

News

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Fla. House rejects plan to shift Citizens policies

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TALLAHASSEE, Fla. (AP) — The Florida House has rejected a proposal that could shift homeowners away from Citizens Property Insurance and into unregulated out-of-state insurers.

The Florida Senate last week narrowly voted for a property insurance bill that would allow homeowners seeking coverage from Citizens to be shifted to a private surplus line insurance company. Surplus line companies are not subjected to the same regulations as companies based in the state.

But the House on Tuesday stripped out that provision from the bill (SB 1672).

Rep. John Wood, R-Winter Haven, said that the issue was dead for this year's session.

Lawmakers have taken several steps over the last few years to try to steer people away from the state-created Citizens. Citizens was set up initially to be an insurer of last resort but it grew as Florida was hit by hurricanes and private insurers sought to limit their exposure in the Sunshine State.

Last year, legislators approved creating a clearinghouse that requires insurance agents to look at offers from private insurers before allowing someone to purchase a Citizens policy. A customer is ineligible for Citizens if one of the insurers charges premiums that are within 15 percent of Citizens rates.

The Senate bill as originally passed would have added surplus line insurers to those that could be offered through the clearinghouse starting in January.

Sen. David Simmons, R-Altamonte Springs, said last week it would give homeowners another choice for coverage. He said homeowners would be told ahead of time that the surplus line insurers are not regulated the same way as other insurers. He also noted some Floridians already insure their homes with these type of insurers.

But many legislators, especially from those areas with heavy concentrations of Citizens policies, opposed the idea.
