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# Insurance & Banking Subcommittee

Wednesday, January 15, 2014

8:00 AM

Sumner Hall (404 HOB)

**ACTION PACKET**

**COMMITTEE MEETING REPORT**  
**Insurance & Banking Subcommittee**  
**1/15/2014 8:00:00AM**

**Location:** Sumner Hall (404 HOB)

**Summary:**

**Insurance & Banking Subcommittee**

*Wednesday January 15, 2014 08:00 am*

HB 143 Temporarily Deferred

Amendment 849573 Adopted

Yeas: 10 Nays: 3

HB 321 Favorable With Committee Substitute

Yeas: 13 Nays: 0

**COMMITTEE MEETING REPORT**  
**Insurance & Banking Subcommittee**

**1/15/2014 8:00:00AM**

**Location:** Sumner Hall (404 HOB)

**Attendance:**

	<i>Present</i>	<i>Absent</i>	<i>Excused</i>
Bryan Nelson (Chair)	X		
Douglas Broxson	X		
Matthew Caldwell	X		
Tom Goodson	X		
Bill Hager	X		
Clay Ingram	X		
Shevrin Jones	X		
Larry Lee, Jr.	X		
George Moraitis, Jr.	X		
Kevin Rader	X		
David Santiago	X		
Dwayne Taylor	X		
John Tobia	X		
<b>Totals:</b>	<b>13</b>	<b>0</b>	<b>0</b>

**COMMITTEE MEETING REPORT**  
**Insurance & Banking Subcommittee**

**1/15/2014 8:00:00AM**

**Location:** Sumner Hall (404 HOB)

**HB 143 : Florida Insurance Guaranty Association**

*Temporarily Deferred*

**HB 143 Amendments**

**Amendment 849573**

*Adopted*

	<i>Yea</i>	<i>Nay</i>	<i>No Vote</i>	<i>Absentee Yea</i>	<i>Absentee Nay</i>
Douglas Broxson	X				
Matthew Caldwell	X				
Tom Goodson	X				
Bill Hager		X			
Clay Ingram	X				
Shevrin Jones	X				
Larry Lee, Jr.		X			
George Moraitis, Jr.	X				
Kevin Rader	X				
David Santiago	X				
Dwayne Taylor	X				
John Tobia		X			
Bryan Nelson (Chair)	X				
<b>Total Yays: 10</b>		<b>Total Nays: 3</b>			

**Appearances:**

FIGA

Goldman, Trey, Legislative Counsel (Lobbyist) - Proponent  
 Legislative Counsel, Florida Realtors  
 P.O. Box 1853  
 Tallahassee FL 32301  
 Phone: 850-224-1400

FIGA

Snowden, Meredith, Consultant (Lobbyist) - Proponent  
 Florida Property and Casualty Association  
 215 S. Monroe St. Suite 701  
 Tallahassee FL 32301  
 Phone: 850-510-9257

Committee meeting was reported out: Wednesday, January 15, 2014 4:12:12PM

**COMMITTEE MEETING REPORT**  
**Insurance & Banking Subcommittee**

**1/15/2014 8:00:00AM**

**Location:** Sumner Hall (404 HOB)

**HB 143 : Florida Insurance Guaranty Association (continued)**

**Appearances: (continued)**

FIGA

Delegal, Mark, Retained Counsel (Lobbyist) - Opponent  
State Farm Mutual Automobile Ins. Co.  
315 S. Calhoun, #600  
Tallahassee FL 32301  
Phone: 850-224-7000

FIGA

Guzzo, Gary (Lobbyist) (General Public) - Opponent  
Florida Insurance Council  
108 S. Monroe St.  
Tallahassee FL 32301  
Phone: 850-681-0024

FIGA

Miller, Lisa, CEO (Lobbyist) - Proponent  
American Integrity Insurance Group  
331 N. Monroe St.  
Tallahassee FL 32301  
Phone: 850-528-9229

FIGA

Neal, Jay, President, CEO (Lobbyist) - Proponent  
FAIR  
515 E. Las Olas Blvd., Suite 120  
Ft. Lauderdale FL 33301  
Phone: 954-366-2922

