



## FAIFA Session Dispatch (4/6/07)

### 2007 LEGISLATIVE SESSION

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#### LEGISLATIVE ACTION – WEEK #5

The legislature did not meet during Week 5 due to the Easter and Passover holidays. Following are issues that FAIFA is reviewing on behalf of members:

#### **SENATE BILL 1742 – SURPLUS LINES AGENTS/CITIZENS PROPERTY INSURANCE CORPORATION**

Senate Bill 1742 is scheduled for hearing by the Senate Banking and Insurance Committee on April 9, 2007. This bill creates a new provision of law that requires a surplus lines agent that sells surplus lines homeowners insurance to provide a premium rate quote from Citizens Property Insurance Corporation (CPIC) to all customers who are eligible for coverage through Citizens before selling a surplus lines policy. The bill is effective upon becoming a law. No House companion bill has been filed.

#### **SENATE BILL 846 – MOTOR VEHICLE OPERATOR FINANCIAL RESPONSIBILITY**

Senate Bill 846 was passed by the Senate Transportation Committee as a committee substitute. It creates s. 324.023, F.S., to increase the minimum limits of PIP and property damage insurance and require purchase of bodily injury insurance for anyone who has been convicted of driving under the influence (DUI), in the amount of \$100,000/\$300,000/\$50,000, respectively, and provides the option of posting a bond or furnishing a certificate of deposit in an amount no less than \$350,000. This provision would apply to convictions under s. 316.193, F.S., after October 1, 2007. The House Economic Expansion and Infrastructure Council passed a similar bill that is awaiting floor debate.

#### **CS/CS FOR SENATE BILL 930 – CHILDREN'S HEALTH CARE/MEDICAL ASSISTANCE**

The Senate Governmental Operations Committee passed Committee Substitute for SB 930 as a committee substitute. The bill re-structures the Florida Kidcare program, creating a coordinating council, the 12-member Florida Council on Children's Health, in the Executive Office of the Governor, and eliminates the coordinating council chaired by the Department of Health. The bill creates the Division of Children's Health Insurance and the Office of Child Health Coordination in the Department of Health (DOH), and renames the Children's Medical Services program to the Children's Health program and requires it to consolidate and coordinate Florida Kidcare child health policy, develop pediatric benefit packages, develop budget and federal and state legislative issues, and develop pediatric quality assurance and access standards.

The bill also, among other requirements, eliminates contradictory eligibility criteria; extends eligibility for reasons of good cause for voluntary cancellation of employer-sponsored health coverage; extends premium assistance eligibility to children who are dependents of state employees and non-qualified legal aliens; repeals the 10 percent limit on full-pay enrollees in MediKids and Florida Healthy Kids; prohibits requiring children with special health care needs from paying premiums and copayments in certain situations; transfers and consolidates most administrative functions in the entire Florida Kidcare program under the DOH effective July 1, 2008; extends Medicaid coverage to certain pregnant women; extends Medicaid coverage to children between 6 and 19 years of age who have incomes between 100 and 133 percent of the federal poverty level; and repeals the Florida Healthy Kids Corporation effective June 30, 2009.

The comparable House bill, HB 1173, has not been scheduled for a hearing.

#### **SENATE BILL 1740 – FLORIDA KIDCARE PROGRAM**

The Senate Health Policy Committee passed SB 1740 as a committee substitute. The bill is designed to expand eligibility so that more children may receive services through the MediKids and Florida Healthy Kids programs. It requires the Agency for Health Care Administration (AHCA) to seek federal authorization, if necessary, to establish the highest “maximum income threshold” of up to 225 percent of the most recently stated federal poverty limit for eligibility in Florida Kidcare programs like MediKids and Florida Healthy Kids. The bill adds a definition of “maximum income threshold” to the Florida Kidcare Act and replaces the phrase “200 percent of the current federal poverty level” with “maximum income threshold” throughout the Florida Kidcare Act and the Florida Healthy Kids Corporation statutes. It is now in the Senate Banking and Insurance Committee, but has not been scheduled for a hearing. The comparable House bill, HB 1173, has not been scheduled for a hearing.

#### **SENATE BILL 1100 – FOLLOW UP ON BILL THAT INCREASES FEES FOR INVESTMENT ADVISERS, DEALERS, AND ASSOCIATED PERSONS**

Senate Bill 1100, by the Committee on General Government Appropriations and Senator Alexander, is supported by the Department of Financial Services (DFS) and would increase fees for securities dealers. To re-cap, under the bill, the fee for dealers and investment advisers would increase from \$200 to \$250. The fee for associated persons is \$40 under current law, but was set to be reduced to \$30. The bill would effectively increase the fee for associated persons from \$30 to \$70. Senate Bill 1100 is now on the Senate Special Order Calendar for April 11. The fee-increase issue, as proposed in the bill, will be discussed in the budget conference process because the fees generated by the licenses are paid into the state’s general revenue fund. DFS has suggested a compromise increase on the associated person’s fee of \$50—instead of \$70.

The national trade association for securities dealers has proposed to DFS that it would be comfortable with a fee of \$50 or less, but the state trade association has not yet signed off. Agencies with a few associated person licenses may not be impacted much by the fee increase. FAIFA is concerned about the impact of these fee increases on our members; large broker/dealers, such as Merrill Lynch and Citigroup, estimate that it could cost them approximately \$300,000 in increased fees.

#### **SENATE BILL 2498 – CITIZENS PROPERTY INSURANCE CORPORATION**

Senate Bill 2498 has been scheduled for hearing by the Senate Banking and Insurance Committee on April 9, 2007. It authorizes the Citizens Property Insurance Corporation (CPIC) to offer multiperil coverage, wind-only coverage, or both types of coverage in the high-risk account. Additionally, the bill authorizes a policyholder to choose coverage from CPIC regardless of the availability of other coverage under certain circumstances, and deletes certain limitations on eligibility for a policy issued by the corporation. The bill revises requirements for the CPIC in determining whether an individual risk is eligible for coverage, and deletes provisions providing that a policyholder is no longer eligible for coverage if an authorized insurer offers coverage at an approved rate. The identical House companion bill, HB 1267, has not received a committee hearing, nor has comparable bill, HB 1307.

#### **MANDATES UPDATE**

- Senate Bill 110 – Health Insurance/Prostate Cancer Coverage is scheduled for hearing by the Senate Health Policy Committee on April 10, 2007.
- Senate Bill 366 – Infant Eye Care has been re-scheduled for its first hearing by the Senate Banking and Insurance Committee on April 9, 2007; it was scheduled for hearing on March 27, but was not heard. The House companion bill, House Bill 833, is in the House Healthcare Council.
- Committee Substitute for House Bill 543 – Immunization Services was passed by the House Healthcare Council on April 4, 2007. It includes immunization services in a schedule of minimum benefits for HMOs participating in the state group insurance program. A comparable Senate bill,

SB 2022, is on the April 10, 2007, agenda for the Senate Judiciary Committee.

- Committee Substitute for House Bill 1001 – HMO Contract/Subscriber’s Rights was passed by the House Healthcare Council on April 4, 2007. The Senate companion bill, SB 590, was passed by the Senate on March 29, 2007.

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