

Tab 1	SB 292 by Broxson; (Similar to CS/H 00269) Insurance Claims Data						
304154	D	S	RCS	BI, Broxson	Delete everything after	11/12 03:26 PM	

Tab 2	SB 312 by Stewart (CO-INTRODUCERS) Thurston; (Similar to H 00169) Motor Vehicle Insurance Coverage for Windshield Glass						
199336	D	S		BI, Stewart	Delete everything after	11/08 12:30 PM	
880470	AA	S	L WD	BI, Brandes	btw L.151 - 152:	11/12 03:06 PM	
504718	A	S	L	BI, Brandes	btw L.75 - 76:	11/12 01:26 PM	

Tab 3	SB 540 by Rader; (Identical to H 00329) Insurance Guaranty Associations						
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The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

BANKING AND INSURANCE
Senator Broxson, Chair
Senator Rouson, Vice Chair

MEETING DATE: Tuesday, November 12, 2019
TIME: 1:30—3:00 p.m.
PLACE: *Pat Thomas Committee Room, 412 Knott Building*

MEMBERS: Senator Broxson, Chair; Senator Rouson, Vice Chair; Senators Brandes, Gruters, Lee, Perry, Taddeo, and Thurston

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	SB 292 Broxson (Similar CS/H 269)	Insurance Claims Data; Defining the terms “loss run statement” and “provide”; requiring surplus lines and authorized insurers, respectively, to provide loss run statements to insureds within a specified timeframe after receiving a written request; prohibiting insurers from charging any fee for providing a loss run statement annually, etc. BI 11/12/2019 Fav/CS CM RC	Fav/CS Yeas 8 Nays 0
2	SB 312 Stewart (Similar H 169)	Motor Vehicle Insurance Coverage for Windshield Glass; Prohibiting motor vehicle repair shops or their employees from offering anything of value to a customer in exchange for making an insurance claim for motor vehicle glass replacement or repair, including offers made through certain persons, etc. BI 11/12/2019 Temporarily Postponed CM RC	Temporarily Postponed
3	SB 540 Rader (Identical H 329)	Insurance Guaranty Associations; Authorizing certain guaranty association employees to adjust losses for the Florida Insurance Guaranty Association if certain conditions are met; redefining the term “net direct written premiums” as “direct written premiums” and revising the definition of that term; deleting a calculation of initial estimated assessments levied by the Office of Insurance Regulation on insurers in the Florida Insurance Guaranty Association; deleting a calculation of initial estimated assessments levied by the office on insurers in the Florida Workers’ Compensation Insurance Guaranty Association, etc. BI 11/12/2019 Favorable AEG AP	Favorable Yeas 7 Nays 0
Citizens Property Insurance Corporation Presentation			Presented

COMMITTEE MEETING EXPANDED AGENDA

Banking and Insurance

Tuesday, November 12, 2019, 1:30—3:00 p.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
		Reinsurance Presentation by the Office of Insurance Regulation	Presented
	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: CS/SB 292

INTRODUCER: Banking and Insurance Committee and Senator Broxson

SUBJECT: Insurance Claims Data

DATE: November 12, 2019 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Arnold	Knudson	BI	Fav/CS
2.			CM	
3.			RC	

Please see Section IX. for Additional Information:
COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 292 creates loss run reporting requirements for all admitted and nonadmitted insurance carriers.

The bill requires an insurance carrier to provide a loss run statement to the insured within 15 days of receipt of a written request submitted by the insured. For personal lines of insurance, carriers may instead provide information on how to obtain a loss run statement at no charge through a consumer reporting agency. The loss run statement must be provided electronically or made available through an electronic portal, and the insurance carrier must notify the agent of record at the time the statement was provided.

The bill requires the statement to include a loss run history for the preceding 5 years or, if the history is less than 5 years, a complete loss run history with the insurance carrier.

The bill prohibits an insurance carrier from charging a fee for preparing or annually providing one loss run statement.

The bill takes effect July 1, 2020.

II. Present Situation:

Loss Run Statements

The loss run statement is a report generated by an insurance carrier showing the claims history of an insured. Currently, many insurance carriers provide insureds with electronic access to loss run statements on a voluntary basis. Insurance carriers may use loss run statements for purposes of underwriting and issuing policies. The statement will usually provide the following information:

- Name and policy number of the insured;
- Date of each loss and claim;
- A brief description of the claim;
- Amounts paid to the insured or on reserve; and
- Whether the claim is open or closed.

Loss Run Reporting Requirements in Other States

Among states that have adopted loss run reporting requirements, insurance carriers generally must provide a report within 10 to 30 days following receipt of a written request made by the insured or insured's agent. Further, the length of historical data required to be included in the provided report ranges 3-5 years.

State examples include:

State	Reporting Timeframe	Amount of Data Required
California	10 days	3 years
Kentucky	20 days	5 years
Louisiana	30 days	3 years
Missouri	20 days	5 years
Oklahoma	30 days	Unspecified
Tennessee	10 days	3 years

There is variance among the states as to which lines of insurance are subject to the reporting requirements. Some states require reporting compliance of all insurance lines while other states require reporting compliance of specific insurance lines only. Similarly, there is variance among the states as to penalties for insurance carriers that fail to provide the requested reports. Some states, like Oklahoma and Tennessee, consider such failure a violation of their respective states' Unfair Trade Practices Act. Others, like Kentucky, provide penalties either per each individual failure to comply or for each day that the report is not provided.

Public Sources of Loss Run Statements

The majority of personal auto and personal property insurers participate in the Comprehensive Loss Underwriting Exchange (CLUE)¹, a central database of claims information whose report is

¹ 99 percent of insurers writing automobile coverage, and 96 percent of insurers writing property coverage, participate in the CLUE database. See, e.g.: <https://risk.lexisnexis.com/products/clue-auto> and https://risk.lexisnexis.com/-/media/files/insurance/brochure/clue_property%20pdf.pdf (last visited November 12, 2019).

used by insurers to assist in making underwriting and rating decisions.² Developed by the consumer reporting agency LexisNexis Risk Solutions, the CLUE report contains 7 years of personal auto and personal property claims history associated with an individual, including date of loss, loss type, and amount paid.³ Under the Fair and Accurate Credit Transactions Act of 2003, LexisNexis Risk Solutions and other consumer reporting agencies must provide one free copy of the consumer's file per year upon request of the consumer.⁴

III. Effect of Proposed Changes:

The bill requires an insurance carrier must provide a loss run statement to an insured within 15 days following receipt of a request submitted by the insured. For personal lines of insurance, an insurance carrier may instead provide the insured with information on how to obtain a loss run statement at no charge through a consumer reporting agency. The insurance carrier must notify the agent of record that the statement was provided electronically or made available through an electronic portal. The statement must include a loss run history for the preceding 5 years or, if the history is less than 5 years, a complete loss run history with the insurance carrier. The bill specifies that an insurer is not required to provide loss reserve information as part of a loss run statement. The insurance carrier may not charge a fee for preparing or annually providing one loss run statement.

It creates the following definitions:

- “Loss run statement” means a report containing the policy number, period of coverage, number of claims, paid losses on all claims, and date of each loss⁵; and
- “Provide” means to send a document electronically or to allow access through an electronic portal to view or generate a document.

Section 1 creates s. 626.9202, F.S., to apply these requirements to nonadmitted insurance carriers.

Section 2 creates s. 627.444, F.S., to apply these requirements to admitted insurance carriers.

Section 3 provides an effective date of July 1, 2020.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

² https://consumer-solutions.custhelp.com/app/answers/detail/a_id/743/~/-/what-is-lexisnexis-risk-solutions-role-in-supplying-the-credit-report%2C-auto-or (last visited November 12, 2019).

³ https://personalreports.lexisnexis.com/fact_act_disclosure.jsp;jsessionid=162F0EE7199A58F7F42EF943FC1B0488 (last visited November 12, 2019).

⁴ Pub. L. No. 109-159, s. 211m 117 Stat 1952 (2003).

⁵ The bill provides that “loss run statement” does not include supporting claim file documentation, including, but not limited to, copies of claim files, investigation reports, evaluation statements, insureds’ statements, and documents protected by a common law or statutory privilege.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

The bill may help consumers with favorable claim histories to obtain insurance at a lower premium.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

The bill in creating s. 626.9202(2), F.S., and s. 627.444(2), F.S., provides that for personal lines of insurance, the insurer may either provide a loss run statement or provide to the insured “information on how to obtain a loss run statement through a consumer reporting agency.” The bill then states that “this section does not prohibit an insured from requesting a loss run statement after receiving information from a consumer reporting agency.” The section is unclear as to whether, and at what point, a personal lines insurer itself must provide a loss run statement to an insured.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates the following sections of the Florida Statutes: 626.9202 and 627.444.

IX. Additional Information:

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

CS by Banking and Insurance on November 12, 2019:

- Includes specific data elements in the definition of “loss run statement.”
- Excludes specific data elements from the definition of “loss run statement.”
- Allows personal lines insurance carriers to provide the insured with information on how to obtain a loss run statement at no charge through a consumer reporting agency, rather than provide a loss run statement.
- Allows insurers to deny requests for loss reserve information.

- B. **Amendments:**

None.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
11/12/2019	.	
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	.	
	.	

The Committee on Banking and Insurance (Broxson) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Section 626.9202, Florida Statutes, is created
to read:

626.9202 Loss run statements for all lines of insurance.-

(1) As used in this section, the term:

(a) "Loss run statement" means a report that contains the
policy number, the period of coverage, the number of claims, the



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11 paid losses on all claims, and the date of each loss. The term
12 does not include supporting claim file documentation, including,
13 but not limited to, copies of claim files, investigation
14 reports, evaluation statements, insureds' statements, and
15 documents protected by a common law or statutory privilege.

16 (b) "Provide" means to electronically send a document or to
17 allow access through an electronic portal to view or generate a
18 document.

19 (2) Notwithstanding any other law, an insurer shall provide
20 to an insured within 15 calendar days after receipt of the
21 insured's written request, either:

22 (a) A loss run statement; or

23 (b) For personal lines of insurance, information on how to
24 obtain a loss run statement at no charge through a consumer
25 reporting agency. However, this section does not prohibit an
26 insured from requesting a loss run statement after receiving
27 information from a consumer reporting agency.

28 (3) At the time a loss run statement is provided to the
29 insured, the insurer shall notify the agent of record that the
30 loss run statement was provided to the insured.

31 (4) A loss run statement provided pursuant to this section
32 must contain a claims history with the insurer for the preceding
33 5 years or, if the claims history is less than 5 years, a
34 complete claims history with the insurer.

35 (5) Notwithstanding any other provision of this section, an
36 insurer is not required to provide loss reserve information.

37 (6) Notwithstanding any other law, an insurer may not
38 charge any fee to prepare and provide annually one loss run
39 statement in accordance with this section.



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40 Section 2. Section 627.444, Florida Statutes, is created to
41 read:

42 627.444 Loss run statements for all lines of insurance.—

43 (1) As used in this section, the term:

44 (a) "Loss run statement" means a report that contains the
45 policy number, the period of coverage, the number of claims, the
46 paid losses on all claims, and the date of each loss. The term
47 does not include supporting claim file documentation, including,
48 but not limited to, copies of claim files, investigation
49 reports, evaluation statements, insureds' statements, and
50 documents protected by a common law or statutory privilege.

51 (b) "Provide" means to electronically send a document or to
52 allow access through an electronic portal to view or generate a
53 document.

54 (2) Notwithstanding any other law, an insurer shall provide
55 to an insured within 15 calendar days after receipt of the
56 insured's written request, either:

57 (a) A loss run statement; or

58 (b) For personal lines of insurance, information on how to
59 obtain a loss run statement at no charge through a consumer
60 reporting agency. However, this section does not prohibit an
61 insured from requesting a loss run statement after receiving
62 information from a consumer reporting agency.

63 (3) At the time a loss run statement is provided to the
64 insured, the insurer shall notify the agent of record that the
65 loss run statement was provided to the insured.

66 (4) A loss run statement provided pursuant to this section
67 must contain a claims history with the insurer for the preceding
68 5 years or, if the claims history is less than 5 years, a



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69 complete claims history with the insurer.

70 (5) Notwithstanding any other provision of this section, an
71 insurer is not required to provide loss reserve information.

72 (6) Notwithstanding any other law, an insurer may not
73 charge any fee to prepare and provide annually one loss run
74 statement in accordance with this section.

75 Section 3. This act shall take effect January 1, 2021.

76
77 ===== T I T L E A M E N D M E N T =====

78 And the title is amended as follows:

79 Delete everything before the enacting clause
80 and insert:

81 A bill to be entitled
82 An act relating to insurance claims data; creating ss.
83 626.9202 and 627.444, F.S.; defining the terms "loss
84 run statement" and "provide"; requiring surplus lines
85 and authorized insurers, respectively, to provide
86 insureds either a loss run statement or certain
87 information within a certain timeframe after receipt
88 of the insured's written request; providing
89 construction; requiring insurers to provide notice to
90 the agent of record after providing a loss run
91 statement; specifying the required claims history in a
92 loss run statement; providing that insurers are not
93 required to provide loss reserve information;
94 prohibiting insurers from charging a fee to prepare
95 and provide one loss run statement annually; providing
96 an effective date.

