

# 2007 INSURANCE LEGISLATION

## Summary & Analysis with Comments

compiled by the

## FLORIDA ASSOCIATION OF INSURANCE AGENTS

### July 2007 *(updated)*

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SUBJECT	BILL PAGES AND/ OR STATUTES	STATUTORY PROVISION	COMMENTS
<b>PROPERTY INSURANCE</b>			
<b>CS/SB 2498</b>			
<b>PROPERTY INSURANCE</b>			
<b>Citizens</b>	p. 30 §627.351	Clarifies Citizens' public purpose and intent. Also provides that Citizens is a government entity.	
	p. 62	Repeals the mandatory Adjust Your Own (AYO) program for insurers who write the ex-wind policy on Citizens' wind-only policies.	
	p. 53	Changes the 25 percent eligibility threshold to 15 percent.	<i>This provision was a priority for the governor.</i>
	p. 66	Extends Citizens' current rate freeze until January 1, 2009.	<i>This provision was a priority for the governor.</i>
	p. 34	Makes \$1 million homes ineligible for coverage in Citizens as of January 1, 2009, instead of July 1, 2008.	
	p. 58	Repeals mandatory 10-day waiting period before Citizens' coverage can be bound.	<i>A 10-day waiting period for Citizens' policies was scheduled to take effect June 1, 2007. FAIA proposed repealing this requirement.</i>
	p. 53	Clarifies that policyholders who are removed by takeout companies remain eligible for coverage with Citizens, regardless of another offer of coverage, until the end of the assumption period.	
	p. 57	Defines comparable coverage as:	<i>As a result of the Legislature changing the eligibility requirements for Citizens (i.e. 125 percent), FAIA recommended a definition of comparable coverage.</i>
		<i>For purposes of determining comparable coverage under sub-subparagraphs a. and b., the comparison shall be based on those forms and coverages that are reasonably comparable. The corporation may rely on a determination of comparable coverage and premium made by the producing agent who submits the application to the corporation, <u>made in the agent's capacity as the corporation's agent.</u></i>	<i>Allows the submitting agent to determine what's comparable.</i>
			<i>Underlined portion is intended to provide immunity to agents by using identical language of another section, which provides such immunity.</i>

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		<p><i>A comparison may be made solely of the premium with respect to the main building or structure only on the following basis: the same coverage A or other building limits; the same percentage hurricane deductible that applies on an annual basis or that applies to each hurricane for commercial residential property; the same percentage of ordinance and law coverage, if the same limit is offered by both the corporation and the authorized insurer; the same mitigation credits, to the extent the same types of credits are offered both by the corporation and the authorized insurer; the same method for loss payment, such as replacement cost or actual cash value, if the same method is offered both by the corporation and the authorized insurer in accordance with underwriting rules; and any other form or coverage that is reasonably comparable as determined by the board.</i></p>	
		<p><i>If an application is submitted to the corporation for wind-only coverage in the high-risk account, the premium for the corporation's wind-only policy plus the premium for the ex-wind policy that is offered by an authorized insurer to the applicant shall be compared to the premium for multiperil coverage offered by an authorized insurer, subject to the standards for comparison specified in this subparagraph.</i></p>	<p><i>For wind-only, allows a comparison based on the full coverage, including the other perils being purchased from a voluntary carrier.</i></p>
		<p><i>If the corporation or the applicant requests from the authorized insurer a breakdown of the premium of the offer by types of coverage so that a comparison may be made by the corporation or its agent and the authorized insurer refuses or is unable to provide such information, the corporation may treat the offer as not being an offer of coverage from an authorized insurer at the insurer's approved rate.</i></p>	
	p. 62	Allows Citizens to offer monthly payment plans.	<i>Monthly payment plans are not mandatory.</i>
	p. 69	<p>Citizens' business plan may provide that authorized insurers or agents of authorized insurers may submit to the plan or the corporation in electronic form, as determined by the plan or the corporation, information determined necessary by the plan or the corporation to deny coverage to risks ineligible for coverage by the corporation. Any authorized insurer submitting such information that results in a risk being denied coverage by the corporation is required to offer coverage to the risk at its approved rates, for the coverage and premium quoted, for at least one year.</p>	<p><i>Insurance companies willing to write business, or required to do so at a certain ratio (required by surplus notes), were losing business to Citizens. FAIA proposed a system for tracking voluntary offers of coverage and drafted language clarifying that such a plan could be voluntary. Hopefully, this will reduce the number of policies going into Citizens.</i></p>

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	p. 44	Clarifies that Citizens' expanded assessment base applies to deficits incurred after January 25, 2007.	
	p. 63	Requires that Citizens' Board of Governors and senior managers submit financial disclosures to both the Commission on Ethics and the Office of Insurance Regulation (OIR).	
	p. 64	Clarifies that senior managers may not be employed by, or consult for, an insurer who has a takeout bonus agreement with Citizens for two years following their termination of employment.	<i>CS/CS/SB 1980 required reporting to the DIF at the DFS. Office of Internal Auditor is new language.</i>
	p. 65	Requires that a Citizens' employee who suspects fraud committed by another Citizens' employee must report it within 48 hours to both Citizens' Office of Internal Auditor and the Division of Insurance Fraud (DIF) within the Department of Financial Services (DFS).	
	p. 66	Extends a provision of current law allowing the cross-collateralization of PLA/CLA assets.	
	p. 67	Clarifies that Citizens' immunity does not extend to the payment of attorney's fees in any future or pending action for breach of contract or for benefits under a policy issued by the corporation.	
	p. 67	It establishes that Citizens shall manage its claims employees, independent adjusters, and others who handle claims to ensure they carry out the corporation's duty to its policyholders to handle claims carefully, timely, diligently, and in good faith, balanced against the corporation's duty to the state to manage its assets responsibly to minimize its assessment potential.	
	p. 67	It allows the OIR to establish a pilot program to offer optional sinkhole coverage in one or more counties or other territories of the corporation for purposes of implementing §627.706.	
	p. 67	States that under the pilot program, Citizens is not required to issue a notice of non-renewal to exclude sinkhole coverage upon the renewal of existing policies, but may exclude such coverage using a notice of coverage change.	

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	p. 87	Creates the Citizens' Mission Review Task Force with 19 members. It includes a \$600,000 appropriation from the Insurance Regulatory Trust Fund.	<i>Of the 19 members, three represent agents. At least one of which is recommended by FAIA.</i>
	p. 73	Clarifies that the requirement for providing written notice of non-renewal by June 1 of any non-renewal that would be effective between June 1 and November 30 does not apply to Citizens, but the 100-day notice does still apply when: <ul style="list-style-type: none"> <li>◆ A policy is non-renewed due to a revision in coverage for sinkhole losses.</li> <li>◆ A policy is non-renewed due to a takeout.</li> </ul>	
	p. 12	Deletes the June 1, 2007, expiration date in current law that authorizes Citizens to reach an agreement with the State Board of Administration to determine how to structure Florida Hurricane Catastrophe Fund (FHCF) coverage for policies that it assumes or otherwise acquires from an insurer placed in liquidation under Chapter 631, F.S.	
<b>Florida Hurricane Catastrophe Fund (FHCF)</b>	p. 22 §215.555	Supplemental FHCF Coverage for Limited Apportionment Insurance Companies: Expands FHCF coverage to those insurers that purchased supplemental FHCF coverage in 2006 and to all insurers qualifying as limited apportionment companies.	
	p. 20	Changes the way the TEACO coverage amount and retention level for each insurer is defined and calculated.	
	p. 20	Adds a definition of "FHCF."	
	p. 16	Extends the exemption for medical malpractice insurance from the FHCF assessment base from May 31, 2007, to May 31, 2010.	

