

# Insurance Crisis Solutions

## What We're Saying

Floridians deserve 'AAA property insurance,' meaning, insurance that is **Available, Affordable, and Accountable**. We must foster a healthy, competitive market with robust oversight that keeps costs down and provides high quality coverage. This problem was created by years of poor oversight and is being made worse by climate change. No real answer to this crisis is quick or easy, but we must act before Florida becomes too expensive for Floridians to keep their homes.

## Affordable

**"Keep more money in your pocket."**

- People need to be able to **afford** their insurance, be able to budget for reasonable increases, and be able to plan for the future. They need peace of mind that their insurance bill won't mean Florida becomes too expensive for them to stay and thrive.
- **Lowering** the cost of **reinsurance** is the most direct way to create savings for everyone.
  - Require mortgage companies that receive insurance proceeds to pay the interest earned on the proceeds to the homeowner (borrower).
  - **Cap premium** increases at Consumer Price Index or create sliding fee scale. This will create predictability so Floridians can budget for the future.
  - OIR should require that reforms passed must come with a mandatory rate reduction. Without this, we have **no guarantee** changes will actually save people money.

## Available

**"We need to stabilize the market to give Floridians strong, competitive options that keep costs down."**

- Insurance companies need to be profitable to create a healthy, competitive market. Choices will keep **quality up** and **cost down**.
  - Create easy reporting of **fraud** by companies or individuals, and for robust investigation of allegations and prosecution of discovered fraud.
  - **Stop** insurance companies from using preexisting conditions, date of a loss that predates the date of a claim, and faulty installation or workmanship as a defense for denying a claim.
  - Companies that offer property insurance elsewhere, but **not** in Florida, should be prohibited from only offering other types of insurance coverage in Florida.

## Accountable

**“Power to the People – We need insurance companies and government accountable to the people.”**

- Return to an **elected** insurance commissioner accountable to the people.
- End the '**oversight to industry**' pipeline: Prevent commissioners from the Office of Insurance Regulation (OIR) from lobbying or working for insurance companies in Florida for seven years after their term expires. Clarify that the insurance commissioner is covered by the prohibition period against lobbying, and add a prohibition against working in the Florida insurance market for a period of seven years.
- Establish a **Property Insurance Commission** as a joint legislative office to evaluate the marketplace and study the data collected by OIR and reacts to changes in the market. They should also provide oversight on the setting of insurance companies' reserves.
- **Empower** an informed homeowner: Eliminate legal standing for the contractor/person/entity to sue the insurer without the homeowner's permission
- Mandatory release to the homeowner of the underwriting report (inspection) upon request.
- The climate is changing: Redetermine **flood zones** statewide for use when assigning flood risk.
- Mandate insurance agents advise the property owner of the **flood risk** to promote understanding of flood coverage.
- The Commissioner needs to **stop crying wolf!** Every year is a different Boogeyman: sinkholes, water mitigation/restoration, roofers/contractors, lawyers, contingency fee multiplier, bad faith, AOB, etc.
- The insurance companies need to back up their public allegations of fraud. Fraud **allegations** must be filed to the Florida Department of Financial Services (DFS), Division of Investigative and Forensic Services, promptly investigated, and if no fraud was determined, possibly sanction the insurance companies. This should be a public record.
- Preclude parent insurance companies' claims of insolvency if they are **still writing policies** in other states.
- Strengthen the DFS Mediation Program to **avoid costly** litigation.

## Memorial

Separate from this bill, we are filing a Memorial to Congress encouraging them to create a **National Catastrophe Risk Pool**.