By Senator Broxson

1-00547-20

2020292__

1 A bill to be entitled
 2 An act relating to insurance claims data; creating ss.
 3 626.9202 and 627.444, F.S.; defining the terms "loss
 4 run statement" and "provide"; requiring surplus lines
 5 and authorized insurers, respectively, to provide loss
 6 run statements to insureds within a specified
 7 timeframe after receiving a written request; requiring
 8 insurers to notify the agent of record; specifying the
 9 loss run history required in such statements;
 10 prohibiting insurers from charging any fee for
 11 providing a loss run statement annually; providing an
 12 effective date.

14 Be It Enacted by the Legislature of the State of Florida:

16 Section 1. Section 626.9202, Florida Statutes, is created
 17 to read:

18 626.9202 Loss run statements.-

19 (1) As used in this section, the term:

20 (a) "Loss run statement" means a report relating to risks
 21 maintained by an insurer which contains the history of claims
 22 occurring during a policy term.

23 (b) "Provide" means to send a document electronically or to
 24 allow access through an electronic portal to view or generate a
 25 document.

26 (2) Notwithstanding any other law, an insurer shall provide
 27 a loss run statement to an insured within 15 calendar days after
 28 receipt of a written request submitted by the insured.

29 (3) At the time a loss run statement is provided to an

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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30 insured, the insurer shall notify the agent of record that the
 31 loss run statement was provided.

32 (4) A loss run statement provided pursuant to this section
 33 must contain a loss run history for the preceding 5 years or, if
 34 the history is less than 5 years, a complete loss run history
 35 with the insurer.

36 (5) An insurer may not charge any fee to prepare and
 37 provide annually one loss run statement in accordance with this
 38 section.

39 Section 2. Section 627.444, Florida Statutes, is created to
 40 read:

41 627.444 Loss run statements.-

42 (1) As used in this section, the term:

43 (a) "Loss run statement" means a report relating to risks
 44 maintained by an insurer which contains the history of claims
 45 occurring during a policy term.

46 (b) "Provide" means to send a document electronically or to
 47 allow access through an electronic portal to view or generate a
 48 document.

49 (2) Notwithstanding any other law, an insurer shall provide
 50 a loss run statement to an insured within 15 calendar days after
 51 receipt of a written request submitted by the insured.

52 (3) At the time a loss run statement is provided to an
 53 insured, the insurer shall notify the agent of record that the
 54 loss run statement was provided.

55 (4) A loss run statement provided pursuant to this section
 56 must contain a loss run history for the preceding 5 years or, if
 57 the history is less than 5 years, a complete loss run history
 58 with the insurer.

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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59 (5) An insurer may not charge any fee to prepare and
60 provide annually one loss run statement in accordance with this
61 section.

62 Section 3. This act shall take effect July 1, 2020.

THE FLORIDA SENATE

APPEARANCE RECORD

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

11/12/19
Meeting Date

292

Bill Number (if applicable)

Topic INSURANCE CLAIMS INFO

Amendment Barcode (if applicable)

Name KYLE ULRICH

Job Title SVP

Address 3159 SHAMROCK S.
Street

Phone 566-4204

TALLAHASSEE FL 32309
City State Zip

Email KULRICH@FAIA.COM

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FL. ASSOC. OF INSURANCE AGENTS

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
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 312

INTRODUCER: Senator Stewart

SUBJECT: Motor Vehicle Insurance Coverage for Windshield Glass

DATE: November 8, 2019

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Arnold</u>	<u>Knudson</u>	<u>BI</u>	<u>Pre-meeting</u>
2.	_____	_____	<u>CM</u>	_____
3.	_____	_____	<u>RC</u>	_____

I. Summary:

SB 312 prohibits motor vehicle repair shops and their employees from offering an inducement to a customer in exchange for making an insurance claim for motor vehicle glass replacement or repair. This prohibition also applies to individuals who are not employees of the repair shop, but are compensated for their solicitation of insurance claims.

II. Present Situation:

Automobile Insurance Coverage Related to Windshield Repair

Comprehensive coverage provides coverage for damage to the insured vehicle caused by events other than a collision.¹ This coverage type also covers damage to the vehicle's windshield, and is required by most lenders for purposes of protecting the financial interest of the lender.² For insured vehicles with comprehensive coverage, insurers may not apply the insurance policy deductible to the damaged windshield.³

In-Network Versus Out-of-Network Motor Vehicle Repair Shops

Insurers frequently create preferred vendor networks with motor vehicle repair shops to expedite windshield repairs and negotiate rates for services to be paid directly by the insurer.⁴ An out-of-network motor vehicle repair shop receives payment either from the insured in the form of direct payment or from the insurer by obtaining an assignment of benefits (AOB) of the insured's

¹Florida Department of Financial Services, *Automobile Insurance A Toolkit for Consumers*, <https://www.myfloridacfo.com/Division/Consumers/UnderstandingCoverage/Guides/documents/AutoToolkit.pdf> (last visited October 8, 2019)

² *Id.*

³ Section 627.7288, F.S.

⁴ Dale Parker and Brendan McKay, *Florida Auto Glass Claims: A Cracked System*, Trial Advocate Quarterly Fall 2016 (Westlaw Citation: 35 No. 4 Trial Advoc. Q. 20).

insurance policy.⁵ Where the policyholder has executed an AOB with the out-of-network motor vehicle repair shop, the shop can either negotiate with, or file a lawsuit against, the insurer if the two sides do not agree on the claim amount.⁶

In Florida, the insured has the right to select either an in-network motor vehicle repair shop or an out-of-network motor vehicle repair shop to repair the damaged windshield.⁷ However, an insurer can elect to require a particular repair shop to restore the damaged windshield, in which case the shop must restore the windshield to its pre-accident condition no matter the cost to the insurer.⁸

Windshield Litigation

The Florida Department of Financial Services provided the following information on the volume of windshield litigation involving an AOB⁹:

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Auto Glass Lawsuits	397	571	271	709	351	478	1,389	4,331	9,018	12,817	19,695	26,664	17,399

Similarly, the Office of Insurance Regulation notes the rising volume of windshield litigation involving an AOB supersedes the volume of water remediation litigation involving an AOB.¹⁰

Florida Motor Vehicle Repair Act

The Department of Agriculture and Consumer Services (DACS) regulates motor vehicle repair shops in Florida under the Florida Motor Vehicle Repair Act.¹¹ This Act requires that all motor vehicle repair shops, with limited exceptions, register with the DACS.¹² A motor vehicle repair shop may be fixed or mobile and includes a person or business that does motor vehicle glass work for compensation.¹³ Under the Act, it is unlawful for a motor vehicle repair shop or its employee to engage in various activities such as misrepresenting that repairs have been made to a motor vehicle or fraudulently altering any customer contract, estimate, invoice, or other document.¹⁴ The Act provides for various remedies for unlawful acts by motor vehicle repair shops, including notices of noncompliance, administrative fines, orders to cease and desist, probation of registrants, and suspension or revocation of registrations.¹⁵ In addition, a customer

⁵ *Id.*

⁶ *Id.*

⁷ Florida Department of Financial Services, *Automobile Insurance A Toolkit for Consumers*, <https://www.myfloridacfo.com/Division/Consumers/UnderstandingCoverage/Guides/documents/AutoToolkit.pdf> (last visited October 8, 2019)

⁸ Section 626.9743(3), F.S.

⁹ Data provided by the Florida Department of Financial Services to the Senate Committee on Banking and Insurance on January 22, 2019 (Senate Meeting Packet) http://flsenate.gov/PublishedContent/Committees/2018-2020/BI/MeetingRecords/MeetingPacket_4350.pdf (last visited October 24, 2019).

¹⁰ Florida Financial Services Commission, *Meeting of the Governor and Cabinet* (August 17, 2017) (statement of David Altmaier, Commissioner, Florida Office of Insurance Regulation).

¹¹ Sections 559.901-559.9221, F.S.

¹² Section 559.904, F.S.

¹³ Section 559.903(6) and (7), F.S.

¹⁴ Section. 559.920, F.S.

¹⁵ Section 559.921, F.S.

injured by a violation of the Motor Vehicle Repair Act may bring an action against a repair shop. The prevailing party is entitled to damages plus court costs and reasonable attorney fees.¹⁶

Use of Inducements by Motor Vehicle Repair Shops

The Florida Motor Vehicle Repair Act does not prohibit motor vehicle repair shops from offering inducements to consumers. Some out-of-network motor vehicle repair shops advertise inducements to compete for business with in-network vehicle repair shops,¹⁷ while others offer inducements if a consumer files a qualified insurance claim for windshield replacement.¹⁸

Regulation of Inducements in Related Insurance Fields

Prohibited Practices by Insurance Agents

Insurance agents are subject to prosecution under the Unfair Insurance Trade Practices Act¹⁹ for knowingly misrepresenting the benefits, advantages, conditions, or terms of any insurance policy,²⁰ offering inducements to enter into an insurance contract in many settings,²¹ and causing false insurance claims to be filed.²²

Prohibited Practices by Public Adjusters

Public adjusters are subject to prosecution for unfair and deceptive insurance practices²³ if the adjuster offers a monetary or other valuable inducement to invite a policyholder to submit a claim.²⁴ Such unfair and deceptive trade practices also include making an untrue, deceptive, or misleading representation with respect to the business of insurance,²⁵ inviting a policyholder to submit a claim when the policyholder does not have coverage,²⁶ or inviting a policyholder to submit a claim by stating that there is “no risk” to the policyholder by submitting such claim.²⁷

III. Effect of Proposed Changes:

The bill provides that a motor vehicle repair shop may not provide an inducement in the form of a rebate, gift, gift card, cash, coupon, or any other thing of value, in exchange for making an insurance claim for motor vehicle glass replacement or repair. An employee of the motor vehicle repair shop and a nonemployee who is compensated for soliciting insurance claims based on the repair of a motor vehicle glass replacement or repair are both also prohibited from offering such

¹⁶ Section 559.921(1), F.S.

¹⁷ Florida Senate, *Meeting of the Committee on Banking and Insurance* (March 11, 2019) (statement of Keith Seamann, Glass Replacements, LLC).

¹⁸ See, e.g.: <https://www.auto-glassamerica.com/freewindshieldflorida> <https://expressautoglass.biz/windshield-replacement-gift-card.php> (last visited November 1, 2019).

¹⁹ Section 626.9541, F.S.

²⁰ Section 626.9541(1)(a)(1), F.S.

²¹ Section 626.9541(1)(h), F.S.

²² Section 626.9541(1)(u)(1), F.S.

²³ Section 626.854(7), F.S.

²⁴ Section 626.854(7)(a)(2), F.S.

²⁵ *Id.*

²⁶ Section 626.854(7)(a)(1), F.S.

²⁷ Section 626.851(7)(a)(3), F.S.

inducements. Motor vehicle repair shops would be subject to disciplinary actions by the DACS for violations of the bill's provisions.

The bill provides an effective date of July 1, 2020.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Motor vehicle repair shops will be prohibited from providing certain inducements to customers. This may negatively affect their businesses.

Indeterminate with respect to insurance premium. A reduction in auto glass costs resulting in a reduction in insurance premiums for auto comprehensive coverage is difficult to estimate as comprehensive coverage includes a wide variety of coverages including, but not limited to, flood, hail, theft, and hurricane.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 559.920 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

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

None.

B. Amendments:

None.



199336

LEGISLATIVE ACTION

Senate

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House

The Committee on Banking and Insurance (Stewart) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Section 559.920, Florida Statutes, is amended to
read:

559.920 Unlawful acts and practices.—It shall be a
violation of this act for any motor vehicle repair shop or
employee thereof to do any of the following:

- (1) Engage or attempt to engage in repair work for



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11 compensation of any type without first being registered with or
12 having submitted an affidavit of exemption to the department.†

13 (2) Make or charge for repairs which have not been
14 expressly or impliedly authorized by the customer.†

15 (3) Misrepresent that repairs have been made to a motor
16 vehicle.†

17 (4) Misrepresent that certain parts and repairs are
18 necessary to repair a vehicle.†

19 (5) Misrepresent that the vehicle being inspected or
20 diagnosed is in a dangerous condition or that the customer's
21 continued use of the vehicle may be harmful or cause great
22 damage to the vehicle.†

23 (6) Fraudulently alter any customer contract, estimate,
24 invoice, or other document.†

25 (7) Fraudulently misuse any customer's credit card.†

26 (8) Make or authorize in any manner or by any means
27 whatever any written or oral statement which is untrue,
28 deceptive or misleading, and which is known, or which by the
29 exercise of reasonable care should be known, to be untrue,
30 deceptive or misleading.†

31 (9) Make false promises of a character likely to influence,
32 persuade, or induce a customer to authorize the repair, service,
33 or maintenance of a motor vehicle.†

34 (10) Substitute used, rebuilt, salvaged, or straightened
35 parts for new replacement parts without notice to the motor
36 vehicle owner and to her or his insurer if the cost of repair is
37 to be paid pursuant to an insurance policy and the identity of
38 the insurer or its claims adjuster is disclosed to the motor
39 vehicle repair shop.†



199336

40 (11) Cause or allow a customer to sign any work order that
41 does not state the repairs requested by the customer or the
42 automobile's odometer reading at the time of repair.~~†~~

43 (12) Fail or refuse to give to a customer a copy of any
44 document requiring the customer's signature upon completion or
45 cancellation of the repair work.~~†~~

46 (13) Willfully depart from or disregard accepted practices
47 and professional standards.~~†~~

48 (14) Have repair work subcontracted without the knowledge
49 or consent of the customer unless the motor vehicle repair shop
50 or employee thereof demonstrates that the customer could not
51 reasonably have been notified.~~†~~

52 (15) Conduct the business of motor vehicle repair in a
53 location other than that stated on the registration
54 certificate.~~†~~

55 (16) Rebuild or restore a rebuilt vehicle without the
56 knowledge of the owner in such a manner that it does not conform
57 to the original vehicle manufacturer's established repair
58 procedures or specifications and allowable tolerances for the
59 particular model and year.~~†~~~~or~~

60 (17) Offer to a customer a rebate, gift, gift card, cash,
61 coupon, or any other thing of value in exchange for making an
62 insurance claim for motor vehicle glass replacement or repair,
63 including an offer made through a nonemployee who is compensated
64 for the solicitation of insurance claims.