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Insurance Capital Build-Up Incentive Program	p. 22 §215.5595	<p>Allows mobile home insurers to obtain a \$7 million surplus note (i.e. the full amount) even if the insurer applies for the surplus note after July 1, 2006 but before June 1, 2007 and requires total amount of surplus, new capital, and surplus note to be \$14 million.</p> <p>Establishes priority between mobile home insurers based on the highest percentage of mobile home policies.</p>	
Insurance Company Accountability & Regulatory Reform	p. 73	<p>Effective August 1, 2007, all residential property insurance renewals must specify:</p> <ul style="list-style-type: none"> <li>◆ The dollar amounts recouped for assessments by the FHCF, CPIC, and FIGA without the use of acronyms (all words must be spelled out).</li> <li>◆ The dollar amount of any premium increase that is due to an approved rate increase and the total dollar amount that is due to coverage changes.</li> </ul>	
	p. 77 §627.70131	<p>Applies the 90-day “pay or deny” provision to residential property insurance claims (homeowner, mobile homeowner, condo unit owner, tenant, condo association). The provision also applies to commercial property claims, if the insured structure is 10,000 sq. ft. or less, and commercial tenants’ contents claims, if the insured premises are 10,000 sq. ft. or less.</p>	<p><i>The 90-day deadline does not apply to commercial property if the property is covered by an insurance policy covering commercial business in more than one state regardless of size of commercial property.</i></p>
	p. 77	<p>Failure to pay or deny a residential property claim within 90 days is a violation of the Insurance Code, but is not allowed “to form the sole basis for a private cause of action.”</p>	
	p. 76	<p>The 90-day pay or deny period begins with an insurer’s receipt of a notice of claim and applies to a whole claim or a portion of a claim.</p>	
	p. 76	<p>Prohibits the 90-day pay or deny provision from being waived, voided, or nullified by the insurance policy.</p>	
	p. 77	<p>Requires the policyholder to elect either prejudgment interest or interest provided in the 90-day pay or deny provision if prejudgment interest is owed.</p>	

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	p. 30 §627.062	Prohibits interest paid due to an insurer's failure to comply with the 90-day pay or deny provision to be included in the insurer's rate base and used to justify a rate or rate change.	
	p. 29 §627.062	The moratorium on "use and file" rate filings only applies to property insurance rate filings. For purposes of the moratorium, automobile collision and comprehensive coverages are not considered to be property insurance.  Reporting of certain information on hurricanes to the OIR is delayed until January of the following year or later.	<i>The moratorium only applies to those submitted on or after January 25, 2007, but before December 31, 2008.</i>  <i>Delayed reporting items include: claims and payments for specified insured values; claims and payments for specified dollar values; claims and payments for specified types of construction or mitigation features; and claims and payments for policies under specified underwriting criteria.</i>
	p. 80 §631.57	FIGA clarifications, including providing that FIGA can use emergency assessments for the direct payment of covered claims (not just homeowners claims) of insurers rendered insolvent by the effects of a hurricane; stipulating that any kind of self insurance fund, liability pool, or risk management fund is not covered by FIGA; and permitting all municipalities and counties in the state to issue bonds to assist FIGA in expediting the handling and payment of covered claims of insolvent insurers, rather than only counties or municipalities "substantially affected by the landfall of a hurricane."	
	p. 27 §627.0613	Requires an insurer report card on personal residential property insurers only.	
	p. 74 §627.701	Removes references to "hurricane or wind deductible" in §627.701, F.S., and replaces it with "hurricane deductible" for clarification.	
	p. 76 §627.701	Allows insurers to keep an electronic or photographic copy of the policyholder's handwritten choice of hurricane deductible.	
	p. 76	Requires hurricane deductibles over 10 percent to remain the deductible for the term of the policy.	<i>It only allows deductible changes at policy renewal.</i>

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	p. 77 §627.712	Allows any residential property insurer to exclude windstorm coverage, which would allow homes, condo associations, and commercial property to exclude windstorm at the option of the policyholder.	
	p. 77 §627.712	Clarifies that the exclusion of windstorm coverage is all windstorm and is not just hurricane.	
	p. 79 §627.712	Allows insurers to keep an electronic or photographic copy of policyholder's handwritten declination of windstorm coverage.	
	p. 79 §627.712	Prohibits the policyholder from rejecting the windstorm exclusion during the policy term.	
	p. 79 §627.712	Prohibits policyholders having tenant's coverage from excluding contents coverage.	
	p. 79 §627.712	It prohibits the policyholder from excluding contents during the policy term.	
<b>PUP Companies</b>	p. 86	It redefines a "pup company" to be a domestic insurer that transacts residential property insurance and is a wholly owned subsidiary of an insurer domiciled in any other state. Prohibits the formation of any new pup companies, starting 1/1/08. Requires the rate filings of pup companies to include information about the profits of the parent insurer, starting 1/1/08.	<i>This provision was a priority for the governor.</i>
<b>Surplus Lines</b>	p. 26 §626.9201	It allows surplus lines insurers to cancel a property, casualty, surety, or marine insurance policy for nonpayment of premium and includes in the definition of "nonpayment of premium" when the policyholder's check paid to the agent is found to be NSF. Provides circumstances under which "nonpayment of premium" can void an insurance contract.	
	p. 25 §626.914	Amends the definition of "diligent effort" for surplus lines to mean one rejection from a private insurer instead of three rejections if the residential structure is insured for \$1 million or more for replacement cost.	<i>Agents will only need to secure one rejection instead of three for such homes.</i>

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	p. 25 §626.916	Prior to issuance of a surplus lines personal residential insurance policy, it requires that insurance agents advise consumers in writing that coverage from Citizens may be less expensive. The notice may also advise consumers about higher Citizens' assessments and less coverage. If signed, the consumer is presumed to be informed about Citizens' price, coverage, and assessments.	<i>Original language required the surplus lines agent to provide a Citizens quote, and later the retail agent to provide a Citizens quote before placing a homeowners risk in the E&amp;S market. FAIA has suggested language for such notice.</i>
FL Catastrophic Storm Risk Management Center	p. 85 §1004.647	Creates a center at Florida State University to promote and disseminate research on issues related to hurricanes.	
Florida Building Code	p. 87	Provides that the internal design option provided in Section 1609.1.4.1, Florida Building Code, Building Volume, and Section R301.2.1.2, Florida Building Code, Residential Volume, shall remain in effect until June 1, 2007, for a building permit application made before that date.	<i>This provision fixes a technical glitch from CS/HB 1A passed during the special session in January 2007.</i>
	p. 87	Also provides that this provision is effective upon becoming law and applies retroactively to January 25, 2007.	
		Effective date: June 11, 2007. Governor vetoed specific line items. Chapter No. 2007-90, LOF.	
HB 7031 COMMUNITY ASSOCIATIONS	p.3-4 §215.555	Provides that commercial self-insurance funds, holding a certificate of authority issued by the OIR under §624.462, may purchase CAT Fund coverage.	
	p.4-7 §624.462	Clarifies that commercial self-insurance funds created under §624.462 are subject to assessments levied by the CAT Fund and by Citizens, and that the OIR shall establish the method for determining the imputed premium that is subject to these assessments.	
		Clarifies that these funds have no guaranty fund protection.	
		Provides that these funds must appoint resident general lines agents only and may not prevent any applicant to the fund or fund participant from maintaining or selecting an agent of choice.	<i>This FAIA-drafted language also requires commercial self-insurance funds for community associations to (only) use (resident) general lines agents.</i>
		Provides that these funds may not refuse to appoint the agent of record for any fund applicant or fund participant and may not favor one or more appointed agents over other appointed agents.	

