



## Week Seven – April 15-19, 2019

The [Senate Rules Committee](#) heard [SB 122](#) by [Chairman Broxson \(R-Pensacola\)](#) on Wednesday and passed the bill 11-6 with bipartisan support. The bill was amended to conform to its companion bill in the House of Representatives and will be ready for the Senate Floor this week. View the play-by-play of the hearing in [Senate Rules](#) and cue to 2:02:25 to watch. Footage provided by The Florida Channel.

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

On Wednesday, the [Senate Rules Committee](#) heard the AOB bill by [Chairman Broxson \(R-Pensacola\)](#) and amended to conform to the Senate. There were multiple "unfriendly amendments" filed which were all either defeated or withdrawn. These included:

- Citizens rate savings provisions would apply to all property insurers and Citizens. No bar on rate filings in 2019, but companies must show savings.
- Citizens' rate savings provision would apply to any property insurer for 2020 and after. Prohibits 2019 rate changes.
- Restrict rate filings for 2019 and requires for filings in 2020-2023 for limited AOB policies to show savings of 10-20 percent depending on policy limitations.
- Prohibits managed repair program, preferred vendor, recommendations, disparagement, influencing.
- Removes \$3,000 sublimit for emergency repair work and changes 1 percent of Coverage A to 2 percent.

The bill as amended now includes the following key provisions identical to [HB 7065](#) by [Chairman Rommel \(R-Naples\)](#)

- Provides that insurers must make available a property insurance policy that does not restrict AOB. Insurers may also offer a policy that entirely or partially restricts AOB. When purchasing a policy that restricts AOB, the named insured must reject the fully assignable policy and receive a notice that the policy restricts AOB. The policy restricting AOB must be at a lower cost.
- Eliminates "one way" attorney fees for assignees. The bill requires the assignee to give the insurer notice prior to the filing of a lawsuit and make a pre-suit demand. The insurer must respond with a pre-suit settlement offer. To award fees, the court must compare the difference between the demand and the offer with the judgment obtained and award fees based on a formula.
- Requires assignees to comply with some of the policyholder's duties under the insurance policy.
- Provides that Citizens cannot implement rate changes unless the rate filing reflects projected savings from the bill.

The bill would take effect on July 1, 2019.

On Thursday, the [Senate Appropriations Committee](#) heard [SB 714](#) by [Senator Brandes \(R-St. Petersburg\)](#) the insurance omnibus bill. The key provision important to Citizens is the change in

the Florida Hurricane Catastrophe Fund (FHCF) loss adjustment expense (LAE) factor from 5 percent to 10 percent beginning with the 2019 hurricane Season.

An amendment was adopted addressing the lack of affordable liability insurance for roller skating rinks. The amendment establishes standards to provide more predictability in liability to owners of skating rinks and that encourage risk reduction techniques. This is not in the House companion bill and will need to be worked out between the sponsors before the bill is heard on the Senate floor.

The bill passed 18-1 ([Senator Flores \(R-Miami\)](#) voted against) and now heads to the Floor. The bill would take effect on July 1, 2019.

## On Deck – Week Eight

The Senate will be in Session beginning on Tuesday, April 23 at 10:00 a.m. and daily through the end of Session. [SB 122](#) (Assignment of Benefits) by [Senator Broxson \(R-Pensacola\)](#) is on the Special Order calendar.

The [Senate Rules Committee](#) will be meeting on Tuesday, April 23 at 2:00 p.m. [SB 1476](#) by [Senator Flores \(R-Miami\)](#) will be heard. This bill would reduce premiums paid to Citizens by an estimated \$2.95 million over the two years the five percent rate cap is in effect. Currently, the rate cap is 10 percent like the remainder of the state. The House bill [HB 1145](#) by [Representative Holly Raschein \(R-Key Largo\)](#) has not been heard in the House, making further movement on the bills unlikely this session.

The House of Representatives will be in Session beginning on Tuesday, April 23 beginning at 12:30 p.m. and daily through the end of Session.

## News of Note – Week Seven

### [Broxson AOB amendment alarms tradesmen](#)

Politico

### [Senate, House line up on 'assignment of benefits' overhaul](#)

WJXT News4JAX

### [Senate AOB bill advances to chamber floor](#)

Florida Politics

### [Advocates say auto glass, home repair AOB are 'apples and oranges'](#)

Florida Politics

### [Florida AOB Reform Bill Passes Final Committee, Heads to Full Senate](#)

Insurance Journal

### [Commissioner David Altmaier: It's Time to Protect Consumers and Start Recovering from Years of Compounding Abuse](#)

Florida Office of Insurance Regulation

**Wednesday Editorial: Insurance reforms are needed on Assignment of Benefits**

The Florida Times-Union

**I-TEAM: Contractor accused of forging signatures to pocket insurance money**

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