

2016 LEGISLATIVE REPORT

MARCH 16, 2016

EXECUTIVE SUMMARY/BACKGROUND

The 2016 Legislative Session adjourned, Sine Die, on March 11th with 1,814 bills filed and 279 bills passed. Legislative & External Affairs tracked 81 bills with 17 having a direct impact on Citizens. Only one bill with a direct impact on Citizens, HB 931 by Representative Kathleen Passidomo (R-Naples), passed during the Session and will head to the Governor shortly for consideration. A detailed breakdown of HB 931 is included below:

CS/CS HB 931

Revises Citizens Operations and Depopulation Program as follows:

- After January 1, 2017, a Citizens policyholder will be provided with all take out offers when one or more companies has expressed an interest in assuming the policyholder's policy.
- Requires the policyholder to receive information in a uniform format that they can use to compare takeout offers to each other and to the coverage the policyholder has with Citizens. The policyholder must receive the estimated renewal premium, the renewal coverage, including an explanation of differences, and a comparison of both the premium and coverage to the premium and coverage of the Citizens renewal policy.
- Provides the consumer representative serving on the Board of Governors with the same exemption from the conflict of interest statute as is provided in current law to the other members of the Board of Governors with insurance expertise.
- Allows additional entities to receive underwriting data for the purpose of analyzing risks for underwriting in the private insurance market and prohibits the use of this confidential information for soliciting policyholders.
- Provides that an agent with Citizens must keep, at all times, an appointment with one admitted carrier either writing or renewing business in Florida in order to be appointed with Citizens.
- Amends Citizens rating statute to require that Citizens consider the results of the public model in combination with private model results in lieu of using the public model as the minimum benchmark in establishing Citizens rates.

Like in years past, there are bills that failed to pass during the Session. Most notably for Citizens, and the private insurance market, was the failure of SB 596/HB 1097 to reach final passage. The bills dealt with critically needed reforms intended to curb the use and abuse of post-loss assignment of benefits (AOB) in property insurance claims. The bill would have required that the enforcement rights under the policy remain with the policyholder which would have eliminated a vendor's access to the one-way attorney's fee statute. Citizens and others believe access to this statute by vendors is a significant driver of recent litigation being filed against Citizens and private market insurers.