

MEMORANDUM

Agenda Item No. 14(A)(9)

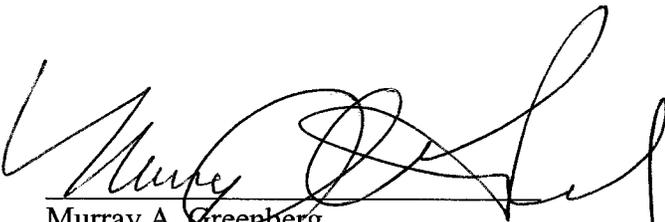
TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: September 26, 2006

FROM: Murray A. Greenberg
County Attorney

SUBJECT: Resolution urging Florida
legislature to amend statutes
that created the Citizens
Property Insurance Corp.

The accompanying resolution was prepared and placed on the agenda at the request of Commissioner Katy Sorenson, Commissioner Audrey M. Edmonson, Commissioner Carlos A. Gimenez, Commissioner Sally A. Heyman and Commissioner Dennis C. Moss.



Murray A. Greenberg
County Attorney

MAG/bw



MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: September 26, 2006

FROM: Murray A. Greenberg
County Attorney

SUBJECT: Agenda Item No. 14(A)(9)

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Bid waiver requiring County Manager's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

Approved _____ Mayor

Agenda Item No. 14(A)(9)

Veto _____

09-26-06

Override _____

RESOLUTION NO. _____

RESOLUTION URGING THE FLORIDA LEGISLATURE TO AMEND STATUTES CREATING THE CITIZENS PROPERTY INSURANCE CORPORATION TO ELIMINATE STATUTORY LIMITATIONS IMPOSED ON CITIZENS SO AS TO ALLOW CITIZENS TO MORE BROADLY AND FAIRLY DISTRIBUTE RISK THROUGHOUT THE STATE AND REDUCE RATES, AND URGING OTHER AFFECTED COMMUNITIES TO JOIN MIAMI-DADE COUNTY REGARDING THIS INITIATIVE

WHEREAS, in 1993, the Florida Legislature created the Florida Hurricane Catastrophe Fund, and also enacted the Florida Windstorm Underwriting Association (“FWUA”) as an association of private insurers to provide hurricane and windstorm insurance to Florida residents who cannot obtain coverage from another insurer; and

WHEREAS, in 2002, the Florida Legislature created the Citizens Property Insurance Corporation (“Citizens”); and

WHEREAS, all of the assets and liabilities of FWUA have been transferred to Citizens; and

WHEREAS, in Miami-Dade County, Citizens is statutorily limited to writing windstorm policies only for properties located east of I-95 in north and central Miami-Dade County and east of U.S. Highway 1 in south Miami-Dade County; and

WHEREAS, the arbitrary windstorm insurance coverage line which runs along U.S. Highway 1 and I-95 is not the product of scientific analysis; and

WHEREAS, the continued existence of this arbitrary line will inordinately burden those property owners east of the line, despite the fact that hurricanes affect all Floridians; and

WHEREAS, as a result of recent hurricanes, all properties east of this arbitrary line face a forty to fifty percent increase in their insurance premiums; and

WHEREAS, the elimination of this arbitrary and unscientific line, which has outlived its usefulness, would benefit all of Florida, by creating a larger pool of insured persons, and promoting greater stability, security and protection for all of Florida; and

WHEREAS, Citizens is also statutorily required to charge rates higher than any other insurance company in the market and only insure properties that no other insurer will insure; and

WHEREAS, requiring Citizens to charge the highest rates in the state and allowing Citizens only to insure properties that no other insurer will insure prevents Citizens from spreading the risk of loss among a wide range of properties thus limiting Citizens to only those properties that have the highest risk; and

WHEREAS, these arbitrarily limitations cause Citizens to insure only the most high-risk properties and prevent Citizens from spreading its risk among inland and other lower-risk properties as private insurance companies do; and

WHEREAS, if the state is going to participate in the property insurance market through Citizens, it should not be limited to only the most high-risk properties in an effort to curb increases in premiums; and

WHEREAS, it is the people of Florida who are currently subsidizing the profitable insurance industry by issuing insurance policies on only the highest risk claims through Citizens; and

WHEREAS, there were 27 tropical events during the 2005 hurricane season, including Hurricanes Katrina, Rita and Wilma; and

WHEREAS, weather experts predict that the hurricane cycle over the next 20 years will consist of stronger and more frequent hurricanes and tropical storms; and

WHEREAS, based upon the foregoing, the insurance industry will likely be increasing windstorm premiums for all Floridians and many insurance companies may leave the market;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:

Section 1. The Legislature is urged to amend statutes creating the Citizens Property Insurance Corporation during the 2007 regular session or any special session in 2006 or 2007 to eliminate statutory limitations on Citizens, such as the restriction that Citizens only write policies east of an arbitrary line running down I-95 in north and central Miami-Dade County and U.S. 1 in south Miami-Dade County; the requirement that Citizens charge higher premiums than any property insurer; and the requirement that Citizens only insure properties that no private insurance company will insure, so as to allow Citizens to more broadly and fairly distribute risk and in turn reduce insurance premiums.

Section 2. The County urges Broward County, Palm Beach County and all other affected communities within Florida to support Miami-Dade County's efforts to lobby the Florida Legislature to remove the arbitrary line relied upon by Citizens Property Insurance Corporation.

Section 3. The Clerk of the Board shall transmit a certified copy of this resolution to the Governor, Senate President, House Speaker, and the Chair and Members of the Miami-Dade County State Legislative Delegation. The County's state lobbyists shall advocate for the passage of the legislation set forth in Section 1 above, and the Office of Intergovernmental Affairs is directed to include this item in the 2006-2007 State Legislative Package. A copy of this resolution shall also be provided to the appropriate County officials from Broward County, Palm Beach County and all other affected communities.

The foregoing resolution was sponsored by Commissioner Katy Sorenson, Commissioner Audrey M. Edmonson, Commissioner Carlos A. Gimenez, Commissioner Sally A. Heyman and Commissioner Dennis C. Moss and offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Joe A. Martinez, Chairman	
Dennis C. Moss, Vice-Chairman	
Bruno A. Barreiro	Jose "Pepe" Diaz
Audrey M. Edmonson	Carlos A. Gimenez
Sally A. Heyman	Barbara J. Jordan
Dorin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairman thereupon declared the resolution duly passed and adopted this 26th day of September, 2006. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



Jess M. McCarty