FIGA

Pitts, Brian, Trustee (General Public) - Information Only  
Justice-2-Jesus  
1119 Newton Ave. S.  
St. Petersburg FL 33705  
Phone: 727-897-9291

FIGA

Wester, Gerald (Lobbyist) - Information Only  
American Insurance Association  
Tallahassee FL  
Phone: 850-445-7256

FIGA

Meenan, Timothy, Counsel, FIGA (Lobbyist) - Information Only  
Florida Insurance Guaranty Association  
204 S. Monroe St.  
Tallahassee FL  
Phone: 850-681-6710

Committee meeting was reported out: Wednesday, January 15, 2014 4:12:12PM

**COMMITTEE MEETING REPORT**  
**Insurance & Banking Subcommittee**  
**1/15/2014 8:00:00AM**

**Location:** Sumner Hall (404 HOB)

**HB 143 : Florida Insurance Guaranty Association (continued)**

**Appearances: (continued)**

FIGA

DeVries, Melissa, General Counsel (General Public) - Information Only  
Security First Insurance Co.  
140 S. Atlantic Ave.  
Ormond Beach FL 32176  
Phone: 386-523-2318

**COMMITTEE MEETING REPORT**  
**Insurance & Banking Subcommittee**  
**1/15/2014 8:00:00AM**

**Location:** Sumner Hall (404 HOB)

**HB 321 : Title Insurance**

Favorable With Committee Substitute

	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Douglas Broxson	X				
Matthew Caldwell	X				
Tom Goodson	X				
Bill Hager	X				
Clay Ingram	X				
Shevrin Jones	X				
Larry Lee, Jr.	X				
George Moraitis, Jr.	X				
Kevin Rader	X				
David Santiago	X				
Dwayne Taylor	X				
John Tobia	X				
Bryan Nelson (Chair)	X				
<b>Total Yeas: 13</b>		<b>Total Nays: 0</b>			

**Appearances:**

Title Insurance

Conner, W. Theodore, General Counsel (General Public) - Proponent  
 General Counsel, Attorney's Title Fund Services  
 6545 Corporate Center Blvd.  
 Orlando FL 32822  
 Phone: 407-240-3863

Title Insurance

Russick, James C., Florida State Counsel, Old Republic Title (General Public) - Proponent  
 Old Republic National Title Insurance Company  
 1410 N Westshore Blvd., Suite 800  
 Tampa FL 33607  
 Phone: 800-342-5957

Title Insurance

Mayer, Ashley, Attorney (Lobbyist) - Proponent  
 AIF  
 101 E. College Ave.  
 Tallahassee FL  
 Phone: 800-222-9075

Title Insurance

Pitts, Brian, Trustee (General Public) - Information Only  
 Justice-2-Jesus  
 1119 Newton Ave. S.  
 St. Petersburg FL 33705  
 Phone: 727-897-9291

**COMMITTEE MEETING REPORT**  
**Insurance & Banking Subcommittee**  
**1/15/2014 8:00:00AM**

**Location:** Sumner Hall (404 HOB)

**Presentation/Workshop/Other Business Appearances:**

Citizens Sinkhole Repair Program

Vinson, Nicole, Attorney (General Public) - Information Only  
Policyholders  
777 S. Harbor Island Blvd.  
Tampa FL 33602  
Phone: 813-229-1000

Citizens Sinkhole Repair Program

Broadrick, Ron, President (General Public) - Information Only  
Earthtech, Stabilization Specialists  
2620 Hunt Rd.  
Land O Lakes FL 34638  
Phone: 813-909-8000

Sinkhole Managed Repair Program

Adams, Jay, Vice President of Claims (At Request Of Chair) - Information Only  
Citizens Property Insurance Corporation  
Financial Way  
Jacksonville FL  
Phone: 850-513-3757



CITIZENS PROPERTY INSURANCE CORPORATION  
2312 KILLEARN CENTER BLVD., BUILDING A  
TALLAHASSEE, FLORIDA 32309



TELEPHONE: (850) 513-3700 FAX: (850) 513-3903

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FOR IMMEDIATE RELEASE  
December 24, 2013

Contact: Michael Peltier  
(850) 513-3774

### **Citizens Chairman: No blank checks: Sinkholes will be repaired**

As we have seen with the tragedy earlier this year in Seffner, sinkholes can sometimes cause more than property damage. In the past several months, there have been painful reminders of the importance for homeowners to move quickly to properly make repairs after a sinkhole threatens their home.

