



Insurance & Banking Subcommittee

Wednesday, March 18, 2015

8:00 AM

Sumner Hall (404 HOB)

ACTION PACKET

COMMITTEE MEETING REPORT
Insurance & Banking Subcommittee
3/18/2015 8:00:00AM

Location: Sumner Hall (404 HOB)

Summary:

Insurance & Banking Subcommittee

Wednesday March 18, 2015 08:00 am

HB 681	Favorable With Committee Substitute	Yeas: 10	Nays: 3
	Amendment 188043 Adopted Without Objection		
	Amendment 287303 Withdrawn		
	Amendment 701175 Failed to Adopt		
CS/HB 731	Favorable With Committee Substitute	Yeas: 12	Nays: 0
	Amendment 456673 Adopted Without Objection		
HB 749	Favorable With Committee Substitute	Yeas: 12	Nays: 0
	Amendment 561981 Adopted Without Objection		
	Amendment 677465 Adopted Without Objection		
HB 1025	Favorable With Committee Substitute	Yeas: 13	Nays: 0
	Amendment 722861 Adopted Without Objection		
HB 1053	Favorable With Committee Substitute	Yeas: 13	Nays: 0
	Amendment 106683 Adopted Without Objection		
	Amendment 886645 Adopted Without Objection		
HB 1133	Favorable With Committee Substitute	Yeas: 12	Nays: 0
	Amendment 003115 Adopted Without Objection		
	Amendment 249385 Adopted Without Objection		
	Amendment 377211 Adopted Without Objection		
	Amendment 811645 Adopted Without Objection		
HB 7047	Favorable With Committee Substitute	Yeas: 13	Nays: 0
	Amendment 400061 Adopted Without Objection		
PCS for HB 669	Favorable	Yeas: 10	Nays: 3
PCS for HB 895	Favorable	Yeas: 12	Nays: 0
PCS for HB 1013	Favorable	Yeas: 11	Nays: 1

Committee meeting was reported out: Wednesday, March 18, 2015 4:33:17PM

COMMITTEE MEETING REPORT
Insurance & Banking Subcommittee
3/18/2015 8:00:00AM

Location: Sumner Hall (404 HOB)

Attendance:

	<i>Present</i>	<i>Absent</i>	<i>Excused</i>
John Wood (Chair)	X		
Ben Albritton	X		
Bobby DuBose	X		
Jay Fant	X		
Tom Goodson	X		
Bill Hager	X		
Evan Jenne	X		
Larry Lee, Jr.	X		
Kathleen Passidomo	X		
Scott Plakon	X		
David Santiago	X		
Dwayne Taylor	X		
John Tobia	X		
Totals:	13	0	0

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COMMITTEE MEETING REPORT
Insurance & Banking Subcommittee
3/18/2015 8:00:00AM

Location: Sumner Hall (404 HOB)

HB 681 : Health Insurance Coverage for Emergency Services

Favorable With Committee Substitute

	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Ben Albritton	X				
Bobby DuBose	X				
Jay Fant	X				
Tom Goodson		X			
Bill Hager		X			
Evan Jenne	X				
Larry Lee, Jr.	X				
Kathleen Passidomo	X				
Scott Plakon		X			
David Santiago	X				
Dwayne Taylor	X				
John Tobia	X				
John Wood (Chair)	X				
Total Yeas: 10		Total Nays: 3			

HB 681 Amendments

Amendment 188043

Adopted Without Objection

Amendment 287303

Withdrawn

Amendment 701175

Failed to Adopt

Appearances:

Musil, Cameron (General Public) - Information Only
 7841 Birarcreek Rd. W.
 Tallahassee FL 32312
 Phone: (850) 443-0082

Brown, Audrey (Lobbyist) - Proponent
 Florida Association of Health Plans, Inc.
 President and C.E.O.
 200 W. College Ave.
 Tallahassee FL 32301
 Phone: (850) 386-2904

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COMMITTEE MEETING REPORT
Insurance & Banking Subcommittee
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Location: Sumner Hall (404 HOB)

HB 681 : Health Insurance Coverage for Emergency Services (continued)

Appearances: (continued)

Nuland, Chris (Lobbyist) - Information Only
Florida Chapter, American College of Physicians
1000 Riverside Ave., #115
Jacksonville Florida 32204
Phone: (904) 355-1555

