

MEMORANDUM

Agenda Item No. 11(A)(13)

TO: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

DATE: September 1, 2009

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Resolution urging the Florida
Office of Insurance
Regulation to continue to
reject any request from
property insurance companies
to eliminate or reduce
discounts for hurricane
shutters; urging Governor
Charlie Crist, Florida's
Cabinet & the Florida
Legislature to continue to
keep meaningful discounts in
place for hurricane mitigation
efforts

The accompanying resolution was prepared and placed on the agenda at the request of
Prime Sponsor Vice-Chairman Jose "Pepe" Diaz.



R. A. Cuevas, Jr.
County Attorney

RAC/jls



MEMORANDUM
(Revised)

TO: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

DATE: September 1, 2009

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 11(A) (13)

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 Mayor'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
Veto _____
Override _____

Agenda Item No. 11(A)(13)
9-1-09

RESOLUTION NO. _____

RESOLUTION URGING THE FLORIDA OFFICE OF INSURANCE REGULATION TO CONTINUE TO REJECT ANY REQUEST FROM PROPERTY INSURANCE COMPANIES TO ELIMINATE DISCOUNTS FOR HURRICANE SHUTTERS AND OTHER HURRICANE MITIGATION EFFORTS BY HOMEOWNERS; URGING GOVERNOR CHARLIE CRIST, FLORIDA'S CABINET AND THE FLORIDA LEGISLATURE TO CONTINUE TO KEEP MEANINGFUL DISCOUNTS IN PLACE FOR HURRICANE MITIGATION EFFORTS

WHEREAS, on July 24, 2009, State Farm Florida Insurance Company filed a request with Florida's Office of Insurance Regulation to eliminate and reduce various discounts in its rating plan for homeowners insurance; and

WHEREAS, in its filing, State Farm proposed to eliminate or reduce discounts for hurricane shutters and other efforts by homeowners to mitigate hurricane damage, as well as for other consumer discounts for longtime policyholders, claims-free policyholders and policyholders with multiple policies with State Farm; and

WHEREAS, by letter dated August 6, 2009, the Office of Insurance Regulation approved the elimination of consumer discounts, but refused to approve changes eliminating discounts for hurricane mitigation efforts; and

WHEREAS, the Office of Insurance Regulation indicated that removing discounts for longtime policyholders, claims-free policyholders and policyholders with multiple policies with State Farm would result in a 5 to 20 percent overall premium increase, resulting in significantly higher insurance premiums for many homeowners with State Farm policies; and

WHEREAS, it is estimated that hurricane mitigation discounts result in an average of another 13 percent reduction in homeowner insurance policyholder's premiums; and

WHEREAS, Florida law currently requires property insurers to offer discounts for hurricane mitigation, but the law gives insurance companies leeway to reduce their mitigation discounts after doing their own mitigation studies; and

WHEREAS, it is anticipated that other insurance companies may follow State Farm's lead in attempting to reduce or eliminate discounts for hurricane shutters and other hurricane mitigation efforts, both before the Office of Insurance Regulation and the Florida Legislature; and

WHEREAS, hurricane mitigation discounts provide a meaningful incentive to homeowners to install hurricane shutters and make other efforts to protect homes from hurricanes; and

WHEREAS, Governor Charlie Crist, Florida's Cabinet, the Florida Legislature and the Office of Insurance Regulation should keep in place meaningful financial incentives through property insurance discounts to encourage homeowners to install hurricane shutters and take other steps related to hurricane mitigation and protecting their homes,

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

Section 1. Urges the Florida Office of Insurance Regulation to continue to reject any request from property insurance companies to eliminate or reduce discounts for hurricane shutters and other hurricane mitigation.

Section 2. Urges Governor Charlie Crist, Florida's Cabinet and the Florida Legislature to continue to keep in place meaningful discounts and financial incentives to encourage homeowners to install hurricane shutters and make other efforts related to hurricane mitigation and protecting their homes.

Section 3. Directs the Clerk of the Board to transmit certified copies of the resolution to the Governor and other Cabinet members, Senate President, House Speaker, Chair and Members of the Miami-Dade State Legislative Delegation, and Insurance Commissioner.

Section 4. Directs the County's state lobbyists to advocate for the issue identified in Sections 1 and 2 above, and authorizes and directs that the 2010 state legislative package be amended to include this item.

The Prime Sponsor of the foregoing resolution is Vice-Chairman Jose "Pepe" Diaz. It was 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:

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

The Chairperson thereupon declared the resolution duly passed and adopted this 1st day of September, 2009. 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.

JMM

Jess M. McCarty

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