While holes can be filled and homes rebuilt, lives and lifelong personal treasures cannot be replaced. As the state's insurer of last resort, Citizens Property Insurance Corp. is trying to do its part to minimize the chance of such tragedies.

Citizens has embarked on an effort to resolve some of the 1,300 pending sinkhole claims in which we have found sinkhole activity and agreed to cover the claim but repairs have not been made. Instead, those claims are now tied up in litigation. Citizens, through this settlement proposal, is making a good-faith effort to resolve these claims by providing homeowners with the assurance that their properties will be fully and completely repaired.

Under current Florida law, Citizens is required to make claims payments in sinkhole cases based on recommendations from a qualified engineer sent in to investigate possible sinkhole activity. Payments are made only after a contract has been signed with a repair company.

In some cases, however, policyholders have hired attorneys who have brought in another engineer whose opinion on method or repair differs from the original engineer's findings. In some of those cases, the competing plans have gone to a neutral evaluator, who considers the evidence and recommends a course of action.

The recommendations, however helpful, are not binding. Frankly, in many of those cases, Citizens has refused to follow the neutral evaluator's plan. Well, those days are over.

Under a proposal mailed earlier this month to affected policyholders, Citizens has taken a major step toward settling pending litigated claims by agreeing to abide by a neutral evaluator's

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Chris Gardner, Chairman, Orange County  
Gary Aubuchon, Lee County • Juan Cocuy, Palm Beach County • Don Glisson, Jr., Duval County  
Tom Lynch, Palm Beach County • Freddie Schinz, Okaloosa County • John Wortman, St. Johns County  
Barry Gilway, President/CEO and Executive Director

decision, regardless of which side prevails. Further, Citizens has agreed to pay for repairs over and above policy limits, when needed, to ensure the home is safe. If additional cosmetic repairs are needed above ground because of the stabilization underneath, we will pay for that too.

Finally, Citizens has agreed that homeowners who drop pending lawsuits and settle will not lose their right to seek additional repairs and other legal remedies if the repair work is unsatisfactory. We think the offer, made in good faith, may help most policyholders gain the peace of mind that comes with knowing that their home is safe.

What Citizens won't do is write a blank check. We've done that before and it doesn't work. Here's why.

An analysis completed in 2010 for the Florida Legislature found that an alarming percentage of sinkhole claimants did not repair sinkhole damage after receiving a claim check from Citizens. With housing prices falling and the economy in the tank, the prospect of a cash payment was too tempting for many homeowners, who used the money for other priorities.

The result? Unrepaired sinkholes remained, endangering not only the homeowner but his or her neighbors. In addition, those unrepaired properties dragged down property values not only for the homeowner but for the neighbors, whose most important investment lost value through no fault of their own.

In Pasco County, the loss in property value attributed to unrepaired sinkholes is \$67 million. That translates into a loss of millions in tax revenue for schools, roads, police and other essential public endeavors.

That's why Citizens has taken a hard line on making sure that sinkhole claims payments are spent to actually make repairs. In most cases, the outcomes have been outstanding, with homeowners and future buyers again able to sleep soundly knowing their families are safe and their homes secure.

So why the push to settle these outstanding cases? Yes, it will save everyone money, including Citizens. But most importantly, we want to settle because it is in the best interest of our policyholders and those who live around them.

Citizens will not return to the days when it simply wrote a check and walked away. We owe it to our policyholders, their neighbors and the people of Florida to ensure that lives are not lost and neighborhoods degraded because repairs are not made. We don't want to litigate, but we do want sinkhole damage fixed — quickly and completely. After all, isn't that why people buy insurance in the first place?

Chris Gardner  
Chairman, Board of Governors  
Citizens Property Insurance Corporation