

**RESOLUTION NO: 2012-07**

**A RESOLUTION OF THE VILLAGE OF PALMETTO BAY URGING THE FLORIDA LEGISLATURE TO REJECT HOUSE BILL 245 SPONSORED BY BOYD AND BROXSON; AND SENATE BILL 578 SPONSORED BY RICHTER; WHICH BILLS PROPOSE THE DEPOPULATION OF THE CITIZENS PROPERTY INSURANCE WINDSTORM POOL THROUGH THE ALLOWED USE OF SURPLUS LINES CARRIERS WHICH ARE NOT SUBJECT TO THE SAME STATE REGULATION AS ADMITTED CARRIERS. [Sponsored by Mayor Shelley Stanczyk]**

**WHEREAS**, Citizens Property Insurance Corporation was originally created as the insurer of last resort for property risks in Florida; and,

**WHEREAS**, as of September 30, 2011, Citizens Property Insurance Corporation has become the largest property insurer in the state with 1,460,672 policies in force with \$508.5 billion in liability exposure; and,

**WHEREAS**, Citizens Property Insurance Corporation has projected a shortfall of \$10.206 billion should a 100 year event payout occur and shall require to fund any such payout through additional policyholder surcharges, assessments and emergency assessments of \$1100 for a Citizen's policyholder and \$433 for private market insured persons; and,

**WHEREAS**, Citizens Property Insurance Corporation has sought to limit its exposure to risk by reducing the number of policies through coverage changes and other methods; and,

**WHEREAS**, despite these efforts available windstorm coverage from admitted carriers has not increased in order to affect the need to shrink the number of policies and liability of the Citizens Property Insurance Corporation; and,

**WHEREAS**, proposed Senate Bill 578 (Richter) and House Bill 245 (Boyd/Boxson) provides for the depopulation or downsizing of Citizens Property Insurance Corporation by allowing certain surplus line carriers to provide coverage to current Citizen's policy holders; and,

**WHEREAS**, the bills provide the surplus lines brokers the ability to review Citizens policyholder underwriting and claims information in order to select the best policies to take off Citizens' books; and,

**WHEREAS**, the surplus lines carriers are not covered by the same state regulations as approved carriers, including but not limited to rate and form regulations, and free from regulation by the OIR; policy renewals may come with exorbitantly higher rates and coverage changes paired with no stated means of re-entry into Citizens; and,

**WHEREAS**, if the carrier were to become insolvent the Florida policyholder would not be eligible for recourse through the state guarantee fund; and,

**WHEREAS**, the selection of the best policies by the surplus lines carriers will weaken the integrity of the Citizens Property Insurance Corporation pool of policies thereby increasing their liability; and,

**WHEREAS**, the surplus lines carriers often are of inferior quality and reliability to that of Citizen's property insurance; and,

**WHEREAS**, allowing the dilution of Citizens Property Insurance would be a detriment to the safety and welfare of all Florida residents and place an economic burden on property owners - without ensuring quality insurance for the residents of the state and resulting in exorbitant insurance costs to property owners; and,

**WHEREAS**, the Mayor and Village Council of the Village of Palmetto Bay urge the Legislature to vote no on the two proposed bills.

**NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND VILLAGE COUNCIL OF THE VILLAGE OF PALMETTO BAY, FLORIDA AS FOLLOWS:**

**Section 1.** The above whereas clauses are incorporated by reference herein.

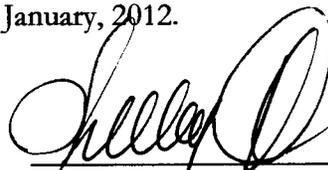
**Section 2.** That the Village of Palmetto Bay urges the veto of Senate Bill 578 and House Bill 245.

**Section 3.** The Village Council directs the Village Clerk to forward a copy of this resolution to the Florida Legislature and our sister cities for review and support.

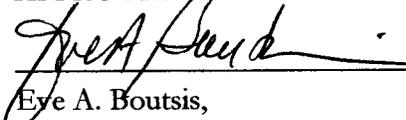
**Section 4.** This resolution shall take effect immediately.

PASSED and ADOPTED this 9<sup>th</sup> day of January, 2012.

Attest:   
Meighan Alexander  
Village Clerk

  
Shelley Stanczyk  
Mayor

APPROVED AS TO FORM:

  
Eye A. Boutsis,  
FIGUEREDO & BOUTSIS, P.A., as Office  
of the Village Attorney

FINAL VOTE AT ADOPTION:

Council Member Patrick Fiore	<u>NO</u>
Council Member Howard Tendrich	<u>YES</u>
Council Member Joan Lindsay	<u>YES</u>
Vice-Mayor Brian W. Pariser	<u>YES</u>
Mayor Shelley Stanczyk	<u>YES</u>