

SB 562 by **Hukill**; (Identical to H 0401) Tax-exempt Income

CS/SB 124 by **HP, Ring (CO-INTRODUCERS) Clemens, Soto, Flores**; (Compare to H 0081) Newborn Screening for Critical Congenital Heart Disease

SPB 7018 by **BI**; Property Insurance

588490	A	S	FAV	BI, Hays	btw L.91 - 92:	03/07 12:34 PM
936210	A	S	FAV	BI, Simmons	Delete L.211:	03/07 12:34 PM
845828	A	S	FAV	BI, Simmons	Delete L.614 - 621:	03/07 12:34 PM
609336	A	S	FAV	BI, Richter	Delete L.633 - 1851:	03/07 12:34 PM
889978	AA	S L	FAV	BI, Hays	Delete L.537:	03/07 12:34 PM
249714	AA	S L	WD	BI, Richter	btw L.1101 - 1102:	03/07 12:34 PM
703668	AA	S L	WD	BI, Richter	btw L.1365 - 1366:	03/07 12:34 PM
464096	AA	S L	FAV	BI, Margolis	Delete L.92 - 115:	03/07 12:34 PM
671744	A	S	RS	BI, Margolis	Delete L.699 - 722:	03/07 12:34 PM
127374	SA	S L	TP	BI, Margolis	Delete L.699 - 722:	03/07 12:34 PM
876628	A	S	TP	BI, Hays	btw L.1138 - 1139:	03/07 12:34 PM
406430	A	S	WD	BI, Benacquisto	Delete L.1589 - 1591:	03/07 12:34 PM
439236	A	S	FAV	BI, Richter	btw L.1851 - 1852:	03/07 12:34 PM
555294	A	S	FAV	BI, Simmons	Delete L.1927 - 1965:	03/07 12:34 PM
865426	A	S	FAV	BI, Margolis	Delete L.1942 - 1948:	03/07 12:34 PM
276612	A	S	FAV	BI, Simmons	Delete L.1998:	03/07 12:34 PM
892392	A	S L	FAV	BI, Simmons	Delete L.1869 - 1899:	03/07 12:34 PM
536748	A	S L	FAV	BI, Richter	Delete L.1885 - 1886:	03/07 12:34 PM

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

BANKING AND INSURANCE
Senator Simmons, Chair
Senator Clemens, Vice Chair

MEETING DATE: Thursday, March 7, 2013
TIME: 8:00 —10:00 a.m.
PLACE: *Toni Jennings Committee Room, 110 Senate Office Building*

MEMBERS: Senator Simmons, Chair; Senator Clemens, Vice Chair; Senators Benacquisto, Detert, Diaz de la Portilla, Hays, Lee, Margolis, Montford, Negron, Richter, and Ring

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	SB 562 Hukill (Identical H 401)	Tax-exempt Income; Revising the amount of income that is exempt from the corporate income tax; revising the amount of income that is exempt from the franchise tax imposed on banks and savings associations, etc. BI 03/07/2013 Favorable AFT AP RC	Favorable Yeas 10 Nays 1
2	CS/SB 124 Health Policy / Ring (Compare H 81)	Newborn Screening for Critical Congenital Heart Disease; Requiring the Department of Health to adopt and enforce rules that require ambulatory surgical centers, hospitals, and birth centers in this state to conduct screening for critical congenital heart defects in all newborns by using certain technologies, etc. HP 02/06/2013 Fav/CS BI 03/07/2013 Favorable AHS AP	Favorable Yeas 11 Nays 0
Consideration of proposed committee bill:			
3	SPB 7018	Property Insurance; Creating the Florida Catastrophe Risk Capital Access Facility to increase the access of small domestic insurers to risk-capital markets; establishing the facility in the State Board of Administration; providing that Citizens Property Insurance Corporation is an insurer subject to civil actions as an agent of the state covered by sovereign immunity; requiring insurers to provide notice of mitigation discounts in a residential property insurance rate filing; establishing a clearinghouse within the corporation for identifying and diverting insurance coverage to private insurers, etc.	Submitted as Committee Bill
4	Other Related Meeting Documents		

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: SB 562

INTRODUCER: Senator Hukill

SUBJECT: Tax-exempt Income

DATE: February 7, 2013 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Babin	Burgess	BI	Favorable
2.			AFT	
3.			AP	
4.			RC	
5.				
6.				

I. Summary:

Senate bill 562 increases the level of income that is exempt from the Florida corporate income tax. Florida imposes a 5.5 percent tax on the net income of corporations doing business in Florida. Currently, however, the first \$50,000 of a corporation’s income that is subject to Florida tax is exempted from the tax. This bill increases the exemption from \$50,000 to \$75,000.

This bill substantially amends the following section of Florida Statutes: 220.14.

II. Present Situation:

Florida began imposing an income tax on corporations in 1972.¹ The initial tax rate was 5 percent, but that rate was increased to 5.5 percent in 1984.²

Currently, Florida’s corporate income tax is comprised of two separate 5.5 percent taxes and a 3.3 percent alternative minimum tax.³ The primary component of the tax is the 5.5 percent tax that applies to “corporations,” as defined by s. 220.03, F.S.⁴ The second 5.5 percent tax is

¹ See Chapter 71-984, Laws of Florida (L.O.F.). Florida began imposing a corporate income tax after a constitutional amendment was adopted in 1971. Currently, the Florida Constitution does not permit an income tax on natural persons. See Article VII, Section 5, Florida Constitution (Fla. Const.).

² See s. 21, 84-549, L.O.F. The Florida Constitution requires a 3/5 vote of the membership of each house of the Legislature in order to impose a tax in excess of 5 percent. See Art. VII, Sec. 5, Fla. Const.

³ Only 1 of these 3 tax components can apply to a taxpayer in a given year.

⁴ This component of the tax is imposed by s. 220.11(1), F.S. Only a fraction of total Florida businesses are considered “corporations” subject to the Florida corporate income tax. Sole proprietorships, partnerships, limited liability companies, and S corporations are not subject to the tax except under limited circumstances. See s. 220.03(1)(e), F.S.

referred to as the “franchise tax” and is imposed on Florida banks and savings institutions, as defined in s. 220.62, F.S.⁵

Regardless of which 5.5 percent tax applies to a taxpayer, if the taxpayer is subject to the federal alternative minimum tax (AMT), then the taxpayer could be subject to Florida’s AMT.⁶ If so, the taxpayer must pay the greater of the 5.5 percent tax or the 3.3 percent AMT.⁷

Florida’s corporate income tax is imposed on a taxpayer’s “net income.” Net income⁸ is determined through the following process:

1. **Begin with Federal Taxable Income.** Rather than requiring the taxpayer to fully recalculate all of its income and deductions for Florida purposes, Florida taxpayers use their federal taxable income as the starting point for determining how much tax is owed Florida.
2. **Make Certain Statutory Adjustments.** These adjustments are generally known as “additions and subtractions,”⁹ and they relate to various items that Florida treats differently than the federal government. The income remaining after these additions and subtractions is known as “adjusted federal income.”
3. **Apportion and Allocate.** Multi-state taxpayers must determine what portion of their adjusted federal income is properly taxable in Florida – a process generally referred to as “apportionment.” Within this process, the taxpayer first determines what portion of its income is from business operations and what portion of its income is non-business.¹⁰ Its business income is then “apportioned”¹¹ among the states where it does business and its non-business income “allocated” to the state where the transactions or activities that gave rise to the non-business income occurred.¹²

Florida generally uses a three-factor apportionment formula determined by the taxpayer’s payroll, property, and sales. The formula compares the taxpayer’s total payroll, sales and property in all states with the taxpayer’s payroll, sales and property in Florida. The ultimate result of this calculation will be a fraction. A multi-state taxpayer’s business income is then apportioned to Florida based upon that fraction.

4. **Subtract the Exemption.** Lastly, Florida grants an exemption for the first \$50,000 of income that would otherwise be taxable in Florida.¹³ Accordingly, after apportionment and allocation are applied to determine a taxpayer’s income that is properly taxable in Florida, the taxpayer

⁵ The franchise tax is imposed by s. 220.63(1), F.S.

⁶ More information about the AMT for corporations is available from many sources, but a concise explanation was prepared by the nonpartisan Tax Policy Center, an affiliate of The Brookings Institute. The article is available at <http://www.taxpolicycenter.org/publications/url.cfm?ID=1000515>. Last visited February 8, 2013.

⁷ See s. 220.11(4), F.S. Although the AMT is a lower nominal rate compared to the 5.5 percent tax, the AMT can result in a higher tax due because it uses a different definition of “taxable income.”

⁸ See s. 220.12, F.S.

⁹ See generally s. 220.13, F.S.

¹⁰ Nonbusiness income is certain income that does not arise from transactions and activities in the regular course of the taxpayer’s trade or business. See s. 220.03(1)(r), F.S.

¹¹ See generally s. 220.15, F.S.

¹² See generally s. 220.16, F.S.

¹³ The Florida Constitution requires an exemption of at least \$5,000. See Art. VII, Sec. 5, Fla. Const.

subtracts \$50,000 before applying the tax rate. The amount of income remaining after subtraction of the \$50,000 exemption is known as “net income” and is the amount subject to Florida corporate income tax.

III. Effect of Proposed Changes:

For taxable years beginning on or after January 1, 2014, the bill increases the \$50,000 exemption to \$75,000.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference reviewed the impact of this bill on February 1, 2013. This bill is estimated to reduce general revenue in 2013-2014 by \$8.7 million. This bill is estimated to reduce recurring general revenue funds in 2014-2015 by \$19.1 million, increasing in succeeding years.¹⁴

B. Private Sector Impact:

This bill will provide at least a partial reduction in tax for all corporate income taxpayers. By increasing the amount of income that would be exempted, the bill would completely exempt an additional 2,000 (estimated) taxpayers from the corporate income tax.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

¹⁴ Revenue Estimating Conference Impact Conference Results from February 1, 2013, which can be found at: <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2013/pdf/page6-7.pdf>. Last visited February 8, 2013.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/7/13

Meeting Date

Topic Tax exemption

Bill Number SB 562
(if applicable)

Name John Fleming

Amendment Barcode _____
(if applicable)

Job Title Director of Communications

Address 227 S Adams

Phone 222-4082

Street
Tall FL 32301
City State Zip

E-mail john.f@f.f.o.s

Speaking: For Against Information

Representing Florida Retail Federation

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/7/2013
Meeting Date

Topic _____

Bill Number SR 562
(if applicable)

Name Mark Delegal

Amendment Barcode _____
(if applicable)

Job Title Counsel

Address 215 S. Monroe St #200

Phone 850-222-3533

Tallahassee FL 32301
City State Zip

E-mail mdelegal@penningtonlaw.com

Speaking: For Against Information

Representing Florida Chamber of Commerce

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/7/13
Meeting Date

Topic _____

Bill Number SB 542
(if applicable)

Name Frank Meiners

Amendment Barcode _____
(if applicable)

Job Title _____

Address PO Box 1433

Phone 856-591-0177

TALL FL 32302
City State Zip

E-mail frank@chqmail.com

Speaking: For Against Information

Representing Assoc. Industries of FL (AIF)

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: CS/SB 124

INTRODUCER: Health Policy Committee; Senators Ring and Clemens

SUBJECT: Newborn Screening for Critical Congenital Heart Disease

DATE: February 28, 2013 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	McElhenny	Stovall	HP	Fav/CS
2.	Johnson	Burgess	BI	Favorable
3.			AHS	
4.			AP	
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

CS/SB 124 requires the Department of Health (DOH) to adopt and enforce rules that require hospitals, ambulatory surgical centers, and birthing centers to screen newborns for critical congenital heart disease (CCHD) within the first 24 hours of life or before the newborn is discharged.

This bill amends section 383.14 of the Florida Statutes.

II. Present Situation:

Congenital Heart Disease

Congenital Heart Disease (CHD) is a term that embraces a variety of defects that are present in the structure of the heart at birth. Defects may involve the interior walls of the heart, valves inside the heart, or the arteries and veins that carry blood to the heart or out to the body. These congenital defects change the normal flow of blood through the heart, leading to a range of conditions and symptoms. CHD affects about 7 to 9 of every 1,000 live births in the United States and Europe and is the most common cause of death in the first year of life, with defects

accounting for 3 percent of all infant deaths and more than 40 percent of all deaths due to congenital malformations.¹

Critical CHD (CCHD) is a subset of congenital heart defects that causes severe and life-threatening symptoms and requires intervention within the first days or first year of life. Critical Congenital Cyanotic Heart Disease is a group of congenital heart defects characterized by a diminished availability of oxygen to the body tissues.

Current methods for detecting CHD generally include prenatal ultrasound screening and careful and repeated clinical examinations, both in the hospital nursery and as part of routine well-child care. CCHD and Critical Congenital Cyanotic Heart Disease are often missed by hospital discharge and post-discharge clinical exams of infants.

Pulse oximetry screening can identify some newborns with CCHD. A pulse oximeter is a medical device that measures the percentage of hemoglobin in the blood that is saturated with oxygen. The device indirectly monitors the oxygen saturation of a patient's blood without the need to take a blood sample. It is estimated that one quarter of congenital heart defects could be detected and potentially treated by measuring blood oxygen saturation.² Neonates with abnormal pulse oximetry screening results need confirmatory testing for the cause of the low oxygen saturation, and immediate intervention, often involving a surgical procedure.

A screen is considered positive if: any oxygen saturation measure is less than 90 percent (in the initial screen or in repeat screens); oxygen saturation is less than 95 percent in the right hand and foot on three measures, each separated by 1 hour; or a greater than 3 percent absolute difference exists in oxygen saturation between the right hand and foot on three measures, each separated by one hour. Any screening that is greater than or equal to 95 percent in the right hand or foot with a less than or equal to 3 percent absolute difference in oxygen saturation between the right hand or foot is considered a negative screen and screening would end.³

Any infant with a positive screen should have a diagnostic echocardiogram. The infant's pediatrician should be notified immediately and the infant might need to be seen by a cardiologist for follow-up.⁴

¹ Letter dated October 15, 2010, to The Honorable Kathleen Sebelius, Secretary of Health and Human Services, from R. Rodney Howell, M.D., Chairperson of the Secretary's Advisory Committee on Heritable Disorders in Newborns and Children. Found at:

<http://www.hrsa.gov/advisorycommittees/mchbadvisory/heritabledisorders/recommendations/correspondence/criticalcongenital.pdf> (Last visited on January 25, 2013).

² Letter dated September 21, 2011, to R. Rodney Howell, M.D., Chairperson of the Secretary's Advisory Committee on Heritable Disorders in Newborns and Children, from The Honorable Kathleen Sebelius, Secretary of Health and Human Services. Found at:

<http://www.hrsa.gov/advisorycommittees/mchbadvisory/heritabledisorders/recommendations/correspondence/cyanoticheartsecre09212011.pdf> (Last visited on January 25, 2013).

³ *Pulse Oximetry Screening for Critical Congenital Heart Defects*, Centers for Disease Control and Prevention. Found at: <http://www.cdc.gov/ncbddd/pediatricgenetics/pulse.html> (Last visited on January 25, 2013).

⁴ *Id.*

Newborn Screening

All babies born in the United States are examined for certain medical conditions soon after birth. This is called newborn screening. Over 4 million infants are screened each year. Newborn screening identifies conditions that can affect a child's long-term health or survival. Early detection, diagnosis, and intervention can prevent death or disability and enable children to reach their full potential. All babies are screened, even if they look healthy, because some medical conditions cannot be seen by just looking at the baby. Each state runs its own newborn screening program.

Newborn screening usually takes place before a newborn leaves the hospital. Most tests use a few drops of blood from pricking the baby's heel. The blood specimen is placed on a special filter paper and, in Florida, the specimen card is sent to the DOH Newborn Screening Laboratory in Jacksonville for testing. The laboratory receives about 250,000 specimens annually from babies born in Florida. The majority of the test results are reported within 24-48 hours. The DOH Children's Medical Services program provides the follow-up for all abnormal screening results.

Section 383.14, F.S., requires the Florida DOH to promote the screening of all newborns born in Florida for metabolic, hereditary, and congenital disorders known to result in significant impairment of health or intellect, as screening programs accepted by current medical practice become available and practical in the judgment of the department.

Section 383.145, F.S., establishes the state's newborn and infant hearing screening program. Hospitals perform the hearing screening on all babies prior to discharge. Licensed birth centers are required to provide referrals for the hearing screening. A hearing test involves placing a tiny earphone in the baby's ear and measuring his or her response to sound. If a screening test suggests a problem, the baby's doctor will follow up with further testing.

Most states screen for a standard number of conditions, but some states may screen for more conditions. Florida currently screens for 36 disorders, including hearing impairment, but does not screen for CHD.⁵ The National Newborn Screening and Genetics Resource Center provides a current list of conditions included in each state's newborn screening program. As of January 6, 2013, screening for CCHD is required by law or rule and fully implemented in Indiana, Maryland, New Hampshire, New Jersey, Tennessee and West Virginia. Testing is required, but not implemented in Connecticut. In Delaware, CCHD screening is offered to select populations or by request.⁶

Adding Conditions to Required Screening

The DOH is required, after consultation with the Genetics and Newborn Screening Advisory Council, to adopt rules requiring every newborn in this state, prior to becoming 1 week of age, to be subjected to a test for phenylketonuria and, at the appropriate age, to be tested for other metabolic diseases and hereditary or congenital disorders *as the department deems necessary*.⁷

⁵ See Department of Health Bill Analysis for CS/SB 124 – on file with the Senate Banking and Insurance Committee.

⁶ National Newborn Screening Status Report, updated 01/06/13. Found at: <http://genes-r-us.uthscsa.edu/sites/genes-r-us/files/nbsdisorders.pdf> (Last visited on January 30, 2012).

⁷ s. 383.14(2), F.S.

The purpose of the Genetics and Newborn Screening Advisory Council⁸ is to advise the department about:

- Conditions for which testing should be included under the screening program and the genetics program.
- Procedures for collection and transmission of specimens and recording of results.
- Methods whereby screening programs and genetics services for children now provided or proposed to be offered in the state may be more effectively evaluated, coordinated, and consolidated.

At the national level, the Advisory Committee on Heritable Disorders in Newborns and Children advises the Secretary, U.S. Department of Health and Human Services, on the most appropriate application of universal newborn screening tests, technologies, policies, guidelines and standards. The advisory committee recommends conditions that should be added to the Recommended Uniform Screening Panel.

On September 17, 2010, the Secretary's Advisory Committee on Heritable Disorders in Newborns and Children recommended that Critical Congenital *Cyanotic* Heart Disease be added to the Recommended Uniform Screening Panel.⁹ Secretary Sebelius accepted the committee's recommendation on September 21, 2011, and CCHD screening was added to the Recommended Uniform Screening Panel as a core condition.¹⁰ The Secretary included a broader group of congenital heart defects (Critical CHD) than what the Advisory Committee had originally recommended (Critical Congenital Cyanotic Heart Disease).