65 (18) Pursuant to the repair or replacement of motor vehicle
66 glass for motor vehicles equipped with safety-related systems
67 requiring calibration, fail to provide written notice to the
68 consumer that repair or replacement will require recalibration



199336

69 of safety-related systems and whether that calibration will be
70 performed and meet or exceed the manufacturer's procedures or
71 specifications, and, if recalibration is not performed or not
72 completed successfully, written notice to the consumer that the
73 vehicle should be taken to be recalibrated by a professional
74 capable of performing a recalibration that meets or exceeds the
75 manufacturer's procedures or specifications. Written notice must
76 be in at least 12-point type.

77 (20)-(17) Perform any other act that is a violation of this
78 part or that constitutes fraud or misrepresentation.

79 (19)-(18) Violate any provision of s. 713.585.

80 Section 2. Section 559.9201, Florida Statutes, is created
81 to read:

82 559.9201 Repairs pursuant to assignment agreements.-

83 (1) As used in this section, the term:

84 (a) "Assignee" means a person who is assigned post-loss
85 benefits under comprehensive or combined additional coverage
86 under a motor vehicle insurance policy for windshield damage
87 through an assignment agreement.

88 (b) "Assignment agreement" means any instrument by which
89 post-loss benefits under comprehensive or combined additional
90 coverage under a motor vehicle insurance policy for windshield
91 damage are assigned, transferred, or acquired in any manner, in
92 whole or in part, to or from a person providing services to
93 repair or replace motor vehicle glass.

94 (c) "Assignor" means a person who assigns post-loss
95 benefits under comprehensive or combined additional coverage
96 under a motor vehicle insurance policy for windshield damage to
97 another person through an assignment agreement.



199336

98 (2) In order for an assignment agreement to be valid:

99 (a) The assignment agreement must include all of the

100 following:

101 1. A written repair estimate pursuant to s. 559.905, which
102 cannot be waived, with a clearly defined total amount to be
103 billed to the insurer.

104 2. The following disclosure in at least 16-point type:

105
106 ...(INSERT ASSIGNEE NAME)... HAS TAKEN AN ASSIGNMENT
107 OF BENEFITS FOR YOUR COMPREHENSIVE OR COMBINED
108 ADDITIONAL COVERAGE UNDER YOUR MOTOR VEHICLE INSURANCE
109 POLICY. ...(INSERT ASSIGNEE NAME)... INTENDS TO FILE A
110 CLAIM WITH YOUR INSURANCE COMPANY, AND MAY ALSO BE
111 ENTITLED TO FILE A LAWSUIT IN YOUR NAME, PURSUANT TO
112 THIS ASSIGNMENT OF BENEFITS AGREEMENT. PLEASE SIGN
113 BELOW TO ACKNOWLEDGE THAT ...(INSERT ASSIGNEE NAME)...
114 INTENDS TO FILE A CLAIM WITH YOUR INSURANCE COMPANY,
115 AND THAT A LAWSUIT REGARDING YOUR INSURANCE POLICY MAY
116 BE FILED IN YOUR NAME.

117
118 3. The name, phone number, and address of the assignee and
119 the assignor, and the assignor's signature.

120 (b) The assignee must, at the time of providing an
121 assignment agreement to the consumer, comply with s.
122 559.920(18).

123 (c) The assignment agreement may not include services not
124 provided, including, but not limited to, recalibration of
125 safety-related systems.

126 (3) The assignment agreement must be provided to the



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127 insurer at the time of filing the claim with the insurer.
128 Failure to do so precludes a court from awarding attorney fees
129 to the assignee under s. 626.9373 or s. 627.428.

130 (4) (a) An assignee must provide the insurer and the
131 assignor with a written notice of intent to initiate litigation
132 before filing suit under the policy. Such notice must be served
133 by certified mail, return receipt requested, or electronic
134 delivery at least 30 days before filing suit. The notice must
135 specify the damages in dispute, the amount claimed, and a
136 presuit settlement demand. Concurrent with the notice, and as a
137 precondition to filing the suit, the assignee must provide the
138 insurer and the assignor a detailed written invoice of services,
139 including itemized information on equipment, materials, and
140 supplies; the number of labor hours; and, in the case of work
141 performed, proof that the work has been performed in accordance
142 with accepted industry standards.

143 (b) An insurer must respond in writing to the notice within
144 15 days after receiving the notice specified in paragraph (a) by
145 making a presuit settlement offer or requiring the assignee to
146 participate in appraisal or other methods of alternative dispute
147 resolution under the policy. An insurer must have a procedure
148 for the prompt investigation, review, and evaluation of the
149 dispute stated in the notice and must investigate each claim
150 contained in the notice in accordance with the Florida Insurance
151 Code.

152 Section 3. This act shall take effect July 1, 2020.

154 ===== T I T L E A M E N D M E N T =====

155 And the title is amended as follows:



199336

156 Delete everything before the enacting clause
157 and insert:

158 A bill to be entitled
159 An act relating to motor vehicle glass; amending s.
160 559.920, F.S.; prohibiting motor vehicle repair shops
161 or their employees from offering anything of value to
162 a customer in exchange for making an insurance claim
163 for motor vehicle glass replacement or repair,
164 including offers made through certain persons;
165 providing that the failure of a motor vehicle shop or
166 one of its employees to provide certain written notice
167 to consumers regarding recalibration of safety-related
168 systems is an unlawful act; creating s. 559.9201,
169 F.S.; defining terms; providing requirements that must
170 be met in order for an assignment agreement to be
171 valid; requiring that an assignment agreement be
172 provided to an insurer at a specified time;
173 prohibiting courts from awarding attorney fees to
174 assignees if the assignment agreement is not provided
175 to the insurer at a specified time; providing
176 requirements relating to service of written notices of
177 intent to initiate litigation; requiring insurers to
178 respond to a notice in a specified manner and within a
179 specified timeframe; requiring insurers to have
180 certain procedures relating to disputes; providing an
181 effective date.



880470

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
11/12/2019	.	
	.	
	.	
	.	

The Committee on Banking and Insurance (Brandes) recommended the following:

1 **Senate Amendment to Amendment (199336) (with title**
2 **amendment)**

3
4 Between lines 151 and 152
5 insert:

6 Section 3. Section 627.7288, Florida Statutes, is amended
7 to read:

8 627.7288 Comprehensive coverage; deductibles for deductible
9 ~~not to apply to motor vehicle glass.-~~

10 (1) The deductible provisions of any policy of motor



880470

11 vehicle insurance, delivered or issued in this state by an
12 authorized insurer, providing comprehensive coverage or combined
13 additional coverage are not ~~shall not be~~ applicable to damage to
14 the windshield of any motor vehicle covered under such policy.

15 (2) An insurer may offer a separate deductible for damage
16 to the glass of any motor vehicle covered under a motor vehicle
17 insurance policy delivered or issued by the insurer in this
18 state.

19
20 ===== T I T L E A M E N D M E N T =====

21 And the title is amended as follows:

22 Delete line 180

23 and insert:

24 certain procedures relating to disputes; amending s.
25 627.7288, F.S.; authorizing insurers to offer separate
26 deductibles for damage to motor vehicle glass;
27 providing an



504718

LEGISLATIVE ACTION

Senate

.
. .
. .
. .
. .

House

The Committee on Banking and Insurance (Brandes) recommended the following:

Senate Amendment (with title amendment)

Between lines 75 and 76

insert:

Section 2. Section 627.7288, Florida Statutes, is amended to read:

627.7288 Comprehensive coverage; deductibles for deductible
~~not to apply to~~ motor vehicle glass.—

(1) The deductible provisions of any policy of motor vehicle insurance, delivered or issued in this state by an



504718

11 authorized insurer, providing comprehensive coverage or combined
12 additional coverage are not ~~shall not be~~ applicable to damage to
13 the windshield of any motor vehicle covered under such policy.

14 (2) An insurer may offer a separate deductible for damage
15 to the glass of any motor vehicle covered under a motor vehicle
16 insurance policy delivered or issued by the insurer in this
17 state.

18
19 ===== T I T L E A M E N D M E N T =====

20 And the title is amended as follows:

21 Delete lines 2 - 8

22 and insert:

23 An act relating to motor vehicle glass; amending s.
24 559.920, F.S.; prohibiting motor vehicle repair shops
25 or their employees from offering anything of value to
26 a customer in exchange for making an insurance claim
27 for motor vehicle glass replacement or repair,
28 including offers made through certain persons;
29 amending s. 627.7288, F.S.; authorizing insurers to
30 offer separate deductibles for damage to motor vehicle
31 glass; providing an

By Senator Stewart

13-00497-20

2020312__

A bill to be entitled

An act relating to motor vehicle insurance coverage for windshield glass; amending s. 559.920, F.S.; prohibiting motor vehicle repair shops or their employees from offering anything of value to a customer in exchange for making an insurance claim for motor vehicle glass replacement or repair, including offers made through certain persons; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 559.920, Florida Statutes, is amended to read:

559.920 Unlawful acts and practices.—It is ~~shall be~~ a violation of this act for any motor vehicle repair shop or employee thereof to do any of the following:

(1) Engage or attempt to engage in repair work for compensation of any type without first being registered with or having submitted an affidavit of exemption to the department_+.

(2) Make or charge for repairs which have not been expressly or impliedly authorized by the customer_+.

(3) Misrepresent that repairs have been made to a motor vehicle_+.

(4) Misrepresent that certain parts and repairs are necessary to repair a vehicle_+.

(5) Misrepresent that the vehicle being inspected or diagnosed is in a dangerous condition or that the customer's continued use of the vehicle may be harmful or cause great

Page 1 of 3

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

13-00497-20

2020312__

damage to the vehicle_+.

(6) Fraudulently alter any customer contract, estimate, invoice, or other document_+.

(7) Fraudulently misuse any customer's credit card_+.

(8) Make or authorize in any manner or by any means whatever any written or oral statement which is untrue, deceptive or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue, deceptive or misleading_+.

(9) Make false promises of a character likely to influence, persuade, or induce a customer to authorize the repair, service, or maintenance of a motor vehicle_+.

(10) Substitute used, rebuilt, salvaged, or straightened parts for new replacement parts without notice to the motor vehicle owner and to her or his insurer if the cost of repair is to be paid pursuant to an insurance policy and the identity of the insurer or its claims adjuster is disclosed to the motor vehicle repair shop_+.

(11) Cause or allow a customer to sign any work order that does not state the repairs requested by the customer or the automobile's odometer reading at the time of repair_+.

(12) Fail or refuse to give to a customer a copy of any document requiring the customer's signature upon completion or cancellation of the repair work_+.

(13) Willfully depart from or disregard accepted practices and professional standards_+.

(14) Have repair work subcontracted without the knowledge or consent of the customer unless the motor vehicle repair shop or employee thereof demonstrates that the customer could not

Page 2 of 3

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

13-00497-20

2020312__

59 reasonably have been notified.~~;~~

60 (15) Conduct the business of motor vehicle repair in a
61 location other than that stated on the registration
62 certificate.~~;~~

63 (16) Rebuild or restore a rebuilt vehicle without the
64 knowledge of the owner in such a manner that it does not conform
65 to the original vehicle manufacturer's established repair
66 procedures or specifications and allowable tolerances for the
67 particular model and year.~~;~~~~or~~

68 (17) Offer to a customer a rebate, gift, gift card, cash,
69 coupon, or any other thing of value in exchange for making an
70 insurance claim for motor vehicle glass replacement or repair,
71 including an offer made through a nonemployee who is compensated
72 for the solicitation of insurance claims.

73 (19)~~(17)~~ Perform any other act that is a violation of this
74 part or that constitutes fraud or misrepresentation.

75 (18) Violate any provision of s. 713.585.

76 Section 2. This act shall take effect July 1, 2020.



The Florida Senate

Committee Agenda Request

To: Senator Doug Broxson, Chair
Committee on Banking and Finance

Subject: Committee Agenda Request

Date: October 15, 2019

I respectfully request that **Senate Bill #: 312** relating to Motor Vehicle Insurance Coverage for Windshield Glass, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in cursive script that reads "Linda Stewart".

Senator Linda Stewart
Florida Senate, District 13

c.c. James Knudson, Staff Director
Sheri Green, Committee Administrative Assistant

11/12/2019

~~3/12~~

THE FLORIDA SENATE

APPEARANCE RECORD

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

Meeting Date

312

Bill Number (if applicable)

199336

Amendment Barcode (if applicable)

Topic Auto Glass Amendment

Name Mark Delegal

Job Title Retained Counsel

Address 315 S Calhoun St #600

Street

Phone _____

City JLH

State FL

Zip 32312

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing State Farm Mutual Automobile Ins.