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	p. 8 §718.111	Provides that the language relating to windstorm and self-insurance, §718.111(11)(a), that was added to the Condominium Act in CS/HB 1A during the 2007 Special Session on insurance applies to all residential condominiums in the state, regardless of the date of its declaration of condominium.	
	p. 12-37 Ch. 718, 719, and 720	Provides implementing provisions for condominium associations, cooperative associations, and homeowners' associations to participate in self-insurance funds authorized by the legislation passed in the 2007 Special Session.	
	p. 12-37 Ch. 718, 719, and 720	Provides authorizing legislation for the homeowners' associations and cooperative associations to participate in the "pooled" insurance option for obtaining windstorm insurance coverage.	
	p. 12-37 Ch. 718, 719, and 720	Establishes new budget disclosure requirements for condominium and cooperative prospectuses relating to budget changes due to increases in insurance premiums.	
	p. 12-37 Ch. 718, 719, and 720	Preserves the developer assessment guarantees in the prospectuses and provides that unforeseen increases are not material changes to the offering circular, and it requires new budgets to be given to purchasers at closing.	
	p. 12-37 Ch. 718, 719, and 720	<p>Amends or creates provisions in Part VI of the Condominium Act relating to condominium conversions to:</p> <ul style="list-style-type: none"> <li>◆ Expand the disclosure requirements for the improvements located on the property;</li> <li>◆ Provide developers with additional requirements for warranties and reserve accounts;</li> <li>◆ Require updated inspection reports when components are renovated or repaired; and</li> <li>◆ Provide that the condominium owner and the association are third-party beneficiaries to the engineer and/or architect's report.</li> </ul>	
		<p>Effective date: May 24, 2007. Chapter No. 2007-80, LOF.</p>	

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<p><b>CS/HB 7057</b> <b>HURRICANE DAMAGE MITIGATION</b></p>	<p>p. 3-15 §215.5586</p>	<p>Changes the name of the Florida Comprehensive Hurricane Damage Mitigation Program to the My Safe Florida Home Program (MSFH). Legislative intent is provided that the MSFH program provide at least 400,000 inspections and at least 35,000 grants. The DFS is directed to expand the MSFH program beyond its current scope to provide inspections to homeowners statewide.</p> <p>Clarifies that a homeowner may receive a hurricane mitigation inspection even if not applying for a grant.</p> <p>Limits the MSFH program to single-family residential homes. Multi-family structures of up to four units will no longer be eligible for the MSFH program.</p> <p>Allows a hurricane mitigation inspector to also be the mitigation contractor if the inspector is otherwise qualified and certified.</p> <p>Allows hurricane mitigation inspector training to be online or in person.</p> <p>Requires that an application for an inspection must contain a signed or electronically verified statement made under penalty of perjury that the applicant has submitted only a single application for that home.</p>	<p><i>During the 2006 Regular Session, the Legislature created the Florida Comprehensive Hurricane Damage Mitigation Program and appropriated \$250 million to provide financial incentives to encourage residential property owners in Florida to retrofit their properties, making them less vulnerable to hurricane damage and helping decrease the cost of residential property and casualty insurance. The program provides free home inspections and matching grants of up to \$5,000 for home mitigation.</i></p> <p><i>The DFS is given authority to contract with third parties for grants management, inspection services, educational outreach, and auditing services. Contracts valued at \$500,000 or more shall be subject to review and approval by the Legislative Budget Commission. The DFS is directed to make an annual report by February 1 of each year on the activities of the program that shall account for the use of state funds and indicate the number of inspections requested, the number of inspections performed, the number of grant applications received, and the number and value of grants approved.</i></p>
<p><b>Home Mitigation Grants</b></p>	<p>p. 6-9 §215.5586</p>	<p>Provides that home mitigation grants may only be used for opening protection, exterior doors, and to brace gable ends. To be eligible for a grant after May 1, 2007, the property must:</p> <ul style="list-style-type: none"> <li>◆ Have an insured value of \$300,000 or less;</li> <li>◆ Be in the wind-borne debris region; and</li> <li>◆ Be built prior to March 1, 2002.</li> </ul>	

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<b>No-Interest Loans</b>	p. 13-14 §215.5586	Provides that the DFS may develop a no-interest loan program by December 31, 2007, to encourage the private sector to provide loans to owners of site-built, single-family, residential property to pay for mitigation measures. The DFS shall pay the interest on the loans.	<i>The loans may be for a term of up to three years and cover up to \$5,000 in mitigation measures. The DFS may set aside up to \$10 million from funds appropriated for the MSFH program to implement the no-interest loans.</i>
<b>Volunteer Florida Foundation, Inc.</b>	p. 10 §215.5586	Requires the DFS to transfer the amount of \$40 million from funds appropriated to the MSFH program, including up to five percent for administrative costs, to Volunteer Florida Foundation, Inc., to provide inspections and grants to low-income homeowners.	<i>Volunteer Florida Foundation, Inc., shall be responsible for inspections and grants management for low-income homeowners and shall report its activities and account for state funds on a quarterly and annual basis.</i>
<b>Low-Income Emergency Home Repair Program</b>	p. 28	Provides that the DFS shall transfer \$1 million from the funds appropriated to the MSFH program to the Low-Income Emergency Home Repair Program.	The administrative expenses of the program may not exceed five percent of the total funds appropriated by the bill.
<b>Public Outreach</b>	p. 14 §215.5586	Provides that the MSFH program develop brochures for distribution to general contractors, roofing contractors, and real estate brokers and sales associates explaining the benefits to homeowners of residential hurricane damage mitigation. The MSFH program shall encourage contractors to distribute the brochures to homeowners at the first meeting with a homeowner who is considering contracting for home or roof repairs or contracting for the construction of a new home. The MSFH program shall encourage real estate brokers and sales associates to distribute the brochures to clients prior to the purchase of a home.	
<b>Contractor Continuing Education</b>	p. 15-16 §489.115	Adds, for applicable licensure categories, wind mitigation methodologies to contractor continuing education requirements.	
<b>Wind Loss Mitigation Study</b>	p. 19-20	Provides that it is the intent of the Legislature that scientifically valid and actuarially sound windstorm mitigation rate factors, premium discounts, and differentials be provided to residential and commercial property insurance policyholders. In order to ensure the validity of such factors, the OIR, in consultation with the Department of Community Affairs (DCA) and the Florida Building Commission (FBC), is directed to conduct one or more wind-loss mitigation studies. The studies related to residential property shall be completed by January 1, 2008, and the studies related to commercial nonresidential property shall be completed by March 1, 2008. The General Appropriations Act contains an appropriation of \$1.5 million to the OIR to conduct these studies.	<i>Today's required mitigation credits are outdated and result in faulty discounts. FAIA provided support to the industry by working to obtain funding for a new scientific study which accounts for accurate loss information that will produce more reasonable mitigation credits for carriers to utilize.</i>

