



Florida Insurance Council

Legislative Week in Review

P.O. Box 13686 · Tallahassee, FL 32317-3686 · TEL: 850.386.6668 · Fax: 850.386.7371

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The Home Stretch

Workers' Comp, Life, Health, Auto, Property; Insurance Issues Head Down to the Wire

What was an unusually slow start for the annual 60-day legislative session is gearing up for a whirlwind final week, and as has been customary in recent years, insurance issues won't be resolved until the final few days.

The **Senate** is scheduled to begin its final week at 9 a.m. Monday and the

much debated fix to **the Supreme Court's Murray vs. Mariner Health** decision will get things rolling. The **House** has long since approved a pure fix with passage of **HB 903**. The **Senate** has muddied its version with a number of bad trial bar amendments. That bill, **SB 2072**, is on the Special Order Calendar for Monday.

FIC and the Business Coalition are urging members to contact every member of the Senate and tell them to take up and pass HB 903 in lieu of the bad Senate bill.

Annuities Bill Gets Nudge in Senate; House So Far Not Budging in Opposition

Legislation pushed by **Chief Financial Officer Alex Sink** to classify as a third degree felony the commission of fraud, or twisting and churning in connection with the offer, sale or purchase of financial products when the victim is 65 years of age or older appeared stalled. **House Insurance Committee Chairman Pat Patterson** has refused to take up the measure in

his committee while the **Senate** companion stalled last week in the **Policy & Steering Committee on Ways and Means**. The bill was on the agenda for the April 16 meeting but was not considered. However, on Thursday of this week the committee held a special meeting in which the bill was taken up and passed 21-0 making it eligible for floor action.

Key Insurance Issues Could Come Up Today as Both Chambers Work Through Lengthy Agendas

The out-of-network bill opposed by some health insurers; the homeowners insurance, unregulated rate bill; the accident response fee bill opposed by **FIC's** auto writers; the condo "glitch" bill; the Essex fix for surplus lines insurers; and the big property insurance package all appeared on House and/or Senate agendas for action today (Friday, April 24). None had come up when we put this report to bed. We'll provide updates Monday.

Here is a summary of bills **FIC** staff and lobbyists are watching as we prepare for the final week in this 60-day session:

Budget Bill

Lawmakers could meet over the weekend in an effort to reach a budget deal, but as of Friday it still looked as if lawmakers would end their session on May 1 without passing a new state budget.

In the last few days, **Sen. J.D. Alexander** has repeatedly said that lawmakers will pass a budget by July 1 - which is the date the new state budget must pass.

Florida's Constitution requires that the budget be on the desks of members 72 hours prior to a final vote. That would require legislators to wrap up any work on the budget by next Tuesday if they are to vote on it by the May 1 scheduled end of session. One option floated on Friday was to keep negotiating in the next few days and just extend the session in order to comply with the constitutional mandate. But other lawmakers have suggested that legislators may want to take some time off and return to work on the budget as late as early June.

General Insurance

HB 1135 Prohibiting Binding Arbitration Clauses in Insurance Policies. The bill has no **Senate** companion. It is stalled in **House** committees.

HB 363 /SB 886 Parental Authority. The bill authorizes guardians to waive and release, in advance, any claim or cause of action that would accrue to any of their minor children to the same extent that any adult may do so on his or her own behalf. The bill came up for debate on second reading on Friday and was temporarily postponed. The **Senate** bill is still in committee.

HB 683 / SB 1524 Credit Scoring. **Prohibition of Discriminatory Rating Practices:** Revises unfair methods of competition & unfair or deceptive acts or

practices to prohibit use of education, occupation, credit report, or credit score in making rating determinations; prohibits use of credit reports or credit scores by insurers in making rating determinations; deletes provisions regulating & limiting uses of credit reports & credit scores by insurers for underwriting & rating purposes for specified types of insurance. Both bills stalled early in respective chamber committees.

HB 453 / SB 1310 Tax Credit for Scholarship Fund Bill. Expands the **Corporate Income Tax Credit Scholarship Program** to include insurance premium tax credits. The **Senate** bill has passed committee references and is on the **Special Order Calendar**. The **House** bill passed the full chamber on Thursday of this week and is now in **Senate** messages.

Title Insurance

HB 1267 / SB 444 Title Insurance. Revises various provisions of title insurance law relating to title insurance agent or agency service fees or charges; prohibition against payment of portion of premium as consideration for referral of title insurance business; definition of premium; prohibition against knowingly quoting, charging, accepting, collecting, or receiving premium for title insurance other than OIR approved premium; OIR approval of rates; annual filings with OIR; prohibitions against specified charges in rate filings; rate filing review & approval by OIR; prohibitions against insurer altering rates; application of approved rates; insurer liability for insured for treble damages; repeal of provision relating to rate deviation. Both bills are stalled in respective chamber committees.

Workers' Comp

HB 903 / SB 2072 Attorney's Fees in Workers' Compensation Cases. Clarifies requirements for payment of fees & costs under retainer agreement; specifies amount of attorney's fees which claimant is entitled to recover from carrier or employer. The industry supported **House** bill passed the full **House** mid session. The unfavorable **Senate** bill contains a number of bad trial bar amendments and is on the **Senate Special Order Calendar** for Monday.

FIC and the Business Coalition are urging members to contact Florida Senators to urge them to take up and pass the House bill.

Auto

HB 1043 / SB 2282 Accident Response Fee. Prohibits counties & municipalities from imposing fee or seeking reimbursement for costs relating to certain first-responder services; provides exceptions; defines the term "first responder." Both bills are on the Friday agendas before the full House and senate on second reading.