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)

11.12.19
Meeting Date

312
Bill Number (if applicable)
199336
Amendment Barcode (if applicable)

Topic auto glass

Name Ashley Kalifeh

Job Title lobbyist

Address 101 E Colony Ln # 502
Street

Phone 222-9070

Tallahassee FL 32303
City State Zip

Email ashley@accola.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Justice Reform Institute

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.

Phelan 2 copies - Agreed Bill

THE FLORIDA SENATE

APPEARANCE RECORD

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

11/12/19

Meeting Date

312

Bill Number (if applicable)

199336

Amendment Barcode (if applicable)

Topic Auto Glass

Name Todd Palmer

Job Title Owner - Mr Auto Glass

Address 640 Breaker Creek BL #420

Phone 813-802-2516

Street

City Okeechobee

State FL

Zip 34677

Email todd@fixmyglass.com

Speaking: For [] Against [X] Information []

Waive Speaking: In Support [] Against [] (The Chair will read this information into the record.)

Representing Florida Independent Glass Assn

Appearing at request of Chair: Yes [] No [X]

Lobbyist registered with Legislature: Yes [] No [X]

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)

11/12/19

Meeting Date

312

Bill Number (if applicable)

199336

Amendment Barcode (if applicable)

Topic Windshields

Name Carolyn Johnson

Job Title Policy Director

Address 136 S Bronough St

Street

Phone 521-1200

Tallahassee

FL

32301

Email cjohnson@flchamber.com

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FL 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)

11/12/19

312

Meeting Date

Bill Number (if applicable)

199336 DE

Amendment Barcode (if applicable)

Topic AUTO GLASS

Name MICHAEL CARLSON

Job Title CEO

Address 215 S. Monroe St. Ste. 835

Phone 597-7425 X 21

Tull FL 32301

Email michael.carlson@pff.net

City State Zip

Speaking: For Against Information

Waive Speaking: In Support Against (The Chair will read this information into the record.)

Representing PERSONAL INSURANCE 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.

THE FLORIDA SENATE

APPEARANCE RECORD

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

11/12/19

Meeting Date

312

Bill Number (if applicable)

199336

Amendment Barcode (if applicable)

Topic Auto Safety Glass

Name Leslie M Proeger

Job Title President of the Florida Justice Assoc.

Address 218 S. Monroe St

Phone 850-224-9403

Tallahassee FL

City State Zip

Email lproeger@cohenmilstein.com

Speaking: [] For [x] Against [] Information

Waive Speaking: [] In Support [] Against (The Chair will read this information into the record.)

Representing Florida Justice Association

Appearing at request of Chair: [] Yes [x] No

Lobbyist registered with Legislature: [] Yes [x] 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)

11-12-19

Meeting Date

312

Bill Number (if applicable)

Topic Auto Glass

Amendment Barcode (if applicable)

Name Todd Palmer

Job Title Owner - Mr. Auto Glass

Address 640 Broker Creek Rd #420

Phone 913-802-2516

Street

City Oldsmar State FL Zip 34677

Email todd@fixmyquack.com

Speaking: For [] Against [X] Information []

Waive Speaking: In Support [] Against [] (The Chair will read this information into the record.)

Representing Florida Independent Glass Assn.

Appearing at request of Chair: Yes [] No [X]

Lobbyist registered with Legislature: Yes [] No [X]

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 (10/14/14)

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 540

INTRODUCER: Senator Rader

SUBJECT: Insurance Guaranty Associations

DATE: November 8, 2019

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Arnold	Knudson	BI	Favorable
2.			AEG	
3.			AP	

I. Summary:

SB 540 allows for Florida Insurance Guaranty Association (FIGA) employees to adjust losses without a license under certain circumstances. The bill similarly allows FIGA to contract with guaranty association employees of other states who are not licensed for purposes of adjusting losses under certain circumstances.

The bill clarifies that the assessment due from member insurers will be a uniform percentage of premium collected instead of based on a proportion of the total net direct written premium for the prior calendar year. The bill establishes that assessment installment payments made by FIGA members may be made quarterly rather than monthly.

This bill conforms to workers' compensation industry standards the assessment methods of the Florida Workers' Compensation Insurance Guaranty Association (FWCIGA) that were amended significantly in 2016. The bill clarifies the method by which assessments are levied against insurers and collected by FWCIGA related to policy deductibles and to retrospectively rated policies. The bill provides the authority for FWCIGA to audit reports from insurers regarding the payments made to FWCIGA and the amounts collected from policyholders. It provides that assessments paid that are required to be remitted by the insurer prior to surcharging policyholders constitute advances of funds to FWCIGA to allow for proper accounting treatment.

The bill also makes other technical and structural changes to the statutes controlling FIGA and FWCIGA.

This bill has an effective date of July 1, 2020.

II. Present Situation:

Guaranty Associations

Under federal law, insurance companies cannot file for bankruptcy.¹ Instead, they are either rehabilitated or liquidated by their state of domicile. Florida law establishes the system for the treatment of impaired or insolvent insurers² in Florida and sets up guaranty payments where necessary.³ Florida law provides for guaranty associations to ensure policyholders of insolvent insurers are protected with respect to insurance premiums paid and settlement of outstanding claims, up to limits provided by law.⁴ A guaranty association is a not-for-profit corporation created by law and directed to protect policyholders from financial losses and delays in claims payment and settlements due to the insolvency of an insurer.⁵ Insurers are required to participate in the guaranty associations as a condition of transacting insurance business in Florida. Florida operates four guaranty associations including FIGA⁶ and FWCIGA.⁷

Florida Insurance Guaranty Association

FIGA provides a “mechanism for the payment of covered claims under certain insurance policies to avoid” delay and financial loss due to the financial insolvency of an insurer.⁸ It issues guaranty fund payments and provides related services for all lines of property and casualty insurance with certain exceptions.⁹ When a Florida property and casualty insurer becomes insolvent, FIGA takes over the claims of that insurer and pays the claims of its policyholders, ensuring that policyholders are not left with unpaid claims. FIGA obtains funds to pay the claims of insolvent insurers located in Florida from the liquidation of the assets of insolvent insurers by the Division of Rehabilitation and Liquidation (the Division) in the Florida Department of Financial Services (DFS) and from the liquidation of assets of insolvent insurers located outside Florida that transact insurance business in Florida.¹⁰

If an insurer’s assets are insufficient to pay all claims, FIGA can also issue post-insolvency assessments against property and casualty insurers to obtain funds to pay the remaining claims.¹¹ Currently, the Florida statute setting forth FIGA’s duties and powers states that assessments on members of FIGA are “initially estimated in the proportion that each insurer’s net direct written premiums [in Florida] in the classes protected by the account bears to the total of said net direct written premiums received [in Florida] by all such insurers for the preceding calendar year for

¹ 11 U.S.C. s. 109(b)(2).

² An “insolvent insurer” means an insurer that was authorized to transact insurance in this state, either at the time the policy was issued or when the insured event occurred, and against which an order of liquidation with a finding of insolvency has been entered by a court of competent jurisdiction if such order has become final by the exhaustion of appellate review. s. 631.904(4), F.S.

³ Chapter 631, F.S.

⁴ *Id.*

⁵ *See e.g.*, ss. 631.51 and 631.902, F.S.

⁶ Chapter 631, part II, F.S.

⁷ Chapter 631, part V, F.S.

⁸ Section 631.51, F.S.

⁹ Section 631.52, F.S.

¹⁰ *See* s. 631.061, F.S. for grounds for liquidation. *See* s. 631.025, F.S., for an overview of persons subject to proceedings initiated by the Division.

¹¹ Section 631.57, F.S.

the kinds of insurance included in such account.”¹² Furthermore, each insurer assessed must be provided with at least 30 days’ written notice as to the date the initial assessment payment is due.¹³ When FIGA issues an assessment, it has the option to require that member insurers pay the assessment in a single payment or to allow the member insurers to pay assessment payments in monthly installments, with the first installment being due at the end of the month following the levy of an assessment.¹⁴

When an insolvent insurer is liquidated in Florida, FIGA assumes the claims and is “deemed the insurer to the extent of its obligation on...covered claims, and,...shall have all rights, duties, defenses, and obligations of the insolvent insurer as if the insurer had not become insolvent.”¹⁵ Additionally, FIGA has the right to employ the necessary staff to handle claims and perform other duties for the association.¹⁶

In general, when an insolvent insurer located in another state is liquidated, the claims in that state are referred to its guaranty association for claims handling. However, FIGA handles claims that exist on policies issued in Florida by insolvent foreign insurers.¹⁷ Due to the nature of the claims process and the involvement of more than one state’s guaranty association in these claims, it may be appropriate and efficient for an employee of another state’s guaranty association to adjust a Florida claim.

Florida Workers’ Compensation Insurance Guaranty Association

FWCIGA “provides a mechanism for the payment of covered claims under chapter 440, F.S., to avoid” delay and financial loss to claimants due to the insolvency of a workers’ compensation insurer.¹⁸ FWCIGA services workers’ compensation claims against insolvent workers’ compensation insurers¹⁹ and self-insurance funds.²⁰ When a workers’ compensation insurer or self-insurance fund becomes insolvent, FWCIGA takes over the claims of that insurer and pays the claims of its policyholders, ensuring that policyholders are not left with unpaid claims. Like FIGA, FWCIGA is funded through the liquidation of insolvent insurers, including a portion of

¹² Section 631.57(3)(a), F.S. Stated differently, an insurer’s assessment amount would be estimated by determining its part of the whole of the premium written for the prior year for the kinds of insurance included in a certain account and multiplying that proportion by the entire assessment amount to be collected. For example, if FIGA was assessing its auto insurance account, an auto insurer’s assessment would be estimated by determining its share of the entire auto insurance premium written during the prior year and multiplying that by the total assessment amount to be collected.

¹³ Section 631.57(3)(a), F.S.

¹⁴ Section 631.57(3)(e)3 and (f)2, F.S.

¹⁵ Section 631.57, F.S.

¹⁶ *Id.*

¹⁷ A foreign insurer is one formed under the laws of any state, district, territory, or commonwealth of the United States other than Florida. Section 624.06, F.S.

¹⁸ Section 631.902, F.S.

¹⁹ “Insurer” means an insurance carrier or self-insurance fund authorized to insure under ch. 440, F.S. For purposes of this act, “insurer” does not include a qualified local government self-insurance fund, as defined in s. 624.4622, F.S., or an individual self-insurer as defined in s. 440.385, F.S.” Section 631.904(5), F.S.

²⁰ “Self-insurance fund” means a group self-insurance fund authorized under s. 624.4621, F.S., a commercial self-insurance fund writing workers’ compensation insurance authorized under s. 624.462, F.S., or an assessable mutual insurer authorized under s. 628.6011, F.S. For purposes of this act, the term “self-insurance fund” does not include a qualified local government self-insurance fund, as defined in s. 624.4622, F.S., an independent educational institution self-insurance fund as defined in s. 624.4623, an electric cooperative self-insurance fund as described in s. 624.4626, F.S., or an individual self-insurer as defined in s. 440.385, F.S.” Section 631.904(6), F.S.

the estates of insolvent insurers in other states. If the assets of the liquidated insurer are insufficient to pay claims, FWCIGA in conjunction with the Office of Insurance Regulation (OIR), may order assessments of workers' compensation insurers and self-insurance funds writing workers' compensation coverage in Florida.²¹ FWCIGA levied assessments from its inception in 1998 through 2005.²² On June 18, 2019, the FWCIGA Board of Directors certified the need for a 1.0 percent assessment on its member insurers.²³ Subsequently, OIR issued a 1.0 percent assessment levy on all new and renewal workers' compensation policies with effective dates beginning January 1, 2020, through December 31, 2020.²⁴ These assessment payments will be due to FWCIGA quarterly after applying and collecting a 1.0 percent surcharge to all workers' compensation and excess workers' compensation policies.²⁵

Method of Assessment

In 2016, the method of assessment for FWCIGA was amended to be more consistent with the methods used to levy assessments by the other Florida guaranty associations.²⁶ Since the 2016 amendments, the law has provided for two methods by which FWCIGA can collect assessments from workers' compensation insurers and self-insurance funds.²⁷ FWCIGA may choose to fund an assessment by either of the following methods:²⁸

- Single payment, subject to true-up (pay and recover)²⁹ – under this method, the insurer pays the assessment to the FWCIGA and then recovers its payment from its insureds through policy surcharges. The assessment payment is due and payable no earlier than 30 days following written notice of the assessment order. For accounting purposes, the billed surcharges are a receivable and an asset for the purposes of the National Association of Insurance Commissioners' Statement of Statutory Accounting Principles Number 4³⁰ and would be recorded separately from the liability for OIR reports.
- Installment (collect and remit) – under this method, the insurer would bill the insured for the surcharge as policies are written and remit the collected surcharges to the FWCIGA quarterly.³¹

The insurer is required to submit a reconciliation report within 120 days following the end of the 12 month assessment recovery period showing the amount initially paid and the amount of the

²¹ Section 631.914, F.S.

²² Florida Workers' Compensation Insurance Guaranty Association, *Assessments*, <https://fwciga.org/assessments> (last visited November 4, 2019).

²³ *Id.* Pursuant to s. 631.914(4)(a), F.S., an insurer may be exempted from an assessment if, in the opinion of OIR, the assessment would impair the solvency of the insurer.

²⁴ *Id.*

²⁵ *Id.*

²⁶ Chapter 16-170, L.O.F.