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Building Code	p. 20-23 §553.844	Provides that the FBC must develop and adopt within the Florida Building Code recognized mitigation techniques. By October 1, 2007, the Florida Building Code must require that a roof replacement for a home incorporate a secondary water barrier and strengthening of the roof decking attachments. By October 1, 2007, the Florida Building Code must require for a home that is located in the wind-borne debris region that a roof replacement must also incorporate cost effective improvements of roof-to-wall connections. By July 1, 2008, a home in the wind-borne debris region that has an insured value of \$750,000 or more must also have opening protections installed if the owner requests a building permit for improvements estimated to cost \$50,000 or more.	
Citizens	p. 23-28 §627.351	Provides that by January 1, 2009, a home in the wind-borne debris region that has an insured value of \$750,000 or more must have opening protections as required by the Florida Building Code for new residential structures or the home is not eligible for coverage by Citizens Property Insurance Corporation.  Effective date: June 12, 2007. Chapter No. 2007-126, LOF.	
CONFERENCE REPORT ON SB 2800 (BUDGET) WIND LOSS MITIGATION STUDY	p. 334, line 2689	This line item of the 2007/2008 State Budget appropriates \$1.5 million from the Insurance Regulatory Trust Fund to the OIR to be used by the OIR in consultation with the Department of Community Affairs (DCA) and the FBC to conduct a wind loss mitigation study. The study shall evaluate the windstorm loss relativities for construction features such as those that enhance roof strength; roof covering performance; roof-to-wall strength; wall-to-floor-to-foundation strength; opening protections, and window, door and skylight strength. The study shall include residential property (single family and multi-family homes, mobile homes, manufactured housing, and condominiums), and commercial non-residential property. Also, the study shall include analysis of loss data from the 2004 and 2005 hurricanes. The findings of the study must be reported to the governor, Senate president, speaker of the House, chief financial officer, and insurance commissioner no later than January 1, 2008, for residential property and March 1, 2008, for commercial property.  Effective date: July 1, 2007.	<i>Today's required mitigation credits are outdated and result in faulty discounts. FAIA provided support to the industry by working to obtain funding for a new scientific study which accounts for accurate loss information that will produce more reasonable mitigation credits for carriers to utilize.</i>

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SUBJECT	BILL PAGES AND/ OR STATUTES	STATUTORY PROVISION	COMMENTS
<b>AGENT &amp; AGENCY ISSUES</b>			
<b>CS/CS/HB 1381 INSURANCE AGENTS AND AGENCIES</b>	p. 2-3 §626.112(7)	Provides that agencies designated and subject to supervision and inspection as branch offices under the rules of the National Association of Securities Dealers may file an application for registration with DFS in lieu of licensure.	<i>Under the agency licensing law which took effect on October 1, 2006, insurance agencies engaged in business in Florida prior to January 1, 2003, that are wholly owned by licensed insurance agents or that are incorporated and whose shares are publicly traded may file for registration in lieu of licensure. This provision adds another registration exemption to the agency licensing law for branch offices of securities dealers.</i>
	p. 3-4 §626.221(2)	Clarifies that the current adjuster's license examination applies to persons who are applying for licensure as an independent adjuster or as a company employee adjuster.	
	p. 4-5 §626.7851, §626.8311	Provides that an applicant for a life or health insurance agent license may complete the pre-licensing education requirement by participating in a correspondence course offered by an independent program of study.	
	p. 5-6 §626.747	Provides that the licensed agent in charge of an insurance agency may also be the agent in charge of additional branch office locations of the agency if insurance activities requiring licensure as an insurance agent do not occur at any location when the agent is not physically present and unlicensed employees at the location do not engage in any insurance activities requiring licensure as an insurance agent or customer service representative.	<i>This provision originally applied to branch agencies of banks, securities dealers, and funeral home establishments only. However, FAIA worked with these groups and other agents' groups to expand the provision to apply to branch locations of all insurance agencies.</i>
	p. 6 §626.865	Provides that a public adjuster's surety bond must be maintained for at least one year after the termination of the adjuster's license.	
	p. 7 §626.869	Allows the DFS to extend an adjuster's continuing education deadline for no more than one year if good cause is shown.	
	p. 7 §626.8698	Corrects an improper reference to the entity that regulates public adjusters.	

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SUBJECT	BILL PAGES AND/ OR STATUTES	STATUTORY PROVISION	COMMENTS
	p. 7-8 §626.921	Requires the submission of the Florida Surplus Lines Service Office's Agent's Manual to DFS for approval.	
	p. 8-9 §626.9531	Provides that agents who sell products offered by risk-bearing entities that are authorized by the OIR, such as commercial self-insurance funds or mutual re-ciprocals, have no liability to the insured if the risk-bearing entity later becomes insolvent.	<i>FAIA drafted this language to protect agents who sell products that are not covered by a guaranty fund. There is an exception for agents who are affiliated with the company or risk-bearing entity.</i>
	p. 9-10 §626.9611	Requires the DFS and the Financial Services Commission (FSC) to adopt rules to protect service members of the U.S. Armed Forces from dishonest or predatory insurance sales practices. The rules shall be based on the model rules adopted by the National Association of Insurance Commissioners (NAIC).	
		Effective date: July 1, 2007. Chapter No. 2007-199, LOF.	
<b>CS/HB 411 LIMITED INSURANCE LICENSES</b>	p. 2-4 §626.321(1)(c)	Replaces the limited license for sales of personal accident insurance with a limited license for sales of travel insurance.	
		Authorizes DFS to issue a travel insurance limited license to qualified individuals/entities. Certain common carrier employees, owners, and certain employees of transportation ticket agencies, as well as certain timeshare developers, exchange companies, timeshare managing entities, sellers of travel, and their subsidiaries or affiliates are eligible for the travel insurance license.	<i>Travel insurance is defined as insurance that covers risks incidental to travel, planned travel or accommodations when traveling, including accidental death and dismemberment of a traveler, trip cancellation, loss of or damage to personal effects or baggage, and emergency medical expenses of a traveler.</i>
	p.2-4 §626.321(1)(c)	For entities seeking the travel insurance license, fingerprint requirements apply to the president, secretary, treasurer, and to any other officer or person who directs or controls the entity's travel insurance operations. Employees of timeshare developers, exchange companies, timeshare managing entities, sellers of travel, and their subsidiaries or affiliates are required to receive initial employee training from a general lines agent or an authorized insurer.	<i>The travel insurance policy or certificate could be issued for a term longer than 60 days, but each policy or certificate, other than a policy or certificate providing coverage for air ambulatory services only, would be limited to coverage for travel or use of accommodations of no longer than 60 days.</i>