Surplus Lines

HB 853 / SB 1894 Surplus Lines Insurers. Provides for the non-application of certain provisions of state law (627 statutes) to surplus lines insurance authorized under the Surplus Lines Law. The **House** bill is up for third and final reading; The **Senate** bill is up for second reading. Bad trial bar amendments await both bills.

Property

HB 1495E1 / CS/CS/SB 1950 Property Insurance Package. Addresses **Citizens Property Insurance Corporation** rate freeze; Cat Fund financing. The **House** debated its package Thursday and adopted several amendments, including new restrictions on public adjuster apprentices. A final vote of approval is expected sometime today (Friday, April 24). The **Senate** bill is on second reading and is on today's **Special Order Calendar**.

HB 1273 / SB 862 Citizens Rate Freeze. Extends rate freeze imposed upon **Citizens Property Insurance Corporation** by 1 year. Neither bill has moved.

HB 419 / SB 714 Condo Glitch Bill. These bills require that coverage under a unit owner's policy for certain assessments include at least a minimum amount of loss assessment coverage. Both bills are on second reading in their respective chambers. The **Senate** version contains language that includes a deductible. The **House** bill has no deductible language. **FIC** members prefer the deductible and would like to see a higher figure than the \$250.

SB 1820 Penalty for incorrectly marking information a trade secret. The bill provides penalties for incorrectly marking information as trade secret. Limits the definition of "casualty insurance" by prohibiting credit property insurance coverage from being issued on an inland marine policy form, and includes on the list of unfair methods of competition and unfair or deceptive acts the refusal to insure or continue to insure an individual or risk solely because of the fact the individual owns an animal or animals, etc. The bill has no **House** companion and was withdrawn from consideration on April 14.

HB 1157 and its linked bill (**HB 1159 / SB 2384**) **Cat Fund Conversion**
The legislation converts the **Florida Hurricane Catastrophe Fund** to the **Florida Hurricane Protection Program**. The **House** bills were limited to a workshop in late March. The **Senate** bill has not moved.

HB 1171 / SB 2036 Unregulated Rate “State Farm” Bill. The bill authorizes certain insurers to use a rate in excess of the otherwise applicable filed rate. Preserves the authority of the **Office of Insurance Regulation** to disapprove rates as inadequate or disapprove a rate filing for using an unlawful rating factor, etc. The **House** passed it’s bill and it awaits **Senate** action. The **Senate** bill is on the special order calendar where a number of amendments are awaiting it.

SB 2078 My Safe Florida Homes. The bill revises criteria for hurricane mitigation inspections and mitigation grants. The bill remains in committee however, both the big insurance packages (**SB 1950** and **HB 1495**) contain similar language.

Health

SB 1122/ HB 855 Assignment of benefits to out-of-network providers. This has been one of the more spirited debates this session with **Sen. Don Gaetz** and the **Florida Medical Association** at odds with **Blue Cross & Blue Shield of Florida**. This is the **FMA’s** top priority and is a follow up to legislation passed last year. This is on the **Senate** calendar for today. The bill hasn’t moved in the **House**.

HB 1329 / CS/CS/SB 918 Kid Care. This is a bill that cleans up many of the administrative problems advocates have asked be tackled in the state children’s health insurance program. The **Senate** bill is on second reading in the Calendar. The **House** companion hasn’t been heard in committee.

SB 308 Insurance coverage for autism and developmentally disabled. This bill was not considered by the **Policy & Steering Committee on Ways and Means** this week. The bill would require insurance coverage for developmentally disabled children. Similar bills in the House have not moved.

HB 675 /SB 1022 End Stage Renal Disease. The **House** is debating this high profile issue as **FIC** prepares this document. Please check the website later in the day to get the most up to date details. The bill may be named after Alonzo Mourning, the former Miami Heat superstar who has lobbied for its passage.

HB 7151 Stimulus money and continuation coverage. This is a bill that has gained momentum in the last two weeks. It would establish a special continuation health insurance coverage election period for people who worked at small businesses and lost their jobs.

The American Recovery and Recovery and Reinvestment (ARRA) of 2009. The

ARAA provides for a 65 percent reduction in premium for up to nine months for certain involuntarily terminated individuals and their families who elect **COBRA** continuation health coverage.

Small business in Florida aren't covered under COBRA, they are covered under the Florida Health Insurance Coverage Continuation Act, which acts like a COBRA program. The bill would allow anyone who lost their job between September 1, 2008 and through February 16, 2009 who wants to tap into federal assistance to pay for their continuation costs to do so even if they did not elect continuation coverage when first offered or who did election COBRA coverage but disenrolled.

There are some other amendments filed to this bill in the House and it could become an insurance train. FIC is watching this bill.

HB 7131 / SB CS/CS/CS SB1986 Medicaid/health care bill. This bill is the **Medicaid** "train" moving through the session in the last week. The bill would establish a new **Medicaid** pilot project in 2010 with prior legislative approval, crack down on fraud and abuse in South Florida, and streamline a number of regulatory duplications at the state **Agency for Health Care Administration**.

Life

HB 981 / SB 1372 Safeguard our Seniors Act Classifies the commission of fraud, or twisting and churning in connection with the offer, sale or purchase of financial products when the victim is 65 years of age or older as a third degree felony. Appeared stalled, but now the Senate bill is ready for consideration by the full Senate. Insurance **Committee Chairman Pat Patterson** has refused to take up the companion measure in his Insurance Committee.