

# Executive Summary

Board of Governors Meeting, June 20, 2017

## 2017 Legislative Report – Regular Session

The 2017 Legislative Session ended on May 8th after a 3 day extension to finish the 2017-2018 General Appropriations Act and Implementing/Conforming bills. There were a total of 3,052 bills filed by the Senate and House of Representatives combined which is a significantly higher volume due to the new House Rule requiring all budget items to have a separate bill. While there was a larger volume of bills filed, there was not a direct correlation to the number of bills passed. During the 2016 Legislative Session 279 bills passed as compared to 231 this year. Legislative and Cabinet Affairs reviewed all bills as they were filed and tracked 126 bills with 26 having some level of direct impact on Citizens.

The one bill, of particular relevance to Citizens, that passed is CS/CS/CS/HB 1007 by Representative Raschein (R-Key Largo). This was a priority bill for Chief Financial Officer Jeff Atwater and implements several provisions to combat insurance fraud in the State of Florida. Many of the provisions contained in CS/CS/CS/HB 1007 have already been implemented by the Citizens. An overview of CS/CS/CS/HB 1007 is included below.

Following the Governor's action on the budget, which included vetoing several key areas of funding, he, along with the Speaker of the House, and Senate President announced a Special Session which was scheduled for June 7-9 to address legislation and funding relating to public education, VISIT Florida, and Enterprise Florida. The call for the Special Session did not include any insurance related issues.

### CS/CS/CS/HB 1007:

The bill establishes uniform fraud prevention standards for all insurers and implements new requirements which mandates large insurers to adopt an anti-fraud plan. Smaller insurers will be required to both adopt an anti-fraud plan and to establish and maintain a Special Investigative Unit (SIU), or contract for SIU services. The bill also requires every insurer to designate an employee who is responsible for implementing the requirements related to fraud investigations. All insurers are required to electronically file the anti-fraud plan, a detailed description of the SIU and the name of the designated employee with the DIFS by December 31, 2017, and annually thereafter.

As of the publication of this document, the Governor had not yet received CS/CS/CS/HB 1007. If signed, the bill will go into effect upon becoming law.

While no legislation passed addressing the necessary reforms needed for Assignment of Benefits (AOB) in property insurance claims, CS/HB 1421 by Representative James Grant (R-Tampa) passed the House of Representatives on a 91-26 vote. While HB 1421 was up for consideration by the House, Representative Evan Jenne (D-Fort Lauderdale) offered an

# Executive Summary

Board of Governors Meeting, June 20, 2017

amendment creating a rate freeze and rollback for all personal residential policies. The amendment was defeated.

The passage of CS/HB 1421 in the House of Representatives reflects the success of Citizens and the industry in moving the needle forward. We will continue to have an uphill battle in the Senate going into the 2018 Legislative Session.

The 2018 Session will convene on January 9th and end on March 9th. Interim Committee meetings leading into Session will begin in early fall.