Friedman, Vidor (General Public) - Opponent
Florida College of Emergency Physicians
13061 Water Point Blvd.
Windemere FL 34786
Phone: (407) 761-9661

Dudley, Alison (Lobbyist) - Opponent
Florida Radiological Society, Inc
President, AB Dudley & Associates
P.O. Box
Tallahassee FL 32303
Phone: (850) 559-1139

Young, Amy (Lobbyist) - Opponent
Florida Society of Pathologists
3609 Washington Road
West Palm Beach FL 32605
Phone: (561) 253-3232

Bell, Bill (Lobbyist) - Opponent
Florida Hospital Association
General Counsel
306 E. College Ave.
Tallahassee FL 32301
Phone: (850) 222-9800

Scott, Jeff (Lobbyist) - Opponent
Florida Medical Association
1430 Piedmont Dr. E.
Tallahassee FL 32308
Phone: (850) 224-6496

Burgess, Steve (Lobbyist) - Proponent
Department of Financial Services
Insurance Consumer Advocate
W. Madison; Pepper 776
Tallahassee FL 32399
Phone: (850) 413-5923

Committee meeting was reported out: Wednesday, March 18, 2015 4:33:17PM

COMMITTEE MEETING REPORT
Insurance & Banking Subcommittee

3/18/2015 8:00:00AM

Location: Sumner Hall (404 HOB)

CS/HB 731 : Employee Health Care Plans

Favorable With Committee Substitute

	<i>Yea</i>	<i>Nay</i>	<i>No Vote</i>	<i>Absentee Yea</i>	<i>Absentee Nay</i>
Ben Albritton	X				
Bobby DuBose	X				
Jay Fant	X				
Tom Goodson	X				
Bill Hager	X				
Evan Jenne			X		
Larry Lee, Jr.	X				
Kathleen Passidomo	X				
Scott Plakon	X				
David Santiago	X				
Dwayne Taylor	X				
John Tobia	X				
John Wood (Chair)	X				
Total Yeas: 12		Total Nays: 0			

CS/HB 731 Amendments

Amendment 456673

Adopted Without Objection

Appearances:

Brown, Audrey (Lobbyist) - Proponent
 Florida Association of Health Plans
 President & C.E.O.
 200 W. College Ave.
 Tallahassee FL 32301
 Phone: (850) 559-3905

Meenan, Timothy (Lobbyist) - Proponent
 National Assoc. of Insurance
 325 W. College Ave.
 Tallahassee FL 32301
 Phone: (850) 425-4000

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COMMITTEE MEETING REPORT
Insurance & Banking Subcommittee

3/18/2015 8:00:00AM

Location: Sumner Hall (404 HOB)

HB 749 : Continuing Care Communities

Favorable With Committee Substitute

	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Ben Albritton	X				
Bobby DuBose	X				
Jay Fant			X		
Tom Goodson	X				
Bill Hager	X				
Evan Jenne	X				
Larry Lee, Jr.	X				
Kathleen Passidomo	X				
Scott Plakon	X				
David Santiago	X				
Dwayne Taylor	X				
John Tobia	X				
John Wood (Chair)	X				
Total Yeas: 12		Total Nays: 0			

HB 749 Amendments

Amendment 561981

Adopted Without Objection

Amendment 677465

Adopted Without Objection

Appearances:

Selis, Melody (Lobbyist) - Proponent
 Florida Health Care Association
 Governmental Affairs Manager
 307 W. Park Ave.
 Tallahassee FL 32301
 Phone: (850) 224-3907

Napier, Bennett (Lobbyist) - Proponent
 Florida Life Care Residents Association
 Executive Director
 325 John Knox Rd. Ste. L103
 Tallahassee FL 32303
 Phone: (850) 906-9314

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Insurance & Banking Subcommittee

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Location: Sumner Hall (404 HOB)

HB 749 : Continuing Care Communities (continued)

Appearances: (continued)

Bernal, Bobby (Lobbyist) - Proponent

Leading Age Florida

Director Business Development & Public Policy

1812 Riggins Rd.

Tallahassee FL 32308

Phone: (850) 671-3700

Vecchioli, Beth A. (Lobbyist) - Proponent

Leading Age Florida

Sr. Policy Advisor

315 S. Calhoun St., Ste. 600

Tallahassee FL 32301

Phone: (850) 545-7991

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COMMITTEE MEETING REPORT
Insurance & Banking Subcommittee

