



Session Dispatch

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GOVERNOR AND LEGISLATORS IGNORE PIP & KIDCARE DURING SPECIAL SESSION 2007-B

Legislators adjourned Special Session 2007-B yesterday after passing compromise property tax legislation. The Governor and legislative leaders refused to address the auto personal injury protection (PIP) insurance and children's health insurance (Kidcare) issues that were vigorously debated during this year's Regular Session.

Pointing to the complexity of the property tax reform issues, Senate President Ken Pruitt said he did not want to allow for any distractions as legislators worked to develop the details for such reform.

Controversy "build up" regarding property tax reform would have diminished any reasonable anticipation of legislators passing tax reform legislation early enough in the Special Session to give PIP or Kidcare legislation a chance for consideration during this Session.

Governor Crist is considering calling a special session later this summer or early fall on PIP—which will automatically repeal effective October 1, 2007, unless the Legislature re-enacts it.

Kidcare legislation did not pass during the Regular Session because of disagreements over which agencies should administer some aspects of the re-tooled program. Regarding Kidcare, legislators committed to the bill's (Senate Bill 930) proponents that they would give the legislation further consideration if and when proponents reach agreement on the disputed issues. Supporters are now claiming to have such an agreement worked out but are having no success in pressuring lawmakers for consideration sooner rather than later this year.

STATUS UPDATE ON LEGISLATION OF INTEREST TO FAIFA THAT PASSED DURING THE 2007 REGULAR SESSION

In conjunction with my Special Session update, following is an update on legislation of interest to FAIFA members passed during the Regular Session that ended May 4, 2007. At the end of each summary is a notation on the bill's effective date and the deadline for the Governor's action on the bill. The effective date is usually July 1 or October 1, and is relevant only if the bill is not vetoed. The date by which the Governor must act is important because if the Governor does not sign (approve) or veto a bill by the date specified at the end of the bill summary, the bill automatically becomes law on the deadline date—however, it become effective (operational) on its effective date (typically July 1 or October 1).

CS for House Bill 97 – MEDICARE SUPPLEMENT POLICY – revises definition of term "Medicare supplement policy" to exclude health insurance policy or other health benefit plan offered by one or more employers to employees or former employees; EFFECTIVE DATE: 07/01/2007; Governor must act by 06/26/07.

CS for House Bill 111 – TITLE INSURANCE AGENT LICENSURE – provides additional requirements for nonresident title insurance agent licensure; revises unlawful rebate specifications; revises definitions; provides exception to prohibition against dealing in certain premium; revises rate and rate-deviation requirements; revises determination of insurability and records retention requirements; EFFECTIVE DATE: 10/01/2007; Governor approved on 05/22/07.

CS/CS for House Bill 359 – MOTOR VEHICLE FINANCIAL RESPONSIBILITY/DUI – requires proof of increased financial responsibility for bodily injury or death caused by owners or operators found guilty of, or who entered plea of guilty or no contest to DUI offense or who had license or driving privilege revoked or suspended under specified provision; EFFECTIVE DATE: Upon becoming law; Governor must act by 06/20/07.

CS for House Bill 411 – LIMITED INSURANCE LICENSES – specifies fees for limited appointments as motor vehicle rental insurance agents; revises provisions relating to limited licenses to transact personal accident insurance to apply to travel insurance; revises provisions relating to limited licenses to transact baggage and motor vehicle excess liability insurance to apply to motor vehicle rental insurance; EFFECTIVE DATE: 01/01/2008; Governor approved on 05/24/07.

CS for House Bill 517 – FINANCIAL RESPONSIBILITY FOR MOTOR VEHICLES/ARMED FORCES – provides a that member of United States Armed Forces called to or on active duty outside state or United States is exempt from providing required proof of financial responsibility as owner, registrant, or operator of motor vehicle under specified conditions; EFFECTIVE DATE: 07/01/2007; Governor approved on 05/22/07.