On January 20, 2012, the Florida Department of Health Genetics and Newborn Screening Advisory Council recommended working with the Cardiac Subcommittee of Children's Medical Services Advisory Council for recommendation of implementing Critical Congenital Heart Disease (CCHD) to the newborn screening panel.¹¹

Hospital, Birth Center, and Home Deliveries

In 2011, there were 213,237 resident live births in Florida.¹² Of those live births, 98.3 percent occurred in hospitals. Physicians attended 87.3 percent of the hospital births.¹³ Midwives attended 10.8 percent of live births in hospitals. Birth centers accounted for 1,482 births (0.695 percent of live births) and midwives attended 97.9 percent of birth center births. Physicians attended 1.95 percent of birth center births. In 2011, there were 2,124 births in an identified place other than a hospital or birth center and 58 births where the place of delivery was unknown.¹⁴

⁸ s. 383.14(5), F.S.

⁹ Supra, fn 1.

¹⁰ Supra, fn 2.

¹¹ Florida Newborn Screening Guidelines 2012; Found at:

<http://www.doh.state.fl.us/CMS/NewbornScreening/NewbornScreening/Guidelines.Final.05.24.2012small.pdf> (Last visited on January 30, 2013)

¹² Department of Health, *2011 Florida Vital Statistics Annual Report – Live Births*. Found at: <http://www.flpublichealth.com/VSBOOK/pdf/2011/Births.pdf> (Last visited on January 30, 2013).

¹³ *Id.*

¹⁴ *Id.*

A November 2012 survey conducted by the Florida Newborn Screening Follow-up Program of birthing hospitals showed that 78 of 121 are performing pulse oximetry screening. Twenty five hospitals responded that they were not performing pulse oximetry screening; but, nine indicated that they would soon begin offering the screening. Eighteen hospitals did not respond to the survey.¹⁵

Hospitals are licensed and regulated under ch. 395, F.S., and part II of ch. 408, F.S. Birth centers are licensed and regulated under ss. 383.30-383.335, F.S., and part II of ch. 408, F.S. There are 23 licensed birth centers in Florida.

Health Insurance

Section 627.6416, F.S., requires individual health insurance policies, which provide coverage for a member of a family of the insured or subscriber, to include coverage for child-health supervision services. These services are covered from birth to age 16 years. The term, “child health supervision services” means physician-delivered or physician-supervised services that include, at a minimum, periodic visits including a history, a physical examination, a developmental assessment and anticipatory guidance, and appropriate immunizations and laboratory tests. These services must be provided in accordance with prevailing medical standards consistent with the Recommendations for Preventive Pediatric Health Care of the American Academy of Pediatrics. The recommendations currently include newborn metabolic and hemoglobin screening.

The same child health supervision requirements applicable to individual health insurance policies also apply to group, blanket, and franchise health insurance policies under s. 627.6579, F.S., and to health maintenance organization contracts under s. 641.31(30), F.S.

Insurance Mandates

Pursuant to s. 624.215, F.S., every person or organization seeking consideration of a legislative proposal which would mandate a health coverage or the offering of a health coverage by an insurance carrier, health care service contractor, or health maintenance organization as a component of individual or group policies, must submit to the Agency for Health Care Administration and the legislative committee having jurisdiction a report which assesses the social and financial impacts of the proposed coverage. The Senate Committee on Health Policy has not received such a report.

III. Effect of Proposed Changes:

The CS amends s. 383.14, F.S., to require the DOH to adopt and enforce rules that require hospitals, ambulatory surgical centers, and birthing centers to screen newborns for critical congenital heart disease (CCHD) within the first 24 hours of life or before the newborn is discharged. The rules will require screening for CCHD by testing for low blood-oxygen saturation using pulse oximetry or alternate peer-reviewed, evidence-based technologies on each newborn after the first 24 hours of life or before the newborn is discharged. This requirement is

¹⁵ See Department of Health Bill Analysis, CS/SB 124 – on file with the Senate Banking and Insurance Committee.

added to an existing section of law pertaining to newborn screenings, which includes rulemaking authority for reporting test results and other responsibilities for the newborn screening program.

The effective date of the bill is July 1, 2013.

Other Potential Implications:

Section 383.14, F.S., gives the DOH, in consultation with the Genetics and Newborn Screening Advisory Council, the authority to, *by rule*, add to the list of disorders or diseases for which newborns must be screened. This provides a mechanism for newborn screening to be expanded as tests become available that are accepted by current medical practice and that are practical in the judgment of the department. If the department decides that infants should be tested for an additional condition, the department would need budget authority to cover the costs of conducting additional tests, however.

Does the Legislature want to include all 36 current mandatory tests in statute and amend the statute in the future to add tests as they become available? Is the need for approval of budget authority a sufficient check to keep the list of mandatory tests from growing out of control? Is the need for approval of budget authority a sufficient check to keep impractical tests from being added to the list of mandatory tests?

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The DOH currently collects a maximum hospital fee of \$15 per live birth, as authorized in s. 383.14(3)(g), F.S., to cover the cost of newborn screening. No additional fee authority is provided in the bill.

B. Private Sector Impact:

Hospitals, birth centers, and ambulatory surgical centers will have additional screening and reporting requirements.

Early detection with prompt early treatment may lead to a better outcome for babies born with severe heart disease. Detection prior to hospital discharge may also prevent unexpected events such as death or an emergency health crisis in the home setting.

C. Government Sector Impact:

The DOH will need to track CCHD test results. The CCHD screening is similar to newborn hearing screening in that the birthing facility conducts the actual testing and the DOH tracks the results and provides surveillance activities for infants who fail the screening test.

The DOH will need to modify the current data system or purchase a separate system to receive and track infants who fail the testing for CCHD. The DOH estimates that an additional three contract staff will be needed. The DOH estimates its expenditures to be \$205,992 in FY 2013-2014 and \$155,992 in FY 2014-2015, and subsequent years.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Health Policy on February 6, 2013:

The CS adds the requirement for the DOH to adopt and enforce rules requiring newborn screening for CCHD into an existing section of law pertaining to newborn screening requirements. The CS eliminates requirements specifying facility procedures to implement the screening.

- B. **Amendments:**

None.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

March - 7 - 13

Meeting Date

Topic New Born Screening Congenital Heart Bill Number 124
(if applicable)

Name Holly Miller Amendment Barcode _____
(if applicable)

Job Title Assistant General Counsel

Address _____ Phone 850-227-6496
Street

City _____ State _____ Zip _____

Speaking: For Against Information

Representing FMA

Appearing at request of Chair: Yes No
Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting. S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3.7.13

Meeting Date

Topic Newborn Screening For Critical Congenital Heart Defects Bill Number SB 0124
Name Tracy Mayernick Amendment Barcode _____
(if applicable)
(if applicable)

Job Title _____
Address _____ Phone _____
Street
City _____ State _____ Zip _____
E-mail _____

Speaking: For Against Information

Representing March of Dimes

Appearing at request of Chair: Yes No Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/7/13

Meeting Date

Topic newborn screening

Bill Number SB124
(if applicable)

Name Ellen Anderson

Amendment Barcode _____
(if applicable)

Job Title State Advocacy Director - FHA

Address _____
Street

Phone _____

City

State

Zip

E-mail _____

Speaking: For Against Information

Representing FL Hospital Association

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-7-13

Meeting Date

Topic Pulse Ox Screening

Bill Number CS/SB - 124
(if applicable)

Name Marnie George

Amendment Barcode _____
(if applicable)

Job Title _____

Address 106 E. College Avenue

Phone 850-510-8866

Street

Tallahassee FL 32303

E-mail Marnie@thegeorgegroup.com

City

State

Zip

Speaking: For Against Information

Representing FL Chapter - American College of Cardiology

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

** will waive in support*

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date _____

Topic New Born Screening

Bill Number SB 124
(if applicable)

Name JAMES MOSTELLER

Amendment Barcode _____
(if applicable)

Job Title Government Relations Director

Address 2851 Remington Green Circle Ste C

Phone 850-727-3712

Street

Tall FL 32308

City

State

Zip

E-mail james.mosteller@heart.org

Speaking: For Against Information

Representing American Heart Association

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/7/13
Meeting Date

Topic _____

Bill Number SB 124
(if applicable)

Name SAM BELL

Amendment Barcode _____
(if applicable)

Job Title _____

Address 1298 MILLSTREAM

Phone _____

Street

TALLAHASSEE, FL 32312

E-mail _____

City

State

Zip

Speaking: For Against Information

Representing FLORIDA PEDIATRIC SOCIETY

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date _____

Topic _____ Bill Number 7018
(if applicable)

Name Mark DeLeon Amendment Barcode _____
(if applicable)

Job Title _____

Address _____ Phone _____
Street

City _____ State _____ Zip _____

E-mail _____

Speaking: For Against Information

Representing Florida Chamber

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-7-13

Meeting Date

Topic CITIZEN'S PROPERTY INS

Bill Number 7018
(if applicable)

Name GARY FARMER

Amendment Barcode _____
(if applicable)

Job Title ATTORNEY

Address 425 N ANDREWS AVE

Phone 954-529-7820

Street

FT. LAUDERDALE FL 32301

E-mail GARY@PATHTOJUSTICE.COM

City

State

Zip

Speaking: For Against Information

Representing FLORIDA JUSTICE ASSN

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/7/13

Meeting Date

Topic Citizens Insurance

Bill Number SPB 7018

(if applicable)

Name Jay Liles

Amendment Barcode _____

(if applicable)

Job Title Policy Consultant

Address P O Box 6870

Street

Tallahassee

City

FL

State

32314

Zip

Phone _____

E-mail _____

Speaking: For Against Information

Representing Florida Wildlife Federation

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-7-13

Meeting Date

Topic HOMEOWNER INSURANCE

Bill Number 7018
(if applicable)

Name BILL NEWTON

Amendment Barcode _____
(if applicable)

Job Title EXECUTIVE DIRECTOR

Address 3006 W KENNEDY BLVD STE B

Phone 813-877-6712

Street

TAMPA, FL 33609

City

State

Zip

E-mail BILL@FCAN.ORG

Speaking: For Against Information

Representing FLORIDA CONSUMER ACTION NETWORK

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

Speaker

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/7/13

Meeting Date

Topic Property & Market Activity Discussion Bill Number SB 7018
(if applicable)

Name Kevin McCarty Amendment Barcode _____
(if applicable)

Job Title Commissioner

Address 200 E. Gaines St., Ste. 101

Phone (850) 413-5096

Tallahassee, FL 32398
City State Zip

E-mail kevin.mccarty@flor.com

Speaking: For Against Information

Representing Office of Insurance Regulation

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

Speaker

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/7/13
Meeting Date

Topic Property & Market Activity Discussion

Bill Number SB 7018
(if applicable)

Name Ken Ritzenthaler

Amendment Barcode _____
(if applicable)

Job Title Actuary

Address 200 E. Gaines St.
Street

Phone (850) 413-5069

Tallahassee, FL 32399
City State Zip

E-mail ken.ritzenthaler@flair.com

Speaking: For Against Information

Representing Office of Insurance Regulation

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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Speaker

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/7/13

Meeting Date

Topic Property & Market Activity Discussion

Bill Number SB 7018
(if applicable)

Name Robert Lee

Amendment Barcode _____
(if applicable)

Job Title Actuary

Address 200 E. Gaines St.

Phone (850) 413-5069

Tallahassee, FL 32399
City State Zip

E-mail robert.lee@flair.com

Speaking: For Against Information

Representing Office of Insurance Regulation

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

Speaker

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-6-13
Meeting Date

Topic Ins.

Bill Number SB 7018
(if applicable)

Name Robin Westcott

Amendment Barcode _____
(if applicable)

Job Title Ins. Consumer Advocate

Address 1L 22 The Capitol
Street

Phone 850 413 2868

1H FL 32399
City State Zip

E-mail Robin.Westcott@myfloridacfo.com

Speaking: For Against Information

Representing _____

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

03/7/13

Meeting Date

Topic Citizens Property Insurance Bill Number SPB 7018
Name Christine Ashburn Amendment Barcode 439236 (if applicable)
Job Title Director of Legislative & External Affairs (if applicable)
Address _____ Phone _____
Street Tallahassee State FL E-mail _____
City Zip

Speaking: For Against Information

Representing Citizens Property Insurance Corporation

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

03/07/2013

Meeting Date

Topic C PIC

Bill Number SPB 7018
(if applicable)

Name DON BROWN

Amendment Barcode 609336
(if applicable)

Job Title _____

Address POB 866

Phone 850-865-9280

Street

DEFUNIAK SPRINGS, FL 32435

City

State

Zip

E-mail DON@DONBROWNFLORIDA.COM

Speaking: For Against Information

Representing AIF

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

03/07/2013
Meeting Date

Topic CPIC

Bill Number SPB 7018
(if applicable)

Name DON BROWN

Amendment Barcode _____
(if applicable)

Job Title _____

Address POB 866
Street

Phone 850-865-9280

DEFUNIAK SPRINGS, FL 32435
City State Zip

E-mail DON@DONBROWNFLORIDA.COM

Speaking: For Against Information

Representing AIF

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

3/7/2013

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date

Topic CITIZENS (~~GAY FOR AMERICA~~)

Bill Number 7018
(if applicable)

Name CHRISTIAN CAMARA

Amendment Barcode _____
(if applicable)

Job Title STATE DIRECTOR

Address PO Box 10577

Phone (305) 608-4300

Street TALLAHASSEE FL 32302
City Tallahassee *State* FL *Zip* 32302

E-mail CCAMARA@RSTREET.ORG

Speaking: For Against Information

Representing R- STREET INST.

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date _____

Topic PROPERTY INSURANCE

Bill Number _____
(if applicable)

Name CHARLES J. GRIMSLEY

Amendment Barcode _____
(if applicable)

Job Title PRESIDENT

Address 2421 S.W. 29TH WAY

Phone 954-599-1649

Street

FT. LAUDERDALE, FL 33312

City

State

Zip

E-mail CHARLES.G.RIMSLEY@BELLSOUTH.NET

Speaking: For Against Information

Representing FLORIDA PROPERTY + CASUALTY ASS'N

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: SPB 7018

INTRODUCER: For Consideration by Banking and Insurance Committee

SUBJECT: Property Insurance

DATE: March 9, 2013 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Matiyow/Burgess	Burgess	BI	Submitted as Committee Bill
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

SPB 7018 enacts changes to property insurance laws including Citizens Property Insurance Corporation as the bill:

- Renames the Florida Hurricane Catastrophe Fund Finance Corporation to the State Board of Administration Finance Corporation.
- Creates a Florida Catastrophe Risk Capital Access Facility within the State Board of Administration to help insurers identify global capital available for additional coverage options around the various layers of the CAT Fund.
- Subjects Citizens Property Insurance Corporation to bad faith claims.
- Exempts Citizens from “exchange of business” restrictions, to facilitate the operations of the clearinghouse.
- Requires the Office of Insurance Regulation (OIR) to calculate and publish an annual property insurance inflation factor where property insurance rates filed below the inflation factor are to be deemed non-excessive by the Office.
- Allows insurance companies to include in their rate filing reinsurance that is purchased to cover potential shortfalls in the Florida Hurricane Catastrophe Fund.
- Requires the Florida Commission on Hurricane Loss Projection Methodology review the accuracy of hurricane models used to establish wind mitigation discounts.
- Allows the OIR to hold a public hearing for a rate filing when the filing exceeds 15 percent in counties where the office determines there is not a reasonable degree of competition.
- Allows insurers to use consent to rate for up to 10 percent of commercial policies enforce and up to 5 percent for personal policies enforce in counties where the office determines there is not a reasonable degree of competition.

- Redefines Citizens' mission to be non competitive through the use of a clearinghouse to ensure Citizens' coverage is only available to eligible applicants.
- Restructures the corporation's executive director's authority in relation to the board.
- Requires Senate confirmation of board members, except those appointed by the Speaker of the House of Representatives.
- Reduces the maximum Citizens' policy limit from \$2 million to \$1 million, and further reduces this amount by \$100,000 a year for 5 years.
- Prohibits Citizens from covering structures commencing construction after July 1, 2013, that are seaward of the coastal construction control line, unless built to code-plus.
- Allows Citizens to enter into risk-sharing agreements with private insurers.
- Clarifies a private company's offer within 15 percent of Citizens' rate makes both new and renewal policies ineligible for Citizens.
- Requires agents to certify and document a continued effort to seek private market placement for their policyholders that are in Citizens.
- Prohibits agent commissions on ineligible policies placed in Citizens after January 1, 2014.
- Requires Citizens disclose potential surcharge and assessment liabilities with each renewal notice.
- Expands the Auditor General's operational audit and requires it be conducted annually.
- Requires Citizens board to contract with an independent auditing firm to perform a full management audit of the corporation on a biannual basis.
- Allows Citizens to consider any non discriminatory approaches to reducing policies including a surplus note program that includes participation by mutual companies.
- Subjects Citizens to s. 287.057, F.S., pertaining to the procurement of commodities or contractual services.
- Requires Citizens rates must be actuarially sound, include an appropriate risk load factor and not compete with the private market. A noncompetitive rate is defined as the highest rate among the top 20 insurers writing in a given territory but where OIR sees no competitive market exists, rates must be actuarially sound.
- Requires all new policies, all personal lines residential non-wind policies that are non-homestead, non-renter occupied homes with a replacement cost over \$300,000 and nonresidential commercial policies be placed at the higher of the top 20 rate or actuarially sound.
- Requires rates for personal lines residential wind-only policies that are non-homestead, non-renter occupied homes with a replacement cost over \$1 million on July 1, 2013, \$800,000 on January 1, 2014 and \$600,000 on January 1, 2015, be placed at the top 20 rate or actuarially sound whichever is greater.
- Applies the glide path percentage by territory and not policy.
- Allows an increase of 3 percent for Citizens to purchase additional reinsurance and decreases by 3 percent (1 percent per account) the Citizens policy surcharge.
- Citizen's board must recommend to the Legislature a process in which policyholders with documented financial needs can receive some rate relief.
- The bill requires that all new and renewal applications, excluding commercial residential, must be submitted to the clearinghouse before the corporation can bind or renew coverage.
- Requires that any assignment of benefits for property insurance must comply with the policy conditions.

- Provides for an additional process by which OIR may approve property and casualty forms, except for workers compensation filings.
- Except as otherwise expressly provided in this act, this act shall take effect July 1, 2013.

This bill substantially amends the following sections of the Florida Statutes: 215.555, 624.155, 626.752, 627.062, 627.0628, 627.0629, 627.171, 627.351, 627.405, 627.410, F.S.

This bill creates the following sections of the Florida Statutes: 215.5551, 627.3518, 627.4102, F.S.

II. Present Situation:

Citizens Property Insurance Corporation (Citizens)

Citizens is a state-created, not-for-profit, tax-exempt governmental entity whose public purpose is to provide property insurance coverage to those unable to find affordable coverage in the voluntary admitted market.¹ Citizens is not a private insurance company.² Citizens was statutorily created in 2002 when the Florida Legislature combined the state's two insurers of last resort, the Florida Residential Property and Casualty Joint Underwriting Association (RPCJUA) and the Florida Windstorm Underwriting Association (FWUA). Citizens operates in accordance with the provisions in s. 627.351(6), F.S., and is governed by an eight member Board of Governors³ (board) that administers its Plan of Operations, which is reviewed and approved by the Financial Services Commission. The Governor, President of the Senate, Speaker of the House of Representatives, and Chief Financial Officer each appoints two members to the board. Citizens is subject to regulation by the Florida Office of Insurance Regulation.