3/18/2015 8:00:00AM

Location: Sumner Hall (404 HOB)

HB 1025 : Firesafety for Agricultural Buildings

Favorable With Committee Substitute

	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Ben Albritton	X				
Bobby DuBose	X				
Jay Fant	X				
Tom Goodson	X				
Bill Hager	X				
Evan Jenne	X				
Larry Lee, Jr.	X				
Kathleen Passidomo	X				
Scott Plakon	X				
David Santiago	X				
Dwayne Taylor	X				
John Tobia	X				
John Wood (Chair)	X				
Total Yeas: 13		Total Nays: 0			

HB 1025 Amendments

Amendment 722861

Adopted Without Objection

Appearances:

Rees, Jonathan (Lobbyist) - Proponent
 Florida Department of Agriculture and Consumer Services
 400 S. Monroe St.
 Tallahassee FL 32399
 Phone: (850) 617-7700

Basford, Adam (Lobbyist) - Proponent
 Florida Farm Bureau Federation
 Legislative Affairs Director
 315 S Calhoun St., #850
 Tallahassee FL 32301
 Phone: (850) 222-2557

Pasqualone, Jon (General Public) - Information Only
 Florida Fire Marshals & Inspectors Association
 Executive Director
 P.O. Box 325
 Hobe Sound FL 33475
 Phone: (778) 932-1555

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COMMITTEE MEETING REPORT
Insurance & Banking Subcommittee

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Location: Sumner Hall (404 HOB)

HB 1053 : Motor Vehicle Insurance

Favorable With Committee Substitute

	<i>Yea</i>	<i>Nay</i>	<i>No Vote</i>	<i>Absentee Yea</i>	<i>Absentee Nay</i>
Ben Albritton	X				
Bobby DuBose	X				
Jay Fant	X				
Tom Goodson	X				
Bill Hager	X				
Evan Jenne	X				
Larry Lee, Jr.	X				
Kathleen Passidomo	X				
Scott Plakon	X				
David Santiago	X				
Dwayne Taylor	X				
John Tobia	X				
John Wood (Chair)	X				
Total Yeas: 13		Total Nays: 0			

HB 1053 Amendments

Amendment 106683

Adopted Without Objection

Amendment 886645

Adopted Without Objection

Appearances:

Garcia, Reggie (Lobbyist) - Information Only

Florida Justice Association
 Attorney
 P.O. Box 11069
 Tallahassee FL 32302
 Phone: (850) 933-7150

Reyes, Robert (Lobbyist) - Proponent

Florida Automobile Joint Underwriting Association
 425 W. College Ave.
 Tallahassee FL 32308
 Phone: (850) 681-0024

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Location: Sumner Hall (404 HOB)

HB 1053 : Motor Vehicle Insurance (continued)

Appearances: (continued)

Carlson, Michael (Lobbyist) - Proponent
Personal Insurance Federation
Executive Director
215 S. Monroe St., #835
Tallahassee FL 32301
Phone: (850) 597-7425

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COMMITTEE MEETING REPORT
Insurance & Banking Subcommittee

3/18/2015 8:00:00AM

Location: Sumner Hall (404 HOB)

HB 1133 : Division of Insurance Agent and Agency Services

Favorable With Committee Substitute

	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Ben Albritton	X				
Bobby DuBose	X				
Jay Fant	X				
Tom Goodson	X				
Bill Hager	X				
Evan Jenne	X				
Larry Lee, Jr.	X				
Kathleen Passidomo	X				
Scott Plakon			X		
David Santiago	X				
Dwayne Taylor	X				
John Tobia	X				
John Wood (Chair)	X				
Total Yeas: 12		Total Nays: 0			

HB 1133 Amendments

Amendment 003115

Adopted Without Objection

Amendment 249385

Adopted Without Objection

Amendment 377211

Adopted Without Objection

Amendment 811645

Adopted Without Objection

Appearances:

Boyd, Elizabeth (Lobbyist) (State Employee) - Information Only
 Chief Financial Office
 Legislative Director
 400 N. Monroe St.
 Tallahassee Florida 32399
 Phone: (850) 413-2829

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COMMITTEE MEETING REPORT
Insurance & Banking Subcommittee

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Location: Sumner Hall (404 HOB)

HB 1133 : Division of Insurance Agent and Agency Services (continued)

Appearances: (continued)

