

By Senator Baker

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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; amending s.
14 553.73, F.S.; limiting the authority of the Florida
15 Building Commission to modify certain codes and standards
16 under certain circumstances; requiring counties and
17 municipalities to enforce certain windborne debris
18 protections and structural guidelines; requiring the
19 commission to amend the Florida Building Code to require
20 application of certain standards and eliminate certain
21 exceptions; prohibiting amendment of the Florida Building
22 Code to diminish certain requirements; authorizing the
23 commission to amend the code to enhance certain
24 requirements; amending s. 10, ch. 2007-1, Laws of Florida;
25 revising reporting requirements for the commission's
26 voluntary "Code Plus" guidelines; providing an
27 appropriation; providing an effective date.

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

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31 Section 1. (1) The Citizens Property Insurance Corporation
32 Mission Review Task Force is created to analyze and compile
33 available data and to develop a report setting forth the
34 statutory and operational changes needed to return Citizens
35 Property Insurance Corporation to its former role as a state-
36 created, noncompetitive residual market mechanism that provides
37 property insurance coverage to risks that are otherwise entitled
38 but unable to obtain such coverage in the private insurance
39 market. The task force shall submit a report to the Governor, the
40 President of the Senate, and the Speaker of the House of
41 Representatives by January 31, 2009. At a minimum, the task force
42 shall analyze and evaluate relevant and applicable information
43 and data and develop recommendations concerning:

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

47 (b) The ability of the admitted market to offer policies to
48 those consumers formerly insured through Citizens Property
49 Insurance Corporation. This consideration shall include, but not
50 be limited to, the availability of private market reinsurance and
51 coverage through the Florida Hurricane Catastrophe Fund, the
52 general adequacy of the admitted market's current rates, and the
53 capacity of the industry to offer policies to former Citizens
54 Property Insurance Corporation policyholders within existing
55 writing ratio limitations.

56 (c) The appropriate relationship of rates charged by
57 Citizens Property Insurance Corporation to rates charged by
58 private insurers, with due consideration for the corporation's

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59 role as a noncompetitive residual market mechanism.

60 (d) The relationships between the exposure of Citizens
61 Property Insurance Corporation to catastrophic hurricane losses,
62 the corporation's history of purchasing inadequate or no
63 reinsurance coverage, and the corporation's lack of adequate
64 capital to meet its potential claim obligations without incurring
65 large deficits.

66 (e) The adverse effects on the people and the economy of
67 this state of the large, multiyear deficit assessments by
68 Citizens Property Insurance Corporation which may be levied on
69 businesses and households in this state, and steps that can be
70 taken to reduce those effects.

71 (f) The operational implications of the variation in the
72 number of policies in force over time in Citizens Property
73 Insurance Corporation and the merits of outsourcing some or all
74 of its operational responsibilities.

75 (g) Changes in the mission and operations of Citizens
76 Property Insurance Corporation to reduce or eliminate any adverse
77 effect such mission and operations may be having on the promotion
78 of sound and economic growth and development of the coastal areas
79 of this state.

80 (2) The task force shall be composed of 17 members as
81 follows:

82 (a) Three members appointed by the Speaker of the House of
83 Representatives.

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

85 (c) Three members appointed by the Governor who are not
86 employed by or professionally affiliated with an insurance
87 company or a subsidiary of an insurance company.

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88 (d) Eight members appointed as representatives of private
89 insurance companies as follows:

90 1. Two members representing two separate insurance
91 companies in this state that each provide at least 300,000
92 property insurance policies statewide at the time of the creation
93 of the task force.

94 2. Two members representing two separate insurance
95 companies in this state that each provide at least 100,000 but no
96 more than 299,000 property insurance policies statewide at the
97 time of the creation of the task force.

98 3. Two members representing two separate insurance
99 companies in this state that each provide fewer than 100,000
100 property insurance policies statewide at the time of the creation
101 of the task force.

102 4. Two members appointed by the Chief Financial Officer
103 representing insurance agents in this state, at least one of whom
104 represents the largest property and casualty insurance agent's
105 association in this state.

106
107 Of each pair of members appointed under subparagraphs 1., 2., and
108 3., one shall be appointed by the President of the Senate and one
109 by the Speaker of the House of Representatives.

110 (3) The task force shall conduct research, hold public
111 meetings, receive testimony, employ consultants and
112 administrative staff, and undertake other activities determined
113 by its members to be necessary to complete its responsibilities.
114 Citizens Property Insurance Corporation shall have appropriate
115 senior staff attend task force meetings, shall respond to
116 requests for testimony and data by the task force, and shall

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117 otherwise cooperate with the task force.

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

120 (5) Members of the task force shall serve without
121 compensation but are entitled to receive reimbursement for travel
122 and per diem as provided in s. 112.061, Florida Statutes.

123 (6) The appointments to the task force must be completed
124 within 30 calendar days after the effective date of this act, and
125 the task force must hold its initial meeting within 1 month after
126 appointment of all members. The task force shall expire no later
127 than 60 calendar days after submission of the report required in
128 subsection (1).