Citizens Accounts

Citizens offers three types of property and casualty insurance in three separate accounts. Each account is a separate statutory account with separate calculations of surplus and deficits.⁴ Assets may not be commingled or used to fund losses in another account.⁵ The three Citizens accounts are:

Personal Lines Account (PLA): Statewide account offering multiperil policies covering homeowners, mobile homeowners, dwelling fire, tenants, condominium unit owners, and similar policies.

- Policies in Force: 838,143
- In Force Premium: \$1,379,410,864
- Total Exposure: \$175,864,284,312

¹ Admitted market means insurance companies licensed to transact insurance in Florida.

² Section 627.351(6)(a)1., F.S. Citizens is also subject to regulation by the Office of Insurance Regulation.

³ The Governor, the Chief Financial Officer, the President of the Senate and the Speaker of the House of Representatives appoint two members each.

⁴ The Personal Lines Account and the Commercial Lines account are combined for credit and Florida Hurricane Catastrophe Fund coverage.

⁵ Section 627.351(6)(b)2b., F.S.

Coastal Account (COASTAL): Coastal area account offering personal residential wind-only policies, commercial residential wind-only policies and commercial nonresidential wind-only policies issued in limited eligible coastal areas. In addition, in August of 2007, Citizens began offering personal and commercial residential multiperil policies in the Coastal account.

- Policies in Force: 438,642
- In Force Premium: \$1,144,655,922
- Total Exposure: \$191,101,715,209

Commercial Lines Account (CLA): Statewide account offering multiperil policies covering commercial residential-condominium associations, apartment buildings and homeowners associations; and commercial non-residential policies.

- Policies in Force: 8,016
- In Force Premium: \$200,296,331
- Total Exposure: \$38,748,152,744

Total All Accounts Combined:⁶

- Policies in Force: 1,284,801
- In Force Premium: \$2,724,363,117
- Total Exposure: \$405,714,152,265

Citizens Financial Resources

“Citizens’ financial resources include insurance premiums, investment income, operating surplus from prior years, Florida Hurricane Catastrophe Fund (FHCF) reimbursements, private reinsurance, policyholder surcharges, and regular and emergency assessments. As of December 13, 2013, Citizens will have an accumulated surplus of approximately \$6.34 billion. For the 2013 hurricane season Citizens will have purchased \$1.75 billion in private reinsurance coverage along with the \$5.73 billion in mandatory layer reinsurance from the FHCF. For the 2013 hurricane season Citizens’ probable maximum loss (PML) from a 1-in-100 year event is \$20.42 billion.”

If a deficit occurs in a Citizens account, Citizens is authorized to levy assessments on its policyholders and on each line of property and casualty line of business other than workers’ compensation insurance and medical malpractice insurance.⁷ The assessments Citizens may impose and their sequence is as follows:

Citizens Surcharge: Requires up to 15 percent of premium surcharge for 12 months on all Citizens’ policies, collected upon issuance or renewal. This 15 percent assessment can be levied on each of the three Citizens’ accounts with a maximum assessment of 45 percent of premium.

⁶ Citizens weekly report as of 3/1/2013 on file with committee staff.

⁷ Accident and health insurance and policies written under the National Flood Insurance Program or the Federal Crop Insurance Program are not assessable types of property and casualty insurance. Surplus lines insurers are not assessable, but their policyholders are.

Regular Assessment: If the Citizens' surcharge is insufficient to cure the deficit for the coastal account, Citizens can require an assessment against all other insurers (except medical malpractice and workers comp). The assessment may be recouped from policyholders through a rate filing process of up to 2 percent of premium or 2 percent of the deficit, whichever is greater. This assessment is not levied against Citizens' policyholders.

Emergency Assessment: Requires any remaining deficit for either of Citizens three accounts be funded by multi-year emergency assessments on all insurance policyholders (except medical malpractice and workers comp), but including Citizens' policyholders. This assessment is levied up to 10 percent of premium or 10 percent of the deficit per account, whichever is greater. The maximum emergency assessment that can be levied against Florida's varicose insurance policyholders is 30 percent per policy.

Citizens Rates

Citizens rates for coverage are required to be actuarially sound and are subject to the rate standards for property and casualty insurance in s. 627.062, F.S., except as otherwise provided.⁸ From 2007 until 2010, Citizens rates were frozen by statute⁹ at the level that had been established in 2006. In 2010, the legislature established a "glide path" to impose annual rate increases up to a level that is actuarially sound.¹⁰ Citizens must implement an annual rate increase which does not exceed 10 percent above the previous year for any individual policyholder, adjusted for coverage changes and surcharges. The implementation of this increase ceases when Citizens has achieved actuarially sound rates. In addition to the overall glide path rate increase, Citizens can increase its rates to recover the additional reimbursement premium that it incurs as a result of the annual cash build-up factor added to the price of the mandatory layer of the FHCF coverage, pursuant to s. 215.555(5)(b), F.S.

Florida Hurricane Catastrophe Fund

The Florida Hurricane Catastrophe Fund is a tax-exempt fund that contracts with each admitted residential property insurer to provide reimbursement for losses caused by hurricanes.¹¹ The FHCF is administered by the State Board of Administration (SBA) and is a tax-exempt source of reimbursement to property insurers for a selected percentage (45, 75, or 90 percent) of hurricane losses above the insurer's retention (deductible). All insurers that write residential property insurance in Florida are required to buy reimbursement coverage (reinsurance) on their residential property exposure through the FHCF. The FHCF is authorized by statute to sell \$17 billion of mandatory layer coverage. Each insurer that purchases coverage may receive up to its proportional share of the \$17 billion mandatory layer of coverage based upon the insurer's share of the actual premium paid for the contract year, multiplied by the claims paying capacity of the fund. For example, if an insurer paid 10 percent of the total premium paid in a contract-year, then that insurer would be eligible to receive up to 10 percent of the mandatory layer of coverage (\$1.7 billion of the \$17 billion mandatory layer). Insurers that experience multiple hurricanes

⁸ Section 627.351(6)(n)1., F.S.

⁹ Section 627.351(6)(n)4., F.S.

¹⁰ Ch. 2009-87; s.10, L.O.F.

¹¹ Section 215.555, F.S.

causing loss during the contract year may receive reimbursement from the FHCF for losses that exceed the applicable retention. The insurer's full retention is applied to each hurricane causing the two largest losses for that insurer. For each other covered event resulting in losses, the insurer's retention is only one-third of the full retention.

The FHCF provides insurers an additional source of reinsurance that is significantly less expensive than what is available in the private market, enabling insurers to generally write more residential property insurance in the state than would otherwise be written. Because of the low cost of coverage from the FHCF, the fund acts to lower residential property insurance premiums for consumers. The FHCF must charge insurers the actuarially indicated premium for the coverage provided, based on hurricane loss projection models found acceptable by the Florida Commission on Hurricane Loss Projection Methodology.

Private Reinsurance

A direct insurance writer will often spread its risk by purchasing reinsurance coverage from a private reinsurance carrier as an addition to the mandatory coverage the direct insurer must purchase through the Florida Hurricane Catastrophe Fund (FHCF). Currently some insurers purchase private reinsurance within the covered layers of the FHCF to insure against any short falls of the fund but the costs associated with purchasing such additional coverage may not be passed on to the policy holders. A reinsurance contract will specifically specify the layer of the direct writer's risk that is shifted to the reinsurer and the premium that the direct writer must pay the reinsurer to assume the risk. The premium costs associated with the purchase of reinsurance are ultimately passed onto policyholders.

Representatives from the Office of Insurance Regulation believe there could be various opportunities in today's market for insurers in this state to access large amounts of capital for reinsurance needs, around the mandatory layers of the FHCF, at lower costs than are currently purchased in the traditional reinsurance markets. To maximize the cost savings in accessing these markets it is believed pooling the reinsurance needs of multiple companies could increase their purchasing power.

Bad Faith

Bad faith liability is premised on the concept that an insurer that handles a claim should act in good faith towards its insured and "has a duty to use the same degree of care and diligence as a person of ordinary care and prudence should exercise in the management of his own business."¹² Florida recognizes two bad faith causes of actions against insurers: first party bad faith and third party bad faith. Florida first recognized Third-party bad faith at common law in 1938. Third-party bad faith protects an insured from the insurer failing to settle a claim brought by a third party in good faith and exposing the insured to a judgment in excess of policy limits. Florida courts refused to recognize a first-party bad faith tort until it was established by the Legislature in 1982 with the enactment of s. 624.155, F.S., the Civil Remedy statute.

¹² *Boston Old Colony Ins. Co. v. Gutierrez*, 386 So.2d 783 (Fla. 1980).

Section 624.155, F.S., permits any person to bring a civil action against an insurer, except Citizens Property Insurance Corporation, when the insurer commits certain acts or the insured is damaged by statutory violations¹³ of the insurer. Specifically, the insurer may bring the claim when the insurer does not attempt to settle a claim in good faith when, under all the circumstances, it could and should have done so, had it acted fairly and honestly toward the insured and with due regard to the interests of the insured. A claim may also be brought if the insurer makes claims payments without identifying the coverage under which the payment is made or attempts to influence settlements under one portion of the insurance policy by refusing to promptly resolve a claim it should settle under another portion of the policy. The insurer is not liable for bad faith liability until the Plaintiff obtains adjudication in its favor at trial or on appeal, at which point insurer liability for bad faith, costs and reasonable attorney's fees attaches. The insured must prove that the insured committed bad faith in order to obtain recovery.

Public Rate Hearing

Each admitted property and casualty insurer is required to make a rate filing with the Office of Insurance Regulation.¹⁴ The insurer may file rates for approval with the Office of Insurance Regulation (OIR) either 90 days before the proposed effective date ("file and use") or 30 days after the rate filing is implemented ("use and file"). Under the file and use option, OIR must finalize its review by issuing a notice of intent to approve or disapprove within 90 days after receipt of the filing; otherwise the filing is deemed approved. Under the "use and file" option, an insurance company may implement the filing prior to approval, but may be ordered by OIR to refund to the policyholder that portion of the rate found by OIR to be excessive. The OIR may disapprove a rate filing if it determines such rates to be "excessive, inadequate, or unfairly discriminatory" as these terms are defined. The law specifies numerous factors which the OIR must consider in making this determination. The Office must hold a public hearing for any rate filing exceeding 15 percent that is based in whole or part on data from a computer model.¹⁵

Excess Rates

Current law allows an insurer to offer to an insured a rate above the current approved rate. The insured must consent in writing to the increased rate and the signed agreement must remain on file with the Office for 3 years.¹⁶ The number of policyholders who may consent to excess rates are limited to no more than 10 percent of the commercial insurance policies and no more than 5 percent for personal lines insurance policies written or renewed by an insurer during each calendar year.¹⁷

¹³ Violations giving rise to a statutory bad faith claim are s. 626.9541(1)(i), (o), or (x), F.S.; s. 626.9551, F.S.; s. 626.9705, F.S.; s. 626.9706, F.S.; s. 626.9707, F.S.; or s. 627.7283, F.S.

¹⁴ s. 627.062, F.S.

¹⁵ s. 627.0629(6), F.S.

¹⁶ s. 627.171(2), F.S.

¹⁷ Id.

Procurement of Commodities or Contractual Services

Current law regulates state agency¹⁸ procurement of personal property and services.¹⁹ The Department of Management Services is responsible for overseeing state purchasing activity including professional and contractual services as well as commodities needed to support agency activities, such as office supplies, vehicles, and information technology.²⁰

Insurable Interest

Current law provides that a contract for property of insurance can only be enforced for the benefit of someone having an insurable interest in the property insured at the time of the loss.²¹ An insurable interest²² is an “actual, lawful, and substantial economic interest in the safety or preservation of the subject of the insurance free from loss, destruction, or pecuniary damage or impairment.” The insurable interest requirement is intended to reduce moral hazard, which is present when the beneficiary will obtain greater benefit from the insurance policy proceeds than from the ongoing safety of the subject of the policy.

OIR Approval of Forms

Each basic insurance policy form,²³ unless otherwise exempted,²⁴ must be approved by the OIR before the form can be used by an insurance company.²⁵ Each form must be filed at least 30 days prior to its use in policies delivered or issued for delivery in this state. The OIR must approve or disapprove the form within 30 days or it is deemed approved.²⁶ The OIR, however, under s. 627.410(4), F.S., has the authority to exempt by order an insurance form or type of form from the approval process for as long as it deems proper²⁷ if the filing and approval process cannot be practicably applied or is not desirable or necessary for the protection of the public.²⁸

¹⁸ As defined in s. 287.012(1), F.S., “agency” means any of the various state officers, departments, boards, commissions, divisions, bureaus, and councils and any other unit of organization, however designated, of the executive branch of state government. “Agency” does not include the university and college boards of trustees or the state universities and colleges.

¹⁹ Local governments are not subject to the provisions of ch. 287, F.S. Local governmental units may look to the chapter for guidance in the procurement of goods and services, but many have local policies or ordinances to address competitive solicitations.

²⁰ See ss. 287.032 and 287.042, F.S.

²¹ s. 627.405(1), F.S.

²² Historically, the English Parliament created the first insurable interest requirement in 1746, when it required an insurable interest in the life and continued operation of English ships and their crews in order to prevent life or casualty insurance from being bought as a form of gambling that has the additional effect of hoping for the death and destruction of the ship and its crew in order to win the bet. A later law was passed in 1774 that required an insurable interest for the purchase of any policy of life insurance. That law was passed primarily to stop the practice of buying life insurance on the life of elderly celebrities and persons accused of capital crimes, which was being done for gambling and entertainment purposes at the time.

²³ Statutorily required forms requiring OIR approval prior to use are basic insurance policies, annuity contracts, application forms where a written application is required and is part of the policy or contract, group certificates issued under a master contract delivered in Florida, and printed riders, endorsement forms, or forms of renewal certificates.

²⁴ Statutorily exempted forms are surety bonds or policies, riders, endorsements, or forms of unique character that are designed and used with relation to insurance upon a particular subject (other than health insurance)

²⁵ s. 627.410(1), F.S.

²⁶ The Office may extend the form review process 15 days.

²⁷ s. 627.410(4), F.S.

²⁸ Id.

In 2012, the OIR issued three orders exempting certain insurance forms from being filed and approved prior to use. The first order, issued on April 9, 2012, exempted specified commercial insurance lines²⁹ from the prior approval requirement of s. 627.410, F.S., for one year.³⁰ Instead, such commercial insurers were permitted to make an informational form filing 30 days prior to using the forms, accompanied by a notarized certification that the submitted form filing complies with Florida law and acknowledging that if the forms are not in compliance, the company is subject to appropriate regulatory action. The OIR premised its order on the rate review exemption granted these types of commercial insurance policies, that the consumers of commercial insurance products are sophisticated parties with experience in insurance transactions, and the office's high volume of commercial form filings which had taxed its review resources and resulted in a lengthier review period for many commercial forms.

The second order, issued on June 25, 2012, exempted all property and casualty insurance forms, except workers' compensation, from the prior approval requirements for one year.³¹ Insurers were permitted to make an informational filing accompanied with a notarized certification 30 days prior to using the forms. This order was predicated on findings that insurers had recently filed a historically high number of property and casualty forms with the OIR due to law changes, and that requiring OIR to review and approve forms before they could be used in the market was not practicable where the form had been diligently and thoroughly reviewed by the insurer for quality and legal sufficiency. The third OIR order issued on December 2, 2012, provided a clarification relating to the insurer's certification of compliance, but otherwise did not change the order of June 25, 2012.

Since the first order exempting certain commercial insurance forms from OIR filing and approval, the OIR has received 4,765 form filings that qualify for the exemption. Out of the qualifying filings, 939 filings opted to be exempt from the filing and approval process. Accordingly, to date, approximately 20 percent of the form filings have utilized the exemption.

Representatives from the OIR indicate that over 90 percent of all property and casualty insurance form filings contain a violation of Florida Law that must be addressed prior to the filing being approved. The lines of business that historically have the highest indices of non-compliant forms are the automobile and property lines of business (both personal and commercial), which OIR representatives opined likely stem from the high number of regulations that apply to these lines, the frequency of regulatory changes, and perhaps a high incidence of litigation.

²⁹ The commercial lines exempted by the order from the form review process were those that are exempted from prior rate review by s. 627.062(3)(d), F.S. The categories of commercial risks exempted from prior rate review are (a) Excess or umbrella, (b) surety and fidelity, (3) boiler and machinery and leakage and fire extinguishing equipment, (d) errors and omissions, (e) directors and officers, employment practices, fiduciary liability, and management liability, (f) intellectual property and patent infringement liability, (g) advertising injury and Internet liability insurance, (h) property risks rated under a highly protected risks rating plan, (i) general liability, (j) nonresidential property, except for collateral protection insurance, (k) nonresidential multiperil, (l) excess property, (m) burglary and theft, and (n) any other commercial lines that the OIR determines should not be subject to prior rate review because a competitive market for such existence exists, such insurance is similar to other types of exempt insurance, or if the exemption will improve the general operational efficiency of the office.

³⁰ Office of Insurance Regulation, *Order Exempting Specified Forms From The Requirements of Section 627.410, Florida Statutes*, (April 9, 2012).

³¹ Office of Insurance Regulation, *Order Exempting Specified Forms From The Requirements of Section 627.410, Florida Statutes*, (June 25, 2012).

III. Effect of Proposed Changes:

Section 1. Amends s. 215.5551, F.S., renames the Florida Hurricane Catastrophe Fund Finance Corporation to the State Board of Administration Finance Corporation.

Section 2. Creates s. 215.5551, F.S., which establishes the Florida Catastrophe Risk Capital Access Facility (Facility) within the State Board of Administration, effective July 1, 2013. The major purpose of the Facility is help small domestic property insurers access the global risk capital markets and risk transfer mechanisms. The facility will perform four functions:

- Aggregate the demand for risk finance from global capital markets among smaller volume domestic property insurance companies;
- Design and execute risk-transfer tools such as insurance-linked securities and other securitization models for participating insurers, and use special purpose vehicles or protected cells, onshore or offshore, as appropriate, to increase access to risk capital;
- Identify and coordinate appropriate risk-transfer products and opportunities, with an initial focus on the portion of the reinsurance market that provides layers of coverage below, alongside, and above the Cat Fund; and
- Establish and maintain contact with global risk capital market participants, institutions, and investors for the purpose of satisfying and coordinating insurer demand for additional risk capital.

The Facility is prohibited from acting as an insurer, reinsurer, or other risk-bearing entity. In conducting its affairs, the facility may not take a position in, or provide financial support for, risk-transfer transactions, be a guarantor of premium or make any other financial guarantees to participating insurers, create contractual obligations on the part of the state or levy taxes or assessments. After an initial apportionment for startup purposes, the Facility will be funded entirely by participating insurers on a pro rata basis.