²⁷ *See* s. 631.914, F.S.

²⁸ *See id.*

²⁹ Section 631.914(1)(d), F.S.

³⁰ *See* National Association of Insurance Commissioners & The Center for Insurance Policy and Research, *Statutory Accounting Principles*, http://www.naic.org/cipr_topics/topic_statutory_accounting_principles.htm (last visited November 4, 2019).

³¹ Section 631.914(1)(d), F.S.

surcharge collected.³² This results in a “true-up” of the actual assessment amount if the initial calculation and payment was too low or too high.³³

Calculation of Insurer Assessment Amount

OIR, upon certification of need by FWCIGA, levies assessments on each insurer “initially estimated in the proportion that the insurer’s net direct written premiums” in Florida bear to the total net direct premiums received in Florida by all workers’ compensation insurers during the previous calendar year.³⁴ The assessments levied against insurers and self-insurance funds are computed based upon the net direct written premium amounts set forth in Florida for workers’ compensation insurance without consideration for any discount in premium or credit for deductibles.³⁵

The assessment is limited to 2 percent of an insurer’s or self-insurance fund’s net direct written premium in any given calendar year.³⁶ If the assessment is insufficient to meet FWCIGA’s funding need for payments owing to claimants in a calendar year, then, upon certification by FWCIGA, OIR shall levy assessments of up to an additional 1.5 percent of the insurer’s net direct written premiums in Florida.³⁷ Insurers and self-insurance funds must report to FWCIGA the amount of initial payment or installment payments made to FWCIGA and the amount collected from policyholders.³⁸ The reporting must occur within 120 days after the 12-month assessment period and annually thereafter for 3 years.³⁹

III. Effect of Proposed Changes:

Section 1 allows FIGA employees to adjust losses so long as they hold, or have held in the past 10 years, licensure in Florida that allows for the adjustments of losses. The bill allows guaranty association employees of other states whose insurance regulators are members of the National Association of Insurance Regulators to adjust losses for FIGA so long as FIGA contracts with employees who maintain the appropriate experience and training for adjusting such claims.

Section 2 strikes the word “net” from “net direct written premium” to use the more common industry terminology of “direct written premium.” It also strikes the words “dividends paid or credited to policyholders”, removing the offset for policyholder dividends that had previously been applied against the base from which FIGA derives assessments.

Section 3 strikes from s. 631.57(3)(a), F.S., language that requires a determination of each insurer’s proportion of net direct written premiums to the total of net direct written premiums received during the preceding calendar year for the kinds of insurance included within an account. It also moves the portion of s. 631.57(3)(a), F.S., which requires that FIGA provide each insurer with at least 30 days’ written notice as to the date the initial assessment payment is

³² Section 631.914(1)(d)3., F.S.

³³ *Id.*

³⁴ Section 631.914(1)(a), F.S.

³⁵ *Id.*

³⁶ *Id.*

³⁷ Section 631.914(1)(c), F.S.

³⁸ Section 631.914(1)(a)d.3., F.S.

³⁹ *Id.*

due to s. 631.57(3)(f)1.b, F.S. Notice of an initial payment due date would not apply when the assessment is being paid in a single payment. Finally, it allows for quarterly installment payments of assessments, instead of monthly installment payments.

Section 4 conforms assessment installment language contained in s. 625.012(15)(b), F.S., to statutory changes provided by Section 3.

Section 5 conforms the duties of OIR contained in s. 631.59(3), F.S., to statutory changes provided by Section 2.

Section 6 conforms the duties of the FWCIGA's Board of Directors contained in s. 631.912(1), F.S. to statutory changes provided by Section 7.

Section 7 strikes from s. 631.914(1)(a), F.S., language that requires a determination of each insurer's proportion of net direct written premiums to the total of net direct written premiums received during the preceding calendar year for all workers' compensation insurers, and strikes the word "net" from "net direct written premium" to use the more common industry terminology of "direct written premium." It prohibits reducing an insurer's direct written premium by any discount, credit for deductible in a policy, or premium adjustment to a retrospectively rated policy, for the purposes of determining the insurer's assessment or policy surcharge, and it authorizes FWCIGA to conduct audits of premium reports.

It also requires OIR to levy the uniform surcharge percentage on all policies of the same kind or line as it considered in determining the assessment liability of the insurer.

Finally, it provides that assessments paid by worker's compensation insurers to FWCIGA constitute advances of funds under certain circumstances to allow for proper accounting treatment.

Section 8 provides an effective date of July 1, 2020.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Indeterminate. While changing the method by which FWCIGA calculates assessments necessarily changes the based used to determine the assessment, the ultimate changes may be revenue-neutral, as the amount FWCIGA needs to assess would remain unchanged.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 631.54, 631.57, 625.012, 631.59, 631.912, and 631.914.

This bill creates section 626.8621 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

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

None.

B. Amendments:

None.

By Senator Rader

29-00846-20

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1 A bill to be entitled
 2 An act relating to insurance guaranty associations;
 3 creating s. 626.8621, F.S.; authorizing certain
 4 guaranty association employees to adjust losses for
 5 the Florida Insurance Guaranty Association if certain
 6 conditions are met; amending s. 631.54, F.S.;
 7 redefining the term "net direct written premiums" as
 8 "direct written premiums" and revising the definition
 9 of that term; amending s. 631.57, F.S.; deleting a
 10 calculation of initial estimated assessments levied by
 11 the Office of Insurance Regulation on insurers in the
 12 Florida Insurance Guaranty Association; providing that
 13 a notice requirement for initial assessments applies
 14 to emergency assessments; revising the frequency of
 15 payable installments for assessments if an installment
 16 method is elected by the association; revising the
 17 basis of calculating initial payments of assessments
 18 for certain insurers; conforming a provision to
 19 changes made by the act; amending ss. 625.012, 631.59,
 20 and 631.912, F.S.; conforming provisions to changes
 21 made by the act; amending s. 631.914, F.S.; deleting a
 22 calculation of initial estimated assessments levied by
 23 the office on insurers in the Florida Workers'
 24 Compensation Insurance Guaranty Association; revising
 25 the method for calculating assessments; authorizing
 26 the association to audit certain reports by insurers
 27 and self-insurance funds; specifying a requirement for
 28 the office in levying policy surcharges; revising a
 29 procedure for collecting policy surcharges; revising

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30 an installment method of payments to apply to policy
 31 surcharges rather than to assessments; revising
 32 requirements if the association elects to require
 33 insurers to remit assessments before surcharging
 34 policies; revising a requirement for annual
 35 reconciliation reports by insurers; revising
 36 construction; revising the applicability of premium
 37 taxes, fees, and commissions; providing an effective
 38 date.

39
 40 Be It Enacted by the Legislature of the State of Florida:

41
 42 Section 1. Section 626.8621, Florida Statutes, is created
 43 to read:

44 626.8621 Adjustments by guaranty association employees.-
 45 (1) An employee of the Florida Insurance Guaranty
 46 Association, created under part II of chapter 631, may adjust
 47 losses for the association if such employee holds, or has held
 48 within the past 10 years, licensure in this state which allows
 49 for the adjustment of such losses.

50 (2) An employee of a guaranty association established by
 51 another state whose insurance regulators are members of the
 52 National Association of Insurance Commissioners may adjust
 53 losses for the Florida Insurance Guaranty Association. The
 54 authorization for such employees to adjust losses must be
 55 included in a contract with the Florida Insurance Guaranty
 56 Association and the employee's guaranty association or
 57 association's authorized representative. The Florida Insurance
 58 Guaranty Association shall contract only for employees of other

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59 state guaranty associations who maintain the appropriate
60 experience and training for adjusting such claims.

61 Section 2. Subsection (9) of section 631.54, Florida
62 Statutes, is amended to read:

63 631.54 Definitions.—As used in this part:

64 (9) "~~Net~~ Direct written premiums" means direct gross
65 premiums written in this state on insurance policies to which
66 this part applies, less return premiums thereon ~~and dividends~~
67 ~~paid or credited to policyholders~~ on such direct business. The
68 term "Net direct written premiums" does not include premiums on
69 contracts between insurers or reinsurers.

70 Section 3. Paragraphs (a), (e), and (f) of subsection (3)
71 of section 631.57, Florida Statutes, are amended to read:

72 631.57 Powers and duties of the association.—

73 (3) (a) To the extent necessary to secure funds for the
74 respective accounts for the payment of covered claims, to pay
75 the reasonable costs to administer such accounts, and to secure
76 funds for the account specified in s. 631.55(2) (b) or to retire
77 indebtedness, including, without limitation, the principal,
78 redemption premium, if any, and interest on, and related costs
79 of issuance of, bonds issued under s. 631.695 and the funding of
80 reserves and other payments required under the bond resolution
81 or trust indenture pursuant to which such bonds have been
82 issued, the office, upon certification of the board of
83 directors, shall levy assessments, in accordance with
84 subparagraph (f)1. or subparagraph (f)2., ~~initially estimated in~~
85 ~~the proportion that each insurer's net direct written premiums~~
86 ~~in this state in the classes protected by the account bears to~~
87 ~~the total of said net direct written premiums received in this~~

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88 ~~state by all such insurers for the preceding calendar year for~~
89 ~~the kinds of insurance included within such account.~~ Assessments
90 shall be remitted to and administered by the board of directors
91 in the manner specified by the approved plan and paragraph (f).
92 ~~Each insurer so assessed shall have at least 30 days' written~~
93 ~~notice as to the date the initial assessment payment is due and~~
94 ~~payable.~~ Every assessment shall be a uniform percentage. The
95 assessments levied against any insurer may not exceed in any one
96 calendar year more than 2 percent of that insurer's ~~net~~ direct
97 written premiums in this state for the kinds of insurance
98 included within such account.

99 (e)1. In addition to assessments authorized in paragraph
100 (a), and to the extent necessary to secure the funds for the
101 account specified in s. 631.55(2) (b) for the direct payment of
102 covered claims of insurers rendered insolvent by the effects of
103 a hurricane and to pay the reasonable costs to administer such
104 claims, or to retire indebtedness, including, without
105 limitation, the principal, redemption premium, if any, and
106 interest on, and related costs of issuance of, bonds issued
107 under s. 631.695 and the funding of any reserves and other
108 payments required under the bond resolution or trust indenture
109 pursuant to which such bonds have been issued, the office, upon
110 certification of the board of directors, shall levy emergency
111 assessments upon insurers holding a certificate of authority.
112 The emergency assessments levied against any insurer may not
113 exceed in any one calendar year more than 2 percent of that
114 insurer's ~~net~~ written premiums in this state for the kinds of
115 insurance within the account specified in s. 631.55(2) (b).

116 2. Emergency assessments authorized under this paragraph

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117 shall be levied by the office upon insurers in accordance with
 118 paragraph (f), upon certification as to the need for such
 119 assessments by the board of directors. If the board participates
 120 in the issuance of bonds in accordance with s. 631.695,
 121 emergency assessments shall be levied in each year that bonds
 122 issued under s. 631.695 and secured by such emergency
 123 assessments are outstanding in amounts up to such 2-percent
 124 limit as required in order to provide for the full and timely
 125 payment of the principal of, redemption premium, if any, and
 126 interest on, and related costs of issuance of, such bonds. The
 127 emergency assessments are assigned and pledged to the
 128 municipality, county, or legal entity issuing bonds under s.
 129 631.695 for the benefit of the holders of such bonds in order to
 130 provide for the payment of the principal of, redemption premium,
 131 if any, and interest on such bonds, the cost of issuance of such
 132 bonds, and the funding of any reserves and other payments
 133 required under the bond resolution or trust indenture pursuant
 134 to which such bonds have been issued, without further action by
 135 the association, the office, or any other party. If bonds are
 136 issued under s. 631.695 and the association determines to secure
 137 such bonds by a pledge of revenues received from the emergency
 138 assessments, such bonds, upon such pledge of revenues, shall be
 139 secured by and payable from the proceeds of such emergency
 140 assessments, and the proceeds of emergency assessments levied
 141 under this paragraph shall be remitted directly to and
 142 administered by the trustee or custodian appointed for such
 143 bonds.

144 3. Emergency assessments used to defease bonds issued under
 145 this part may be payable in a single payment or, at the option

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146 of the association, may be payable in quarterly ~~12-monthly~~
 147 installments, with the first installment being due and payable
 148 at the end of the month after an emergency assessment is levied
 149 and subsequent installments being due by the end of each
 150 succeeding month.

151 4. If emergency assessments are imposed, the report
 152 required by s. 631.695(7) must include an analysis of the
 153 revenues generated from the emergency assessments imposed under
 154 this paragraph.

155 5. If emergency assessments are imposed, the references in
 156 sub-subparagraph (1)(a)3.b. and s. 631.695(2) and (7) to
 157 assessments levied under paragraph (a) must include emergency
 158 assessments imposed under this paragraph.

159 6. If the board of directors participates in the issuance
 160 of bonds in accordance with s. 631.695, an annual assessment
 161 under this paragraph shall continue while the bonds issued with
 162 respect to which the assessment was imposed are outstanding,
 163 including any bonds the proceeds of which were used to refund
 164 bonds issued pursuant to s. 631.695, unless adequate provision
 165 has been made for the payment of the bonds in the documents
 166 authorizing the issuance of such bonds.