Senate Bill 562 – OWNERSHIP OR TRANSFER OF SECURITIES – revises notice and filing requirements and provides additional grounds for exemption from provisions relating to acquisition of controlling stock; revises provisions authorizing domestic insurers' ownership or transfer of certain securities without physical delivery of certificates; modifies reference date of Insurance Holding Co. System Regulatory Act & Insurance Holding Company System Model Regulation of Nat'l. Association of Insurance Commissioners; EFFECTIVE DATE: Upon becoming law; Governor must act by 06/19/07.

CS for Senate Bill 590 – HMO CONTRACT/NEW SUBSCRIBER'S RIGHTS – requires HMO to provide in writing disclosure of rights to new subscribers who reside at continuing care facility or retirement facility; provides that if subscriber's request to be referred to skilled nursing unit or assisted living facility that is part of subscriber's place of residence is not honored, subscriber may use specified grievance process; EFFECTIVE DATE: 07/01/2007; Governor must act by 06/26/07.

Senate Bill 666 – FISCAL INTERMEDIARY SERVICES ORGANIZATIONS/HEALTH CARE – redefines term "fiscal intermediary services organization" for purposes of provisions governing organizations that manage business affairs of health care professionals; provides exception from requirement to obtain bond; revises compliance requirements for registration as fiscal intermediary services organization; EFFECTIVE DATE: 10/01/2007; Governor must act by 06/19/07

CS for Senate Bill 746 – WORKERS COMPENSATION/FIRST RESPONDERS – provides standard of proof for first responders having injury or disease caused by exposure to toxic substance; provides that any adverse result or complication relating to smallpox vaccinations is an injury by accident arising out of employment; provides standard of proof in cases involving occupational disease; provides for continuation of permanent total supplemental benefits after age of 62 for certain first responders; creates a new law, s. 112.1815, Florida Statutes. EFFECTIVE DATE: Upon becoming law; Governor approved on 06/08/07.

CS for Senate Bill 988 – HIGH-RISK OFFENDERS – requires distinctive markings for driver's licenses and ID cards issued to persons who are designated as sexual predators or subject to registration as sexual offenders; requires said predators and offenders to obtain updated or renewed driver's license or ID card; revises background screening requirements for certain noninstructional school district employees & contractors; EFFECTIVE DATE: 07/01/2007 except as otherwise provided; Governor must act by 06/26/07.

CS for Senate Bill 1100 – SECURITIES TRANSACTIONS REGULATION – increases registration and filing fees for associated persons; deletes provisions providing for assessment fee to be allocated to Securities Guaranty Fund; repeals provisions relating to allocation and disbursement of assessment fees and Investment Fraud Restoration Financing Corporation; revises formula for transferring revenues received as assessment fees into said fund; EFFECTIVE DATE: 07/01/2007; Governor approved on 05/24/07.

CS/CS for House Bill – INSURANCE/AGENCY LICENSURE & REGULATION; BRANCH OFFICE AGENT-IN-CHARGE – authorizes certain agencies designated as branch office to file application for registration in lieu of licensure; provides exemption from required written examination to certain applicants for licensure as claims adjuster; authorizes certain licensed agents to be agent-in-charge of branch locations under certain circumstances; revises requirements for identification of insurers, agents, and insurance contracts; EFFECTIVE DATE: 07/01/2007 except as otherwise provided; Governor must act by 06/26/07.

House Bill 1549 – EXAMINATION OF INSURERS – extends interval at which insurers must be examined by Office of Insurance Regulation; deletes provisions allowing office to accept audit report from certified public accountant in lieu of conducting its own examination; revises guidelines for conducting such examinations; EFFECTIVE DATE: 07/01/2007; Governor must act by 06/26/07.