A seven-member board of directors governs the Facility, made of one representative each from the Department of Financial Services, State Board of Administration, the Office of Insurance Regulation, Florida property insurance writers, the reinsurance community, and the financial securities industry, and the seventh member is appointed by a majority of the board. The board may employ or contract staff and professionals the board deems necessary to accomplish its purpose. There shall be no liability on the part of, and no cause of action of any nature may arise against, the facility or its agents or employees, the board of directors, or the department or office or their representatives for any action taken by them in the performance of their powers and duties under this section.

Section 3. Amends s. 624.155, F.S., to allow for a civil action to be brought against Citizens Property Insurance Corporation for “bad faith” violations. This section refers to Citizens Property Insurance Corporation as an agent of the state and grants the corporation sovereign immunity protection under s. 768.28, F.S., for purposes of limiting the amount of a judgment that can be awarded should the corporation have been found by a court to have acted in bad faith.

Section 4. Amends s. 626.752, F.S., exempting Citizens' clearinghouse from exchange of business restrictions when placing new and renewal business with authorized insurers in order to reduce the size of the corporation pursuant to s. 627.3511, F.S.

Section 5. Amends s. 627.062, F.S., to allow insurers to include in their rate filings the cost for reinsurance that is purchased to protect against any potential shortfalls within the FHCF. Currently, companies are prevented by the Office from passing through to policyholders the cost of this layer of reinsurance. This section of the bill also requires the OIR to calculate and publish an annual property insurance inflation factor. Property insurance rates filed below the inflation factor are to be deemed non-excessive by the Office.

Section 6. Amends s. 627.0628, F.S., to require that the Florida Commission on Hurricane Loss Projection Methodology (FCHLPM) review the accuracy of hurricane models used to establish wind mitigation discounts. Currently the FCHLPM is required to review all hurricane loss projection models.³² This section expands their oversight to include mitigation models used in establishing wind mitigation discounts.

Section 7. Amends s. 627.0629, F.S., regarding residential property insurance rate filings. The bill revises the mandatory public hearing that currently must be held for any rate filing that exceeds 15 percent and is based on computer modeling data. Instead, the bill states that the office may hold a public hearing for a rate filing that exceeds 15 percent in counties the office determines lack a reasonable degree of competition and is based on computer modeling data. The bill also eliminates the requirement that the Office of Insurance Regulation determine the discounts, credits, rate differentials, and deductible reductions that reflect the full actuarial value of mitigation techniques and thus may be used by insurers in rate filings.

Section 8. Amends s. 627.171, F.S., to allow insurers to offer consent to excess rates to any number of policy holders in counties the Office determines have a reasonable degree of competition. In counties the Office determines do not have a reasonable degree of competition, consent to excess rates is limited to no more than 10 percent of the commercial insurance policies and no more than 5 percent for personal lines insurance policies written or renewed by an insurer during each calendar year.

Section 9. Amends s. 627.351(6), F.S., the Citizens Property Insurance Corporation statute.

Citizens Eligibility

Makes ineligible for Citizens coverage:

- Personal lines residential structures with a dwelling replacement cost of \$1 million or more on January 1, 2014; \$900,000 or more on January 1, 2015; \$800,000 or more on January 1, 2016; \$700,000 or more on January 1, 2017; \$600,000 or more on January 1, 2018; \$500,000 or more on January 1, 2019.
- Single condominium units with a combined dwelling and contents replace cost of \$1 million or more on January 1, 2014; \$900,000 or more on January 1, 2015; \$800,000 or more on

³² s. 627.0628, F.S

January 1, 2016; \$700,000 or more on January 1, 2017; \$600,000 or more on January 1, 2018; \$500,000 or more on January 1, 2019.

- Personal lines residential insurance risks currently insured by Citizens that receive an offer for comparable coverage from an admitted insurer at a premium that is within 15 percent or less of the insured's Citizens premium, including policyholders removed through an assumption agreement.
- Structures located seaward of the Coastal Construction Control Line, for which a Notice of Commencement has been issued on or after July 1, 2013, that do not meet the coastal code-plus building code criteria developed and recommended by the Florida Building Commission.
- Policies that are offered Citizens coverage through a risk-sharing agreement and do not accept the offer of coverage.

Citizens Risk-Sharing Agreements

Authorizes Citizens to enter into risk-sharing agreements with authorized insurers, wherein the corporation agrees to retain part of the risk for a specific group of policies or specified perils within a group of policies as part of the terms for the authorized insurer removing such policies from Citizens. The terms of each risk-sharing agreement must ensure that the consideration received by Citizens is commensurate with the risk it is retaining and the risk assumed by the authorized insurer. Citizens may not share risk for bad faith. The agreement must also specify the proportion of exposure the authorized insurer reports for the Cat Fund and the exposure retained by Citizens, both of which may purchase Cat Fund coverage for the risk each bears. The risk-sharing agreement program replaces the quota-share primary insurance program currently authorized in s. 627.351(6)(c)2., F.S.

Citizens may act as a reinsurer or cedent under a risk sharing agreement or excess of loss agreement. If Citizens is the reinsurer, the insurance policy forms and endorsements of the admitted insurer must be approved by the office, cover all perils that are the subject of the agreement, and cover at least the same limits as the Citizens policies being replaced. Risk sharing agreements must be filed by the authorized insurer with the OIR for review and approval prior to the execution of the agreement, but are not subject to the requirements of a take-out or keep-out program under the Citizens statute or s. 627.3517, F.S.

Executive Director

The bill requires the executive director of the corporation to be appointed by the Governor and Chief Financial Officer. The Senate must confirm the executive director during the legislative session following the initial appointment. The Senate must reconfirm the executive director after every election or reelection of the Governor and Chief Financial Officer. The bill allows the executive director to act with the concurrence of the board on matters currently acted upon by the board.

Board Members

The bill requires the Senate to confirm the board members appointed by the Governor, Chief Financial Officer and the President of the Senate. The bill further limits board members current 3

year term to no more than two terms, excluding any remainder of a term served due to vacancy. The Chief Financial Officer shall designate one appointee as board chair for the purpose of presiding over the orderly conduct of meetings, but an appointee can serve no more than one term as chair.

Citizens Surplus Note Agreements

The bill authorizes the corporation to adopt programs for the removal of policies from the corporation through a loan from the corporation to an insurer secured by a surplus note. The corporation can require such provisions as are necessary and reasonable. The surplus note is subject to the review and approval by the OIR. The corporation can establish standards for the program, including the maximum size of a loan, capital matching requirements, the relationship between the aggregate number of policies or loss exposure to the amount of the loan, retention requirements, and limitations on the number of insurers receiving loans. The bill provides that if a loan secured by a surplus note is provided to a new mutual insurance company, the corporation can: require the board of the new mutual insurer to have a majority of independent board members; restrict the ability of the new mutual insurer to convert to a stock insurer; establish a capital match requirement of up to \$1 of private capital for each \$4 of the loan, and; limit the eligibility of a new mutual insurer for a waiver of the ceding commission.

Citizens Insurance Agents

The bill requires each Citizens agent to maintain documentation that warrants and certifies that alternative coverage was annually sought for each risk placed in Citizens by the agent in accordance with s. 627.3518, F.S. Effective January 1, 2014, an agent who places an ineligible policy in Citizens will not receive agent commissions.

Audits of Citizens

Requires the Auditor General to annually conduct an operational audit of Citizens that evaluates management's performance, rather than every 3 years. The scope of the audit is expanded to include financing arrangements made to address a 100-year probable maximum loss; personnel costs and administration; and underwriting, including processes designed to ensure compliance with policy eligibility requirements of law. A copy of the audit must be provided to the Citizens board of directors, the President of the Senate, the Speaker of the House of Representatives, each member of the Financial Services Commission, and the Office of Insurance Regulation.

The Citizens board must contract with an independent auditing form to conduct a performance audit of the corporation every 2 years. The performance audit must include an evaluation, within the context of insurance industry best practices, of Citizens' strategic planning processes, the functionality of Citizens' organizational structure, the compensation levels of senior management, and the overall management and operations of Citizens. A copy of the audit must be provided to the Citizens board of directors, the President of the Senate, the Speaker of the House of Representatives, each member of the Financial Services Commission, and the Office of Insurance Regulation. The initial audit must be completed by June 1, 2014.

Other Citizens Provisions

Amends the required Acknowledgment of Potential Surcharge and Assessment Liability form that must be signed by each Citizens applicant. The revised form provides notice that each Citizens policyholder is subject to the policyholder surcharge of up to 45 percent of premium, that eligibility for Citizens coverage is predicated on first trying to obtain private market coverage, and that private market insurance rates are regulated and approved by the State. \

Section 10. Amends s. 627.351(6)(e) subjecting Citizens Property Insurance Corporation to s. 287.057 F.S., relating to the purchasing of commodities and contractual services. Services provided by tradepersons or technical experts to assist a licensed adjuster in the evaluation of individual claims are not subject to the procurement requirements of this section. Additionally, the procurement of financial services providers and underwriters must be made pursuant to s. 627.3513. The bill requires that any person affected by the corporation's decision or intended decision to award a contract must file a written notice of protest within 72 hours after the corporation posts its notice of decision. A formal written notice must be filed within 10 days of the date the notice to protest is filed. The formal written protest must state with particularity the facts and law upon which the protest is based. Upon receipt of a formal written protest that has been timely filed, the corporation must stop the solicitation or contract award process until the subject of the protest is resolved by final board action unless the executive director sets forth in writing particular facts and circumstances that require the continuance of the solicitation or contract award process without delay in order to avoid an immediate and serious danger to the public health, safety, or welfare. The corporation must provide an opportunity to resolve the protest by mutual agreement between the parties within 7 business days after receipt of the formal written protest. If the subject of a protest is not resolved by mutual agreement within 7 business days, the corporation's board must place the protest on the agenda and resolve it at its next regularly scheduled meeting. The protest must be heard by the board at a publicly noticed meeting in accordance with procedures established by the board. In a protest of an invitation-to-bid or request-for-proposals procurement, submissions made after the bid or proposal opening which amend or supplement the bid or proposal may not be considered. In protesting an invitation-to-negotiate procurement, submissions made after the corporation announces its intent to award a contract, reject all replies, or withdraw the solicitation that amends or supplements the reply may not be considered. Unless otherwise provided by law, the burden of proof rests with the party protesting the corporation's action. In a competitive-procurement protest, other than a rejection of all bids, proposals, or replies, the corporation's board must conduct a de novo proceeding to determine whether the corporation's proposed action is contrary to the corporation's governing statutes, the corporation's rules or policies, or the solicitation specifications. The standard of proof for the proceeding is whether the corporation's action was clearly erroneous, contrary to competition, arbitrary, or capricious. In any bid-protest proceeding contesting an intended corporation action to reject all bids, proposals, or replies, the standard of review by the board is whether the corporation's intended action is illegal, arbitrary, dishonest, or fraudulent.

Section 11. The bill requires the purchasing of commodities and contractual services by Citizens Property Insurance Corporation commenced before October 1, 2013, be governed by the law in effect on September 30, 2013.

Section 12. Amends s. 627.351(6)(n), F.S., to create new rating standards for Citizens' policyholders. The bill requires that Citizens rates are to be actuarially sound and not competitive with those charged in the admitted voluntary market. Actuarially sound rates are to be established by including an appropriate catastrophe risk load factor that reflects Citizens' actual risk exposure. Except when applied to mobile homes, rates are defined as not competitive with the voluntary market if the average rates of the corporation for each rating territory are no lower than the average rates charged by the insurer that had the highest average rate in that rating territory among the 20 admitted insurers with the greatest total direct written premium in the state for that line of business in the preceding year. As applied to mobile homes, rates are defined as not competitive with the voluntary market if the average rates of the corporation for each rating territory are no lower than the average rates charged by the insurer that had the highest average rate in that rating territory among the 5 admitted insurers with the greatest total direct written premium in the state for that line of business in the preceding year.

Actuarially sound rates are to be applied to new and renewal policies covered by the corporation in territories where the OIR determines there is not a reasonable degree of competition.

Rates that are not competitive with the voluntary market must be charged by Citizens to:

- New policyholders;
- Renewal non-wind policyholders that have a dwelling replacement cost of \$300,000 or greater;
- Renewal wind-only policyholders that have a dwelling replacement cost greater than \$1 million on July 1, 2013; \$800,000 on January 1, 2014; \$600,000 on January 1, 2015.
- Non-homestead personal residential properties that are not occupied by renters as a permanent resident.

The bill provides that Citizens shall also implement a rate increase of up to 3 percent, to be used to purchase catastrophe reinsurance or other risk transfer mechanisms. The increase must reflect the actual cost of the catastrophe reinsurance or other risk transfer mechanisms. In any year for which this 3 percent increase is imposed, Citizens must allow a corresponding 3 percent decrease, 1 percent per account, from the Citizens policyholder surcharge, if any is imposed.

The bill provides that Citizens is to certify to OIR that its rates are in compliance with statutory requirements, but if any adjustment is necessary to ensure compliance, the corporation must implement the adjustment and file its revised rates with the OIR. If the OIR then determines that the rates are out of compliance, the OIR will require Citizens to amend its rates in its next rate filing.

The bill provides that Citizens must provide recommendations to the Legislature on how to provide relief for policyholders who demonstrate a financial need to pay the full cost of their premiums.

Section 13. Creates s. 627.3518, F.S., to recognize that the corporation currently has authority to establish a clearinghouse to determine the eligibility of new and renewal risks who are seeking coverage. The bill requires the corporation to implement such a clearinghouse by July 1, 2013. The bill requires that all new and renewal applications, excluding commercial residential, must

be submitted to the clearinghouse before the corporation can bind or renew coverage. The clearinghouse:

- Must develop an application process to facilitate private insurers in determining whether or not to make an offer of coverage through the clearinghouse.
- Must enter into contracts with Florida property insurance companies to participate in the clearinghouse and must accept appointments from voluntary market insurers.
- Must require all new and renewal applicants to be submitted to the clearinghouse to see if there are any offers of coverage from an authorized insurer.
- Must require all new applications for coverage to be subject to a 48-hour period that allows a private insurer participating in the clearinghouse to select applicants for coverage.
- Allows an applicant to accept an offer from a surplus lines insurer if the applicant does not receive an offer of coverage from admitted insurers.
- May charge a reasonable fee as a percentage of an agent's commission to offset the costs of the clearinghouse. Insurers participating in the clearinghouse are not required to pay a fee or use the clearinghouse.

All licensed insurers are authorized to participate in the clearinghouse. Insurers making offers of coverage through the clearinghouse is allowed, but not required, to appoint the agent whose customer is bound and underwritten through the clearinghouse for as long as that policy remains with the insurer. If the insurer does not appoint the agent, it must enter into a limited agency agreement with the agent who is not appointed. If an insurer makes an offer for an applicant whose agent is an exclusive agent, that agent can give the applicant an opportunity to accept coverage from an insurer with whom the agent has a limited servicing agreement. All agents must maintain the exclusive use of expirations, records, or other written or electronic information directly related to such applications or renewals written through the corporation or through an insurer participating in the clearinghouse.

The corporation is authorized to recognize private entities that independent agents may elect to use as an alternative to the clearinghouse. The alternative option cannot be used as a replacement for the clearinghouse. Neither the clearinghouse nor an alternative private entity can prohibit insurers from electing to participate in more than one program, but an insurer participating in the private entity alternative must also participate in the clearinghouse.

Section 14. Amends s. 627.405, F.S., by specifying that a property insurance policyholder may assign the benefits from contract, subject to the conditions in the policy.

Section 15. Amends s. 627.410, F.S., making technical changes.

Section 16. Creates s. 627.4102, F.S., which allows an alternative mechanism to the current form filing and approval process required by s. 627.410, F.S. The bill specifies that except for workers' compensation forms, all property and casualty forms are exempt from the requirements of s. 627.410, F.S., if they meet the requirements of s. 627.4102, F.S., which are:

- The form must be electronically submitted to the OIR in an informational filing 30 days before delivery of the form within the state.

- The informational filing must include a certification of compliance signed by the insurer's president, chief executive officer, general counsel, or an employee of the insurer responsible for the filing on behalf of the insurer. The bill specifies the language that must be included in the certification.
- If the form is not in compliance with state laws and rules, the form filing is subject to the prior approval requirements of s. 627.410, F.S.
- For a renewal policy that contains a change, a Notice of Change in Policy Terms form must be included as a part of the informational filing.

Section 17. July 1, 2013 is the effective date of the bill, except as otherwise expressly provided.

Other Potential Implications:

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

The Citizens' clearinghouse would need to have a public records exemption to protect certain policyholder information from public disclosure.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The bill authorizes Citizens' clearinghouse to charge a reasonable fee as a percentage of an agent's commission to offset the costs of the clearinghouse.

B. Private Sector Impact:

Subjecting Citizens Property Insurance Corporation to bad faith may allow claimants to obtain judgments in excess of contract limits in certain instances. To the extent that this impacts overall claims, it may be added to post-catastrophe assessments in the years for which an assessment is levied.

The bill allows insurance companies to use the property insurance inflation factor published annually by OIR, in lieu of a full rate examination. The use of the published inflation factor could have the effect of inducing some insurance companies to seek an increase that is within the factor in order to avoid a full rate examination.

The bill allows insurance companies to include in their rate filings the cost of private reinsurance purchased to cover potential shortfalls in the amount of reimbursement obtained from the FHCF. To the extent that primary insurers avail themselves of this provision, it could increase the direct written rates, but it could also increase the assurance that the direct writer will be able to meet its obligations to policyholders.

The bill limits eligibility for obtaining coverage from Citizens to those properties with a replacement cost of \$1 million or more on January 1, 2014; \$900,000 or more on January 1, 2015; \$800,000 or more on January 1, 2016; \$700,000 or more on January 1, 2017; \$600,000 or more on January 1, 2018; \$500,000 or more on January 1, 2019. This provision will require those affected properties to find coverage in the private market, but it will reduce the exposure of other Florida property and casualty insurance policyholders who are subject to assessments to cover Citizens' excess losses.

Currently, an applicant seeking new coverage from Citizens is not eligible for coverage if the applicant has received an offer from a private admitted carrier that is within 15 percent of the rate offered by Citizens for comparable coverage. The bill applies this same eligibility standard to policyholders seeking to renew with Citizens, and requires every new and renewal applicant, excluding commercial residential, to go through a clearinghouse that is created to assure that Citizens does not cover anyone who can obtain reasonable coverage in the private market. These provisions could require some current Citizens' policyholders to purchase coverage in the private market, but it could reduce the exposure of other Florida property and casualty insurance policyholders who are subject to assessments to cover Citizens' excess losses.

Allowing property and casualty insurers to certify forms as complying with Florida law in lieu of obtaining prior approval from the OIR will result in a decrease in the Office's workload and may reduce its funding needs.

C. Government Sector Impact:

The Florida Catastrophe Risk Capital Access Facility would need funding to begin its operations. After initial operations, the facility would be funded from participating insurers on a pro rata basis. The amount of funding required is indeterminate at this time.

