



FLORIDA BANKERS ASSOCIATION

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### **FBA ANNOUNCES INSURANCE AGENDA**

TALLAHASSEE—The Florida Bankers Association (FBA) Board of Directors has approved an insurance agenda developed by the association's Insurance Task Force. The agenda was created during the Task Force's recent summit on September 14, during which representatives from the Florida Office of Financial Regulation, the Florida Office of Insurance Regulation, the Department of Financial Services, Florida Association of Insurance Agents, Florida Home Builders Association and insurance companies presented in panel discussions their views and offered possible solutions.

The 45-member Task Force — created by FBA Chairman Gwynn Cochran Virsotek, Washington Mutual, earlier this year — deliberated on the recommendations before agreeing on the 11-point agenda, which was subsequently approved by the FBA Board of Directors at a meeting on September 21.

"As members of the banking industry, we certainly recognize the incredible stress the insurance crisis has already had on Florida's citizens and economy, as well as the potential long-term effect it could have," said Virostek. "The banking industry is committed to working with all other interested parties to come up with solutions to this problem. We feel strongly that the agenda our Task Force has created is a step in the right direction."

The agenda addresses important insurance issues facing Florida, such as non-attraction of new insurance carriers, the lack of hurricane mitigation on older homes, the Florida Building Code, CAT Fund reinsurance programs and Citizen's Property Insurance Corporation.

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“This is not just a problem for the banking industry, but a major problem facing both our residents and state,” said Alex Sanchez, president and CEO for the FBA. “There is no ‘silver bullet’ when it comes to this issue, so we must continue to seek creative and innovative solutions.”

Below are the FBA Insurance Task Force agenda points, grouped into three categories:

#### Proposed Task Force Recommendations to State Government

1. Encourage all Floridians to mitigate their homes against hurricanes and support the expansion of the state mitigation program to help homeowners better protect their homes from hurricanes, and to receive credit from their insurance companies for protection efforts made.
2. Support ending of the current “Panhandle exemption” and support the use, education and enforcement of one state building code.
3. Support the research of pre-funding options for the state Catastrophe Fund to lessen the need for assessments on state insurance policy holders.
4. Support the decrease in the regulatory burden in the insurance rating process.
5. Oppose any efforts to decrease the eligibility of property owners to get coverage from state-run Citizens Property Insurance Corporation for both homestead and non-homestead properties.
6. Support the expansion of the state wind pool, based on scientific substantiation.

#### Proposed Task Force Recommendations to the Federal Government

1. Support the creation of a dual-licensing system for insurance companies, much like the bank regulation system, to foster balance in the insurance regulatory arena.
2. Support the decrease in the tax burden placed on the reserves of insurance companies to encourage more savings by those companies.
3. Support the creation of federal, tax-free catastrophe savings accounts for both commercial and residential property-owners.
4. Support the creation of a national catastrophe fund.

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Proposed Task Force Recommendations to the Banking Secondary Market

1. Support the advocacy to the secondary market for their support of hurricane deductible flexibility to give bank customers more choice in their property insurance coverage for both residential and commercial insurance markets.

A letter detailing the FBA Insurance Task Force recommendations was sent to the Governor's office this week.

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