of fully funding the state's education budget, we have implemented a budget increase of 6.5%. This represents a financial commitment to our schools that is 3 times greater than the rate of student growth.

### ENERGY INDEPENDENCE

We must reduce our dependence on foreign oil. Florida is committed to being a national leader in the development of alternative fuels and renewable energy sources. The legislature provided funding to our state universities for research and development of domestic energy solutions. Currently, scientists at Florida Atlantic University are developing technology to harness the ocean's currents into energy and generate non-polluting and environmentally friendly electricity.

Partnering with our federal counterparts, we passed a resolution supporting a national "25 by 25" initiative. This measure challenges us to use renewable energy to generate 25% of the US energy demand by 2025!

### PROTECTING FLORIDA

Florida has always been a strong proponent in fighting the war on terror. Florida became the first state in the country to declare that its pension fund will not be used to finance the activities of state sponsors of terrorism.

The legislation calls for state officials to leverage the nearly \$150 billion in Florida's pension fund by removing investments in companies doing business with either the oil sector in Iran or the government in Sudan. It was approved by the Governor on June 8, 2007 at Temple Beth El of Boca Raton. Since its passage, Illinois passed a bill modeled from Florida's and similar bills have been introduced in several other states.

# MAKE YOUR OPINION COUNT!

Once you've completed the survey, just return it to my office by mail or fax it to 561-625-5103

**Palm Beach County Office**  
824 U.S. Highway 1, Suite 210  
North Palm Beach, FL 33408

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Oakland Park City Hall  
3650 NE 12th Avenue  
Oakland Park, FL 33334

1 Are you aware that on January 29, 2008, Florida voters will consider a constitutional amendment to reduce and reform property taxes? **YES NO**

\_\_\_\_\_

\_\_\_\_\_

2 Would you like us to send you more information on property tax reform? **YES NO**

If yes, please provide us with your email or mailing address. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3 If passed, the constitutional amendment will offer all homestead property owners the opportunity to keep their current "Save Our Homes" exemption or choose a new super exemption. Do you believe Floridians should be offered the choice of selecting the homestead exemption that saves them the most money? **YES NO**

\_\_\_\_\_

\_\_\_\_\_

4 If passed, the super exemption will provide a homestead exemption of at least \$50,000, as opposed to the \$25,000 exemption under the Save Our Homes plan. Do you believe we should double the homestead exemption? **YES NO**

\_\_\_\_\_

\_\_\_\_\_

5 Please share any of your ideas about reforming Florida's property tax system.

\_\_\_\_\_

\_\_\_\_\_

Please add me to your mailing list Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

**Thank you for taking the time to complete this survey!**

## SENATOR Jeff Atwater



2007 LEGISLATIVE NEWSLETTER



### Dear Neighbor:

It remains the highest honor to serve as your State Senator. I thank you for this privilege. This newsletter will provide you with a brief overview of legislation passed in the 2007 Session and two very important Special Sessions.

Although the Legislature advanced many wonderful accomplishments for education, job creation and our environment during this Session, I know most Floridians are primarily concerned with issues impacting their pocketbook.

So, let me cut right to the chase. There are two paramount issues facing Floridians today, making the dream of home ownership more difficult and building a small business more challenging. Those issues are Property Taxes and Property Insurance. Hence, these two issues are the primary substance of this newsletter.

### CONTACT JEFF

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### GET A PROPERTY INSURANCE QUOTE

Shop for the best plan - at the best rate - for you and your home. Please take the opportunity to get a rate quote at [www.shopandcomparerates.com](http://www.shopandcomparerates.com) or call Citizens at (877) 227-3492

**Property Taxes:** Over the past five years total personal income in Florida has grown 34.4%. Yet, over the same period Florida counties' property taxes have grown 84.4% and cities' property taxes have grown 94.8%. How long can the people of Florida survive with the government spending their money 2.5 times faster than their household income is growing? This is why the Legislature mandated a roll back in property taxes...enough is enough!!! Now the people of Florida will vote on January 29th to determine if they want an even greater degree of tax relief.

**Property Insurance:** Property insurance companies are out of control! They want none of the risk and all of the profit! When the State declines their rate hike request they threaten to cancel more policies. So we will now allow the State insurer, Citizens, to compete for your full range of property insurance needs. If the private players don't want to be competitive they can hit the road! Additionally, we will now require property insurance companies to pay the claim in 90 days or pay it with interest! Private insurance companies will either take care of their customers or prepare to pay interest for their runarounds and delays.

On the back of this newsletter are several important questions that I hope you will take the time to answer. Your feedback is extraordinarily valuable to me.

Again, I thank you for the high honor of serving you, your family and our community.

All the best,

Jeff Atwater  
Florida Senate District 25

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