The bill requires OIR to calculate and publish an annual property insurance inflation factor. This task should be accomplished within existing resources. The use of the published inflation factor will reduce the resources necessary for OIR to perform an in-depth rate analysis on the companies that use the factor in lieu of a full rate filing. The amount of this reduction is dependent on the number of companies that forgo the full examination.

The bill removes from OIR the responsibility to determine the amount of rate discount that is applicable for wind mitigation techniques. The amount that this will reduce the resources required of OIR is indeterminate at this time.

Current law requires the Auditor General to perform an audit of Citizens Property Insurance Corporation once every 3 years. The bill requires an annual audit by the Auditor General, requiring additional resources to be expended. Additionally, there is an indeterminate cost to Citizens associated with the requirement they contract with a private auditing firm every 2 years.

The Citizens 3 percent increase to purchase additional reinsurance and associated 3 percent decrease in the Citizens policyholder surcharge will increase the funds available for Citizens to pay claims in the event of a hurricane and will reduce the likelihood of assessments on policyholders to fund a deficit in a Citizens account.

Application of the Citizens glide-path by territory will result in some Citizens policyholders incurring rate increases in excess of 10 percent. Accordingly, such policyholders will be brought closer to paying an actuarially sound rate.

The bill requires all new policies, non-homestead non-renter occupied properties, non-wind policy homes with a replacement cost of over \$300,000 and wind-only policy homes with a replacement cost over \$1 million on July 1, 2013, \$800,000 on January 1, 2014 and \$600,000 on January 1, 2015, must be charged a rate that is noncompetitive with the private market (highest of the top 20 insurers writing in a given territory) or an actuarially sound rate. This provision will increase the ability of the private insurance market to compete for customers who currently are likely to obtain coverage with Citizens. The changes are also likely to reduce the policy count of Citizens, thus reducing the likelihood of assessment. The change will raise the rates for Citizens current policyholders affected by this provision, and will require all new policyholders to pay higher Citizens premiums than under current law.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

Analysis of Selected Provisions of the Proposed Property Insurance Bill

*Prepared by the Office of Insurance Regulation and
Citizens Property Insurance Corporation*

Senate Banking & Insurance Committee
March 7, 2013

Kevin M. McCarty, Insurance Commissioner

The Charge

- 1. Estimate the impact of the Senate property insurance proposal on Citizens':**
 - Policies in Force
 - Exposure
 - Probable Maximum Loss (PML)
 - Potential Assessment Levies
- 2. Provide information related to housing status, property location, and market activity***

**See separate packets*

Provisions of Senate Committee Proposal Included in the Analysis

1. Rate Standards
 - Top 20
 - Actuarially Sound
 - Glide Path
2. Clearinghouse/115% Rule Reforms
3. Reduction in Coverage Eligibility (\$1M to \$600K)
4. Building Code-Plus Requirement

The Assumptions

1. Clearinghouse/115% Rule/Captive Agents
2. Rate Effect Depopulation Impact
3. Personal Residential Coverage A < \$300K
4. Ineligible Personal Residential Policies (> \$600K)
5. Commercial Residential
6. Commercial Nonresidential
7. Wind-Only Policies



Scope of the Analysis

- Personal Residential Multi-Peril
- Commercial Residential Multi-Peril
- Commercial Nonresidential Multi-Peril & Wind Only
- All Other Wind Only

Summary Results of the Analysis on Citizens' Book of Business

	Current	Included Within Analysis	Post Analysis	Estimated Reduction	% Change
Policies	1.2M	936,017	763,047	172,970	-18%
Exposure	\$400.5B	\$374.5B	\$295.3B	\$79.2B	-21%
Probable Maximum Loss (PML)	\$18.32B	\$16.06B	\$13.58B	\$2.48B	-15.5%
Assessment on Total Business	\$4.14B	N/A	\$1.79B	\$2.35B	-57%



Results of the Analysis on Citizens' Probable Maximum Loss (PML) for 1:100 Year Event

	Total Current PML	PML for Those Within Analysis	New PML for Those Within Analysis	Estimated Reduction Within Analysis	% Change
Statewide	\$18.32B	\$16.06B	\$13.58B	\$2.48B	-15.5%



Results of the Analysis on Potential Assessment Liability

	Assessment Amount	Citizens' Policy Surcharge	Regular Assessment	Emergency Assessment	Annual Emergency Assessment
Current	\$4.14B	\$1.21B	\$629M	\$2.29B	\$185M
With Proposed Changes	\$1.79B	\$387M	\$629M	\$782M	\$63M
Change in Assessment	\$2.35B (-57%)	\$824M	\$0	\$1.51B	\$122M

Question & Answer Participants:

Ken Ritzenthaler, OIR, Actuary

Robert Lee, OIR, Actuary

**March Fisher, Citizens, Director of Corporate
Analytics**





Senate Banking & Insurance Committee Meeting
Thursday, March 7, 2013
Index of Attachments

1. Summary of Results of OIR/Citizens Analysis of Senate Proposal
2. Citizens' Policies
3. Estimated Rate Impacts/Actuarially Sound Plus Risk Load Factor
 - A. HO-3 (Homeowners)
 - B. DP-3 (Dwelling Fire)
4. Estimated Results of Top 20 Rate Standard
 - A. HO-3 (Homeowners)
 - B. DP-3 (Dwelling Fire)
5. Changes in Citizens' Policies in Force, 4Q 2010- 4Q 2012

**Citizens Property Insurance Corporation
Estimated Impact of Proposed Senate Bill
Data as of 12/31/12**

INDEX 1

			Current				After Bill Implemented			
			Policies in Force	Building Count	Premium	Total Insured Value	Policies in Force	Building Count	Premium	Total Insured Value
Personal Residential	HO3 (Multi-Peril)	Glide Path Coverage A < \$300K	426,736	426,736	\$896,054,745	\$114,119,238,681	364,785	364,785	\$769,565,569	\$96,790,137,550
		Top 20	65,064	65,064	\$211,705,672	\$31,663,911,869	38,829	38,829	\$192,421,524	\$19,044,018,378
		Coverage A >= \$600K	3,931	3,931	\$27,743,499	\$4,279,237,973	0	0	\$0	\$0
		Total	495,731	495,731	\$1,135,503,916	\$150,062,388,523	403,614	403,614	\$961,987,092	\$115,834,155,928
	HW2 (Wind Only)	Glide Path Coverage A < \$300K	80,499	80,499	\$132,397,079	\$23,381,621,159	80,499	80,499	\$132,397,079	\$23,381,621,159
		Top 20	45,722	45,722	\$125,799,676	\$24,783,274,483	45,722	45,722	\$173,951,929	\$24,783,274,483
		Coverage A >= \$600K	13,945	13,945	\$73,020,131	\$18,353,972,873	0	0	\$0	\$0
		Total	140,166	140,166	\$331,216,886	\$66,518,868,515	126,221	126,221	\$306,349,008	\$48,164,895,642
	DP3 (Multi-Peril)	Glide Path Coverage A < \$300K	201,818	201,818	\$296,659,613	\$38,191,319,756	171,161	171,161	\$254,377,214	\$32,311,491,353
		300K <= CovA < 600K	15,760	15,760	\$46,935,154	\$7,013,997,060	13,366	13,366	\$40,245,565	\$5,934,141,758
		Top 20	15,623	15,623	\$19,444,492	\$2,723,690,741	7,857	7,857	\$15,145,714	\$1,336,963,556
		Coverage A >= \$600K	1,211	1,211	\$6,168,084	\$1,137,105,578	0	0	\$0	\$0
	Total	234,412	234,412	\$369,207,343	\$49,066,113,135	192,384	192,384	\$309,768,493	\$39,582,596,667	
	DW2 (Wind Only)	Glide Path Coverage A < \$300K	17,413	17,413	\$22,182,257	\$3,894,016,733	17,413	17,413	\$22,182,257	\$3,894,016,733
		300K <= CovA < 600K	5,174	5,174	\$12,250,150	\$2,560,369,180	5,174	5,174	\$12,250,150	\$2,560,369,180
		Top 20	1,333	1,333	\$2,660,212	\$517,302,917	1,333	1,333	\$4,247,060	\$517,302,917
		Coverage A >= \$600K	1,350	1,350	\$5,301,693	\$1,385,848,827	0	0	\$0	\$0
	Total	25,270	25,270	\$42,394,312	\$8,357,537,657	23,920	23,920	\$38,679,467	\$6,971,688,830	
HO6 (CovA+CovC >= \$600K only)			55	55	\$429,042	\$42,068,455	0	0	\$0	\$0
HW6 (CovA+CovC >= \$600K only)			1,148	1,148	\$4,358,742	\$1,069,206,350	0	0	\$0	\$0
Commercial	Residential Multi-Peril		7,454	41,901	\$279,546,441	\$51,298,036,282	7,454	41,901	\$279,546,441	\$51,298,036,282
	Residential Wind Only		9,454	27,051	\$131,673,039	\$33,460,664,706	9,454	27,051	\$131,673,039	\$33,460,664,706
	Non-Residential Multi-Peril		1,792	2,635	\$11,398,799	\$2,204,510,800	0	0	\$0	\$0
	Non-Residential Wind Only		20,535	28,770	\$76,115,729	\$12,379,595,587	0	0	\$0	\$0
	Total			936,017	997,139	\$2,381,844,249	\$374,458,990,010	763,047	815,091	\$2,028,003,540
Average Annual Loss			\$1,002,826,568				\$824,323,439			
Probable Maximum Loss 1-in-100 Year			\$16,057,969,820				\$13,577,013,483			

Total Impact of Proposed Bill

	Policies in Force	Building Count	Premium	Total Insured Value	Average Annual Loss	Probable Maximum Loss 1-in-100 Year
Count/Amount Change	-172,970	-182,048	(\$353,840,709)	(\$79,146,951,955)	(\$178,503,129)	(\$2,480,956,337)
Percent Change	-18%	-18%	-15%	-21%	-18%	-15%

Notes:

- 1) Personal Residential total insured value includes Coverages A, B, C & D
- 2) Commercial total insured value includes Building, Other Structures, and Business Personal Property
- 3) Commercial non-residential multi-peril policy total insured value also includes Business Income
- 4) Excludes risks tagged for takeout
- 5) PIF, Bldg, Premium and TIV data excludes Weston's selection of policies to depopulate prior to OIR Consent Order 130889-13
- 6) Glide Path ----- HO3/HW2 - Coverage A < \$300K and Primary Residence
DP3/DW2 - [Coverage A < \$300K and Primary Residence] or [Coverage A < \$600K and Rental]
- 7) Top 20 ----- Not part of the glide path and Coverage A < \$600K
- 8) Premium includes surcharges
- 9) Actuarial analysis based on 12/31/2011 data and premiums with surcharges removed and Coverage A + Coverage C serving as a proxy for total insured value
- 10) Removed HO6/HW6 policies where (Coverage A + Coverage C) >= \$600K
- 11) Bill implementation assumes the removal of Commercial Non-Residential
- 12) Catastrophe modeling losses are estimated using AIR Clasic/2 v13, 50K Long-Term Event Set, Demand Surge included, single event distribution

**Citizens Property Insurance Corporation
 QUASR Data Reported to OIR - 4Q 2012**

INDEX 2

QUASR Policy Type	BEFORE WESTON DEPOP		WESTON DEPOP	AFTER WESTON DEPOP		SENATE ANALYSIS
	2012_4Q			2012_4Q		
	Policies in Force	% of Total		Policies in Force	Policies in Force	
Personal Residential - Homeowners (Excl Tenant and Condo) - Owner Occupied	495,731	38%	-	495,731	39%	495,731
Personal Residential - Tenants	16,749	1%	-	16,749	1%	-
Personal Residential - Condominium Unit Owners	106,161	8%	-	106,161	8%	55
Subtotal - Homeowners Multi-Peril	618,641	47%	-	618,641	48%	495,786
Personal Residential - Homeowners (Excl Tenant and Condo) - Owner Occupied - WIND ONLY	152,717	12%	12,551	140,166	11%	140,166
Personal Residential - Tenants - WIND ONLY	1,608	0%	243	1,365	0%	-
Personal Residential - Condominium Unit Owners - WIND ONLY	52,114	4%	8,714	43,400	3%	1,148
Subtotal - Homeowners Wind Only	206,439	16%	21,508	184,931	14%	141,314
Personal Residential - Mobile Homeowners	56,364	4%	-	56,364	4%	-
Personal Residential - Dwelling/Fire - Mobile Homeowners	82,637	6%	-	82,637	6%	-
Subtotal - Mobile Homeowners Multi-Peril	139,001	11%	-	139,001	11%	-
Personal Residential - Mobile Homeowners - WIND ONLY	6,111	0%	-	6,111	0%	-
Personal Residential - Dwelling/Fire - Mobile Homeowners - WIND ONLY	613	0%	-	613	0%	-
Subtotal - Mobile Homeowners Wind Only	6,724	1%	-	6,724	1%	-
Personal Residential - Dwelling/Fire - DP-3	234,412	18%	-	234,412	18%	234,412
Personal Residential - Dwelling/Fire - DP-1	36,518	3%	-	36,518	3%	-
Personal Residential - Allied Lines	0	0%	-	-	0%	-
Subtotal - Personal Residential Dwelling Fire Multi-Peril	270,930	21%	-	270,930	21%	234,412
Personal Residential - Allied Lines - WIND ONLY DWELLINGS	26,336	2%	1,066	25,270	2%	25,270
Subtotal - Personal Residential Dwelling Fire Wind Only	26,336	2%	1,066	25,270	2%	25,270
Commercial Residential - Dwelling/Fire (Condo Associations Only)	4,731	0%	-	4,731	0%	4,731
Commercial Residential - Dwelling/Fire (Excl Condo Associations)	2,723	0%	-	2,723	0%	2,723
Subtotal - Commercial Residential Dwelling Fire Multi-Peril	7,454	1%	-	7,454	1%	7,454
Subtotal - Commercial Residential Dwelling Fire Wind Only	12,287	1%	2,833	9,454	1%	9,454
Commercial NonResidential - Multi-Peril	1,792	0%	-	1,792	0%	1,792
Commercial NonResidential - Wind Only	25,207	2%	4,672	20,535	2%	20,535
Subtotal - Commercial NonResidential	26,999	2%	4,672	22,327	2%	22,327
Total	1,314,811	100%	30,079	1,284,732	100%	936,017
PERCENTAGE OF TOTAL POLICIES (AFTER WESTON DEPOP) CONSIDERED IN THE SENATE ANALYSIS =						73%

INDEX 3A

**CITIZENS PROPERTY INSURANCE CORPORATION
 HOMEOWNERS - HO-3 & HW-2- PERSONAL LINES & COASTAL ACCOUNTS
 FILINGS FCP 12-13992 AND FCP 12-13991
 ACTUARIALLY SOUND ESTIMATIONS**

		CITIZENS ESTIMATION	OFFICE ESTIMATION
	12/31/2011 Total Inforce Premium at Current Rate Level Excluding FHCFC Build Up Premium	ACTUARIALLY SOUND RATE CHANGE	ACTUARIALLY SOUND RATE CHANGE
COUNTY			
Alachua	980,329	-3.7%	6.8%
Baker	64,626	1.9%	0.2%
BAY	4,090,987	29.3%	1.9%
Bradford	57,747	2.6%	0.5%
BREVARD	20,514,745	7.5%	-7.6%
BROWARD	300,503,838	11.8%	-5.3%
Calhoun	19,378	3.1%	0.7%
CHARLOTTE	15,357,209	-1.5%	9.2%
CITRUS	1,176,569	3.1%	15.9%
Clay	445,513	-4.8%	-1.2%
COLLIER	21,037,774	24.2%	-8.2%
Columbia	141,705	0.3%	-0.3%
DADE	518,818,597	13.5%	2.0%
De Soto	223,357	5.0%	16.4%
DIXIE	131,462	4.1%	5.0%
DUVAL	4,412,112	4.3%	8.7%
ESCAMBIA	12,070,996	35.6%	-0.4%
FLAGLER	1,562,888	60.5%	48.9%
FRANKLIN	2,175,871	41.2%	6.5%
Gadsden	260,833	-1.1%	-6.3%
Gilchrist	95,904	-2.3%	7.2%
Glades	51,629	4.8%	48.7%
GULF	1,240,483	37.7%	4.1%
Hamilton	21,287	3.5%	0.6%
Hardee	46,907	1.2%	9.9%
Hendry	320,038	10.3%	42.1%
HERNANDO	44,957,169	181.5%	181.3%
Highlands	390,778	4.2%	36.0%
HILLSBOROUGH	85,943,283	23.2%	34.5%
Holmes	108,605	3.3%	0.7%
INDIAN RIVER	7,660,914	22.9%	-9.3%
Jackson	165,645	1.1%	0.4%
JEFFERSON	55,510	3.5%	0.0%
Lafayette	40,098	1.9%	0.4%
Lake	883,351	4.0%	31.8%
LEE	38,624,164	21.6%	18.0%
Leon	718,592	-1.4%	-3.7%
LEVY	612,871	14.4%	54.2%
Liberty	14,860	4.8%	0.7%
Madison	68,869	1.6%	0.5%
MANATEE	15,422,527	2.9%	7.2%
Marion	1,560,613	2.9%	11.5%
MARTIN	6,669,386	12.3%	-20.4%

CITIZENS PROPERTY INSURANCE CORPORATION			
HOMEOWNERS - HO-3 & HW-2- PERSONAL LINES & COASTAL ACCOUNTS			
FILINGS FCP 12-13992 AND FCP 12-13991			
ACTUARIALLY SOUND ESTIMATIONS			
		CITIZENS ESTIMATION	OFFICE ESTIMATION
	12/31/2011 Total Inforce Premium at Current Rate Level Excluding FHCFC Build Up Premium	ACTUARIALLY SOUND RATE CHANGE	ACTUARIALLY SOUND RATE CHANGE
COUNTY			
MONROE	35,489,483	131.6%	51.7%
NASSAU	1,048,897	13.3%	12.5%
OKALOOSA	5,314,541	18.6%	-5.2%
Okeechobee	163,445	1.2%	24.8%
ORANGE	2,729,244	4.3%	16.1%
Osceola	654,157	1.9%	23.7%
PALM BEACH	182,116,247	24.4%	-13.7%
PASCO	77,173,624	41.3%	53.2%
PINELLAS	153,575,290	11.0%	5.7%
Polk	1,756,612	-3.5%	14.5%
Putnam	232,948	-1.3%	13.5%
SAINT JOHNS	2,854,690	15.2%	12.3%
SAINT LUCIE	6,548,412	5.4%	-4.7%
SANTA ROSA	5,066,283	25.1%	-1.9%
SARASOTA	41,986,287	21.2%	6.6%
Seminole	1,075,392	2.9%	16.8%
Sumter	332,741	1.0%	15.8%
Suwannee	106,903	-0.2%	0.0%
TAYLOR	198,539	7.6%	0.4%
Union	12,396	1.3%	0.5%
VOLUSIA	16,004,356	52.2%	41.7%
WAKULLA	462,413	26.2%	17.7%
WALTON	5,730,182	38.3%	9.7%
Washington	65,938	2.8%	0.5%
STATEWIDE	1,650,419,030	24.6%	10.4%

