



## Week One – January 13-17, 2020

The 2020 Legislative Session kicked off with 1,642 general bills filed that include a handful of property insurance-related items for the 60-day session. During the 2018 election cycle, voters approved an amendment to the state constitution that alternates when session begins each year between January in even years and March in odd years.

The week's bigger insurance industry news affecting Citizens, however, took place outside the Capitol with the wide release of a letter from rating agency Demotech to Citizens' President/CEO and Executive Director Barry Gilway on potential rating downgrades in the private Florida market.

The Demotech letter set off a flurry of conversations in the halls of the Capitol about the impact to both Citizens and the industry as a whole. The letter has raised concern about the financial stability of a handful of private property insurance companies following Hurricane Irma and Hurricane Michael and the potential of higher reinsurance rates for the upcoming 2020 hurricane season.

Citizens' legislative team of Christine Ashburn, Chief of Communications, Legislative and External Affairs; and Candace Bunker, Director of Legislative and Cabinet Affairs, fielded many questions from colleagues regarding Citizens' response to the letter.

[Rep. Byron Donalds \(R-Naples\)](#), Chairman of the House Insurance and Banking Committee, has requested to meet with Gilway this week to discuss the Demotech letter and the state of the property insurance market.

## Gov. DeSantis Lauds Citizens

At the Capitol, the week began with opening day speeches by the leaders of each chamber and a [State of the State speech by Gov. Ron DeSantis](#), who lauded lawmakers for their efforts last year to rein in assignment of benefits (AOB)-related litigation and abuse. Those efforts, culminating in the passage of [HB 7065](#), are already bearing fruit for Citizens.

DeSantis pointed to data showing the number of AOB-related lawsuits involving Citizens has dropped from more than 500 in June of last year to only 148 in December. An additional 44,000 Citizens policyholders saw rates go down because of the legislation. Early indications are that similar effects are being observed across the private market.

"The legal system is supposed to be used for redressing concrete injuries and disputes; it is not a game and shouldn't be used as such," DeSantis said. "Reforms such as AOB that improve the legal climate here in Florida are welcome."

## Bills of Interest to Citizens

Committees quickly sprung into action on bills of specific interest to Citizens. On Wednesday, the [Senate Banking and Insurance Committee](#) passed [SB 898](#) by [Sen. Joe Gruters \(R-Sarasota\)](#). The bill increases the [Florida Insurance Guaranty Association's](#) (FIGA) obligation by increasing the covered property insurance claim limits to \$200,000 multiplied by the number of condominiums or other units.

SB 898 also increases the amount of funding available to FIGA through emergency assessments levied against insurers. The bill authorizes assessments up to 4% of an insurer's net written premiums in this state in any one calendar year, which is an increase from the current cap of 2%. A House companion measure, [HB 529](#) by [Rep. Jennifer Webb \(D-St. Petersburg\)](#), also passed its first committee. FIGA has testified they are neutral on the bill.

Issues heading toward the House floor this week include [HB 269](#) by [Rep. Daniel Perez \(R-Miami\)](#). Among its provisions, the bill requires insurers from all lines to provide a loss run statement to an insured within 15 calendar days after receipt of a written request from that insured.