CS/CS for Senate Bill 1624 – INSURANCE/PUBLIC CONSTRUCTION PROJECTS – requires purchase of owner-controlled insurance in connection with public construction project if program maintains completed operations insurance coverage for no less than 10 years; exempts contractors and subcontractors working under construction project insured by said insurance program from individually

satisfying eligibility requirements for large deductible workers' compensation rating plans; EFFECTIVE DATE: 10/01/2007; Governor must act by 06/26/07.

Senate Bill 1748 – INSURANCE CONTRACTS/WORKERS COMPENSATION – prohibits rejection of workers' compensation insurance policies issued by certain self-insurance funds under certain circumstances; creates a new law, s. 627.442, Florida Statutes. EFFECTIVE DATE: 07/01/2007; Governor must act by 06/28/07.

CS/CS/CS for Senate Bill 1894 – JOINT UNDERWRITING PLAN/WORKERS COMPENSATION – provides requirements for joint underwriting plan of insurers which operates as Florida Workers' Compensation Joint Underwriting Association, Inc.; revises restrictions on who may serve on board; requires that market-assistance plan be periodically reviewed and updated; requires that excess funds received by plan be returned to state; provides for applicability of specified statutes regulating ethical standards; EFFECTIVE DATE: 07/01/2007; Governor must act by 06/19/07.

CS for Senate Bill 2198 – INSURER FINANCIAL STATEMENTS – revises certain requirements for annual statements; revises certain requirements for annual audited financial statement; EFFECTIVE DATE: 07/01/2007; Governor must act by 06/19/07.

CS for Senate Bill 2498 – HURRICANE PREPAREDNESS AND INSURANCE – revises certain reimbursement contract requirements; deletes expiration provision relating to obtaining coverage for liquidated insurers; revises provisions for determining eligibility for coverage under Citizens Property Insurance Corp.; creates Florida Catastrophic Storm Risk Management Center at Florida State University; provides purposes and responsibilities of Center; creates Citizens Property Insurance Corporation Mission Review Task Force; requires report; EFFECTIVE DATE: 06/11/2007 except as otherwise provided; Governor approved 06/12/07; vetoed related appropriation.

House Bill 7031 – COMMUNITY ASSOCIATIONS – provides that any applicant or Florida Hurricane Catastrophe Fund participant may select agent of choice without restriction by Fund; specifies that requirements relating to acquisition and maintenance of adequate insurance apply to all residential condominiums; requires additional disclosures in contracts for sale or lease of residential units; provides for notice of special assessments levied in conjunction with certain insurance; EFFECTIVE DATE: Upon becoming law; Governor approved on 05/24/07.

CS for House Bill 7057 – HURRICANE DAMAGE MITIGATION – redesignates Florida Comprehensive Hurricane Damage Mitigation Program as My Safe Florida Home Program; revises criteria and requirements for hurricane mitigation inspections; requires that residential structure located in wind-borne debris region have certain opening protections required under Florida Building Code in order to be eligible for coverage by Citizens Property Insurance Corporation; EFFECTIVE DATE: Upon becoming law; Governor approved on 06/12/07.

House Bill 7087 – FINANCIAL SERVICES – authorizes certain entities to offer optional guaranteed asset protection products under certain circumstances; includes debt cancellation products under casualty insurance; authorizes machine owners or operators to impose access fees or surcharges for machine use; authorizes state-mandated endowment to be maintained in trust accounts in financial institutions; EFFECTIVE DATE: 10/01/2007; Enrolled (transmittal to Governor pending).

House Bill 7187 – DEPARTMENT OF FINANCIAL SERVICES AND OFFICE OF INSURANCE REGULATION/WORK PAPERS (SUNSET REVIEW) – amends provision which provides exemption from Public Records Law requirements for specified examination and investigation reports under Florida Insurance Code and related work papers, information, and lists of insurers or regulated companies; defines "work papers" to narrow exemption for work papers and other information held by the Department of Financial Service or Office of Insurance Regulation relating to an examination or investigation; EFFECTIVE DATE: 10/01/2007; Enrolled (transmittal to Governor pending).