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SUBJECT	BILL PAGES AND/ OR STATUTES	STATUTORY PROVISION	COMMENTS
	<p>p. 1-2, 4-9 §626.501(9) §626.321(1)(d)</p> <p>p. 9 §626.321(5)</p>	<p>Additionally, replaces the limited license for sales of baggage and motor vehicle excess liability insurance with a limited license for sales of motor vehicle rental insurance.</p> <p>Allows each “parent” business entity to obtain one license to cover all offices, branch offices, and places of business making use of the entity’s business name for the purpose of offering, soliciting, and selling this form of insurance.</p> <p>Establishes a new, revenue-neutral fee formula for business entities that are applying for or renewing this license.</p> <p>Provides the risks for which motor vehicle insurance is available, as well as provides notice requirements, limitations on the insurance, license applicability, and license application requirements.</p> <p>Provides that nothing in the limited license section of the law shall permit the sale of an insurance policy or certificate that is not offered by an authorized insurer or eligible surplus lines insurer.</p> <p>Effective date: January 1, 2008. Chapter No. 2007-76, LOF.</p>	<p><i>The license covers insurance for liability arising in connection with the negligent use of a leased or rented motor vehicle, damage to such vehicle, or accidental personal injury or death of the lessee or passengers.</i></p>

**MOTOR VEHICLE INSURANCE**

<p><b>CS/CS/HB 359</b> <b>FINANCIAL</b> <b>RESPONSIBILITY FOR</b> <b>MOTOR VEHICLES</b></p>	<p>§324.023</p>	<p>Creates §324.023, F.S., to increase the limits of PIP and PD insurance and require purchase of BI insurance for anyone who has been found guilty, after October 1, 2007, of §316.193, F.S., which address driving under the influence (DUI), in the amounts of \$100,000/\$300,000/\$50,000 and provides the option of posting a bond or furnishing a certificate of deposit in an amount no less than \$350,000. Such higher limits must be carried for a period of three years. If the person has not been found guilty of a DUI or felony traffic offense during the three-year period, they are allowed to return to the standard coverage limits.</p>	<p><i>Under Florida law, motorists are required to purchase personal injury protection (PIP) and property damage (PD) liability coverage. PIP provides \$10,000 of coverage. Additionally, under Florida’s Financial Responsibility Law, motorists must provide proof of ability to pay monetary damages for bodily injury (BI) and PD liability after motor vehicle accidents or serious traffic violations.</i></p>
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SUBJECT	BILL PAGES AND/ OR STATUTES	STATUTORY PROVISION	COMMENTS
		Requires those directed to maintain the higher insurance limits to keep proper proof of insurance in his or her possession at all times. Violation of this provision is a nonmoving traffic violation.	<i>If the violator provides the necessary proof before the court date, the fine and court appearance may be waived. Failure to furnish proof results in suspension of the driver's car registration and driver's license.</i>
		Requires tax collector employees to verify that BI insurance has been purchased by a person required to do so under §324.023, F.S., at that time the person applies for a vehicle registration or registration renewal.	
		Increases the reinstatement fee of a driver's license from \$15 (§324.071, F.S.) to the limits under the no-fault law, which is \$150 for a first reinstatement, \$250 for a second reinstatement, or \$500 for each subsequent reinstatement during the three years following the first reinstatement.	<i>The Department of Highway Safety and Motor Vehicles (DHSMV) estimates a nonrecurring impact of \$110,000 to re-program computer systems and a recurring impact of \$18,450 annually for postage for notices. They also estimate an increase of \$2.3 million in fee revenues for the first year, with recurring revenues of \$3 million for all subsequent years. The agency is able to absorb the up-front costs of the computer programming and will be able to offset those costs with the additional fee revenue that is received in the first year. However, no provision has been made for any increased budget authority that may be needed by the department to spend the additional revenues.</i>
	§627.7261	Prohibits an insurer from denying an application for automobile liability insurance solely on the basis that the applicant, a named insured, a member of the insured's household, or a person who customarily operates the insured's vehicle as a volunteer driver.	<i>There may be additional fines for state and local governments based on additional citations issued for failure to provide adequate proof of insurance.</i>
	p. 7	Defines "volunteer driver" as a person who provides services, including transporting individuals or goods, without compensation in excess of expenses to a private nonprofit agency as defined in §273.01(3) or a charitable organization as defined in §737.501(2).	

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SUBJECT	BILL PAGES AND/ OR STATUTES	STATUTORY PROVISION	COMMENTS
<b>CS/HB 517</b> <b>FINANCIAL</b> <b>RESPONSIBILITY FOR</b> <b>MOTOR VEHICLES</b>	§324.021	Does not prohibit an insurer from refusing coverage based on other factors other than volunteer status.  Effective date: Upon becoming law. Chapter No. 2007-150, LOF.	<i>The exemption only applies while the service member is on active duty out of the state or out of the country, only if the vehicle is not operated in Florida, and only if the service member obtains security for the vehicle that complies with the laws and regulations of the place of posting (if the posting is in another state or territory).</i>
		Effective date: July 1, 2007. Chapter No. 2007-49, LOF.	

**WORKERS' COMPENSATION INSURANCE**

<b>CS/SB 746</b> <b>WORKERS'</b> <b>COMPENSATION FOR</b> <b>FIRST RESPONDERS</b>	p. 1 §112.1815	Gives special consideration for "first responders" who are seeking job-related workers' compensation benefits. It defines "first responders" to include law enforcement officers, firefighters, emergency medical technicians or paramedics, and volunteer firefighters.	<i>Because of a fear that it would open up the Workers' Compensation Law to other changes, the bill did not address Chapter 440, F.S. Instead, the bill was narrowly crafted to apply only to Chapter 112, F.S. Even though the definition of "first responders" was what one would normally expect it to be in the aftermath of 9/11, there was testimony at the committee hearings by labor unions and trial attorneys who wanted to expand it to include others such as electrical linemen and hazardous waste responders.</i>
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SUBJECT	BILL PAGES AND/ OR STATUTES	STATUTORY PROVISION	COMMENTS
	p. 2	<p>Makes the following changes, applicable only to first responders:</p> <ul style="list-style-type: none"> <li>◆ Lowers the standard of proof and proof of causation requirements for compensability for toxic substance exposure, occupational disease, and nervous and mental disorder.</li> <li>◆ Authorizes payment of medical benefits in cases involving a mental or nervous injury without the current requirement of an accompanying physical injury requiring medical treatment.</li> <li>◆ Eliminates the current six-month limitation on temporary total disability for compensable mental or nervous injuries after a first responder reaches maximum medical improvement.</li> <li>◆ Eliminates the current one percent limitation for permanent impairment benefits for psychiatric impairment.</li> <li>◆ Provides that any adverse results or complications caused by smallpox vaccinations is deemed to be an injury arising out of work performed in the course and scope of employment, and thus is compensable.</li> <li>◆ Extends the payment of permanent total disability supplemental benefits beyond age 62 for first responders that were employed by a public employer that did not participate in the social security program.</li> </ul> <p>Effective date: June 8, 2007. Chapter No. 2007-87, LOF.</p>	<p><i>For first responders, the burden of proof would be lowered from “clear and convincing” to the lesser burden of “preponderance of the evidence.”</i></p> <p><i>Current law requires a physical injury requiring medical treatment in order to obtain benefits.</i></p>