Meenan, Timothy (Lobbyist) - Proponent
National Association of Insurance and Financial Advisors
325 W. College Ave.
Tallahassee FL 32303
Phone: (850) 425-4000

Rayborn, Keri (Lobbyist) - Proponent
Latin American Association of Insurance Agencies
P.O. Box 1565
Tallahassee FL 32303
Phone: (850) 524-2394

Pearce, Laura (Lobbyist) - Proponent
Florida Association of Insurance Agents
General Counsel
3159 Shamrock S.
Tallahassee FL 32309
Phone: (850) 893-4155

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COMMITTEE MEETING REPORT

Insurance & Banking Subcommittee

3/18/2015 8:00:00AM

Location: Sumner Hall (404 HOB)

HB 7047 : Direct Primary Care

Favorable With Committee Substitute

	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Ben Albritton	X				
Bobby DuBose	X				
Jay Fant	X				
Tom Goodson	X				
Bill Hager	X				
Evan Jenne	X				
Larry Lee, Jr.	X				
Kathleen Passidomo	X				
Scott Plakon	X				
David Santiago	X				
Dwayne Taylor	X				
John Tobia	X				
John Wood (Chair)	X				
Total Yeas: 13		Total Nays: 0			

HB 7047 Amendments

Amendment 400061

Adopted Without Objection

Appearances:

Nungesser, Tim (Lobbyist) - Proponent
National Federation of Independent Business
Legislative Director
110 E. Jefferson St.
Tallahassee FL 32301
Phone: (850) 445-5367

Nuland, Chris (Lobbyist) - Proponent
Florida Chapter, American College of Physicians
1000 Riverside Ave. #115
Jacksonville FL 32204
Phone: (904) 233-3051

Scott, Jeff (Lobbyist) - Proponent
Florida Medical Association
1430 Piedmont Dr. E.
Tallahassee FL 32308
Phone: (850) 224-6496

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COMMITTEE MEETING REPORT

Insurance & Banking Subcommittee

3/18/2015 8:00:00AM

Location: Sumner Hall (404 HOB)

PCS for HB 669 : Insurance Claims

Favorable

	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Ben Albritton	X				
Bobby DuBose	X				
Jay Fant	X				
Tom Goodson	X				
Bill Hager	X				
Evan Jenne		X			
Larry Lee, Jr.	X				
Kathleen Passidomo	X				
Scott Plakon		X			
David Santiago	X				
Dwayne Taylor		X			
John Tobia	X				
John Wood (Chair)	X				
	Total Yeas: 10	Total Nays: 3			

Appearances:

Ralston, Foyt (Lobbyist) - Opponent
Florida Association of Restoration Specialist
101 N. Monroe St., Suite 900
Tallahassee FL 32301
Phone: (850) 222-8611

Grant, Jeff - Opponent
Bone Dry Restoration and Cleaning Inc.
Owner
1285 Smoke Rise Lane
Tallahassee FL 32317
Phone: (850) 559-1705

Geller, Steve (Lobbyist) - Opponent
Florida Association of Public Insurance Adjusters
Consultant
100 West Cypress Creek Road
Ft. Lauderdale FL
Phone: (954) 629-7782

Camara, Christian (Lobbyist) - Information Only
R Street Institute
P.O. Box 10577
Tallahassee FL 32303
Phone: (305) 608-4300

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COMMITTEE MEETING REPORT
Insurance & Banking Subcommittee

3/18/2015 8:00:00AM

Location: Sumner Hall (404 HOB)

PCS for HB 669 : Insurance Claims (continued)

Appearances: (continued)

Brown, Donald (Lobbyist) - Opponent

Security First
P.O. Box 866
DeFiniak Springs FL 32435
Phone: (850) 865-9280

Ryan, William - Proponent

Rytech
President
1690 Roberts Blvd. #120
Kennesaw GA 30144
Phone: 770-977-8787

Miller, Lisa (Lobbyist) - Information Only

Demotech, Insurance Company Rating Organization
CEO
331 N. Monroe
Tallahassee FL 32301
Phone: (850) 528-9229

Carlson, Michael (Lobbyist) - Proponent

Personal Insurance Federation of Florida
Executive Director
215 S. Monroe Street, Suite 835
Tallahassee FL 32301
Phone: 850-597-7425