167 (f)1. The association, office, and insurers remitting
 168 assessments pursuant to paragraph (a) or paragraph (e) must
 169 comply with the following:

170 a. In the order levying an assessment, the office shall
 171 specify the actual percentage amount to be collected uniformly
 172 from all the policyholders of insurers subject to the assessment
 173 and the date on which the assessment year begins, which may not
 174 begin before 90 days after the association board certifies such

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175 an assessment.

176 b. Insurers shall make an initial payment to the
177 association before the beginning of the assessment year on or
178 before the date specified in the order of the office. Each
179 insurer shall have at least 30 days' written notice as to the
180 date on which the initial assessment payment is due and payable.

181 c. Insurers that have written insurance in the calendar
182 year before the year in which the assessment is certified by the
183 board shall make an initial payment based on the ~~net~~ direct
184 written premium in this state for the classes protected by the
185 account ~~amount~~ from the previous calendar year as set forth in
186 the insurer's annual statement, multiplied by the uniform
187 percentage of premium specified in the order issued by the
188 office. Insurers that have not written insurance in the previous
189 calendar year in any of the lines under the account which are
190 being assessed, but which are writing insurance as of, or after,
191 the date the board certifies the assessment to the office, shall
192 pay an amount based on a good faith estimate of the amount of
193 ~~net~~ direct written premium anticipated to be written in the
194 subject lines of business for the assessment year, multiplied by
195 the uniform percentage of premium specified in the order issued
196 by the office.

197 d. Insurers shall file a reconciliation report with the
198 association which indicates the amount of the initial payment to
199 the association before the assessment year, whether such amount
200 was based on ~~net~~ direct written premium contained in a previous
201 calendar year annual statement or a good faith projection, the
202 amount actually collected during the assessment year, and such
203 other information contained on a form adopted by the association

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204 and provided to the insurers in advance. If the insurer
205 collected from policyholders more than the amount initially
206 paid, the insurer shall pay the excess amount to the
207 association. If the insurer collected from policyholders an
208 amount which is less than the amount initially paid to the
209 association, the association shall credit the insurer that
210 amount against future assessments. Such payment reconciliation
211 report, and any payment of excess amounts collected from
212 policyholders, shall be completed and remitted to the
213 association within 90 days after the end of the assessment year.
214 The association shall send a final reconciliation report on all
215 insurers to the office within 120 days after each assessment
216 year.

217 e. Insurers remitting reconciliation reports under this
218 paragraph to the association are subject to s. 626.9541(1)(e).

219 2. For assessments required under paragraph (a) or
220 paragraph (e), the association may use a quarterly ~~monthly~~
221 installment method instead of the method described in sub-
222 subparagraphs 1.b. and c. or in combination thereof based on the
223 association's projected cash flow. If the association projects
224 that it has cash on hand for the payment of anticipated claims
225 in the applicable account for at least 6 months, the board may
226 make an estimate of the assessment needed and may recommend to
227 the office the assessment percentage that may be collected as a
228 quarterly ~~monthly~~ assessment. The office may, in the order
229 levying the assessment on insurers, specify that the assessment
230 is due and payable quarterly ~~monthly~~ as the funds are collected
231 from insureds throughout the assessment year, in which case the
232 assessment shall be a uniform percentage of premium collected

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233 during the assessment year and shall be collected from all
 234 policyholders with policies in the classes protected by the
 235 account. All insurers shall collect the assessment without
 236 regard to whether the insurers reported premium in the year
 237 preceding the assessment. Insurers are not required to advance
 238 funds if the association and the office elect to use the
 239 quarterly ~~monthly~~ installment option. All funds collected shall
 240 be retained by the association for the payment of current or
 241 future claims. This subparagraph does not alter the obligation
 242 of an insurer to remit assessments levied pursuant to this
 243 subsection to the association.

244 Section 4. Paragraph (b) of subsection (15) of section
 245 625.012, Florida Statutes, is amended to read:

246 625.012 "Assets" defined.—In any determination of the
 247 financial condition of an insurer, there shall be allowed as
 248 "assets" only such assets as are owned by the insurer and which
 249 consist of:

250 (15)

251 (b) Assessments levied as monthly installments pursuant to
 252 s. 631.57(3)(e)3. or s. 631.914 which are paid after policy
 253 surcharges are collected so that the recognition of assets is
 254 based on actual premium written offset by the obligation to the
 255 Florida Insurance Guaranty Association or the Florida Workers'
 256 Compensation Insurance Guaranty Association, Incorporated.

257 Section 5. Subsection (3) of section 631.59, Florida
 258 Statutes, is amended to read:

259 631.59 Duties and powers of department and office.—

260 (3) The office shall, upon request of the board of
 261 directors, provide the association with a statement of the ~~net~~

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262 direct written premiums of each member insurer.

263 Section 6. Subsection (1) of section 631.912, Florida
 264 Statutes, is amended to read:

265 631.912 Board of directors.—

266 (1) The board of directors of the corporation shall consist
 267 of 11 persons, 1 of whom is the insurance consumer advocate
 268 appointed under s. 627.0613 or designee and 1 of whom is
 269 designated by the Chief Financial Officer. The department shall
 270 appoint to the board 6 persons selected by private carriers from
 271 among the 20 workers' compensation insurers with the largest
 272 amount of ~~net~~ direct written premium as determined by the
 273 department, and 2 persons selected by the self-insurance funds.
 274 The Governor shall appoint one person who has commercial
 275 insurance experience. At least two of the private carriers shall
 276 be foreign carriers authorized to do business in this state. The
 277 board shall elect a chairperson from among its members. The
 278 Chief Financial Officer may remove any board member for cause.
 279 Each board member shall be appointed to serve a 4-year term and
 280 may be reappointed. A vacancy on the board shall be filled for
 281 the remaining period of the term in the same manner by which the
 282 original appointment was made.

283 Section 7. Subsections (1), (2), and (3) of section
 284 631.914, Florida Statutes, are amended to read:

285 631.914 Assessments.—

286 (1)(a) To the extent necessary to secure the funds for the
 287 payment of covered claims, and also to pay the reasonable costs
 288 to administer the same, the Office of Insurance Regulation, upon
 289 certification by the board, shall levy assessments on each
 290 insurer ~~initially estimated in the proportion that the insurer's~~

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291 ~~net direct written premiums in this state bears to the total of~~
 292 ~~said net direct written premiums received in this state by all~~
 293 ~~such workers' compensation insurers for the preceding calendar~~
 294 ~~year. Assessments levied against insurers and self-insurance~~
 295 ~~funds pursuant to this paragraph must be computed and levied on~~
 296 ~~the basis of the full policy premium value on the net direct~~
 297 ~~written premium amount as set forth in the state for workers'~~
 298 ~~compensation insurance without consideration of any applicable~~
 299 ~~discount or credit for deductibles. An insurer's direct written~~
 300 ~~premium calculated for the purposes of determining the insurer's~~
 301 ~~assessment or policy surcharge may not be reduced by any~~
 302 ~~discount or credit for deductibles in a policy or by any premium~~
 303 ~~adjustment to a retrospectively rated policy. Insurers and self-~~
 304 ~~insurance funds must report premiums in compliance with this~~
 305 ~~paragraph, and the association may audit the reports.~~
 306 Assessments shall be remitted to and administered by the board
 307 of directors in the manner specified by the approved plan of
 308 operation and paragraph (d). ~~Each assessment shall be a uniform~~
 309 ~~percentage applicable to the net direct written premiums of each~~
 310 ~~insurer writing workers' compensation insurance. Assessments~~
 311 ~~levied against insurers and self-insurance funds shall not~~
 312 ~~exceed in any calendar year more than 2 percent of that~~
 313 ~~insurer's net direct written premiums in this state for workers'~~
 314 ~~compensation insurance.~~

315 (c)(b) The office shall levy the uniform surcharge
 316 percentage on all policies of the same kind or line as were
 317 considered by the office in determining the assessment liability
 318 of the insurer. Member insurers shall collect policy surcharges
 319 at a uniform percentage rate on new and renewal policies issued

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320 and effective during the period of 12 months beginning on
 321 January 1, April 1, July 1, or October 1, whichever is the first
 322 day of the following calendar quarter as specified in an order
 323 issued by the office ~~directing insurers to pay an assessment to~~
 324 ~~the association.~~ The policy surcharge may not begin until 90
 325 days after the board of directors certifies the assessment.

326 ~~(b)(e)~~ If assessments otherwise authorized in paragraph (a)
 327 are insufficient to make all payments on reimbursements then
 328 owing to claimants in a calendar year, then upon certification
 329 by the board, the office shall levy additional assessments of up
 330 to 1.5 percent of the insurer's ~~net~~ direct written premiums in
 331 this state.

332 (d) The association may use an installment method to
 333 require the insurer to remit the policy surcharge assessment as
 334 collected premium is written or may require the insurer to remit
 335 the assessment to the association before collecting the policy
 336 policyholder surcharge. ~~If the assessment is remitted before the~~
 337 ~~surcharge is collected, the assessment remitted must be based on~~
 338 ~~an estimate of the assessment due based on the proportion of~~
 339 ~~each insurer's net direct written premium in this state for the~~
 340 ~~preceding calendar year as described in paragraph (a) and~~
 341 ~~adjusted following the end of the 12-month period during which~~
 342 ~~the assessment is levied.~~

343 1. If the association elects to use the installment method,
 344 the office may, in the order levying the assessment on insurers,
 345 specify that the policy surcharge assessment is due and payable
 346 quarterly as collected premium is written throughout the
 347 assessment year. Insurers shall collect policy surcharges at a
 348 uniform percentage rate specified by order as described in

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349 paragraph (c) ~~(b)~~. Insurers are not required to advance funds if
 350 the association and the office elect to use the installment
 351 option. Assessments levied under this subparagraph are paid
 352 after policy surcharges are collected, and the recognition of
 353 assets is based on actual policy surcharges collected ~~premium~~
 354 ~~written~~ offset by the obligation to the association.

355 2. If the association elects to require insurers to remit
 356 the assessment before surcharging the policy ~~policyholder~~, the
 357 following shall apply:

358 a. On or before the date specified in the order of the
 359 office, insurers shall make an initial payment to the
 360 association of the percentage specified in the order multiplied
 361 by the insurer's direct written premiums received in this state
 362 for the preceding calendar year for the kinds of insurance
 363 included within such account before the beginning of the
 364 assessment year.

365 b. ~~a.~~ The levy order shall provide each insurer so assessed
 366 at least 30 days' written notice of the date the initial
 367 assessment payment is due and payable by the insurer.

368 c. ~~b.~~ Insurers shall collect policy surcharges at a uniform
 369 percentage rate specified by the order, as described in
 370 paragraph (c) ~~(b)~~.

371 d. ~~e.~~ Assessments levied under this subparagraph and are
 372 paid by an insurer constitute advances of funds from the insurer
 373 to the association before policy surcharges are billed and
 374 result in a receivable for policy surcharges to be billed in the
 375 future. The amount of billed policy surcharges, to the extent it
 376 is likely that it will be realized, meets the definition of an
 377 admissible asset as specified in the National Association of

29-00846-20

2020540__

378 Insurance Commissioners' Statement of Statutory Accounting
 379 Principles No. 4. The asset shall be established and recorded
 380 separately from the liability. If an insurer is unable to fully
 381 recoup the amount of the assessment, the amount recorded as an
 382 asset shall be reduced to the amount reasonably expected to be
 383 recouped.

384 3. Insurers must submit a reconciliation report to the
 385 association within 120 days after the end of the 12-month
 386 assessment period and annually thereafter for a period of 3
 387 years. The report must indicate the amount of the initial
 388 payment or installment payments made to the association and the
 389 amount of policy surcharges collected ~~written premium pursuant~~
 390 ~~to paragraph (a)~~ for the assessment year. If the insurer's
 391 reconciled ~~assessment~~ obligation is more than the amount paid to
 392 the association, the insurer shall pay the excess policy
 393 surcharges collected to the association. If the insurer's
 394 reconciled ~~assessment~~ obligation is less than the initial amount
 395 paid to the association, the association shall return the
 396 overpayment to the insurer.

397 (2) Policy surcharges collected ~~Assessments levied~~ under
 398 this section are not premium and are not subject to any premium
 399 tax, fees, or commissions. Insurers shall treat the failure of
 400 an insured to pay policy assessment-related surcharges as a
 401 failure to pay premium. An insurer is not liable for any
 402 uncollectible policy assessment-related surcharges levied
 403 pursuant to this section.

404 (3) Assessments levied under this section may be levied
 405 only upon insurers. This section does not create a cause of
 406 action by a policyholder with respect to the levying of an

29-00846-20

2020540__

407 assessment or a policyholder's duty to pay assessment-related
408 policy surcharges.

409 Section 8. This act shall take effect July 1, 2020.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Governmental Oversight and Accountability, *Vice Chair*
Agriculture
Appropriations Subcommittee on Health
and Human Services
Children, Families, and Elder Affairs

JOINT COMMITTEE:

Joint Legislative Auditing Committee

SENATOR KEVIN J. RADER

29th District

November 1, 2019

Chairman Doug Broxson
Committee on Banking and Insurance
320 Knott Building
404 S. Monroe Street
Tallahassee, FL 32399-1100

Chairman Broxson,

I respectfully request that you place SB 540, relating to Insurance Guaranty Associations, on the agenda of the Committee on Banking and Insurance at your earliest convenience.

Should you have any questions or concerns, please feel free to contact me or my office. Thank you in advance for your consideration.

Kindest Regards,

A handwritten signature in cursive script that reads "Kevin Rader".