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SUBJECT	BILL PAGES AND/ OR STATUTES	STATUTORY PROVISION	COMMENTS
<p><b>SB 1748</b> <b>WORKERS'</b> <b>COMPENSATION</b> <b>CONTRACTS</b></p>	<p>p. 1 §627.442</p>	<p>Creates a new §627.442, providing that a person who requires a workers' compensation insurance policy pursuant to a construction contract may not reject a workers' compensation insurance policy issued by a self-insurance fund that is subject to coverage by the guaranty fund under Part V of Chapter 631, F.S., based upon the fund not being rated by a nationally recognized insurance rating system.</p> <p>Effective date: July 1, 2007. Chapter No. 2007-178, LOF.</p>	<p><i>Some general contractors refuse to accept a policy issued by a Florida self-insurance fund as proof of workers' compensation coverage by their subcontractors. Proponents of this change pointed out that coverage is identical to that provided by a traditional insurance, and, like a traditional insurer, these self-insurers are covered by a state guaranty fund. Therefore, no reason exists to reject that type of coverage.</i></p> <p><i>This bill has the distinction of being the last bill to pass during the 2007 Regular Session.</i></p>
<p><b>CS/CS/CS/SB 1894</b> <b>WCJUA</b></p>	<p>p. 2 §627.311</p>	<p>Makes a number of changes to the Workers' Compensation Joint Underwriting Association (WCJUA) aimed at achieving tax-free status for the WCJUA as well as providing better oversight and accountability.</p>	<p><i>Most of these recommendations come from two sources: (1) the 2006 Interim Report on the subject by the Senate Banking and Insurance Committee and (2) the changes instituted for the other major market of last resort, Citizens Property Insurance Corporation.</i></p>
	<p>p. 3</p>	<p>The changes include:</p> <ul style="list-style-type: none"> <li>◆ Revises the WCJUA board appointment process to require the FSC to appoint eight of the nine members. The ninth member is the consumer advocate (currently Bob Milligan).</li> </ul>	<p><i>Rather than having individual groups put forth a single nomination for the statutorily prescribed slots, these groups shall submit lists of five names and the DFS shall choose from the list. If none of the five are chosen, then the recommending entity shall submit five more names. One of the entities making these recommendations is "the largest property and casualty insurance agents association," which is, in this case, FAIA.</i></p>
	<p>p. 7</p>	<ul style="list-style-type: none"> <li>◆ Makes changes to the WCJUA's process of procuring goods and services. Competitive selection of goods and services valued at over \$25,000 are required with exceptions for legal and auditing services, sole sourcing, and emergency purchases.</li> </ul>	<p><i>Any purchase over \$100,000 requires prior approval of the WCJUA Board.</i></p>

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SUBJECT	BILL PAGES AND/OR STATUTES	STATUTORY PROVISION	COMMENTS
	p. 8	◆ Guidelines are established for determining when staff attorneys or outside counsel should be used and it sets forth factors to be used in selecting those outside firms.	
	p. 16	◆ The WCJUA is required to use any policyholder surplus attributable to former Subplan C prior to assessing policyholders in the voluntary market for funding Subplan D deficits on a cash flow basis.	<i>The surplus in Subplan C is approximately \$39 million and the additional funding needed is less than \$5 million. Since they are, in effect, giving up all of their surplus, those policyholders of former Subplan C will no longer be subject to assessments because of any deficit in Subplan C.</i>
	p. 16	◆ Extends the current deadline for levying “below-the-line” assessments to fund deficits in Subplan D and Tiers One and Two from 7/1/07 to 7/1/12.	
	p. 18	◆ Provides that, if the board makes a determination that the plan does not have a sufficient cash basis to meet <b>six</b> (6) months of projected cash needs of Tier Three, they can ask the department for a transfer of funds from the WC Administrative Trust Fund. This also takes approval of OIR and the Legislative Budget Commission.	<i>The provision is the same as current law, with the exception that current law only allows a three (3) month projection.</i>
	p. 19	◆ Provides that the WCJUA's rating plan, if disapproved by the OIR, <u>shall</u> be required to return the excess to policyholders.	<i>Current law provides that the WCJUA <u>shall not be</u> required to do so, but some argue that, in practice, the board does not implement a rate increase unless they believe that the OIR will not find it excessive. Therefore, while on paper, it appears that the WCJUA may now be subject to “prior approval.” Some say that, in practice, this is similar to how it operates today.</i>
	p. 20	◆ Senior managers, officers, and board members are subject to certain of the ethics provisions of Part III of Chapter 112, F.S. These provisions include standards of conduct, public disclosure requirements, and reporting of certain financial interests that could be a conflict.	<i>These are similar to the requirements placed on Citizens Property Insurance Corporation and upon senior managers of state agencies.</i>
	p. 20	◆ Board members from insurance entities are prohibited from voting on a matter if the insurance entity would obtain a special benefit that would not apply to similarly situated entities.	

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SUBJECT	BILL PAGES AND/ OR STATUTES	STATUTORY PROVISION	COMMENTS
	p. 20	◆ Upon dissolution of the WCJUA, all assets of the WCJUA would first be used to pay all of the debts and obligations of the plan. Any remaining assets would then revert to the state.	<i>According to tax experts, this provision is necessary if the WCJUA is to obtain tax-free status.</i>
	p. 20	◆ Current and prospective employees are required to submit an annual statement to the WCJUA attesting that no conflict of interest exists.	
	p. 20	◆ Any senior manager or officer of the WCJUA employed as of 1/1/08, who retires or terminates employment, is prohibited from representing another person before the WCJUA for a period of two years.	<i>This is similar to what is currently required of legislators and senior legislative staff.</i>
	p. 20	◆ Employees and board members are prohibited from accepting gifts of any value from a person or entity, or an employee or representative of such a person or entity, that has a contractual relationship with the plan or who is under consideration for a contract.	<i>The executive and legislative branches of government are subject to similar prohibitions as to gifts for legislators.</i>
	p. 26	◆ Requires that on or before 1/1/08, the WCJUA must seek a letter ruling or determination from the IRS regarding the WCJUA's eligibility as a tax-exempt organization.	<i>This should allow time for the Legislature to make any other necessary changes during the 2008 Session. Tax-free status is important; since its inception in 1994, the WCJUA has incurred an estimated \$33 million in federal income tax expenses, including a hefty \$16 million in 2006.</i>
		Effective date: July 1, 2007. Chapter No. 2007-146, LOF.	
<b>HB 7169 WCJUA PUBLIC RECORDS EXEMPTION</b>	p. 1 §627.3121	Creates a new §627.3121, F.S. This new statute makes the following records and portions of meetings of the Workers' Compensation Joint Underwriting Association (WCJUA) confidential and exempt from the provisions of the open record laws.  ◆ Underwriting files, except that a policyholder or an applicant shall have access to his or her own underwriting files;	<i>Absent these types of exemptions, plaintiff attorneys could ask to see how much money was reserved for a specific claim; someone seeking to provide services to the WCJUA could read their competitor's bids; and confidential records on medical conditions and drug abuse treatment could be obtained by the press or anyone else making a request to see them under the Open Records Laws.</i>

