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RESOLUTION NO. 09-28

A RESOLUTION OF THE MAYOR AND VILLAGE COUNCIL OF THE VILLAGE OF PALMETTO BAY, FLORIDA, RELATING TO STATE LEGISLATIVE AGENDA; PROPOSING CHANGES TO THE STATE'S INSURANCE REGULATIONS CONTAINED AT CHAPTER 624, FLORIDA STATUTES; PARTICULARLY AS IT RELATES TO HOMEOWNERS OR PROPERTY INSURANCE; REQUESTING MANDATORY PROCESS UNDER STATE LAW THAT ALL INSURANCE PROVIDERS ADHERE TO A STATE STANDARD AS TO APPRAISAL OF RE-CONSTRUCTION STANDARDS DUE TO A LOSS EVENT AT AN INSURED'S REAL PROPERTY, BASED UPON NATIONAL AND INDUSTRY WIDE ACCEPTED APPRAISAL STANDARDS; PROVIDING AN EFFECTIVE DATE. [Sponsored By Council Person Dr. Ed Feller].

WHEREAS, the cost of homeowner's insurance and property insurance in the State of Florida has sky rocketed over the past 15 years; and,

WHEREAS, the State, pursuant to Chapter 624, Florida Statutes, regulates insurance companies intending to do business in the State of Florida; and,

WHEREAS, insurance is defined as a contract whereby one undertakes to indemnify another or pay or allow a specified amount or a determinable benefit upon determinable contingencies; and,

WHEREAS, the State regulates the charges an insurance company (an insurer) may charge Florida residents/properties; and,

WHEREAS, an insurer includes every person engaged as indemnitor, surety or contractor in the business of entering into contracts of insurance or annuity; and,

WHEREAS, certain insurance companies are developing individual assessment practices for determining the proposed cost for re-construction of a structure, based upon their individual appraised assessment standards and not reasonable nation-wide or industry-wide recognized standards; and,

WHEREAS, upon developing these individual standards, each insurance company can then increase the cost of a homeowner's insurance policy based upon the new appraisal of re-construction cost should a claim event occur; and, in turn by the increased cost increase the value of the deductible,

WHEREAS, there have been instances where the unregulated, individual appraised assessment standards of individual insurers has increased the re-construction appraised value by two-thirds of assessed or actual appraised value, let alone actual re-construction costs; and,

1 **WHEREAS**, such arbitrary action, with no nation-wide or industry standards on
2 developing a formula for what would be a reasonable and acceptable assessed re-construction
3 cost, will result in higher insurance premiums to all insured, thus pricing many residents and
4 property owners out of the insurance market; and,
5

6 **WHEREAS**, with the recognized financial crisis facing the entire nation, including over
7 \$100 billion in property value issues due to the foreclosure crisis in Florida; and,
8

9 **WHEREAS**, the Mayor and Village Council desire to work with the Insurance
10 Commissioner and the State Legislators to enact legislation to create an insurance re-construction
11 appraisal formal consistent with reasonable national and industry wide standards to protect the
12 insured and to ensure that insurers are not arbitrary in their re-construction appraisal efforts as
13 well as a reasonable methodology for homeowners to challenge such appraisals if they deem it
14 necessary,
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17 **NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND VILLAGE**
18 **COUNCIL OF THE VILLAGE OF PALMETTO BAY, FLORIDA, AS FOLLOWS:**
19

20 **Section 1.** The above whereas clauses are incorporated by reference into this
21 resolution.
22

23 **Section 2.** The Mayor and Village Council encourages other municipalities of Miami-
24 Dade County to adopt a similar resolution supporting the proposed legislation and the Council
25 directs the Village Clerk to distribute a copy of this executed resolution to the Florida Legislature
26 and to the elected officials of the municipalities in Miami-Dade County.
27

28 **Section 3.** This resolution shall take effect immediately upon approval.

29 PASSED and ADOPTED this 2nd day of March, 2009.

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34 Attest:


Meighan Rader
Village Clerk


Eugene P. Flinn, Jr.
Mayor

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APPROVED AS TO FORM:


Eve A. Boutsis,
Office of Village Attorney

FINAL VOTE AT ADOPTION:

- Council Member Ed Feller YES
- Council Member Howard Tendrich YES
- Council Member Shelley Stanczyk YES
- Vice-Mayor Brian W. Pariser YES
- Mayor Eugene P. Flinn, Jr. YES