



## FAIFA Session Dispatch (3/9/07)

### 2007 LEGISLATIVE SESSION – COUNTING DOWN TO THE 60th DAY

by Timothy J. Meenan, FAIFA Lobbyist

The Florida Legislature convened on Tuesday for what will be another important eight-week legislative session, scheduled to end May 4. The major insurance issues dominating this year's session include, once again, property insurance—some residual issues from the Special Session and some that emerged from the East coast tornadoes in February, the personal injury protection (PIP) insurance sunset, and a sizeable number of bills mandating coverage of various illnesses and disorders as well as bills providing incentives to employers to offer health insurance coverage to their employees or offer a fitness program to their employees. Property tax issues and a potential unprecedented restructuring of our state's tax base to reduce property taxes, will dominate the legislative agenda.

This being Week 1 of the Session, in this report I will summarize this week's committee activity and give you some idea of the issues we are working on, or expect to be working on, which will affect FAIFA member interests at some point during the Session.

#### LEGISLATIVE ACTION – WEEK #1

##### House Bill 1381 & Senate Bill 2702 - AGENT IN CHARGE OF BRANCHES

House Bill 1381 and Senate Bill 2702 were introduced this week. They authorize a licensed agent in charge of certain financial institutions, securities dealers, or funeral establishments to be in charge of branch office locations if insurance activities requiring licensure as an insurance agent do not occur at any location when the agent is not physically present and unlicensed employees at the location do not engage in any insurance activities requiring licensure as an insurance agent. This legislation reinstates the "circuit rider" rule previously in place allowing a bank with multiple branches to use one agent to visit the branch locations on different days of the week, and to avoid maintaining a full time agent in charge at every branch location. Banks selling insurance have been a divisive issue for FAIFA over the years, but the ship has long since set sail. However, I do want to consider amending this bill to allow FAIFA member agencies to also maintain branch offices without a full-time agent in charge as long as no insurance activities occur at such branch agencies when the licensed agent is not onsite.

##### House Bill 97 - MEDICARE SUPPLEMENT POLICIES

The House Healthy Seniors Committee passed HB 97 (SB 266) which excludes from the definition of "Medicare supplement policy" Medicare supplement insurance (Medigap policies) offered by employers or employer groups to employees or former employees; the Committee adopted one amendment to delete duplicative language from the bill.

As passed, Medigap policies issued in Florida will continue to be regulated under Florida's Insurance Code, but Medigap policies issued outside of Florida that cover Florida residents will be exempt from regulation by the State of Florida. They will be regulated by applicable federal law and the state law where issued. This change aligns Florida law with the definition of "Medicare supplement policy" found in federal law. If HB 97 becomes law, Medigap policies issued outside of Florida that cover Florida residents will no longer be regulated under Florida's Insurance Code effective July 1, 2007. FAIFA is wary of this legislation and is working to assure its passage does not disrupt the Medicare supplement market in Florida.

##### Senate Bill 274 - CYSTIC FIBROSIS TREATMENT

The Senate Banking and Insurance Committee passed SB 274 (HB 1105) with one amendment. It is now headed to the Senate Health Policy Committee. The bill mandates that group health insurance policies issued or delivered in Florida and group health maintenance organization (HMO) contracts cover medically-necessary services for the treatment of cystic fibrosis. Under the bill's provisions, all medically-necessary chest physiotherapy provided by a state-licensed respiratory therapist, home health care, equipment, supplies, and enteral formulas used to treat cystic fibrosis must be covered by the policy or contract, if the patient's treating physician or a physician authorized by the insurer or HMO who specializes in the treatment of cystic fibrosis certifies that such services are medically necessary. The insurer may require that the policyholder or subscriber be responsible for any applicable deductible or co-pay. The bill does not apply to individual health insurance policies; individual HMO contracts; or the

standard policy, basic policy, or limited benefit policy sold to a small employer. If it becomes law, all large employer group insurance policies or large employer group HMO contracts issued or renewed on or after October 1, 2007, the bill's effective date, must cover that specified services for the treatment of cystic fibrosis when certified as provided. FAIFA opposes this and all new health mandates.

#### Senate Bill 16 - CONGENITAL CRANIOFACIAL ANOMALIES

Having already passed out of the Senate Banking and Insurance Committee, the Senate Health Policy Committee passed SB 16 with one amendment that changed the study funding source from the Insurance Regulatory Trust Fund to the General Revenue Fund.

