

A S S O C I A T E D   I N D U S T R I E S   O F   F L O R I D A

# LEGISLATIVE DAILYBRIEF



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## INSURANCE

The House Insurance Committee passed HB 557 by Representative David Rivera (R-Miami). A “strike everything” amendment was passed today incorporating the bill’s previous recommendations. The “strike everything” amendment would require the Legislative Auditing Committee to commission a study that would analyze the factors affecting insurance availability in Florida.

This bill will also provide protections for policyholders in the areas of auto, homeowners, and sink holes by:

- creating, within the Department of Financial Services (DFS), a designated consumer contact on sinkhole related issues;
- prohibiting contract language that mandates arbitration in a contract unless the company offers a consumer an opt-out provision;
- creating law that incorporates all previous motor vehicle claim-handling guidelines provided by rule (repealed), DFS is granted rulemaking authority to establish claim settlement practices applicable to motor vehicle adjusting to include, but not limited to, the following: establishing total loss value, standards for applying betterment and depreciation factors, and standards for settlement in partial losses and;
- amending laws pertaining to cancellation and non-renewal of insurance policies, Specifically, the bill provides for reinstatement of a policy in situations wherein a policy is cancelled due to nonpayment by the mortgage company.

**In its original form, the bill would have put unduly burdensome requirements on insurers; therefore, AIF has worked with the Department of Financial Services to amend the bill, making the bill more acceptable to the business community.**

## CONSTITUTIONAL AMENDMENTS

Today the Senate approved its Constitutional Initiative Reform Package by an impressive margin.

Senate Joint Resolution 2392 would amend Article XI, Section 5, and create Article XII, Section 26, of the Florida Constitution, to increase the vote necessary for passage from the current 50% + 1 to 60% of those voting on the proposed amendment. **SJR 2392 passed with 37 yeas and 2 nays.**

Senate Joint Resolution 2394 would substantially amend Article IV, Section 10, and Article XI, Section 5, of the Florida Constitution. Any proposed amendment by citizen initiative must be submitted to the Secretary of State by February 1st in the year that the amendment would be voted upon in the November general election. **SJR 2394 passed with 38 yeas and 1 nay.**

SJR 2396 would substantially amend Article XI, Section 3, of the Florida Constitution to limit the scope of constitutional amendments and revisions that can be placed on the ballot by citizen initiative to include only those proposed measures that: alter, amend or repeal an existing article or amendment to the Constitution; address the fundamental right of a citizen of Florida; and seek to create, implement or otherwise change the basic structure of state government, as determined by the Florida Supreme Court.

**SJR 2396 passed with 35 yeas and 4 nays.**

*For more details on this issue read the AIF Special Notice on Constitutional Amendment Reform at <http://www.aif.com/2004Articles/SNSenCI.htm>*

**AIF supports politically viable initiative reforms aimed at facilitating a more responsible process and at protecting the sanctity and supremacy of the state's constitution.**

## **WORKERS' COMPENSATION**

The House Insurance committee passed HB 1251 by Committee Chair Representative Kim Berfield (R-Clearwater) late tonight. The bill's intent is to create solutions to the potential deficits in Subplan D of the Florida Workers' Compensation Joint Underwriting Association (FWCJUA). AIF and the Coalition of Business and Insurance Industry have been working very closely with the Committee on this bill.

A full report on HB 1251 will be included in our Weekly Legislative Update to be published on April 2, 2004.

## **OTHER BILLS OF INTEREST:**

The House Insurance Committee heard HB 945 relating to Personal Injury Protection Insurance by Representative David Simmons (R-Altamonte Springs). This bill would increase Personal Injury Protection (PIP) limits from \$10,000 to \$30,000 for payments to trauma centers. However, this increase in the limit would not apply to regular emergency room care. The purpose of this legislation is to provide some economic relief to Florida's trauma centers who are currently experiencing significant losses in revenue due to the large number of uninsured patients. Trauma centers currently spend approximately \$120 million treating patients, increasing the PIP limit to \$30,000 would reduce this amount by \$40 million.

Two amendments were passed by the Committee which expanded the types of trauma centers which would benefit from this increase in PIP limits. Currently, there are three levels of trauma center as well as pediatric trauma centers. As amended, the increases would apply to all levels of trauma centers and pediatric trauma centers not just the level 1 trauma centers. An amendment that would include motorcycle drivers to the provisions of the bill was defeated on grounds that PIP coverage has never been extended to motorcycle drivers.

This bill was hotly debated by members of the Committee who expressed concern that although trauma centers do need some relief, increasing PIP limits would result in higher automobile insurance rates for all Floridians.

The vote on the bill resulted in a tie thereby technically killing the bill, but was retained in committee on a motion by Representative Anne Gannon (D-Delray Beach).

Please send your comments or suggestions to us at [aif@aif.com](mailto:aif@aif.com) or call the Governmental Affairs department at (850)224-7173.

- For more information on all of the important legislative information concerning the business community, go to our "members only" Florida Business Network web site at <http://fbnnet.com>
- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.