



Week Five – April 1-5, 2019

Both the Senate and the House of Representatives passed their respective budgets last week setting the stage to begin budget conferences. While there was no action this week in committee on the Assignment of Benefits (AOB) legislation, several critical conversations took place including a meeting with Citizens and [Chairman Renner \(R-Palm Coast\)](#) and [Chairman Rommel \(R-Naples\)](#) in advance of the bill being heard on the House floor. As we understand it, the Senate and House bill sponsors have agreed on the key components of the bill. Chairman Rommel's [floor amendment](#) filed on Friday, April 5, reflects the agreed upon language.

The amendment now includes language that would require Citizens to delay implementing rate changes for HO3 and DP3 policies until a rate filing reflecting the expected savings from the bill can be made.

The following is a brief synopsis of Citizens' high priority bills which had action last week.

On Monday afternoon, the [House Government Operations and Technology Appropriations Subcommittee](#) took up [HB 1393](#) by [Representative Clemons \(R-Jonesville\)](#) which is the [Department of Financial Services \(DFS\)](#) comprehensive legislative package. The bill requires that settlements of property insurance claims, conducted through mediation be reported to all parties by the insurer within 10 days after the conclusion of the mediation.

The bill passed unanimously and now heads to the [House Commerce Committee](#) and then will be ready for the Floor. The bill would take effect on July 1, 2019.

Also on Monday, the [Senate Judiciary Committee](#) heard [SB 714](#) by [Senator Brandes \(R-St. Petersburg\)](#) which is the [Department of Financial Services \(DFS\)](#) omnibus bill. The most important key provisions include:

- Provides that the Florida Hurricane Catastrophe Fund (FHCF) must reimburse the loss adjustment expenses of an insurer at 10 percent of the insurer's reimbursed losses.
- Gives a liability insurer, who defends an insured, the right to compel the sharing of defense costs by another insurer who also owes a duty to defend the insured on the same claim.
- Requires a premium discount offered by a property, casualty, or surety insurer to be actuarially sound.
- Provides more mailing options for an insurer that is asserting a coverage defense to send the required notices.
- Requires a property insurer to notify a policyholder of their right to participate in mediation at the time of issuance and renewal or when the policyholder files a claim.
- Deletes a provision allowing the DFS to return a pre-suit notice for a bad faith action under s. 624.155, F.S., if the notice lacks specific, required information.
- Allows a property, casualty, or surety insurer to offer a premium discount for a policy if another policy has been purchased from a different insurer that:
 - Has a joint marketing arrangement with the insurer offering the discount
 - Issued the policy pursuant to the Citizens clearinghouse program if the same agent is servicing both policies
 - Has its policy serviced the same agent who is servicing the discounted policy

The bill passed unanimously. The bill received an additional committee reference and goes back to the [Senate Banking and Insurance Committee](#) before going to the [Rules Committee](#).

On Tuesday, the [Senate Community Affairs Committee](#) took up [SB 1476](#) by [Senator Flores \(R-Miami\)](#) which would reduce the 10 percent rate cap for Monroe County to 5 percent for two years beginning January 1, 2020 thru January 1, 2022. Citizens estimates this change would reduce premiums by approximately \$2.95 million over the time period the rate cap would be in effect.

The bill passed unanimously and now heads to the [Senate Rules Committee](#). The bill would take effect on July 1, 2019.

On Wednesday, the [House Judiciary Committee](#) heard [HB 1075](#) by [Representative Rodriguez \(R-Miami\)](#) a comprehensive condominium association and homeowners' association bill. One provision specific to property insurance would prohibit condominium owners' insurance policies from providing rights of subrogation against the condominium association. Prior to 2010 a condominium unit owner's insurance policy was prohibited by law from providing subrogation rights against the condominium association. In 2010 this law was repealed and subrogation against a condominium association has been permitted.

The bill passed unanimously and now heads to the [House Commerce Committee](#) before the Floor. The bill would take effect on July 1, 2019.

On Thursday, the [House State Affairs Committee](#) took up [HB 759](#) and [HB 761](#) by [Representative Massullo, Jr. \(R-Beverly Hills\)](#) which makes changes to the definition of trade secrets for state agencies and procedures with public records.

[HB 759](#) repeals most public record exemptions for trade secrets in current law, all associated processes for designating a trade secret, and most references to trade secrets contained in definitions for proprietary business information. An amendment was adopted maintaining specific contract information for agencies remain exempt from public records.

The bill passed unanimously and now heads to the Floor. The bill would take effect upon becoming law.

[HB 761](#) creates a uniform public records exemption for trade secrets held by an agency. Citizens is considered an agency for these purposes.

The bill passed unanimously and now heads to the Floor. The bill would take effect upon becoming law.

Also, on Thursday, the [House Commerce Committee](#) heard [HB 617](#) by [Representative Joseph \(D-Miami\)](#) which amends the flood insurance notice requirement passed during the 2018 Session. The bill requires the flood insurance portion of the notice be included in a homeowners policy only when the policy does not include flood coverage. This bill attempts to eliminate confusion since some companies now offer homeowners policies with flood coverage.

The bill passed unanimously and now heads to the Floor. The bill would take effect on July 1, 2019.

On Deck – Week Six

The [Senate Banking and Insurance Committee](#) will be meeting on Monday, April 8 at 4:00 p.m. and take up [SB 714](#) by [Senator Brandes \(R-St. Petersburg\)](#).

The [House Judiciary Committee](#) will be meeting on Tuesday, April 9 at 2:00 p.m. No specific bills impacting Citizens being heard.

The [Senate Rules Committee](#) will be meeting on Wednesday, April 10 at 10:00 a.m. No specific bills impacting Citizens being heard.

The [House Commerce Committee](#) will meet on Wednesday, April 10 at 8:00 a.m. No specific bills impacting Citizens being heard.

The [House State Affairs Committee](#) will meet on Wednesday, April 10 at 8:00 a.m. No specific bills impacting Citizens being heard.

The House of Representatives will be in Session on Wednesday, April 10 beginning at 1:30 p.m. Both [HB 7065](#) and [HB 301](#) are on Special Order.

The Senate will be in Session on Wednesday, April 10 beginning at 4:00 p.m.

The House of Representatives will be in Session on Thursday, April 11 beginning at 1:30 p.m.

News of Note – Week Five

[Put an end to the scam that cheats consumers out of insurance | Opinion](#)

Miami Herald

[Citizens Insurance rate hike cap for Monroe County nears debate on Senate floor](#)

Florida Politics

[Assignment of benefits lawsuits continues to rise for eighth straight year, report says; Chamber backs reform](#)

Florida Record

[Stop AOB Abuse and Frivolous Lawsuits Costing Floridians Billions](#)

Business Wire

[Florida lawmakers propose changes to assignment of benefit laws](#)

WTXL ABC 27

[Patronis: AOB A "Man-made Disaster"](#)

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