**NOTE - THE COUNTIES IN CAPS ARE COUNTIES THAT INCLUDE WIND-ONLY TERRITORIES.
THE WIND-ONLY TERRITORIES ARE INCLUDED IN THE WEIGHTED AVERAGE PERCENTAGES.**

INDEX 3B

**CITIZENS PROPERTY INSURANCE CORPORATION
DWELLING - DP-3 AND DW-2- PERSONAL LINES & COASTAL ACCOUNTS**

FILINGS FCP 12-14191 AND FCP 12-14190

ACTUARIALLY SOUND ESTIMATIONS

		CITIZENS ESTIMATION	OFFICE ESTIMATION
--	--	--------------------------------	------------------------------

	12/31/2011		
	Total Inforce Premium at Current Rate Level Excluding FHCF Build Up Premium	ACTUARIALLY SOUND RATE CHANGE	ACTUARIALLY SOUND RATE CHANGE
COUNTY			

Alachua	554,211	4.9%	-3.6%
Baker	25,165	9.0%	0.3%
BAY	3,832,183	31.0%	8.1%
Bradford	35,434	8.1%	0.3%
BREVARD	8,483,378	22.3%	5.7%
BROWARD	57,975,363	32.8%	-7.6%
Calhoun	15,026	9.4%	0.2%
CHARLOTTE	7,606,393	19.9%	3.3%
CITRUS	646,910	15.6%	0.6%
Clay	234,499	9.8%	0.3%
COLLIER	8,809,089	27.4%	2.5%
Columbia	77,038	6.9%	0.3%
DADE	104,006,681	44.9%	43.5%
De Soto	108,280	15.5%	3.3%
DIXIE	33,907	12.7%	0.5%
DUVAL	711,876	29.6%	15.4%
ESCAMBIA	3,729,874	39.8%	8.8%
FLAGLER	5,931,859	44.2%	73.7%
FRANKLIN	1,835,394	46.7%	22.2%
Gadsden	87,060	9.1%	0.6%
Gilchrist	3,757,849	45.8%	0.3%
Glades	13,281	18.6%	4.4%
GULF	1,257,535	34.1%	15.2%
Hamilton	11,000	-2.3%	2.4%
Hardee	32,203	22.3%	6.1%
Hendry	136,241	20.4%	6.6%
HERNANDO	11,545,324	102.0%	62.1%
Highlands	203,067	21.9%	6.6%
HILLSBOROUGH	21,560,010	35.3%	23.2%
Holmes	57,990	7.8%	0.4%
INDIAN RIVER	4,996,954	19.6%	4.8%
Jackson	55,265	9.7%	0.4%
JEFFERSON	24,711	7.7%	0.3%
Lafayette	24,711	7.7%	0.2%
Lake	657,508	17.0%	5.5%
LEE	39,760,540	21.0%	18.1%
Leon	561,802	8.9%	-0.4%
LEVY	40,591,945	21.0%	-0.1%
Liberty	7,853	9.6%	0.4%
Madison	27,620	5.9%	0.2%
MANATEE	8,106,773	23.8%	4.6%
Marion	895,549	9.8%	2.7%
MARTIN	17,295,752	23.1%	0.7%

CITIZENS PROPERTY INSURANCE CORPORATION			
DWELLING - DP-3 AND DW-2- PERSONAL LINES & COASTAL ACCOUNTS			
FILINGS FCP 12-14191 AND FCP 12-14190			
ACTUARIALLY SOUND ESTIMATIONS			
		CITIZENS ESTIMATION	OFFICE ESTIMATION
	12/31/2011 Total Inforce Premium at Current Rate Level Excluding FHCf Build Up Premium	ACTUARIALLY SOUND RATE CHANGE	ACTUARIALLY SOUND RATE CHANGE
COUNTY			
MONROE	11,825,505	135.5%	66.1%
NASSAU	11,984,231	134.2%	-6.7%
OKALOOSA	4,378,682	32.7%	8.8%
Okeechobee	4,378,682	32.7%	5.7%
ORANGE	3,018,395	25.6%	15.3%
Osceola	785,049	17.3%	6.4%
PALM BEACH	73,598,365	29.8%	2.2%
PASCO	101,884,660	34.9%	11.7%
PINELLAS	65,096,281	15.1%	8.1%
Polk	2,454,592	27.8%	18.5%
Putnam	101,697	8.3%	0.3%
SAINT JOHNS	996,242	25.2%	12.4%
SAINT LUCIE	3,920,415	22.6%	0.4%
SANTA ROSA	1,807,507	36.6%	13.6%
SARASOTA	32,347,534	29.3%	3.3%
Seminole	1,120,180	21.2%	10.1%
Sumter	114,796	6.1%	-2.1%
Suwannee	58,281	8.9%	0.1%
TAYLOR	1,382,388	18.8%	0.3%
Union	13,455	5.6%	0.2%
VOLUSIA	8,520,808	47.3%	28.7%
WAKULLA	95,505	22.4%	3.6%
WALTON	5,035,808	60.0%	33.5%
Washington	50,654	10.0%	0.2%
STATEWIDE	414,561,652	38.9%	19.5%

**NOTE - THE COUNTIES IN CAPS ARE COUNTIES THAT INCLUDE WIND-ONLY TERRITORIES.
THE WIND-ONLY TERRITORIES ARE INCLUDED IN THE WEIGHTED AVERAGE PERCENTAGES.**

INDEX 4A

**CITIZENS PERSONAL LINES ACCOUNT - HO-3 POLICY TYPE
ESTIMATED PERCENT CHANGES TO INCREASE CITIZENS
TO THE HIGHEST OF TOP 20**

COUNTY	300K NEW	300K PRE-2001	300K PRE-2001 w/MIT	AVERAGE
Alachua	52%	60%	72%	62%
Baker	63%	87%	76%	75%
Bay	0%	28%	-6%	7%
Bradford	-8%	73%	70%	45%
Brevard	-4%	35%	21%	17%
Broward	28%	31%	11%	23%
Calhoun	75%	90%	106%	90%
Charlotte	3%	37%	18%	19%
Citrus	24%	70%	88%	61%
Clay	20%	34%	67%	40%
Collier	-4%	24%	23%	14%
Columbia	28%	52%	50%	43%
Dade	21%	83%	11%	39%
DeSoto	11%	21%	28%	20%
Dixie	35%	35%	62%	44%
Duval	11%	36%	32%	27%
Escambia	-3%	23%	-3%	6%
Flagler	-5%	17%	8%	7%
Franklin	1%	1%	9%	3%
Gadsden	132%	155%	163%	150%
Gilchrist	51%	73%	85%	70%
Glades	19%	36%	59%	38%
Guif	-5%	9%	-11%	-2%
Hamilton	33%	46%	65%	48%
Hardee	33%	35%	47%	38%
Hendry	6%	37%	20%	21%
Hernando	17%	151%	21%	63%
Highlands	32%	37%	48%	39%
Hillsborough	73%	72%	99%	81%
Holmes	128%	150%	146%	141%
Indian River	-5%	33%	-13%	5%
Jackson	104%	126%	141%	123%
Jefferson	14%	41%	35%	30%
Lafayette	40%	69%	78%	62%
Lake	38%	36%	61%	45%
Lee	10%	35%	17%	21%
Leon	60%	84%	98%	81%
Levy	20%	27%	32%	26%
Liberty	59%	81%	81%	73%
Madison	38%	61%	59%	53%
Manatee	-7%	33%	1%	9%
Marion	30%	26%	51%	36%
Martin	2%	24%	6%	11%
Monroe	-10%	58%	-3%	15%
Nassau	-1%	24%	22%	15%
Okaloosa	0%	27%	-1%	9%
Okeechobee	19%	37%	55%	37%
Orange	10%	4%	29%	14%
Osceola	21%	37%	58%	39%
Palm Beach	18%	91%	7%	39%
Pasco	24%	187%	26%	79%
Pinellas	58%	98%	71%	75%
Polk	1%	82%	131%	72%
Putnam	72%	24%	85%	60%
Santa Rosa	-6%	19%	-12%	0%
Sarasota	-6%	27%	-11%	4%
Seminole	16%	16%	41%	24%
St. Johns	-6%	32%	33%	20%
St. Lucie	-7%	8%	-12%	-3%
Sumter	30%	26%	51%	36%
Suwannee	14%	40%	22%	26%
Taylor	18%	54%	48%	40%
Union	42%	58%	69%	56%
Volusia	-12%	25%	5%	6%
Wakulla	11%	39%	25%	25%
Walton	-2%	29%	-7%	7%
Washington	64%	83%	83%	77%
Average	17%	47%	30%	31%

CITIZENS PERSONAL LINES ACCOUNT - DP-3 POLICY TYPE

ESTIMATED PERCENT CHANGES TO INCREASE CITIZENS TO THE HIGHEST OF TOP 20

COUNTY	150K NEW OWNER	150K PRE-2001 OWNER	150K PRE-2001 w/MIT OWNER	150K NEW NONOWNER	150K PRE-2001 OWNER	AVERAGE
Alachua	98%	121%	146%	108%	132%	121%
Baker	18%	14%	55%	29%	25%	28%
Bay	68%	51%	67%	55%	48%	58%
Bradford	33%	32%	71%	44%	44%	45%
Brevard	60%	25%	79%	41%	21%	45%
Broward	76%	85%	63%	71%	89%	77%
Calhoun	85%	75%	110%	72%	75%	83%
Charlotte	69%	43%	92%	54%	39%	59%
Citrus	-15%	-5%	8%	14%	2%	1%
Clay	40%	27%	84%	52%	42%	49%
Collier	50%	47%	60%	38%	51%	49%
Columbia	69%	92%	115%	80%	97%	90%
Dade	91%	92%	68%	87%	94%	86%
DeSoto	23%	10%	33%	17%	10%	19%
Dixie	28%	25%	45%	45%	27%	34%
Duval	43%	29%	56%	41%	41%	42%
Escambia	73%	51%	63%	44%	38%	54%
Flagler	35%	22%	40%	24%	19%	28%
Franklin	61%	49%	60%	47%	47%	53%
Gadsden	15%	36%	53%	24%	34%	32%
Gilchrist	52%	63%	100%	64%	64%	68%
Glades	32%	17%	58%	31%	22%	32%
Gulf	24%	29%	21%	25%	29%	25%
Hamilton	40%	81%	76%	53%	82%	66%
Hardee	18%	1%	43%	31%	10%	21%
Hendry	21%	20%	34%	16%	20%	22%
Hernando	-1%	87%	57%	58%	85%	57%
Highlands	31%	9%	45%	25%	9%	23%
Hillsborough	39%	29%	76%	46%	27%	44%
Holmes	65%	72%	79%	50%	69%	67%
Indian River	84%	78%	67%	77%	72%	76%
Jackson	42%	55%	88%	54%	56%	59%
Jefferson	82%	66%	87%	67%	61%	73%
Lafayette	49%	52%	90%	60%	64%	63%
Lake	57%	41%	81%	50%	40%	54%
Lee	85%	58%	85%	65%	55%	69%
Leon	84%	67%	134%	102%	77%	93%
Levy	39%	33%	54%	51%	32%	42%
Liberty	41%	64%	82%	53%	65%	61%
Madison	45%	77%	87%	57%	83%	70%
Manatee	92%	68%	96%	74%	64%	79%
Marion	-38%	-6%	-4%	-15%	-8%	-14%
Martin	89%	71%	82%	87%	68%	79%
Monroe	115%	118%	83%	70%	95%	96%
Nassau	28%	25%	39%	27%	22%	28%
Okaloosa	57%	36%	45%	47%	38%	45%
Okeechobee	14%	15%	40%	13%	15%	19%
Orange	58%	44%	80%	46%	58%	57%
Osceola	61%	51%	74%	47%	59%	58%
Palm Beach	72%	69%	64%	68%	66%	68%
Pasco	-24%	61%	18%	21%	61%	28%
Pinellas	103%	63%	110%	112%	64%	91%
Polk	33%	33%	59%	38%	36%	40%
Putnam	66%	60%	118%	80%	77%	80%
Santa Rosa	60%	51%	55%	49%	49%	53%
Sarasota	110%	54%	120%	84%	50%	84%
Seminole	62%	73%	78%	45%	77%	67%
St. Johns	71%	42%	84%	65%	50%	62%
St. Lucie	80%	71%	61%	72%	63%	69%
Sumter	53%	37%	72%	66%	33%	52%
Suwannee	59%	55%	94%	58%	62%	66%
Taylor	37%	26%	55%	63%	30%	42%
Union	57%	69%	98%	69%	82%	75%
Volusia	76%	50%	64%	62%	39%	58%
Wakulla	6%	18%	12%	8%	17%	12%
Walton	50%	55%	40%	39%	50%	47%
Washington	20%	42%	57%	28%	35%	36%
Average	51%	49%	69%	51%	50%	54%

Citizens Property Insurance Corporation

QUASR Data Reported to OIR - 4Q 2010 through 4Q 2012

Policy Count Additions and Subtractions

QUASR Policy Type	2010_4Q		QUASR Transaction Categories					2012_4Q	
	Policies in Force	% of Total	Cancelled	NonRenewed	New Business	Business Received	Takeout	Policies in Force	% of Total
Personal Residential - Homeowners (Excl Tenant and Condo) - Owner Occupied	464,064	36%	117,435	76,991	416,982	23,920	214,809	495,731	38%
Personal Residential - Tenants	16,152	1%	16,808	5,487	36,296	1,784	15,176	16,749	1%
Personal Residential - Condominium Unit Owners	88,461	7%	23,784	20,396	103,539	5,238	46,897	106,161	8%
Subtotal - Homeowners Multi-Peril	568,677	44%	158,027	102,874	556,817	30,942	276,882	618,641	47%
Personal Residential - Homeowners (Excl Tenant and Condo) - Owner Occupied - WIND ONLY	163,897	13%	18,508	28,456	35,784	0	0	152,717	12%
Personal Residential - Tenants - WIND ONLY	1,419	0%	526	597	1,311	0	0	1,608	0%
Personal Residential - Condominium Unit Owners - WIND ONLY	47,473	4%	4,249	10,843	19,733	0	0	52,114	4%
Subtotal - Homeowners Wind Only	212,789	17%	23,283	39,896	56,828	0	0	206,439	16%
Personal Residential - Mobile Homeowners	69,346	5%	8,474	27,163	23,876	222	1,443	56,364	4%
Personal Residential - Dwelling/Fire - Mobile Homeowners	97,267	8%	15,506	34,376	37,387	164	2,299	82,637	6%
Subtotal - Mobile Homeowners Multi-Peril	166,613	13%	23,980	61,539	61,263	386	3,742	139,001	11%
Personal Residential - Mobile Homeowners - WIND ONLY	7,064	1%	427	1,828	1,302	0	0	6,111	0%
Personal Residential - Dwelling/Fire - Mobile Homeowners - WIND ONLY	743	0%	62	163	96	0	0	613	0%
Subtotal - Mobile Homeowners Wind Only	7,807	1%	489	1,991	1,398	0	0	6,724	1%
Personal Residential - Dwelling/Fire	248,781	19%	64,659	63,485	189,829	3,942	43,478	270,930	21%
Personal Residential - Allied Lines	0	0%	0	0	0	0	0	0	0%
Subtotal - Personal Residential Dwelling Fire Multi-Peril	248,781	19%	64,659	63,485	189,829	3,942	43,478	270,930	21%
Personal Residential - Allied Lines - WIND ONLY DWELLINGS	27,730	2%	3,692	6,000	8,298	0	0	26,336	2%
Subtotal - Personal Residential Dwelling Fire Wind Only	27,730	2%	3,692	6,000	8,298	0	0	26,336	2%
Commercial Residential - Dwelling/Fire (Condo Associations Only)	5,182	0%	668	1,588	1,840	0	0	4,731	0%
Commercial Residential - Dwelling/Fire (Excl Condo Associations)	2,929	0%	543	753	1,085	0	0	2,723	0%
Commercial Residential - Allied Lines (Excl Condo Associations)	1,772	0%	87	1,137	370	0	0	909	0%
Subtotal - Commercial Residential Dwelling Fire Multi-Peril	9,883	1%	1,298	3,478	3,295	0	0	8,363	1%
Commercial Residential - (Apartment Buildings) - WIND ONLY	4,953	0%	841	834	1,116	0	0	4,392	0%
Commercial Residential - (Condo Associations Only) - WIND ONLY	6,521	1%	480	1,654	2,231	0	0	6,618	1%
Commercial Residential - (Homeowners Association) - WIND ONLY	406	0%	37	131	133	0	0	368	0%
Subtotal - Commercial Residential Dwelling Fire Wind Only	11,880	1%	1,358	2,619	3,480	0	0	11,378	1%
Commercial NonResidential - Multi-Peril	1,350	0%	351	409	1,202	0	0	1,792	0%
Commercial NonResidential - Wind Only	28,028	2%	4,187	10,584	11,950	0	0	25,207	2%
Subtotal - Commercial NonResidential	29,378	2%	4,538	10,993	13,152	0	0	26,999	2%
Total	1,283,538	100%	281,324	292,875	894,360	35,270	324,102	1,314,811	100%
Notes:									
1) For Personal Residential, new business is approximately 85-90% of the New Business shown above. The balance is reinstatements and untagged takeouts.									
2) Commercial Residential policies may include multiple buildings for each individual policy.									
3) 2010_Q4 Data is redistributed using the policy types effective in 2011 for consistency.									

