

Standard Personal Lines Advisory Committee

Minutes of January 13, 2006

The sixth meeting of the Standard Personal Lines Advisory Committee took place on Friday January 13, 2006 in room 116 Knott Building.

Chairman Rick Mahler welcomed the committee members to the meeting and called the meeting to order at 10:00 am.

In addition to Chairman Mahler, the following members were present: Jim Graganella, Joel Curren, Arnold Whisenant, Richard Koon and Bruce Baker (via teleconference).

1. Motion on the minutes from the November 22 and Jan. 9 Meetings: Chairman Mahler reviewed the minutes from the November 22 meeting and Jan. 9 conference call. He accepted a motion to adopt those minutes and without objection the motion passed and the minutes were approved. Only one technical correction was made to the November 22 minutes.

2. Review of the Checklist of Coverage: Chairman Mahler reviewed the Legislative charge for the committee and reminded members that this is the last meeting. He also told members that this meeting is for members to make final changes to the document that will be submitted to the Legislature and thus it is important for members to make any final recommendations at this time.

There was a conversation of the checklist of coverage that is being developed by the Office of Insurance Regulation (OIR) and how that document may impact the report that the SPLAC will be offering to the Legislature. There was general agreement by the members that members and staff should watch closely how OIR was proceeding in order to properly advise the Legislature.

3. Standard Homeowners' Form: Chairman Mahler and Vice Chairman Graganella led the group in a discussion on the standard homeowners' form that will be recommended to the Legislature. Mr. Graganella had done extensive work on this form prior to the meeting and his recommendations were discussed at length. Ultimately, the committee made several technical changes to the language in the proposed reference guide.

It was noted by Chairman Mahler that the draft report recommends the adoption of a reference guide for consumers to consult prior to purchasing homeowners' insurance of any type. It was also noted that if the Legislature determined that a standard policy should be a mandatory offering for providers, the standard policy form should be used as a marketing tool for agents to use when selling coverage. Specifically, agents who offer Citizens coverage would be in an opportune position to offer the standard policy as well. It was noted that agents would have an incentive to offer the standard policy and thus it

would be more widely used in the marketplace. There was also a brief discussion of whether or not any endorsements or additional coverages that were not already included should be added to the document.

After a lengthy discussion and several changes the committee finalized their recommended standard homeowners' form and staff was directed to make the recommended changes for final approval on Tuesday January 17.

4. Condominium Unit Owners Form: Joel Curran and Chairman Mahler led a discussion involving condominium unit coverage that was very similar to the previous one regarding the standard homeowners' form. The committee made several technical recommendations for staff to correct before the January 17 conference call.

5. Mobile Home Owners' Form: Richard Koon and Chairman Mahler led a discussion involving condominium unit coverage that was very similar to the previous one regarding the standard homeowners' form. The committee made several technical recommendations for staff to correct before the January 17 conference call.

6. Standard Dwelling Form: Bruce Baker and Chairman Mahler led a discussion involving the standard dwelling form that was very similar to the previous one regarding the standard homeowners' form. The committee made several technical recommendations for staff to correct before the January 17 conference call.

7. Draft Report to the Legislature and Draft Executive Summary: The committee reviewed and edited the draft report to the Legislature prepared by staff prior to the meeting. There was a discussion of the contents of the report as well as the details of the recommendations that are to be included therein. Chairman Mahler stated that at the Tuesday January 17 meeting the committee should be prepared to approve the final draft of the report and executive summary as it is due to be submitted in a short amount of time.

8. Adjournment: Chairman Mahler announced that the committee would be meeting via conference call on January 17, 2006 at 2:00 pm. At that time, the final approval of the report to the Legislature and the recommended standard policy would take place. The meeting adjourned at approximately 4:00 pm.