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SUBJECT	BILL PAGES AND/ OR STATUTES	STATUTORY PROVISION	COMMENTS
		<ul style="list-style-type: none"> <li>◆ Claims files of the WCJUA until the termination of all litigation and settlement of all claims arising out of the accident;</li> <li>◆ Medical records related to the medical condition or medical status of an individual;</li> <li>◆ Records obtained or generated by an individual auditor until the audit is completed, or, if the audit is part of an investigation, until the investigation is closed or ceases to be active;</li> <li>◆ Proprietary information licensed to the WCJUA under contract when the contract requires the association to maintain the confidentiality;</li> <li>◆ Information relating to negotiations for financing, reinsurance, depopulation, or contractual services, until the conclusions of the negotiations;</li> <li>◆ Reports regarding suspected fraud or other criminal activity and producer appeals and related reports regarding suspected misconduct until the investigation is closed or ceases to be active;</li> <li>◆ Information received from the Department of Revenue regarding payroll information and client lists of employee leasing companies;</li> <li>◆ Public records prepared by attorneys retained by the WCJUA to protect or represent the interests of the WCJUA that reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or WCJUA; or</li> <li>◆ Transcripts or minutes of exempt portions of board or subcommittee meetings at which confidential and exempt records are discussed until termination of all litigation and settlement of all claims with regard to that claim.</li> </ul>	
		<p>Requires all exempt portions of meetings to be recorded and transcribed, and records retained by the WCJUA for a minimum of five years.</p>	

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SUBJECT	BILL PAGES AND/OR STATUTES	STATUTORY PROVISION	COMMENTS
	p. 3 §627.3121(2)(a)	<p>Authorizes the release of underwriting and claims files to a carrier who is considering a take out of that risk, a producer seeking to place that risk in the voluntary market, or to another entity seeking to arrange voluntary market coverage for the WCJUA risk.</p> <p>Allows the release of confidential records to another agency in the performance of that agency's official duties and responsibilities.</p> <p>Effective date: July 1, 2007. Chapter No. 2007-202, LOF.</p>	

**MISCELLANEOUS**

**CS/HB 211**  
**HURRICANE**  
**PREPAREDNESS; SALES**  
**TAX HOLIDAY**

p. 1

- Provides a twelve-day sales tax holiday, running from June 1, 2007, through June 12, 2007, in which no sales tax will be collected on the following items:
- ◆ Any portable self-powered light source selling for \$20 or less;
  - ◆ Any portable self-powered radio, two-way radio, or weather-band radio selling for \$75 or less;
  - ◆ Any tarpaulin or other flexible waterproof sheeting selling for \$50 or less;
  - ◆ Any item sold as, or generally advertised as, a ground anchor system or tie-down kit selling for \$50 or less;
  - ◆ Any gas or diesel fuel tank selling for \$25 or less;
  - ◆ Any package of AAA-cell, AA-cell, C-cell, D-cell, 6-volt, or 9-volt batteries, excluding automobile and boat batteries, selling for \$30 or less;
  - ◆ Any cell phone battery selling for \$60 or less, and any cell phone charger selling for \$40 or less;
  - ◆ Any non-electric food storage cooler selling for \$30 or less;

*Granting a sales tax holiday is thought to encourage people to purchase emergency supplies to provide protection in the event of hurricanes. The bill also gives the same break for certain mitigation products such as tarps and shutters.*

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SUBJECT	BILL PAGES AND/ OR STATUTES	STATUTORY PROVISION	COMMENTS
		<ul style="list-style-type: none"> <li>◆ Any portable generator used to provide light or communications or preserve food in the event of a power outage selling for \$1,000 or less;</li> <li>◆ Any storm shutter device selling for \$200 or less;</li> <li>◆ Any carbon monoxide detector selling for \$75 or less;</li> <li>◆ Any re-usable ice selling for \$10 or less; and</li> <li>◆ Any single product consisting of two or more of the items listed above selling for \$75 or less.</li> </ul> <p>The exemptions do not apply to sales within airports, within a public lodging establishment, or within a theme park or entertainment complex.</p> <p>Effective date: April 30, 2007. Chapter No. 2007-25, LOF.</p>	
<b>HB 1549</b> <b>EXAMINATION OF</b> <b>INSURERS</b>	p. 1-2 §624.316(2)(a)	Provides that an insurer is subject to an examination of its affairs, transactions, accounts, records and assets, no less frequently than once every five (5) years, and it removes from the law the language that permits an independent certified public accountant's audit report to substitute for the OIR's own examination.	<i>This is a change from current law which requires such an examination no less frequently than once every three years.</i>
	p. 3 §624.316(2)(e)	Expands the list of entities that qualify to conduct examinations to include investment specialists and information technology specialists, and it clarifies that the OIR is the selector of the examining firm.	<i>Current law only includes CPAs, actuaries, and reinsurance specialists as entities that qualify to conduct examinations.</i>
	p. 3-4 §624.316(2)(e)	Provides additional criteria for examining firms and it provides that rates charged by examining firms should be consistent with rates charged by other firms in similar professions.	
		Provides that the firm selected by OIR to conduct an examination should have no conflicts of interest that would preclude an independent examination.	

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SUBJECT	BILL PAGES AND/ OR STATUTES	STATUTORY PROVISION	COMMENTS
	<p>p. 4 §624.316(2)(e)</p>	<p>Removes the cap of \$25,000 on the examination payment obligations of a domestic insurer who has continuously held a certificate of authority for less than three years.</p> <p>Effective date: July 1, 2007. Chapter No. 2007-224, LOF.</p>	
<p>CS/CS/SB 1624 OCIP</p>	<p>p. 2 §225.0517</p>	<p>Restricts local governments' abilities to mandate the use of owner-controlled insurance programs (OCIP). Under the provisions of the bill:</p> <ul style="list-style-type: none"> <li>◆ "Specified contracted worksite" is clarified to apply only to a "single" continuous system;</li> <li>◆ "Capital infrastructure improvement program" is defined to be construction of a single public service system or facility that cannot be combined with another public agency project unless they are performed under a single prime contract or meet some other specified related criteria.</li> </ul>	<p>An OCIP, also known as a "wrap-up," is a series of insurance policies purchased by one party such as a property owner to cover itself and all its subordinate contractors and subcontractors. In 2004, the Legislature restricted the use of OCIPs by public agencies. Among the restrictions was a provision that they could only be used on large projects: \$75 million for non-school public construction; \$30 million for projects to construct or renovate two or more schools during a single, fiscal year; and \$10 million for construction or renovation of a single school. Additional, the 2004 legislation required the owner using an OCIP to carry completed operations coverage for at least five years. Finally, any deductible or self-insured retention cannot exceed \$1 million. The City of St. Petersburg tried to circumvent the monetary threshold by bundling together three seemingly unrelated sewer projects into one "specified contracted work site" (a loophole in the rule). In 2006, the attorney general issued AGO 2006-08, agreeing with the city and allowing the OCIP for the three projects.</p>
	<p>p. 3</p>	<p>Requires an OCIP to provide completed operations coverage for 10 years rather than the current five years.</p>	<p>This corrects a current gap in coverage problem caused by the maximum period of liability under the statute of repose being 10 years.</p>