County	Company	Premiums Written					Policies in Force					Exposure					Average Policy Premium		
		2011	2012	Growth	MS 2011	MS 2012	2011	2012	Growth	MS 2011	MS 2012	2011	2012	Growth	MS 2011	MS 2012	2011	2012	Growth
Seminole	AMERICAN AUTOMOBILE INSURANCE COMPANY	\$1,389,424	\$1,254,148	-9.7%	79.2%	79.2%	269	230	-14.5%	82.0%	81.6%	\$609,452,100	\$535,048,400	-12.2%	77.8%	77.0%	\$5,165	\$5,453	5.6%
	ASSOCIATED INDEMNITY CORPORATION	\$15,134	\$16,753	10.7%	0.9%	1.1%	3	3	0.0%	0.9%	1.1%	\$4,336,000	\$4,444,000	2.5%	0.6%	0.6%	\$5,045	\$5,584	10.7%
	FIREMAN'S FUND INSURANCE COMPANY	\$350,662	\$312,291	-10.9%	20.0%	19.7%	56	49	-12.5%	17.1%	17.4%	\$170,060,600	\$155,819,300	-8.4%	21.7%	22.4%	\$6,262	\$6,373	1.8%
	County Total	\$1,755,220	\$1,583,192	-9.8%	100.0%	100.0%	328	282	-14.0%	100.0%	100.0%	\$783,848,700	\$695,311,700	-11.3%	100.0%	100.0%	\$5,351	\$5,614	4.9%
	AMERICAN AUTOMOBILE INSURANCE COMPANY	\$365,841	\$409,582	12.0%	3.8%	4.7%	52	50	-3.8%	0.6%	0.6%	\$159,032,100	\$164,076,300	3.2%	4.6%	5.3%	\$7,035	\$8,192	16.4%
ASSOCIATED INDEMNITY CORPORATION	\$5,326	\$6,586	23.7%	0.1%	0.1%	1	1	0.0%	0.0%	0.0%	\$928,800	\$952,200	2.5%	0.0%	0.0%	\$5,326	\$6,586	23.7%	
CITIZENS PROPERTY INSURANCE CORPORATION	\$8,498,343	\$7,510,090	-11.6%	87.7%	87.0%	8,037	7,778	-3.2%	95.0%	95.6%	\$3,103,381,142	\$2,786,910,559	-10.2%	89.6%	89.4%	\$1,057	\$966	-8.7%	
FIREMAN'S FUND INSURANCE COMPANY	\$219,753	\$171,680	-21.9%	2.3%	2.0%	32	28	-12.5%	0.4%	0.3%	\$91,307,200	\$72,904,700	-20.2%	2.6%	2.3%	\$6,867	\$6,131	-10.7%	
FLORIDA PENINSULA INSURANCE COMPANY	\$602,916	\$531,953	-11.8%	6.2%	6.2%	334	282	-15.6%	3.9%	3.5%	\$107,141,147	\$93,853,830	-12.4%	3.1%	3.0%	\$1,805	\$1,886	4.5%	
County Total	\$9,692,179	\$8,629,891	-11.0%	100.0%	100.0%	8,456	8,139	-3.7%	100.0%	100.0%	\$3,461,790,389	\$3,118,697,589	-9.9%	100.0%	100.0%	\$1,146	\$1,060	-7.5%	

Summary for All Counties Listed Above

Citizens Property Ins. Corp.	\$8,498,343	\$7,510,090	-11.6%	74.2%	73.5%	8,037	7,778	-3.2%	91.5%	92.4%	\$3,103,381,142	\$2,786,910,559	-10.2%	73.1%	73.1%	\$1,057	\$966	-8.7%
Private Market	\$2,949,056	\$2,702,993	-8.3%	25.8%	26.5%	747	643	-13.9%	8.5%	7.6%	\$1,142,257,947	\$1,027,098,730	-10.1%	26.9%	26.9%	\$3,948	\$4,204	6.5%
Total	\$11,447,399	\$10,213,083	-10.8%	100.0%	100.0%	8,784	8,421	-4.1%	100.0%	100.0%	\$4,245,639,089	\$3,814,009,289	-10.2%	100.0%	100.0%	\$1,303	\$1,213	-6.9%

Palm Beach	AMERICAN AUTOMOBILE INSURANCE COMPANY	\$1,186,449	\$1,491,434	25.7%	1.7%	2.2%	44	69	56.8%	0.2%	0.3%	\$270,026,600	\$314,296,200	16.4%	1.8%	2.4%	\$26,965	\$21,615	-19.8%
	ASSOCIATED INDEMNITY CORPORATION	\$47,900	\$23,300	-51.4%	0.1%	0.0%	4	3	-25.0%	0.0%	0.0%	\$11,590,900	\$5,450,300	-53.0%	0.1%	0.0%	\$11,975	\$7,767	-35.1%
	CITIZENS PROPERTY INSURANCE CORPORATION	\$61,547,063	\$61,080,210	-0.8%	89.1%	88.9%	24,525	23,029	-6.1%	96.8%	97.0%	\$13,585,084,770	\$11,544,167,762	-15.0%	89.1%	88.2%	\$2,510	\$2,652	5.7%
	FIREMAN'S FUND INSURANCE COMPANY	\$5,487,984	\$5,476,783	-0.2%	7.9%	8.0%	463	403	-13.0%	1.8%	1.7%	\$1,306,702,900	\$1,161,121,100	-11.1%	8.6%	8.9%	\$11,853	\$13,590	14.7%
	FLORIDA PENINSULA INSURANCE COMPANY	\$800,737	\$644,978	-19.5%	1.2%	0.9%	294	228	-22.4%	1.2%	1.0%	\$73,970,823	\$57,696,790	-22.0%	0.5%	0.4%	\$2,724	\$2,829	3.9%
County Total	\$69,070,133	\$68,716,705	-0.5%	100.0%	100.0%	25,330	23,732	-6.3%	100.0%	100.0%	\$15,247,375,993	\$13,082,732,152	-14.2%	100.0%	100.0%	\$2,727	\$2,896	6.2%	

Summary for All Counties Listed Above

Citizens Property Ins. Corp.	\$61,547,063	\$61,080,210	-0.8%	89.1%	88.9%	24,525	23,029	-6.1%	96.8%	97.0%	\$13,585,084,770	\$11,544,167,762	-15.0%	89.1%	88.2%	\$2,510	\$2,652	5.7%
Private Market	\$7,523,070	\$7,636,495	1.5%	10.9%	11.1%	805	703	-12.7%	3.2%	3.0%	\$1,662,291,223	\$1,538,564,390	-7.4%	10.9%	11.8%	\$9,345	\$10,863	16.2%
Total	\$69,070,133	\$68,716,705	-0.5%	100.0%	100.0%	25,330	23,732	-6.3%	100.0%	100.0%	\$15,247,375,993	\$13,082,732,152	-14.2%	100.0%	100.0%	\$2,727	\$2,896	6.2%

Charlotte	AMERICAN AUTOMOBILE INSURANCE COMPANY	\$37,016	\$39,040	5.5%	2.4%	2.7%	2	2	0.0%	0.3%	0.3%	\$13,367,900	\$13,638,800	2.0%	2.8%	3.3%	\$18,508	\$19,520	5.5%
	CITIZENS PROPERTY INSURANCE CORPORATION	\$1,434,611	\$1,327,970	-7.4%	93.9%	93.2%	619	582	-6.0%	96.9%	97.0%	\$453,680,649	\$393,418,515	-13.3%	95.1%	94.4%	\$2,318	\$2,282	-1.5%
	FIREMAN'S FUND INSURANCE COMPANY	\$23,893	\$28,675	20.0%	1.6%	2.0%	4	4	0.0%	0.6%	0.7%	\$6,650,000	\$6,650,000	0.0%	1.4%	1.6%	\$5,973	\$7,169	20.0%
	FLORIDA PENINSULA INSURANCE COMPANY	\$32,490	\$29,299	-9.8%	2.1%	2.1%	14	12	-14.3%	2.2%	2.0%	\$3,349,294	\$2,973,000	-11.2%	0.7%	0.7%	\$2,321	\$2,442	5.2%
	County Total	\$1,528,010	\$1,424,984	-6.7%	100.0%	100.0%	639	600	-6.1%	100.0%	100.0%	\$476,911,843	\$416,680,315	-12.6%	100.0%	100.0%	\$2,391	\$2,375	-0.7%
Lee	AMERICAN AUTOMOBILE INSURANCE COMPANY	\$73,247	\$195,083	166.3%	0.4%	1.0%	15	24	60.0%	0.2%	0.3%	\$35,935,000	\$64,974,300	80.8%	0.6%	1.2%	\$4,883	\$8,128	66.5%
	ASSOCIATED INDEMNITY CORPORATION	\$54,705	\$61,817	13.0%	0.3%	0.3%	6	5	-16.7%	0.1%	0.1%	\$12,214,300	\$11,002,500	-9.9%	0.2%	0.2%	\$9,118	\$12,363	35.6%
	CITIZENS PROPERTY INSURANCE CORPORATION	\$18,586,176	\$17,975,408	-3.3%	90.2%	89.6%	8,247	7,786	-5.6%	95.3%	95.5%	\$5,578,603,639	\$4,799,918,856	-14.0%	89.9%	89.2%	\$2,254	\$2,309	2.4%
	FIREMAN'S FUND INSURANCE COMPANY	\$1,417,307	\$1,405,539	-0.8%	6.9%	7.0%	189	170	-10.1%	2.2%	2.1%	\$497,675,500	\$435,870,800	-12.4%	8.0%	8.1%	\$7,499	\$8,268	10.3%
	FLORIDA PENINSULA INSURANCE COMPANY	\$484,940	\$417,063	-14.0%	2.4%	2.1%	200	166	-17.0%	2.3%	2.0%	\$77,518,173	\$66,364,820	-14.4%	1.2%	1.2%	\$2,425	\$2,512	3.6%
County Total	\$20,616,375	\$20,054,910	-2.7%	100.0%	100.0%	8,657	8,151	-5.8%	100.0%	100.0%	\$6,201,946,612	\$5,378,131,276	-13.3%	100.0%	100.0%	\$2,381	\$2,460	3.3%	

Summary for All Counties Listed Above

Citizens Property Ins. Corp.	\$20,020,787	\$19,303,378	-3.6%	#DIV/0!	#DIV/0!	8,866	8,368	-5.6%	#DIV/0!	#DIV/0!	\$6,032,284,288	\$5,193,337,371	-13.9%	#DIV/0!	#DIV/0!	\$2,258	\$2,307	2.2%
Private Market	\$2,123,598	\$2,176,516	2.5%	#DIV/0!	#DIV/0!	430	383	-10.9%	#DIV/0!	#DIV/0!	\$646,574,167	\$601,474,220	-7.0%	#DIV/0!	#DIV/0!	\$4,939	\$5,683	15.1%
Total	\$22,144,385	\$21,479,894	-3.0%	#DIV/0!	#DIV/0!	9,296	8,751	-5.9%	#DIV/0!	#DIV/0!	\$6,678,858,455	\$5,794,811,591	-13.2%	#DIV/0!	#DIV/0!	\$2,382	\$2,455	3.0%

Charlotte	AMERICAN AUTOMOBILE INSURANCE COMPANY	\$37,016	\$39,040	5.5%	2.4%	2.7%	2	2	0.0%	0.3%	0.3%	\$13,367,900	\$13,638,800	2.0%	2.8%	3.3%	\$18,508	\$19,520	5.5%
	CITIZENS PROPERTY INSURANCE CORPORATION	\$1,434,611	\$1,327,970	-7.4%	93.9%	93.2%	619	582	-6.0%	96.9%	97.0%	\$453,680,649	\$393,418,515	-13.3%	95.1%	94.4%	\$2,318	\$2,282	-1.5%
	FIREMAN'S FUND INSURANCE COMPANY	\$23,893	\$28,675	20.0%	1.6%	2.0%	4	4	0.0%	0.6%	0.7%	\$6,650,000	\$6,650,000	0.0%	1.4%	1.6%	\$5,973	\$7,169	20.0%
	FLORIDA PENINSULA INSURANCE COMPANY	\$32,490	\$29,299	-9.8%	2.1%	2.1%	14	12	-14.3%	2.2%	2.0%	\$3,349,294	\$2,973,000	-11.2%	0.7%	0.7%	\$2,321	\$2,442	5.2%
	County Total	\$1,528,010	\$1,424,984	-6.7%	100.0%	100.0%	639	600	-6.1%	100.0%	100.0%	\$476,911,843	\$416,680,315	-12.6%	100.0%	100.0%	\$2,391	\$2,375	-0.7%
Sarasota	AMERICAN AUTOMOBILE INSURANCE COMPANY	\$50,645	\$85,234	68.3%	0.2%	0.3%	5	8	60.0%	0.0%	0.0%	\$15,482,000	\$38,173,000	146.6%	0.2%	0.4%	\$10,129	\$10,654	5.2%
	ASSOCIATED INDEMNITY CORPORATION	\$60,308	\$51,448	-14.7%	0.2%	0.2%	6	4	-33.3%	0.0%	0.0%	\$10,145,300	\$7,258,900	-28.5%	0.1%	0.1%	\$10,051	\$12,862	28.0%
	CITIZENS PROPERTY INSURANCE CORPORATION	\$24,947,326	\$23,595,602	-5.4%	94.8%	94.9%	18,230	18,126	-0.6%	97.8%	98.1%	\$9,488,394,838	\$8,615,468,899	-9.2%	96.5%	96.5%	\$1,368	\$1,302	-4.9%
	FIREMAN'S FUND INSURANCE COMPANY	\$698,332	\$664,203	-4.9%	2.7%	2.7%	76	63	-17.1%	0.4%	0.3%	\$209,605,800	\$175,308,400	-16.4%	2.1%	2.0%	\$9,189	\$10,543	14.7%
	FLORIDA PENINSULA INSURANCE COMPANY	\$550,290	\$471,321	-14.4%	2.1%	1.9%	332	282	-15.1%	1.8%	1.5%	\$107,723,378	\$93,566,560	-13.1%	1.1%	1.0%	\$1,658	\$1,671	0.8%
County Total	\$26,306,901	\$24,867,808	-5.5%	100.0%	100.0%	18,649	18,483	-0.9%	100.0%	100.0%	\$9,831,351,316	\$8,929,775,759	-9.2%	100.0%	100.0%	\$1,411	\$1,345	-4.6%	

Summary for All Counties Listed Above

	FIREMAN'S FUND INSURANCE COMPANY	\$80,666	\$86,047	6.7%	33.5%	34.7%	23	21	-8.7%	45.1%	44.7%	\$29,739,900	\$29,726,900	0.0%	23.9%	23.8%	\$3,507	\$4,097	16.8%
	County Total	\$241,146	\$247,667	2.7%	100.0%	100.0%	51	47	-7.8%	100.0%	100.0%	\$124,232,000	\$124,660,100	0.3%	100.0%	100.0%	\$4,728	\$5,270	11.4%
Marion	AMERICAN AUTOMOBILE INSURANCE COMPANY	\$14,635	\$19,687	34.5%	33.6%	37.5%	4	5	25.0%	33.3%	38.5%	\$6,422,400	\$8,739,100	36.1%	43.6%	50.3%	\$3,659	\$3,937	7.6%
	FIREMAN'S FUND INSURANCE COMPANY	\$28,905	\$32,826	13.6%	66.4%	62.5%	8	8	0.0%	66.7%	61.5%	\$8,306,300	\$8,651,400	4.2%	56.4%	49.7%	\$3,613	\$4,103	13.6%
	County Total	\$43,540	\$52,513	20.6%	100.0%	100.0%	12	13	8.3%	100.0%	100.0%	\$14,728,700	\$17,390,500	18.1%	100.0%	100.0%	\$3,628	\$4,039	11.3%
Orange	AMERICAN AUTOMOBILE INSURANCE COMPANY	\$5,693,973	\$5,354,522	-6.0%	75.6%	74.6%	971	844	-13.1%	76.5%	76.1%	\$2,790,898,400	\$2,532,421,500	-9.3%	76.9%	76.1%	\$5,864	\$6,344	8.2%
	ASSOCIATED INDEMNITY CORPORATION	\$28,022	\$26,355	-5.9%	0.4%	0.4%	11	10	-9.1%	0.9%	0.9%	\$6,894,900	\$6,039,500	-12.4%	0.2%	0.2%	\$2,547	\$2,636	3.5%
	FIREMAN'S FUND INSURANCE COMPANY	\$1,809,687	\$1,796,424	-0.7%	24.0%	25.0%	288	255	-11.5%	22.7%	23.0%	\$831,819,100	\$790,329,000	-5.0%	22.9%	23.7%	\$6,284	\$7,045	12.1%
	County Total	\$7,531,682	\$7,177,301	-4.7%	100.0%	100.0%	1,270	1,109	-12.7%	100.0%	100.0%	\$3,629,612,400	\$3,328,790,000	-8.3%	100.0%	100.0%	\$5,930	\$6,472	9.1%
Sumter	AMERICAN AUTOMOBILE INSURANCE COMPANY	\$10,525	\$12,045	14.4%	27.9%	29.3%	5	5	0.0%	55.6%	50.0%	\$4,875,400	\$5,752,500	18.0%	24.0%	26.1%	\$2,105	\$2,409	14.4%
	FIREMAN'S FUND INSURANCE COMPANY	\$27,178	\$29,043	6.9%	72.1%	70.7%	4	5	25.0%	44.4%	50.0%	\$15,438,700	\$16,249,100	5.2%	76.0%	73.9%	\$6,795	\$5,809	-14.5%
	County Total	\$37,703	\$41,088	9.0%	100.0%	100.0%	9	10	11.1%	100.0%	100.0%	\$20,314,100	\$22,001,600	8.3%	100.0%	100.0%	\$4,189	\$4,109	-1.9%

Summary for All Counties Listed Above

Citizens Property Ins. Corp.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private Market	\$7,854,071	\$7,518,569	-4.3%	12.8%	12.3%	1,342	1,179	-12.1%	5.5%	5.1%	\$3,788,887,200	\$3,492,842,200	-7.8%	27.9%	30.3%	\$5,853	\$6,377	9.0%	
Total	\$7,854,071	\$7,518,569	-4.3%	12.8%	12.3%	1,342	1,179	-12.1%	5.5%	5.1%	\$3,788,887,200	\$3,492,842,200	-7.8%	27.9%	30.3%	\$5,853	\$6,377	9.0%	

Hillsborough	AMERICAN AUTOMOBILE INSURANCE COMPANY	\$315,057	\$310,808	-1.3%	16.9%	18.3%	38	38	0.0%	17.4%	20.1%	\$126,508,000	\$135,473,900	7.1%	22.7%	22.6%	\$8,291	\$8,179	-1.3%
	ASSOCIATED INDEMNITY CORPORATION	\$81,027	\$67,905	-16.2%	4.3%	4.0%	13	9	-30.8%	5.9%	4.8%	\$14,288,300	\$9,611,700	-32.7%	2.6%	1.6%	\$6,233	\$7,545	21.1%
	FIREMAN'S FUND INSURANCE COMPANY	\$1,466,833	\$1,321,287	-9.9%	78.7%	77.7%	168	142	-15.5%	76.7%	75.1%	\$416,205,000	\$455,418,900	9.4%	74.7%	75.8%	\$8,731	\$9,305	6.6%
	County Total	\$1,862,917	\$1,700,000	-8.7%	100.0%	100.0%	219	189	-13.7%	100.0%	100.0%	\$557,001,300	\$600,504,500	7.8%	100.0%	100.0%	\$8,506	\$8,995	5.7%

Summary for All Counties Listed Above

Citizens Property Ins. Corp.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private Market	\$1,862,917	\$1,700,000	-8.7%	309.0%	319.6%	219	189	-13.7%	65.6%	67.0%	\$557,001,300	\$600,504,500	7.8%	519.9%	639.8%	\$8,506	\$8,995	5.7%	
Total	\$1,862,917	\$1,700,000	-8.7%	309.0%	319.6%	219	189	-13.7%	65.6%	67.0%	\$557,001,300	\$600,504,500	7.8%	519.9%	639.8%	\$8,506	\$8,995	5.7%	

