

Senate tackles insurance bill

by Pensacola-News-Journal

Senators this morning spent three hours hashing through a draft bill, a starting point for next week's special session of the Legislature to take on the state's property insurance crisis.

Senate Banking & Insurance Chairman Bill Posey, R-Rockledge, opened the session warning that the free market is not working and that the state, "needs to share the risk with the private market."

Posey set a high goal for next week's special session.

"We must provide rate relief to homeowners in order to claim success," Posey said.

Public comment was open for 45 minutes and industry and consumer-advocacy groups were given a chance to speak briefly.

In an emotional address, insurance lobbyist Gerald Wester asked legislators not to "screw up" the market for what he said is a 3 million-member silent majority, homeowners not covered by state-run Citizens Property Insurance who Wester said are pleased with the status quo.

"You've got 2.5 million to 3 million people who, like myself, are happy with their insurance," Wester said.

Bill Newton, executive director of the Florida Consumer Action Network, said insurance companies are making the crisis worse by using powerful computer models to cherry pick the safest regions and exclude the rest.

"What we're supposed to do with insurance is spread the risk. The risk is not getting spread as evenly as it was," he said. "They've been able to shed what they consider to be the high-risk policies."

Industry financial reports show falling claims and rising profits, Newton said.

"We think the cries of poverty are somewhat overstated," he said.

Newton also wants the state to force companies to ask for permission before raising rates and end Florida's "file and use" model that allows companies to justify hikes after they are imposed.

The comments also addressed specific elements of the draft legislation.

Jack Glenn, director of technical services for the Florida Home Builders Association, said lawmakers would be making a mistake if they tinker with building codes.

"Efforts are being made to fix some building code problems that do not exist," he said. "The new homes are performing very well. The problem seems to be with the existing housing stock."

Sen. Don Gaetz, R-Niceville, demanded to know whether Glenn supports closing a Northwest Florida exemption to standards for withstanding wind-borne debris along the Panhandle coast.

Glenn said he supported more stringent contour maps that predict where higher winds will strike and tougher codes are required.

Ginny Stevens, an organizer with Homeowners for Affordable Coverage, urged lawmakers to get tougher on insurance companies and stop rates that are forcing people to give up their homes.

"The insurance industry needs more regulation, not deregulation," she said. "Please, ladies and gentlemen, hold them accountable. We live here, we work here, we want to stay here."

Staff presentations on the draft bill's particulars took up the rest of the time. Committee members asked questions and made points.

Sen. Jeff Atwater, a North Palm Beach Republican, wondered why the bill only delayed for a year Citizens Property Insurance rate increases rather than doing away with them entirely.

Posey's response indicated where the process stands:

"It's still on the table to eliminate them," Posey said. "Nothing's cast in stone here."

Jim AshTallahassee Democrat

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