Gorman, Andrew - Information Only

Self
250 S. Orange Ave., Suite 600
Orlando FL 32801
Phone: (407) 872-2498

Johnson, Carolyn (Lobbyist) - Proponent

Florida Chamber of Commerce
Policy Director
136 S. Bronough St.
Tallahassee FL 32301
Phone: (850) 521-1235

Large, William (Lobbyist) - Proponent

Florida Justice Reform Institute
President
210 S. Monroe St.
Tallahassee FL 32301
Phone: (850) 222-0170

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COMMITTEE MEETING REPORT
Insurance & Banking Subcommittee

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Location: Sumner Hall (404 HOB)

PCS for HB 669 : Insurance Claims (continued)

Appearances: (continued)

Farmer, Gary - Opponent

Self

Consumer, Lawyer & Homeowner

Ft. Lauderdale FL

Phone: (954) 227-3463

Garcia, Reginald (Lobbyist) - Opponent

Florida Justice Association

P.O.Box 11069

Tallahassee FL 32302

Phone: (850) 933-7150

Delegal, Mark (Lobbyist) - Proponent

State Farm Florida Insurance

Retained Counsel

315 S. Caloun #600

Tallahassee FL 32301

Phone: (850) 224-7000

Committee meeting was reported out: Wednesday, March 18, 2015 4:33:17PM

COMMITTEE MEETING REPORT
Insurance & Banking Subcommittee

3/18/2015 8:00:00AM

Location: Sumner Hall (404 HOB)

PCS for HB 895 : Flood Insurance

Favorable

	<i>Yea</i>	<i>Nay</i>	<i>No Vote</i>	<i>Absentee Yea</i>	<i>Absentee Nay</i>
Ben Albritton	X				
Bobby DuBose	X				
Jay Fant			X		
Tom Goodson	X				
Bill Hager	X				
Evan Jenne	X				
Larry Lee, Jr.	X				
Kathleen Passidomo	X				
Scott Plakon	X				
David Santiago	X				
Dwayne Taylor	X				
John Tobia	X				
John Wood (Chair)	X				
Total Yeas: 12		Total Nays: 0			

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COMMITTEE MEETING REPORT
Insurance & Banking Subcommittee

3/18/2015 8:00:00AM

Location: Sumner Hall (404 HOB)

PCS for HB 1013 : Maximum Reimbursement Allowances for Workers' Compensation Medical Services

Favorable

	<i>Yea</i>	<i>Nay</i>	<i>No Vote</i>	<i>Absentee Yea</i>	<i>Absentee Nay</i>
Ben Albritton	X				
Bobby DuBose	X				
Jay Fant	X				
Tom Goodson	X				
Bill Hager	X				
Evan Jenne			X		
Larry Lee, Jr.	X				
Kathleen Passidomo	X				
Scott Plakon	X				
David Santiago		X			
Dwayne Taylor	X				
John Tobia	X				
John Wood (Chair)	X				
Total Yeas: 11		Total Nays: 1			

Appearances:

Large, Toni (Lobbyist) - Proponent
 Florida Orthopaedic Society
 518 E. Park Ave.
 Tallahassee FL 32308

Boyd, Elizabeth (Lobbyist) (State Employee) - Proponent
 Chief Financial Office Atwater
 Legislative Director
 400 N. Monroe St.
 Tallahassee Florida 32399
 Phone: (850) 413-2829

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COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 681 (2015)

Amendment No. sa2

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	—	(Y/N)
ADOPTED AS AMENDED	—	(Y/N)
ADOPTED W/O OBJECTION	—	(Y/N)
FAILED TO ADOPT	—	(Y/N)
WITHDRAWN	—	(Y/N)
OTHER	_____	

*No bar code needed; didn't publish
 Withdrawn at meeting.
 hand written at meeting.*

1 Committee/Subcommittee hearing bill: Insurance & Banking
 2 Subcommittee

3 Representative Tobia offered the following:

4
 5 **Substitute Amendment for Amendment (287303) by**
 6 **Representative Plakon**

7 Remove lines 73-78 and insert:

8 community where the service was ~~services~~ were provided;

9 (c) The amount negotiated with a provider who does not have
 10 a contract with the health maintenance organization for the
 11 service charge mutually agreed to by the health maintenance
 12 organization and the provider within 60 days of the submittal of
 13 the claim; or

14 (d) For services provided by physicians licensed under
 15 chapter 458 or 459, the charges allowed for s. 627.736(5) (a) up
 16 to an aggregate total of \$10,000 per claim.
 17

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 681 (2015)

Amendment No. sa1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	—	(Y/N)
ADOPTED AS AMENDED	—	(Y/N)
ADOPTED W/O OBJECTION	—	(Y/N)
FAILED TO ADOPT	—	(Y/N)
WITHDRAWN	—	(Y/N)
OTHER	_____	

No bar code needed, didn't publish
Withdrawn at meeting; handwritten in meeting.