129 Section 2. The Chief Financial Officer shall provide a
130 report on the economic impact on the state of a 1-in-250-year
131 hurricane to the Governor, the President of the Senate, and the
132 Speaker of the House of Representatives by March 1 of each year.
133 The report shall include an estimate of the short-term and long-
134 term fiscal impacts of such a storm on Citizens Property
135 Insurance Corporation, the Florida Hurricane Catastrophe Fund,
136 the private insurance and reinsurance markets, the state economy,
137 and the state debt. The report may also include recommendations
138 by the Chief Financial Officer for preparing for such a hurricane
139 and reducing the economic impact of such a hurricane on the
140 state. In preparing the analysis, the Chief Financial Officer
141 shall coordinate with and obtain data from the Office of
142 Insurance Regulation, Citizens Property Insurance Corporation,
143 the Florida Hurricane Catastrophe Fund, the Florida Commission on
144 Hurricane Loss Projection Methodology, the State Board of

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145 Administration, the Office of Economic and Demographic Research,
146 and other state agencies.

147 Section 3. Subsection (3) of section 553.73, Florida
148 Statutes, is amended, and subsection (13) is added to that
149 section, to read:

150 553.73 Florida Building Code.--

151 (3) The commission shall select from available national or
152 international model building codes, or other available building
153 codes and standards currently recognized by the laws of this
154 state, to form the foundation for the Florida Building Code. The
155 commission may modify the selected model codes and standards as
156 needed to accommodate the specific needs of this state, but only
157 to the extent that any such modifications strengthen the
158 structural integrity of buildings constructed in compliance with
159 provisions of the Florida Building Code relating to wind
160 protection. Standards or criteria referenced by the selected
161 model codes shall be similarly incorporated by reference. If a
162 referenced standard or criterion requires amplification or
163 modification to be appropriate for use in this state, only the
164 amplification or modification shall be specifically set forth in
165 the Florida Building Code. The Florida Building Commission may
166 approve technical amendments to the code, subject to the
167 requirements of subsections (7) and (8), after the amendments
168 have been subject to the following conditions:

169 (a) The proposed amendment has been published on the
170 commission's website for a minimum of 45 days and all the
171 associated documentation has been made available to any
172 interested party before any consideration by any Technical
173 Advisory Committee;

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174 (b) In order for a Technical Advisory Committee to make a
175 favorable recommendation to the commission, the proposal must
176 receive a three-fourths vote of the members present at the
177 Technical Advisory Committee meeting and at least half of the
178 regular members must be present in order to conduct a meeting;

179 (c) After Technical Advisory Committee consideration and a
180 recommendation for approval of any proposed amendment, the
181 proposal must be published on the commission's website for not
182 less than 45 days before any consideration by the commission; and

183 (d) Any proposal may be modified by the commission based on
184 public testimony and evidence from a public hearing held in
185 accordance with chapter 120.

186
187 The commission shall incorporate within sections of the Florida
188 Building Code provisions which address regional and local
189 concerns and variations, but only to the extent that any such
190 modifications strengthen the structural integrity of buildings
191 constructed in compliance with provisions of the Florida Building
192 Code relating to wind protection. The commission shall make every
193 effort to minimize conflicts between the Florida Building Code,
194 the Florida Fire Prevention Code, and the Life Safety Code.

195 (13) Each county and municipality in this state shall, at a
196 minimum, enforce the windborne debris protections and structural
197 guidelines adopted by the American Society of Civil Engineers in
198 the standard commonly referred to as ASCE 7-02. Notwithstanding
199 s. 109, chapter 2000-141, Laws of Florida, the Florida Building
200 Commission shall amend the Florida Building Code to require
201 application of ASCE 7-02 throughout the state and to eliminate
202 all exceptions providing less stringent requirements. Provisions

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203 of the Florida Building Code, including those contained in
204 referenced standards and criteria, relating to wind resistance
205 shall not be amended pursuant to this subsection to diminish
206 construction requirements; however, the commission may amend the
207 provisions to enhance those construction requirements.

208 Section 4. Subsection (2) of section (10) of chapter 2007-
209 1, Laws of Florida, is amended to read:

210 Section 10.

211 (2) The Florida Building Commission shall develop voluntary
212 "Code Plus" guidelines for increasing the hurricane resistance of
213 buildings. The guidelines may be modeled on the requirements for
214 the High Velocity Hurricane Zone and must identify products,
215 systems, and methods of construction that the commission
216 anticipates could result in stronger construction. The commission
217 shall include these guidelines in its report to the President of
218 the Senate and the Speaker of the House of Representatives during
219 the 2009 Regular Session of the ~~2008~~ Legislature.

220 Section 5. For the 2008-2009 fiscal year, the nonrecurring
221 sum of \$250,000 is appropriated from the General Revenue Fund for
222 the purpose of implementing the provisions of this act relating
223 to the Citizens Property Insurance Corporation Mission Review
224 Task Force.

225 Section 6. This act shall take effect upon becoming a law.