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SUBJECT	BILL PAGES AND/ OR STATUTES	STATUTORY PROVISION	COMMENTS
<p><b>CS/CS/CS/SB 2234</b>  <b>REGULATION OF BUILDING INSPECTION PROFESSIONALS</b></p> <p><b>Home Inspectors</b></p>	p. 4	<p>Provides that, for purposes of a large deductible workers' compensation rating under an OCIP, individual contractors and subcontractors are not required to individually satisfy eligibility requirements and may combine their payroll if the deductible is \$100,000 or more and the estimated premium is \$500,000 or more.</p>	<p><i>Currently, each contractor and subcontractor under these OCIP "large deductible rating plans" are subject to a \$500,000 estimated standard premium.</i></p>
	p. 5	<p>In addition to the current exemptions, the bill exempts projects which are committed to an ongoing OCIP issued before 10/1/07.</p> <p>Effective date: October 1, 2007. Chapter No. 2007-218, LOF.</p>	<p>This bill creates parts XV and XVI of chapter 468, Florida Statutes.</p>
	468, F.S.	<p>The home inspector portion of the bill provides requirements for practice or persons who engage in home inspections that include:</p> <ul style="list-style-type: none"> <li>◆ Establishing exemptions for governmental employees, certain licensed persons acting within the scope of their license and not holding themselves out to the public as licensed home inspectors, officers appointed by the courts, utility safety inspectors, and certified energy auditors.</li> <li>◆ Establishing licensure fees and requirements. The bill provides that the application and examination fee shall be limited to \$125, plus the per-applicant cost of the examination to the Department of Business and Professional Regulation (DBPR).</li> <li>◆ Licensure requirements that include the completion of a 120-hour course of study approved by the DBPR.</li> <li>◆ Providing for licensure by endorsement, continuing education requirements, and the licensure of corporations and partnerships.</li> </ul>	<p><i>The examination fee is refundable if the applicant is determined ineligible to sit for the examination. The initial license fee and biennial renewal fee may not exceed \$200.</i></p> <p><i>The DBPR is authorized to establish examination and licensing fees by rule.</i></p> <p><i>The bill specifies the personal liabilities of corporate officers, partners, agents, employees, and owners for negligence, misconduct, or wrongful acts.</i></p>

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SUBJECT	BILL PAGES AND/ OR STATUTES	STATUTORY PROVISION	COMMENTS
<b>Mold Remediators</b>		<ul style="list-style-type: none"> <li>◆ Establishing prohibited acts that are considered misdemeanors of the first degree.</li> <li>◆ Establishing prohibited acts that are subject to disciplinary action by the DBPR.</li> <li>◆ Providing that the DBPR shall reissue the license of disciplined home inspectors that have complied with final orders.</li> <li>◆ Providing for the disclosure of certain information to consumers prior to the home inspector contracting or commencing a home inspection.</li> <li>◆ Requiring home inspectors to maintain a commercial general liability policy in an amount not less than \$300,000.</li> <li>◆ Establishing requirements for home inspection reports.</li> <li>◆ Providing a grandfather clause that allows the DBPR to issue to home inspectors, who meet certain conditions, licenses that would expire on July 1, 2010.</li> </ul> <p>Authorizes new positions and appropriates funds from DBPR trust funds to carry out professional board activities and central administrative functions required by the bill.</p> <p>The mold assessor and mold remediator portion of the bill provides requirements for practice or persons who engage in business as a mold assessor or mold remediator that include:</p> <ul style="list-style-type: none"> <li>◆ Establishing definitions. The conditions defined by the Standard and Reference Guide for Professional Mold Remediation are defined.</li> </ul>	<p><i>The definition of "mold assessment" includes specific process requirements, which may or may not include laboratory analysis. The definition of "mold remediator" specifies that mold remediators may not perform work that requires a license under Chapter 489, F.S.</i></p>

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SUBJECT	BILL PAGES AND/OR STATUTES	STATUTORY PROVISION	COMMENTS
<b>CS/CS/SB 2836</b> <b>FLORIDA BUILDING COMMISSION (FBC)</b>	§553.841	<ul style="list-style-type: none"> <li>◆ Rule authority for application, examination, reexamination, licensing, and renewal fees.</li> <li>◆ Establishing examination and licensure requirements.</li> <li>◆ Providing for licensure by endorsement, renewals, and continuing education requirements.</li> <li>◆ Certification of partnerships and corporations.</li> <li>◆ Establishes personal liability standards for individuals, partners, officers, agents, and employees.</li> <li>◆ Establishing prohibited acts that are second-degree misdemeanors for first offenses, first-degree misdemeanors for second offenses, and third-degree felonies for third or subsequent offenses.</li> </ul> <p>A mold assessor shall maintain general liability and errors and omissions insurance coverage in an amount not less than \$1,000,000.</p> <p>Effective date: July 1, 2010. Chapter No. 2007-235, LOF.</p>	<p><i>The application and examination fees each have a \$125 cap, plus a per applicant cost the DBPR may add to the examination fee if the DBPR purchases the examination. The fee for an initial license and biennial license renewal may not exceed \$200.</i></p> <p><i>An applicant must satisfy good moral character requirements and satisfy certain education and experience requirements. The DBPR is required to approve courses of study in mold assessment and remediation.</i></p>
		<p>The Florida Building Code Compliance and Mitigation Program is created within the Department of Community Affairs (DCA) to replace the Building Education and Outreach Program.</p> <p>Requires the FBC to review requirements in the National Electric Code relating to bonding and grounding systems for swimming pools, and to authorize the use of alternative method for bonding and grounding if appropriate.</p>	<p><i>Materials and services for the mitigation program will be provided by a private, nonprofit corporation under contract to DCA.</i></p> <p><i>The FBC must develop and adopt mitigation techniques for the retrofitting of buildings constructed before the implementation of the Florida Building Code.</i></p>

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		In addition, the FBC must review the Florida Energy Code for new building construction to evaluate the effectiveness of energy-efficient requirements, and report back to the Legislature by March 1, 2008.	
	§468.609	Increases the number of days that a newly-hired plans examiner or building code inspector can perform duties without being certified from 90 to 120 days.	
	§553.73	Authorizes the FBC to make certain changes to the Florida Building Code because of changes to federal or state law.	
	§553.775	Upon written application by any affected person, the FBC shall issue a formal interpretation of the Florida Building Code.	
	§553.791	Provides definitions for terms pertaining to the Building Code.	
	§553.842	Provides for certification of products by the FBC and authorizes penalties for violation of the product validation process.	
	§633.081	Deletes the requirement that a fire safety inspector must be a resident of Florida. Requires that an inspector be a minimum of 18 years old.	
		Provides for an appropriation of \$1,000,000 in nonrecurring General Revenue funds.	
		Effective date: June 19, 2007. Chapter No. 2007-187, LOF.	

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<p><b>HB 7087</b> <b>FINANCIAL SERVICES</b></p>	<p>§520.07</p>	<p>The bill creates a new insurance product that enables insurers to directly insure, rather than reinsure, banks and other entities against losses resulting from the writing of debt cancellation or debt suspension agreements.</p>	<p><i>Debt cancellation products are lending transactions between a financial institution and a debtor wherein the financial institution agrees to cancel or suspend the debt upon the occurrence of certain events. The risk of default due to such events, i.e. death, disability, or unemployment, shifts from the debtor to the financial institution. In exchange for this shifting of risk, the creditor charges a fee and agrees to cancel or suspend the debt according to the terms agreement.</i></p> <p><i>Debt cancellation products are not regulated by the OIR. They are not regulated by banking regulators, with the exception for some regulation with regards to the sale of the agreements. According to information supplied to staff, almost every state recognizes and approves this type of insurance product as a viable way of protecting the financial institution against the business risk of debt cancellation products.</i></p>

VETOED

Effective date: October 1, 2007

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**This summary & analysis was prepared by the**

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