1 Committee/Subcommittee hearing bill: Insurance & Banking
 2 Subcommittee

3 Representative Tobia offered the following:
 4

5 **Substitute Amendment for Amendment (701175) by**
 6 **Representative Plakon**

7 Remove lines 55-58 and insert:

8 copayment that applies to the provider;

9 3. The amount that would be paid under Medicare for the
 10 service, reduced only by any coinsurance amount or copayment
 11 that applies to the provider; or

12 4. For services provided by physicians licensed under
 13 chapter 458 or 459, the charges allowed pursuant to s.
 14 627.736(5)(a) up to an aggregate total of \$10,000 per claim.
 15



Demotech, Inc.

March 17, 2015

Dear Chairperson Wood and Assembly Banking and Insurance Committee Members:

Demotech, Inc., a Columbus Ohio based financial analysis and actuarial services company, was the first company to review and rate independent regional and specialty insurers. Demotech reviews, rates and monitors more than 400 insurers countrywide, in all fifty states, including more than 50 insurers representing nearly 60% of Florida's Homeowners' insurance marketplace. The majority of Florida domestic property insurers rely solely on maintaining a Demotech Financial Stability Rating of "A" or better such that their policies are acceptable to meet Fannie Mae and Freddie Mac loan requirements, premium financing requirements, umbrella insurance policy requirements and other criteria of assistance to consumers.

Based upon Demotech's review and interaction with insurance companies operating in all 50 states, the District of Columbia and Puerto Rico, Demotech is unaware of any state other than Florida where assignment of benefits is utilized as a litigation for profit scheme whereby service providers, contractors and public adjusters can usurp the insured's right to sue insurers and thereby extract payment for what appear to be inflated invoices for services and disproportionate legal fees. The remaining 49 states have no such phenomenon and we are unaware of any issues related to the collection of payment for services rendered from carriers and insureds pursuant to a direction to pay from the insured that exist in Florida that would require a distinction of this type. Similarly, prior to 2011 when the use of assignments in this manner emerged, Florida's service providers were utilizing a direction to pay from the insured to collect from an insurer.

Central to Demotech's assessment of an insurer's financial stability and strength is the insurer's rate adequacy and loss and loss adjustment expense reserve adequacy, and its catastrophic reinsurance adequacy. Based upon a preliminary review of a sample of similar claims reflecting comparable coverage issues, some having utilized an assignment of benefits with the other claims not having utilized an assignment, the full claim cost inclusive of attorney's fees, claims settlement expenses and adjustor fees for claims involving an assignment of benefits were, on average, triple the cost of those without such assignments. Should this cost differential associated with assignment of benefits be accurate and the acceleration of assignments continue, the underlying financial stability of insurance carriers that have focused on stabilizing Florida's property insurance marketplace would be unfavorably impacted and, and the result would be the withdrawal or downgrade of dozens of carriers based upon a fundamental change in the operating environment of these insurers.

Having seen some of the data and testimony previously provided to this committee, I will not expand further as to the impact of escalating insurance premiums for Floridians, the potential adverse impact to the interests of lenders who depend upon maintaining their interests in loss benefits for the protection of their collateral, and the financial strength and solvency of insurers and Citizens Property Insurance Corp.

In summary, Demotech encourages this committee to end the current use of assignments as a means to extract legal fees and what appear to be excessive loss payment demands and restore the equilibrium that exists in the other 49 states, District of Columbia and Puerto Rico. It is Demotech's belief that the unfettered expansion and utilization of AOB, which provides no value to consumers, may create a pricing and availability crisis of unprecedented levels. We thank this committee for hearing and reviewing evidence and testimony. We believe that your swift actions to effectively end abuses will prove to be of monumental importance and benefit to all Floridians. Demotech thanks the committee for its time. The staff of Demotech would be pleased to supplement this information or otherwise assist the committee.

Very truly yours,

President