

MEMORANDUM

Agenda Item No. 11(A)(25)

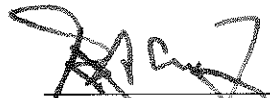
TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: February 5, 2013

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

SUBJECT: Resolution opposing legislation
by the Florida Legislature during
the 2013 session that would raise
the cap on current annual
property insurance rate increases
by Citizens Property Insurance
Corporation

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Chairwoman Rebeca Sosa.



R. A. Cuevas, Jr.
County Attorney

RAC/smm



MEMORANDUM
(Revised)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

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Please note any items checked.

- "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
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(25)
2-5-13

RESOLUTION NO. _____

RESOLUTION OPPOSING LEGISLATION BY THE FLORIDA
LEGISLATURE DURING THE 2013 SESSION THAT WOULD
RAISE THE CAP ON CURRENT ANNUAL PROPERTY
INSURANCE RATE INCREASES BY CITIZENS PROPERTY
INSURANCE CORPORATION

WHEREAS, Citizens Property Insurance Corporation (Citizens) is a state-created, not-for-profit governmental entity, the public purpose of which is to provide property insurance coverage to those unable to find affordable coverage in the private market; and

WHEREAS, during a special session in January, 2007, the Florida Legislature enacted Chapter No. 2007-1, Laws of Florida (HB 1A), which froze Citizens' rates at 2006 levels; and

WHEREAS, Citizens rates remained frozen until 2009, when the Florida Legislature enacted Chapter No. 2009-87, Laws of Florida (HB 1495), an omnibus property insurance bill, which among other provisions, implemented an incremental Citizens property insurance rate increase capped at 10 percent per year until Citizens rates were actuarially sound; and

WHEREAS, even at rate increases of up to 10 percent per year, Citizens asserts that its rates are not actuarially sound; and

WHEREAS, the chairman of the House Insurance and Banking Subcommittee, Representative Bryan Nelson (R – Apopka), has indicated that he would support legislation increasing the current 10 percent annual cap on Citizens rate increases to 13 percent; and

WHEREAS, such additional rate increases would disproportionately affect homeowners in Miami-Dade County and the rest of South Florida where Citizens insures a large share of properties; and

WHEREAS, the State of Florida has enjoyed several years without any major storms which has allowed Citizens to build up significant amounts in reserves; and

WHEREAS, under existing law, Citizens can increase property insurance rates as much as 10 percent each year; and

WHEREAS, this Board has significant concerns with any legislation that would allow Citizens to further increase property insurance rates for homeowners during these challenging economic times; and

WHEREAS, this Board opposes legislation that would allow Citizens rates to increase by at an even higher rate each year than the current 10 percent, such as the 13 percent annual rate increase cap currently being considered in the House,

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

Section 1. Strongly opposes any legislation by the Florida Legislature during the 2013 session that would raise the cap on current annual property insurance rate increases by Citizens Property Insurance Corporation.

Section 2. Directs the Clerk of the Board to transmit certified copies of this resolution to the Governor, Senate President, House Speaker, the Chair and Members of the Miami-Dade State Legislative Delegation, Chairman of the Senate Banking and Insurance Committee Senator David Simmons, Chairman of the House Insurance and Banking Subcommittee Representative Bryan Nelson, Florida's Insurance Commissioner, and the President of the Citizens Property Insurance Corporation.

Section 3. Directs the County's state lobbyist to advocate against any legislation that would raise the cap on current annual property insurance rate increases by Citizens Property

Insurance Corporation as set forth in Section 1 above, and authorizes and directs the Office of Intergovernmental Affairs to amend the 2013 State Legislative Package to include this item.

The Prime Sponsor of the foregoing resolution is Chairwoman Rebeca Sosa. 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:

Rebeca Sosa, Chairwoman
Lynda Bell, Vice Chair

Bruno A. Barreiro
Jose "Pepe" Diaz
Sally A. Heyman
Jean Monestime
Sen. Javier D. Souto
Juan C. Zapata

Esteban L. Bovo, Jr.
Audrey M. Edmonson
Barbara J. Jordan
Dennis C. Moss
Xavier L. Suarez

The Chairperson thereupon declared the resolution duly passed and adopted this 5th day of February, 2013. 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