

Task Force on Long-Term Solutions for Florida's Hurricane Insurance Market

September 28, 2005 Agenda

(Revised 9/16/05)

110 Senate Office Building - Tallahassee, Florida
10:00 a.m. – 5:00 p.m.

1. **Welcome and Introductions**, Kevin M. McCarty, Chair
2. **Review of Draft Minutes from 8/24/05 Meeting**, Kevin M. McCarty, Chair
3. **Citizens Property Insurance Corporation**, Bob Ricker, President and Executive Director
 - a. Overview of 2004 Storms
 - b. Current Financial Status
 - c. Organizational Structure
 - d. Claims Operations
 - e. Rates, Rating Process and Reinsurance Provisions
 - f. Address the subsidization issue, levels of subsidization that currently exist (e.g., interior versus coastland) in the Florida marketplace.
 - g. The operation and role of Citizens Property Insurance Corporation, including:
 - 1) How to ensure that the corporation operates as an insurer of last resort which does not compete with insurers in the voluntary market, but which charges rates that are not excessive, inadequate, or unfairly discriminatory;
 - 2) Whether the bonuses paid by the corporation to carriers taking policies out of the corporation provide a cost-effective means of reducing the potential liability of the corporation;
 - 3) Whether the "Consumer Choice" law should be repealed or amended to ensure that the corporation serves as the insurer of last resort;
 - 4) Whether coverage amounts should be limited;
 - 5) Whether the corporation has hired an adequate level of permanent claims and adjusting staff in addition to outsourcing its claims-adjusting functions to independent adjusting firms;
 - 6) The effect of reducing or expanding the areas that are eligible for coverage in the high-risk, wind-only account;
 - 7) Whether the corporation should purchase reinsurance or take other actions that reduce the potential for debt financing and deficit assessments; and
 - 8) An evaluation of the infrastructure and administration of the corporation and how to improve customer service, claims handling, and communication and the exchange of information with agents of policyholders of the corporation.

11:30 – 1:00

Lunch

221 Senate Office Building

4. **Florida Hurricane Catastrophe Fund**, Jack Nicholson, Senior FHCF Officer
 - Explanation of CAT Fund**
 - Historic Overview**
 - 2004 Hurricane Season**
 - Current Financial Status**
5. **Comprehensive National Catastrophe Plan** – Ray Spudeck, Senior Research Economist, Office of Insurance Regulation
6. **Public Testimony**
7. **Task Force Discussion**