Senator Kevin J. Rader
Florida Senate, District 29

cc: James Knudson, Staff Director
Sheri Green, Administrative Assistant

REPLY TO:

- 5301 North Federal Hwy, Suite 135, Boca Raton, Florida 33487 (561) 443-8170
- 222 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5029

Senate's Website: www.flsenate.gov

BILL GALVANO
President of the Senate

DAVID SIMMONS
President Pro Tempore

THE FLORIDA SENATE
APPEARANCE RECORD

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

Date

540
Bill Number (if applicable)

Amendment Barcode (if applicable)

Name Tim Meenan

Job Title

Address

900 S Duval St
Street

Tallahassee, FL
City State

Phone (850) 425-4000

Email Tim@MeenanLaw.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Insurance Guaranty 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.

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)

11/12/19

Meeting Date

540

Bill Number (if applicable)

Topic

Amendment Barcode (if applicable)

Name Robert Reyes

Job Title

Address 300 South Duval St

Phone 853 502 1802

Street

PA

Email

City

State

Zip

Speaking: [] For [] Against [] Information

Waive Speaking: [X] In Support [] Against (The Chair will read this information into the record.)

Representing FL workers Compensation Insurance Guaranty Fund

Appearing at request of Chair: [] Yes [] No

Lobbyist registered with Legislature: [X] Yes [] No

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Litigation and AOB Update Citizens Property Insurance Corporation

Senate Banking and Insurance Committee
November 12, 2019

Christine Ashburn
Chief of Communications, Legislative and External Affairs





Carrier Litigation Experience

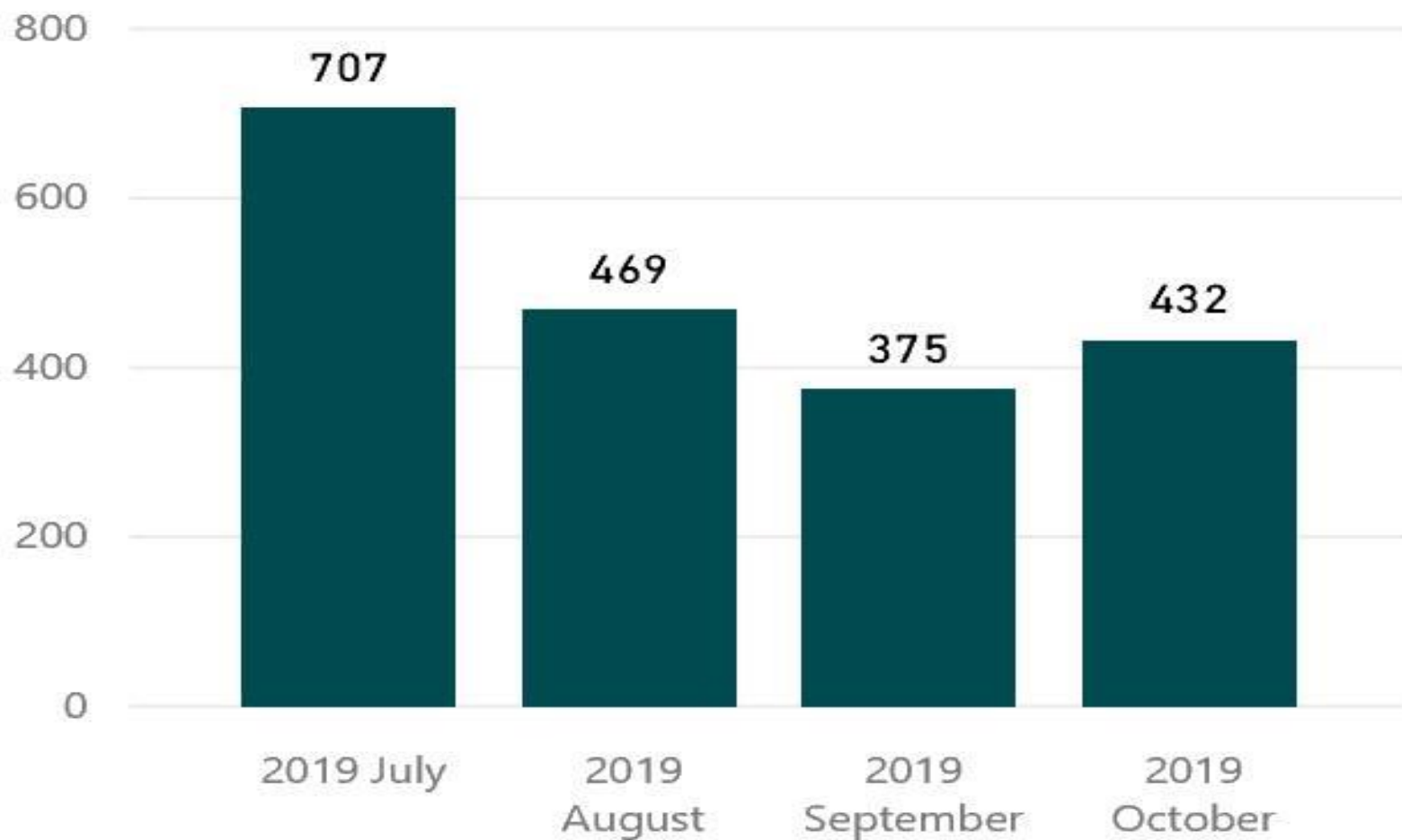
LSOP Summary 2013 - 2019

	2013	2014	2015	2016	2017	2018	2019 Q3	2019 YE EST
Citizens Property Insurance Company								
All	9,146	9,525	7,653	10,061	7,624	13,363	7,981	10,641
AOB	860	1,062	1,250	3,242	2,718	3,631	3,312	4,416
AOB %	9%	11%	16%	32%	36%	27%	41%	41%
All Other Carriers								
All	18,270	22,122	30,167	31,790	41,524	69,300	57,244	76,000
AOB	4,613	4,820	6,645	5,968	9,772	17,421	20,325	27,100
AOB %	25%	22%	22%	19%	24%	25%	36%	36%
Total All	27,416	31,647	37,820	41,851	49,148	82,663	65,225	86,641
Total AOB	5,473	5,882	7,895	9,210	12,490	21,052	23,637	31,516
Total AOB %	20%	19%	21%	22%	25%	25%	36%	36%

Data source – DFS LSOP 2013-2019 Q3

Citizens is declining YOY
Industry is increasing YOY

AOB Matters by Month



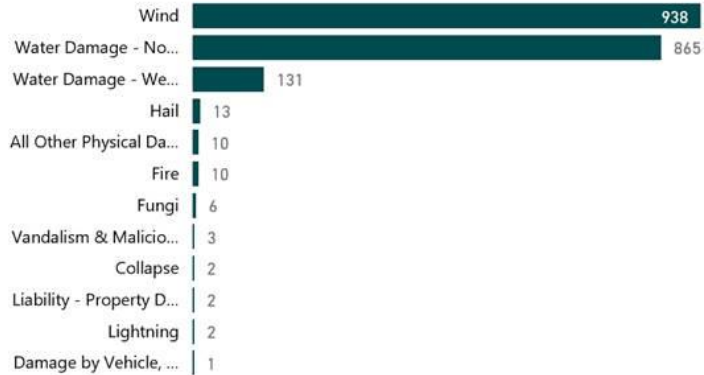


AOB Dashboard – Overview

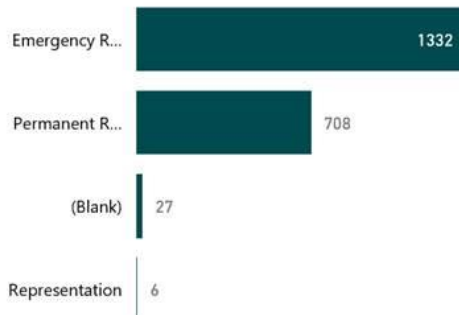
AOB Metrics Executive Dashboard

Last Updated
Thursday, November 7, 2019

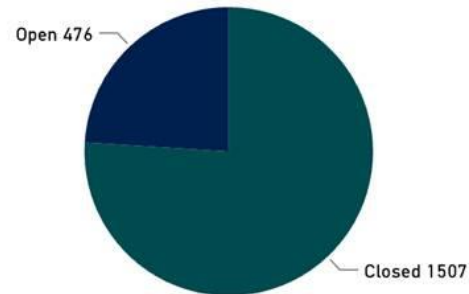
Cause of Loss



Scope of Work



AOB Matters by Status



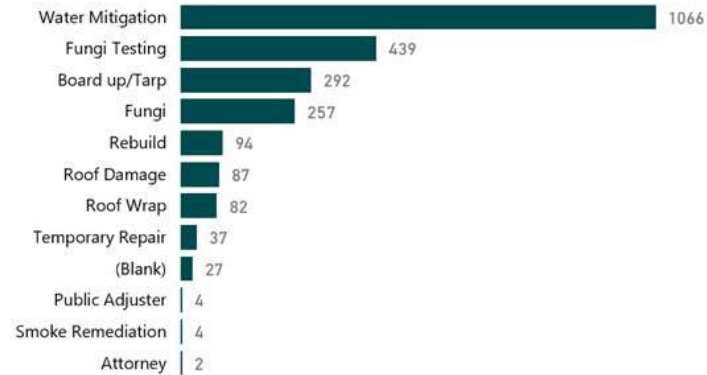
AOB Matters Created

1,983

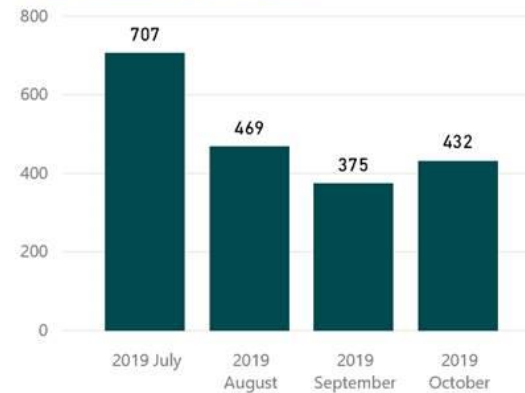
AOB Invoice Amount

\$14.11M

Type of Work



AOB Matters by Month



AOB Matters Created

- Pre-July 1st
909
- Compliant
609
- Non-Compliant
390
- Still In Review
47
- Pre-Suit (NOI Still In Review)
27
- Rescinded
1

AOB Matter State

All

CAT Name

All

AOB Matter Create Date

7/1/2019 10/31/2019



HO3 Only - Statewide	
Initial Water Litigation Rate	50%
Updated Water Litigation Rate*	31%
Initial Non-Cat Litigation Rate	36%
Updated Non-Cat Litigation Rate*	27%
* After consideration of HB 7065 & MRP	

Note: Irma litigation rate 20%

Indemnity Costs

<u>Litigated Claims</u>	<u>Loss Severity</u>	<u>Plaintiff Attorney Fees</u>	<u>Loss w/Out Attorney Fee</u>	<u>% to Attorney</u>	<u>% to Policyholder</u>
All Suits	\$30,470	\$6,844	\$23,627	22.5%	77.5%
Non-AOB Suit Only	\$30,243	\$7,941	\$22,302	35.6%	64.4%
AOB Suit Only	\$18,911	\$3,151	\$15,760	20.0%	80.0%
Both AOB and Non-AOB Suit	\$37,107	\$6,443	\$30,664	21.0%	79.0%

ALAE Costs

<u>Litigated Claims</u>	<u>ALAE Severity</u>	<u>Defense Attorney Costs</u>	<u>ALAE w/Out Defense Costs</u>	<u>% ALAE to Attorney</u>	<u>% ALAE to non-legal fee</u>
All Suits	\$9,399	\$8,072	\$1,327	85.9%	14.1%
Non-AOB Suit Only	\$8,483	\$7,242	\$1,240	85.4%	14.6%
AOB Suit Only	\$6,027	\$4,472	\$1,555	74.2%	25.8%
Both AOB and Non-AOB Suit	\$13,106	\$11,713	\$1,392	89.4%	10.6%

Loss/ALAE Costs

<u>Litigated Claims</u>	<u>Loss/ALAE</u>	<u>Total Cost to All Attorneys</u>	<u>Total to Policyholder/non-legal fee</u>	<u>% to Attorneys</u>	<u>% to Policyholder</u>
All Suits	\$39,870	\$14,916	\$24,953	37.4%	62.6%
Non-AOB Suit Only	\$38,725	\$15,183	\$23,542	39.2%	60.8%
AOB Suit Only	\$24,939	\$7,623	\$17,316	30.6%	69.4%
Both AOB and Non-AOB Suit	\$50,213	\$18,156	\$32,057	36.2%	63.8%



Impacted Lines of Business - Rates

<u>Product Line - Personal</u>	Personal Lines Multi-Peril Policies			
	Uncapped Indication		Capped Proposed Change	
	<u>Initial Filing</u>	<u>Updated Filing</u>	<u>Initial Filing</u>	<u>Updated Filing</u>
Homeowners	25.2%	7.2%	8.5%	2.3%
Dwelling -DP3	36.9%	24.0%	8.9%	8.6%
Condo Units	27.4%	26.4%	8.3%	8.1%
Mobile Homeowners	3.3%	2.0%	1.5%	0.6%

- HB 7065 specifically directed Citizens to reevaluate the HO3 and DP3 indications
- In addition to these mandated lines, all lines of business and all causes of loss were reevaluated
- HO3, DP3, HO6, & MHO had a measurable impact from HO 7065 for the peril of water
- No other lines of business or perils were impacted



	<u>Inforce Policies</u>	<u># of Decreases</u>		<u>% of Decreases</u>		<u># of additional Policyholders receiving decreases</u>
		<u>Original</u>	<u>Updated</u>	<u>Original</u>	<u>Updated</u>	
Homeowners	164,621	4,494	45,392	2.7%	27.6%	40,898
Dwelling - DP3	85,663	2,821	4,169	3.3%	4.9%	1,348
Condo Units	34,902	533	1,254	1.5%	3.6%	721
<u>Mobile Homeowners</u>	<u>26,488</u>	<u>15,442</u>	<u>16,468</u>	<u>58.3%</u>	<u>62.2%</u>	<u>1,026</u>
	311,674	23,290	67,283	7.5%	21.6%	43,993

For HO3:

- For the 40,898 of policyholders receiving a decrease, the average savings is \$237
- Statewide average proposed premium has decreased from \$2,851 to \$2,687
- Statewide actuarially sound premium decreased from \$3,297 to \$2,816

*As filed by Citizens with the Office of Insurance Regulation

THE FLORIDA SENATE
APPEARANCE RECORD

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

11/12/19
Meeting Date

NA
Bill Number (if applicable)

Topic Citizens Property Insurance

Amendment Barcode (if applicable)

Name Christine Ashburn

Job Title V.P. Communications, Legislative + External Affairs

Address _____

Phone (850) 513-3757

Street Tallahassee State FL
City _____ Zip _____

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Citizens Property Insurance Corp.