The bill requires the Agency for Health Care Administration (AHCA or Agency), in consultation with the Office of Insurance Regulation (OIR), to conduct a study evaluating the medical necessity, efficacy, and costs associated with mandating health insurance and HMO coverage for cranial skull molding orthotics and other therapies used in the treatment of certain craniofacial anomalies. The Agency is authorized to contract with an actuary and other experts to assist in conducting the study. The Agency and the OIR are required to submit a report that includes findings and legislative recommendations to the Legislature by January 1, 2008. FAIFA opposes this legislation.

#### House Bill 411: TRAVEL PROTECTION INSURANCE

House Bill 411 (SB 1678), authorizing a limited license for travel agencies and certain timeshare rental companies and their employees to sell or offer travel protection insurance, creates a new limited license to transact travel protection insurance business and combines it with the limited license for personal accident insurance, which would enable a license holder to transact both types of coverage. Travel protection insurance would cover losses such as accidental death and dismemberment; travel cancellations, interruptions, or delays; and emergency health-related expenses incurred while traveling. The travel protection insurance policy or certificate could not be issued for a term longer than 60 days (limited to 30 days for car rentals and renewable for an additional 30 days), but each policy or certificate would be limited to coverage for travel or use of accommodations of no longer than 60 days. The bill exempts timeshare entities and sellers of travel (and their subsidiaries or affiliates) from fingerprint requirements and requires employee initial training from a qualified general lines agent or an authorized insurer. The bill was passed by the House Insurance Committee on February 22, 2007, during a pre-Session committee meeting. It is now in the Jobs & Entrepreneurship Council awaiting hearing. The Senate companion, SB 1678, has not been scheduled for a committee hearing. FAIFA is neutral on this legislation, as the limited coverages offered within travel policies do not compete with, or replace, annual health insurance coverage.

#### Proposed Committee Substitute for Senate Bill 930 - FLORIDA KIDCARE PROGRAM

On Wednesday, the Senate Health Policy Committee took up, amended, and then postponed action on PCS/SB 930. The bill creates the Florida Commission on Children's Health in the Executive Office of the Governor. The commission would consist of nine members responsible for identifying and developing specific strategies for addressing issues related to children's lack of access to high-quality and affordable health care services and health care coverage. The bill also makes various changes to how the KidCare Program operates and makes clarifying changes to the laws governing the Program. The bill creates the Florida KidCare Program Consolidation Initiative to consolidate the Florida KidCare Program's administration under the Agency for Health Care Administration (AHCA or Agency). The Agency will be responsible for marketing, contracting, quality assurance and financing of the Florida KidCare Program and the Department of Children and Family Services (DCF) will be responsible for eligibility determination. The initiative would move all components under AHCA, including the Children's Medical Services Network (CMSN) and the roles and responsibilities of the Florida Healthy Kids Corporation. All eligible children in the KidCare Program would be enrolled in either the Florida KidCare Health Plan or the Florida KidCare Plus Health Plan based on clinical eligibility. The administrative consolidation would be effective July 1, 2008, and all children would be transitioned into the consolidated program between July 1, 2008 and June 30, 2009.

#### LEGISLATION FILED FOR 2007 SESSION THAT AFFECTS OR MAY BE OF-INTEREST TO AGENTS

Following are some bills filed for consideration this Session that may or may not receive a committee hearing, but that I think are important for agents to know about and understand how they may affect our interests. (I will be including such highlights in the future Session Dispatches as more and more information about filed bills is made available by the Legislature.) Many of these bills have been filed several times before, so if they do not pass this year there is a good chance they will be filed again and may eventually receive committed consideration from the legislators.

SB 238 – mandatory offering of continued dependent coverage through age 25 years

SJR 262 – creates position of elected Insurance Commissioner who will be a member of the Cabinet

SB 368 & HB 171 – mandated coverage of infant eye exams

HB 411 – limited licenses to transact travel protection insurance

SB 516 – mandated coverage of autism

HB 519 – insurance policies for small employers offering coverage to their employees that contain no mandated coverages

HB 831 – Recreates Department of Insurance; provides for Insurance Commissioner as head

SB 910 – universal, single-payer state health care system for children

SB 1834 – requiring group health insurers and HMOs, nonprofit hospitals, and medical service plan corporations to offer optional coverage of mental and nervous disorders

SB 2498 – authorizes Citizens Property Insurance Corporation to offer multi-peril coverage, wind-only coverage, or both types of coverage in a high-risk account

SB 2626 – replacing PIP insurance with medical payments coverage

Many other bills and issues will present themselves this Session, and I will keep you apprised of all developments.

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