



OFFICE OF THE TOWN CLERK

6591 ORANGE DRIVE • DAVIE, FLORIDA 33314-3399
PHONE: 954.797.1023 • FAX: 954.797.1087 • WWW.DAVIE-FL.GOV

Town Council Agenda Report

TO: Mayor and Councilmembers

FROM: Russell C. Muniz, MBA, CMC,
Acting Assistant Town Administrator

SUBJECT: Resolution

AFFECTED DISTRICT: Town-Wide

TITLE OF AGENDA ITEM: A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA,
URGING THE FLORIDA LEGISLATURE TO IMMEDIATELY CONVENE A SPECIAL
SESSION TO ADDRESS THE CRISIS IN FLORIDA'S WINDSTORM INSURANCE
MARKET ; AND PROVIDING FOR AN EFFECT DATE.

REPORT IN BRIEF: The attached resolution was drafted by Representative Ken
Giottlieb, and circulated to all Florida cities in an attempt to place pressure on the Governor and
the Legislature to convene a special meeting to pass legislation that will alleviate the windstorm
insurance crisis.

PREVIOUS ACTIONS: N/A

CONCURRENCES: N/A

FISCAL IMPACT: N/A

RECOMMENDATION(S): Motion to approve the resolution.

ATTACHMENT(S): Resolution,

RESOLUTION _____

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, URGING THE FLORIDA LEGISLATURE TO IMMEDIATELY CONVENE A SPECIAL SESSION TO ADDRESS THE CRISIS IN FLORIDA'S WINDSTORM INSURANCE MARKET, AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the State of Florida has always confronted the challenges and dangers posed by tropical storms and hurricanes; and

WHEREAS, it is critical that Floridians have both affordable and available insurance for the perils associated with windstorm damage; and

WHEREAS, to this day there are homes in various parts of Florida which still have blue tarps on their roofs from the 2004 or 2005 hurricanes as insurance companies are refusing to settle claims or are too slow in processing them; and

WHEREAS, the state organized Citizens Property Insurance Corporation (Citizens), which was created to be a state "insurer of last resort," is now the largest windstorm insurance provider in the State of Florida, issuing more than 1 million Florida homeowner policies; and

WHEREAS, Citizens has proven to be fundamentally flawed, as it forces the state to subsidize the risk of hurricane damage for Florida's highest-risk properties, while allowing insurance companies to continually reap record profits at the expense of Florida taxpayers; and

WHEREAS, during the 2006 Legislative Session, the Legislature refused to even consider credible alternatives that might have stabilized the state's windstorm insurance market, instead only considering proposals that were approved by the insurance industry itself; and

WHEREAS, the Legislature specifically ignored HB 1209, which called for the state to deliver a more affordable layer of insurance for all Floridians, an approach that independent experts believed would stabilize the insurance market and provide much-needed rate relief; and

WHEREAS, the Legislature, with virtually no input or debate, waited until the late evening of the last day of a 60-day session to pass SB 1980 (with a 77-39 vote in the House and 22-16 vote in the Senate); and

WHEREAS, SB 1980 only made it easier for private insurance companies to increase premiums without adequate oversight and removed important consumer protections; and

WHEREAS, since the 2006 Legislative Session, significant numbers of private insurance companies are dropping homeowners' policies, becoming financially insolvent, or are continuing to double and triple premiums in some areas of the state; and

WHEREAS, each day more Floridians, including fixed income senior citizens of our state, are unable to afford these obscene rate increases that are becoming commonplace and causing some to give up their homes and condominiums, or make choices effecting the very necessities and quality of their lives; and

WHEREAS, commercial properties including small businesses, and critical elements of our state's economic infrastructure are likewise feeling the devastating impact of unavailable or unaffordable windstorm insurance; and

WHEREAS, since May 2006 the Democratic legislative caucus and others have been calling upon the Governor and the presiding officers of the Legislature to convene a special session to address this hurricane insurance crisis in a meaningful way; and

WHEREAS, the solution to the hurricane insurance crisis will require legislative changes to Florida Statutes; and

WHEREAS, the Governor of the State of Florida has the authority to call a special session of the Legislature under Article III, Section 3(c)(1) of the Florida Constitution, and has used this authority to convene special sessions during his administration for the purposes of amending Florida law to on behalf of powerful business interests, or to intervne with the end of life decisions of Terry Schiavo; and

WHEREAS, the Speaker of the Florida House of Representatives and the President of the Florida Senate have the authority to convene a special session of the Legislature under Chapter 11.011 (1), Florida Statutes, pursuant to Article III, Section 3(c)(2) of the Florida Constitution.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

Section 1. The Town of Davie urges Governor Jeb Bush and members of the Florida Legislature to immediately convene a special session to address the crisis in Florida's hurricane insurance market. The Legislature's solution should incorporate the following guidelines:

(1) Consideration should be given to proposals that will lead to the depopulation of Citizens.

- (2) Allowing private insurance companies more freedom to raise rates is not a suitable solution for Florida's homeowners.
- (3) As a substantive reform of the insurance market is needed, waiting on the federal government to create a national catastrophe fund or creating hurricane-related tax-free savings accounts is insufficient to solve the current crisis in the hurricane insurance market.
- (4) The Florida Legislature should not be limited to only private market solutions which will continue the current status-quo of runaway premium hikes and tax assessments on Floridians.
- (5) Due consideration should be given to proposals which restructure or expand the Florida CAT fund, or create a larger reinsurance pool for insurance companies or a more affordable layer of statewide windstorm insurance.

Section 2. That a copy of this resolution shall be provided to Governor Jeb Bush, Senate President Tom Lee, House Speaker Allan Bense and each member of the Broward County delegation in the Florida Legislature.

Section 3. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS _____ DAY OF _____, 2006.

MAYOR/COUNCILMEMBER

ATTEST:

TOWN CLERK

APPROVED THIS _____ DAY OF _____, 2006.