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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Senate Banking & Insurance

Update on the Reinsurance Market

Susanne Murphy, Deputy Commissioner
Office of Insurance Regulation

November 12, 2019



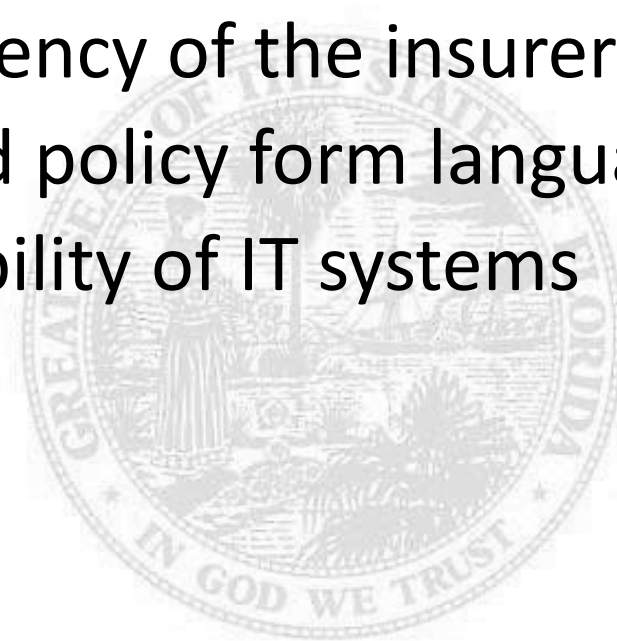
What is reinsurance?

- Reinsurance is a form of insurance purchased by insurance companies to mitigate risk.
- Reinsurance is one mechanism by which insurance companies diversify their risk or reduce their exposure to a specific catastrophic event.
- Reinsurance is a critical component that fuels the capacity of Florida's domestic property insurance market.



What affects the price of reinsurance?

- Quality and accuracy of the insurer's data
- Quality and efficiency of the insurer's claims handling
- Underwriting and policy form language
- Quality and flexibility of IT systems





Why are reinsurance costs increasing?

- Recent hurricanes
 - Five hurricanes have impacted Florida in the last three years
- Continued adverse loss development on hurricane and non-hurricane claims
- Changes in interest rates for catastrophe bonds
 - When introduced, catastrophe bonds were competitive with traditional reinsurance.
 - Due to recent large losses, the bonds are now requiring a higher interest rate.
 - The higher interest rate makes the bonds less competitive with traditional reinsurance.



What is the impact of increased reinsurance costs?

- Homeowners insurers may recover reinsurance costs in two ways.
 1. Submit a full rate filing reflecting the change in loss experience and expenses (including reinsurance)
 - OIR received rate filings ranging from a decrease of **9.3%** to an increase of **21.9%**.
 2. Submit a rate filing solely reflecting changes in reinsurance costs
 - OIR received rate filings ranging from an increase of **1.8%** to an increase of **14.7%**.



Florida Office of Insurance Regulation

Contact Information

David Altmaier, Commissioner

David.Altmaier@flair.com

(850) 413-3849

Susanne Murphy, Deputy Commissioner

Susanne.Murphy@flair.com

(850) 413-5162

Derek Silver, Deputy Director of Government Affairs

Derek.Silver@flair.com

(850) 413-2429

For more information visit www.flair.com.

CourtSmart Tag Report

Room: KN 412

Case No.:

Type:

Caption: Senate Banking and Insurance Committee

Judge:

Started: 11/12/2019 1:38:21 PM

Ends: 11/12/2019 2:58:34 PM

Length: 01:20:14

1:38:20 PM Meeting called to order
1:38:25 PM Roll call
1:38:28 PM Quorum is present
1:38:55 PM Chair Broxson - recognizes Vice Chair Rousson to present bill SB 540
1:39:19 PM Vice President Rousson presents SB 540 for Senator Rader
1:39:45 PM Questions by the members
1:39:57 PM No Questions
1:40:01 PM No Debate Appearance
1:40:10 PM Robert Reyes of TLH for FL Workers Complensation Insurance Guaranty Fund in support
1:40:32 PM Tim Meenan for Florida Insurance Guaranty Association of TLH in support
1:40:36 PM Senator Rousson waives close on bill; Roll Call is called on SB 540
1:40:48 PM SB 540 is found favorably
1:41:17 PM Chair Broxson passes Gavel to Vice Chair Rousson
1:41:27 PM Senator Broxson presents SB 292
1:42:22 PM Amendment 304154 by Senator Broxson is presented
1:43:29 PM Delete all amendment barcode 304154
1:43:58 PM Questions on the delete all amendment
1:44:06 PM Senator Brandes with question
1:44:42 PM Public appearance
1:45:10 PM Kyle Ulrich, SVP FL Association of Insurance Agents waives in support
1:45:14 PM Barcode 304 154 Delete all Amendment is adopted
1:45:21 PM Questions on the bill as amended
1:45:27 PM Senator Brandes with question on the bill as amended
1:45:38 PM No more appearance forms
1:45:51 PM Debate by members
1:45:55 PM Senator Taddeo with comment
1:46:03 PM Senator Broxson waives close
1:46:10 PM Roll Call on SB 292 as amended
1:46:19 PM SB292 is reported favorably
1:46:36 PM Vice Chair Rousson passes the Gavel back to Chair Broxson
1:46:47 PM Take up presentation by Office of Insurance Regulation
1:47:06 PM Susanne Murphy Deputy of Florida Office of Insurance Regulation
1:49:32 PM Deputy Susanne Murphy discusses presentation
1:51:33 PM Presentation discusses rising costs and impacts due to the past five hurricanes
1:53:09 PM Discusses the impact of increased reinsurance costs.
1:54:10 PM The range of increase discussed.
1:55:22 PM Question from Senator Brandes
1:55:35 PM Deputy Murphy responds
1:56:26 PM Follow up question by Senator Brandes
1:56:36 PM Deputy Murphy answers
1:56:46 PM Chair Broxson with question
1:56:53 PM Deputy Murphy with response
1:57:06 PM Chair Broxson follows up
1:57:14 PM Deputy Murphy replies
1:57:19 PM Chair Broxson follow up
1:57:28 PM Deputy Murphy responds
1:57:40 PM Chair Broxson continues
1:57:46 PM Deputy Murphy responds
1:58:11 PM Deputy Murphy concludes presentation
1:58:25 PM Senator Brandes with question
1:58:33 PM Deputy Murphy with answer
1:58:50 PM Senator Brandes continues

1:59:24 PM Deputy Murphy
1:59:41 PM Senator Brandes
1:59:50 PM Deputy Murphy
1:59:56 PM Senator Brandes
2:00:12 PM Deputy Murphy
2:00:20 PM Senator Brandes
2:00:25 PM Deputy Murphy response
2:00:53 PM Senator Brandes further discussion on insured losses and increase of reinsurance
2:01:46 PM Senator Brandes follow up discussion
2:01:50 PM Deputy Murphy replies
2:02:00 PM Senator Lee with questioning
2:02:21 PM Deputy Murphy responds
2:02:54 PM Senator Lee continues
2:03:03 PM Deputy Murphy responds
2:03:12 PM Senator Lee follow up question
2:03:18 PM Deputy Murphy answers
2:03:26 PM Senator Lee on recoverage
2:03:37 PM Deputy Murphy answers
2:03:43 PM Senator Lee discusses options
2:04:16 PM Deputy Murphy responds on cost drivers
2:06:03 PM Senator Lee concludes
2:07:06 PM Chair recognizes Senator Brandes to question
2:07:26 PM Deputy Murphy replies
2:08:16 PM Senator Brandes further questions
2:09:08 PM Deputy Murphy responds to Senator Brandes
2:09:30 PM Senator Brandes
2:10:31 PM Senator Brandes with follow up
2:10:37 PM Deputy Murphy replies to Senator Brandes
2:11:04 PM Chair Broxson with further question
2:12:17 PM Deputy Murphy responds
2:13:19 PM Deputy Murphy explains
2:13:22 PM Chair Broxson continues
2:13:33 PM Deputy Murphy replies to Chair Broxson
2:14:07 PM Chair Broxson moves to next agenda item
2:15:31 PM Take up presentation from Citizens Property Insurance Corporation by Christine Ashburn
2:16:30 PM Christine Ashburn, Vice President Communication Legislative & External Affairs
2:17:09 PM From Citizens Property Insurance Corporation
2:18:47 PM Chair Broxson asks for delay of the presentation due to time constraint, to take up hearing SB312
2:19:46 PM Senator Stewart presents SB 312 Motor Vehicle Insurance Coverage for Windshield Glass
2:20:39 PM Chair Broxson recognizes Senator Stewart to present Delete All amendment barcode 119336
2:23:18 PM Take up Amendment to the Delete-all barcode 880470 by Senator Brandes
2:24:24 PM Amendment to the Delete all if the Delete all is adopted
2:24:42 PM Amendment 880470 is withdrawn
2:24:57 PM Questions from members
2:25:05 PM Vice Chair Rousson with question
2:25:18 PM Senator Stewart response
2:25:25 PM Senator Rousson follow up
2:25:31 PM Senator Stewart answers question
2:25:48 PM Senator Rousson follow up question
2:26:00 PM Senator Stewart replies
2:26:12 PM Senator Rousson with question
2:26:18 PM Senator Stewart answers Senator Rousson
2:26:53 PM Senator Rousson continues
2:27:00 PM Senator Stewart replies
2:27:10 PM Senator Rousson concludes
2:28:03 PM Chair Broxson asks for any further questions
2:28:10 PM No further questions
2:28:17 PM Public Testimony
2:28:27 PM Leslie M Kroeger, President of the Florida Justice Association TLH against the bill
2:34:16 PM Senator Perry with question
2:35:35 PM Leslie Kroeger answers Senator Perry with follow up
2:35:58 PM Leslie Kroeger answers

2:37:26 PM Michael Carlson CEO Personal Insurance Federation of TLH in support
2:40:32 PM Chair Broxson with comments
2:41:31 PM Senator Gruters with question for Michael Carlson
2:42:02 PM Michael Carlson answers
2:42:17 PM Senator Gruters
2:42:24 PM Michael Carlson
2:42:33 PM Senator Gruters follows up
2:43:03 PM Michael Carlson
2:43:09 PM Chair Broxson with comments
2:43:30 PM Todd Palmer, Owner Mr. Auto Glass from Oldsmar FL Florida Independant Glass Association against the bill
2:46:43 PM Senator Brandes with question about fraud
2:47:55 PM Todd Palmer answers and continues
2:48:05 PM Senator Brandes with fraud discussion
2:48:18 PM Todd Palmer answers
2:48:29 PM Senator Brandes
2:48:37 PM Todd Palmer
2:48:46 PM Chair Broxson with question
2:49:00 PM Todd Palmer with answer
2:49:37 PM Chair Broxson with question on claim and signage
2:50:39 PM Todd Palmer answers
2:51:14 PM Senator Broxson
2:51:26 PM Todd Palmer with answer
2:51:36 PM Senator Broxson
2:51:59 PM Todd Palmer
2:52:11 PM Senator Broxson
2:52:23 PM Todd Palmer
2:52:43 PM Chair Broxson recognizes Senator Thurston with questioning
2:53:32 PM Todd Palmer replies to Senator Thurston
2:53:42 PM Senator Thurston with follow up question
2:54:28 PM Todd Palmer
2:54:40 PM Senator Thurston follows up
2:54:53 PM Todd Palmer
2:56:00 PM Chair Broxson suggests to TP bill SB 312
2:56:45 PM Carolyn Johnson, Policy Director for FL Chamber of Commerce in support
2:57:40 PM Chair Broxson comments
2:57:47 PM SB 312 by Senator Stewart is tp'd
2:57:49 PM Senator Perry makes motion to shows affirmative on SB292 and SB540
2:58:11 PM Senator Perry moves that we adjourn
2:58:18 PM Meeting is adjourned