Dade	AMERICAN AUTOMOBILE INSURANCE COMPANY	\$257,208	\$320,358	24.6%	0.3%	0.3%	12	11	-8.3%	0.0%	0.0%	\$52,772,000	\$62,410,100	18.3%	0.3%	0.4%	\$21,434	\$29,123	35.9%
	ASSOCIATED INDEMNITY CORPORATION	\$22,418	\$18,670	-16.7%	0.0%	0.0%	3	2	-33.3%	0.0%	0.0%	\$5,369,000	\$4,455,200	-17.0%	0.0%	0.0%	\$7,473	\$9,335	24.9%
	CITIZENS PROPERTY INSURANCE CORPORATION	\$99,264,769	\$97,928,799	-1.3%	96.9%	97.0%	31,853	30,245	-5.0%	98.3%	98.6%	\$18,471,099,066	\$16,078,415,576	-13.0%	97.3%	97.3%	\$3,116	\$3,238	3.9%
	FIREMAN'S FUND INSURANCE COMPANY	\$1,827,940	\$1,887,528	3.3%	1.8%	1.9%	66	59	-10.6%	0.2%	0.2%	\$331,255,900	\$285,264,000	-13.9%	1.7%	1.7%	\$27,696	\$31,992	15.5%
	FLORIDA PENINSULA INSURANCE COMPANY	\$1,053,756	\$846,921	-19.6%	1.0%	0.8%	478	371	-22.4%	1.5%	1.2%	\$114,390,750	\$89,749,590	-21.5%	0.6%	0.5%	\$2,205	\$2,283	3.6%
	County Total	\$102,426,091	\$101,002,276	-1.4%	100.0%	100.0%	32,412	30,688	-5.3%	100.0%	100.0%	\$18,974,886,716	\$16,520,294,466	-12.9%	100.0%	100.0%	\$3,160	\$3,291	4.1%

Summary for All Counties Listed Above

Citizens Property Ins. Corp.	\$99,264,769	\$97,928,799	-1.3%	#DIV/0!	#DIV/0!	31,853	30,245	-5.0%	#DIV/0!	#DIV/0!	\$18,471,099,066	\$16,078,415,576	-13.0%	#DIV/0!	#DIV/0!	\$3,116	\$3,238	3.9%
Private Market	\$3,161,322	\$3,073,477	-2.8%	#DIV/0!	#DIV/0!	559	443	-20.8%	#DIV/0!	#DIV/0!	\$503,787,650	\$441,878,890	-12.3%	#DIV/0!	#DIV/0!	\$5,655	\$6,938	22.7%
Total	\$102,426,091	\$101,002,276	-1.4%	#DIV/0!	#DIV/0!	32,412	30,688	-5.3%	#DIV/0!	#DIV/0!	\$18,974,886,716	\$16,520,294,466	-12.9%	#DIV/0!	#DIV/0!	\$3,160	\$3,291	4.1%

Franklin	CITIZENS PROPERTY INSURANCE CORPORATION	\$1,972,931	\$2,062,890	4.6%	72.0%	75.5%	951	941	-1.1%	79.1%	81.8%	\$461,092,688	\$425,766,110	-7.7%	83.4%	84.2%	\$2,075	\$2,192	5.7%
	FIREMAN'S FUND INSURANCE COMPANY	\$9,595	\$9,595	0.4%	0.0%	0.4%	1	1	0.0%	0.0%	0.1%	\$2,850,000	\$2,850,000	0.0%	0.0%	0.6%	\$9,595	\$9,595	0.0%
	FLORIDA PENINSULA INSURANCE COMPANY	\$768,814	\$660,237	-14.1%	28.0%	24.2%	252	209	-17.1%	20.9%	18.2%	\$91,595,803	\$76,820,380	-16.1%	16.6%	15.2%	\$3,051	\$3,159	3.5%
County Total	\$2,741,745	\$2,732,722	-0.3%	100.0%	100.0%	1,203	1,151	-4.3%	100.0%	100.0%	\$552,688,491	\$505,436,490	-8.5%	100.0%	100.0%	\$2,279	\$2,374	4.2%	
Gulf	CITIZENS PROPERTY INSURANCE CORPORATION	\$982,637	\$1,037,109	5.5%	68.9%	72.3%	590	590	0.0%	78.1%	81.2%	\$226,653,487	\$215,304,086	-5.0%	81.7%	83.3%	\$1,665	\$1,758	5.5%
	FLORIDA PENINSULA INSURANCE COMPANY	\$442,840	\$397,651	-10.2%	31.1%	27.7%	165	137	-17.0%	21.9%	18.8%	\$50,818,777	\$43,288,190	-14.8%	18.3%	16.7%	\$2,684	\$2,903	8.1%
	County Total	\$1,425,477	\$1,434,760	0.7%	100.0%	100.0%	755	727	-3.7%	100.0%	100.0%	\$277,472,264	\$258,592,276	-6.8%	100.0%	100.0%	\$1,888	\$1,974	4.5%
Leon	AMERICAN AUTOMOBILE INSURANCE COMPANY	\$110,647	\$108,197	-2.2%	79.2%	73.7%	19	18	-5.3%	65.5%	60.0%	\$54,083,200	\$63,163,700	16.8%	80.8%	80.8%	\$5,824	\$6,011	3.2%
	FIREMAN'S FUND INSURANCE COMPANY	\$29,080	\$38,642	32.9%	20.8%	26.3%	10	12	20.0%	34.5%	40.0%	\$12,835,900	\$15,050,700	17.3%	19.2%	19.2%	\$2,908	\$3,220	10.7%
	County Total	\$139,727	\$146,839	5.1%	100.0%	100.0%	29	30	3.4%	100.0%	100.0%	\$66,919,100	\$78,214,400	16.9%	100.0%	100.0%	\$4,818	\$4,895	1.6%
Wakulla	CITIZENS PROPERTY INSURANCE CORPORATION	\$371,518	\$310,519	-16.4%	74.5%	72.3%	325	301	-7.4%	80.0%	80.5%	\$122,871,948	\$106,349,860	-13.4%	82.4%	81.5%	\$1,143	\$1,032	-9.8%
	FLORIDA PENINSULA INSURANCE COMPANY	\$127,472	\$118,750	-6.8%	25.5%	27.7%	81	73	-9.9%	20.0%	19.5%	\$26,245,176	\$24,211,240	-7.7%	17.6%	18.5%	\$1,574	\$1,627	3.4%
	County Total	\$498,990	\$429,269	-14.0%	100.0%	100.0%	406	374	-7.9%	100.0%	100.0%	\$149,117,124	\$130,561,100	-12.4%	100.0%	100.0%	\$1,229	\$1,148	-6.6%

Summary for All Counties Listed Above

Citizens Property Ins. Corp.	\$3,327,086	\$3,410,518	2.5%	6945.9%	14637.4%	1,866	1,832	-1.8%	46650.0%	61066.7%	\$810,618,123	\$747,420,056	-7.8%	6993.6%	13713.4%	\$1,783	\$1,862	4.4%
Private Market	\$1,478,853	\$1,333,072	-9.9%	3087.4%	5721.3%	527	450	-14.6%	13175.0%	15000.0%	\$235,578,856	\$225,384,210	-4.3%	2032.4%	4135.3%	\$2,806	\$2,962	5.6%
Total	\$4,805,939	\$4,743,590	-1.3%	10033.3%	20358.8%	2,393	2,282	-4.6%	59825.0%	76066.7%	\$1,046,196,979	\$972,804,266	-7.0%	9026.0%	17848.6%	\$2,008	\$2,079	3.5%

Palm Beach	County Total	\$995,544	\$898,164	-9.8%	100.0%	100.0%	82	61	-25.6%	100.0%	100.0%	\$269,660,600	\$208,127,900	-22.8%	100.0%	100.0%	\$12,141	\$14,724	21.3%
	AMERICAN AUTOMOBILE INSURANCE COMPANY	\$1,186,449	\$1,491,434	25.7%	1.7%	2.2%	44	69	56.8%	0.2%	0.3%	\$270,026,600	\$314,296,200						

Total		\$73,894,966	\$73,561,198	-0.5%	120.1%	120.4%	27,590	25,931	-6.0%	112.5%	112.6%	\$16,440,617,873	\$14,146,379,048	-14.0%	121.0%	122.5%	\$2,678	\$2,837	5.9%
Collier	AMERICAN AUTOMOBILE INSURANCE COMPANY	\$336,714	\$724,604	115.2%	2.2%	4.5%	45	70	55.6%	0.8%	1.4%	\$244,217,800	\$385,571,700	57.9%	4.8%	8.5%	\$7,483	\$10,351	38.3%
	ASSOCIATED INDEMNITY CORPORATION	\$30,117	\$21,798	-27.6%	0.2%	0.1%	4	2	-50.0%	0.1%	0.0%	\$12,302,000	\$10,570,000	-14.1%	0.2%	0.2%	\$7,529	\$10,899	44.8%
	CITIZENS PROPERTY INSURANCE CORPORATION	\$12,893,182	\$12,787,525	-0.8%	82.5%	79.6%	4,939	4,610	-6.7%	92.8%	92.6%	\$3,794,371,186	\$3,178,510,537	-16.2%	74.4%	69.8%	\$2,610	\$2,774	6.3%
	FIREMAN'S FUND INSURANCE COMPANY	\$2,049,361	\$2,265,147	10.5%	13.1%	14.1%	251	232	-7.6%	4.7%	4.7%	\$1,016,871,100	\$955,436,700	-6.0%	19.9%	21.0%	\$8,165	\$9,764	19.6%
	FLORIDA PENINSULA INSURANCE COMPANY	\$315,189	\$265,716	-15.7%	2.0%	1.7%	81	63	-22.2%	1.5%	1.3%	\$29,717,822	\$24,449,370	-17.7%	0.6%	0.5%	\$3,891	\$4,218	8.4%
County Total	\$15,624,563	\$16,064,790	2.8%	100.0%	100.0%	5,320	4,977	-6.4%	100.0%	100.0%	\$5,097,479,908	\$4,554,538,307	-10.7%	100.0%	100.0%	\$2,937	\$3,228	9.9%	
Lee	AMERICAN AUTOMOBILE INSURANCE COMPANY	\$73,247	\$195,083	166.3%	0.4%	1.0%	15	24	60.0%	0.2%	0.3%	\$35,935,000	\$64,974,300	80.8%	0.6%	1.2%	\$4,883	\$8,128	66.5%
	ASSOCIATED INDEMNITY CORPORATION	\$54,705	\$61,817	13.0%	0.3%	0.3%	6	5	-16.7%	0.1%	0.1%	\$12,214,300	\$11,002,500	-9.9%	0.2%	0.2%	\$9,118	\$12,363	35.6%
	CITIZENS PROPERTY INSURANCE CORPORATION	\$18,586,176	\$17,975,408	-3.3%	90.2%	89.6%	8,247	7,786	-5.6%	95.3%	95.5%	\$5,578,603,639	\$4,799,918,856	-14.0%	89.9%	89.2%	\$2,254	\$2,309	2.4%
	FIREMAN'S FUND INSURANCE COMPANY	\$1,417,307	\$1,405,539	-0.8%	6.9%	7.0%	189	170	-10.1%	2.2%	2.1%	\$497,675,500	\$435,870,800	-12.4%	8.0%	8.1%	\$7,499	\$8,268	10.3%
	FLORIDA PENINSULA INSURANCE COMPANY	\$484,940	\$417,063	-14.0%	2.4%	2.1%	200	166	-17.0%	2.3%	2.0%	\$77,518,173	\$66,364,820	-14.4%	1.2%	1.2%	\$2,425	\$2,512	3.6%
County Total	\$20,616,375	\$20,054,910	-2.7%	100.0%	100.0%	8,657	8,151	-5.8%	100.0%	100.0%	\$6,201,946,612	\$5,378,131,276	-13.3%	100.0%	100.0%	\$2,381	\$2,460	3.3%	

Summary for All Counties Listed Above

Citizens Property Ins. Corp.	\$31,479,358	\$30,762,933	-2.3%	2653.2%	2062.6%	13,186	12,396	-6.0%	29968.2%	17965.2%	\$9,372,974,825	\$7,978,429,393	-14.9%	3471.1%	2538.5%		\$2,387	\$2,482	4.0%
Private Market	\$4,761,580	\$5,356,767	12.5%	401.3%	359.2%	791	732	-7.5%	1797.7%	1060.9%	\$1,926,451,695	\$1,954,240,190	1.4%	713.4%	621.8%		\$6,020	\$7,318	21.6%
Total	\$36,240,938	\$36,119,700	-0.3%	3054.6%	2421.8%	13,977	13,128	-6.1%	31765.9%	19026.1%	\$11,299,426,520	\$9,932,669,583	-12.1%	4184.6%	3160.3%		\$2,593	\$2,751	6.1%

Broward | **AMERICAN** | **\$295,662**

Broward	AMERICAN AUTOMOBILE INSURANCE COMPANY	\$295,662	\$379,578	28.4%	0.5%	0.6%	13	17	30.8%	0.0%	0.1%	\$76,677,800	\$94,482,500	23.2%	0.6%	0.9%	\$22,743	\$22,328	-1.8%
	CITIZENS PROPERTY INSURANCE CORPORATION	\$58,818,844	\$59,370,310	0.9%	96.7%	97.0%	26,301	24,841	-5.6%	99.1%	99.2%	\$11,978,409,863	\$10,614,035,504	-11.4%	96.9%	96.7%	\$2,236	\$2,390	6.9%
	FIREMAN'S FUND INSURANCE COMPANY	\$1,289,592	\$1,120,766	-13.1%	2.1%	1.8%	91	76	-16.5%	0.3%	0.3%	\$273,999,200	\$237,754,400	-13.2%	2.2%	2.2%	\$14,171	\$14,747	4.1%
	FLORIDA PENINSULA INSURANCE COMPANY	\$398,867	\$338,512	-15.1%	0.7%	0.6%	148	115	-22.3%	0.6%	0.5%	\$35,712,376	\$27,537,450	-22.9%	0.3%	0.3%	\$2,695	\$2,944	9.2%
	County Total	\$60,802,965	\$61,209,166	0.7%	100.0%	100.0%	26,553	25,049	-5.7%	100.0%	100.0%	\$12,364,799,239	\$10,973,809,854	-11.2%	100.0%	100.0%	\$2,290	\$2,444	6.7%

Summary for All Counties Listed Above

Citizens Property Ins. Corp.	\$58,818,844	\$59,370,310	0.9%	606.9%	688.0%	26,301	24,841	-5.6%	311.0%	305.2%	\$11,978,409,863	\$10,614,035,504	-11.4%	346.0%	340.3%		\$2,236	\$2,390	6.9%
Private Market	\$1,984,121	\$1,838,856	-7.3%	20.5%	21.3%	252	208	-17.5%	3.0%	2.6%	\$386,389,376	\$359,774,350	-6.9%	11.2%	11.5%		\$7,873	\$8,841	12.3%
Total	\$60,802,965	\$61,209,166	0.7%	627.3%	709.3%	26,553	25,049	-5.7%	314.0%	307.8%	\$12,364,799,239	\$10,973,809,854	-11.2%	357.2%	351.9%		\$2,290	\$2,444	6.7%

Citizens Property Insurance Corporation
Estimated Number of Policies Within 18% of Actuarially Sound for CITIZENS
Data as of 12/31/12

		Current				Within 18% of Actuarially Sound for CITIZENS				
		Policies in Force	Building Count	Premium	Total Insured Value	Policies in Force	Building Count	Premium	Total Insured Value	
Personal Residential	HO3 (Multi-Peril)	Glide Path Coverage A < \$300K	426,736	426,736	\$896,054,745	\$114,119,238,681	235,660	235,660	\$496,224,637	\$64,373,693,439
		Top 20	65,064	65,064	\$211,705,672	\$31,663,911,869	38,364	38,364	\$119,063,770	\$19,054,676,298
		Coverage A >= \$600K	3,931	3,931	\$27,743,499	\$4,279,237,973	2,499	2,499	\$16,937,413	\$2,749,742,635
		Total	495,731	495,731	\$1,135,503,916	\$150,062,388,523	276,523	276,523	\$632,225,820	\$86,178,112,372
	HW2 (Wind Only)	Glide Path Coverage A < \$300K	80,499	80,499	\$132,397,079	\$23,381,621,159	14,095	14,095	\$17,308,318	\$4,349,944,590
		Top 20	45,722	45,722	\$125,799,676	\$24,783,274,483	9,979	9,979	\$21,672,602	\$5,674,624,183
		Coverage A >= \$600K	13,945	13,945	\$73,020,131	\$18,353,972,873	4,292	4,292	\$20,915,465	\$5,958,651,490
		Total	140,166	140,166	\$331,216,886	\$66,518,868,515	28,366	28,366	\$59,896,385	\$15,983,220,263
	DP3 (Multi-Peril)	Glide Path Coverage A < \$300K	201,818	201,818	\$296,659,613	\$38,191,319,756	62,991	62,991	\$74,477,510	\$13,930,448,144
		300K <= CovA < 600K	15,760	15,760	\$46,935,154	\$7,013,997,060				
		Top 20	15,623	15,623	\$19,444,492	\$2,723,690,741	6,926	6,926	\$7,072,219	\$1,247,699,426
		Coverage A >= \$600K	1,211	1,211	\$6,168,084	\$1,137,105,578	594	594	\$2,603,404	\$577,377,478
	Total	234,412	234,412	\$369,207,343	\$49,066,113,135	70,511	70,511	\$84,153,133	\$15,755,525,048	
	DW2 (Wind Only)	Glide Path Coverage A < \$300K	17,413	17,413	\$22,182,257	\$3,894,016,733	1,728	1,728	\$1,786,040	\$533,227,022
		300K <= CovA < 600K	5,174	5,174	\$12,250,150	\$2,560,369,180				
		Top 20	1,333	1,333	\$2,660,212	\$517,302,917	116	116	\$153,015	\$51,882,344
		Coverage A >= \$600K	1,350	1,350	\$5,301,693	\$1,385,848,827	229	229	\$774,255	\$255,015,228
	Total	25,270	25,270	\$42,394,312	\$8,357,537,657	2,074	2,074	\$2,713,311	\$840,124,595	
	Total		895,579	895,579	\$1,878,322,457	\$274,004,907,830	377,474	377,474	\$778,988,649	\$118,756,982,277

Notes:

- 1) Personal Residential total insured value includes Coverages A, B, C & D
- 2) Excludes risks tagged for takeout
- 3) PIF, Bldg, Premium and TIV data excludes Weston's selection of policies to depopulate prior to OIR Consent Order 130889-13
- 4) Glide Path ----- HO3/HW2 - Coverage A < \$300K and Primary Residence
DP3/DW2 - [Coverage A < \$300K and Primary Residence] or [Coverage A < \$600K and Rental]
- 5) Top 20 ----- Not part of the glide path and Coverage A < \$600K
- 6) Premium includes surcharges
- 7) Actuarial analysis based on 12/31/2011 data and premiums with surcharges removed and Coverage A + Coverage C serving as a proxy for total insured value
- 8) Estimation of actuarially sound policies is based upon data in force as of 12/31/2011 rated at 2013 rates and Citizens' indicated 2013 rates including Citizens' risk load
- 9) A policy that is actuarially sound for Citizens may not be actuarially sound for a private company due to differences in expenses, risk portfolio or capital structure

9:31:17 AM SB 562 (Explanation of bill by Sen. Hukill)
9:35:22 AM SB 562 (Explanation of bill by Sen. Hukill)
9:35:48 AM Roll call vote -- bill passes
9:36:28 AM SB 124 by Sen. Ring explanation of bill
9:37:50 AM SB 124 by Sen. Ring explanation of bill
9:37:52 AM Question by Sen. Hays
9:40:58 AM Roll call on bill -- passed
9:41:31 AM meeting adjourned