

[Veto Anti-Consumer Property Insurance Rates Bill](#)

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Not one Floridian has been spared from the challenges of these tough economic times. Yet a bill that would allow a select few, big property insurance companies to sneak unrestrained, unregulated and unrelenting rate hikes on unsuspecting consumers will arrive at Governor Crist's desk over the coming days.

The Residential Property Insurance Bill HB 1171 is one of the most egregious examples of anti-consumer legislation to come out of the 2009 legislative session, and, if signed into law, will allow the largest insurance companies to raise rates unchecked. This bill deserves a clear veto from Governor Crist.

Disguised as a "consumer-friendly" measure, when it is anything but, HB 1171 would allow the largest insurance companies to raise rates without state approval.

Under current law, the Office of Insurance Regulation (OIR) must approve requests for rate increases filed by insurers. This protects the public and the companies by ensuring that insurance rates are not excessive, inadequate, discriminatory or unlawful.

The problem is that this bill would remove consumer protections by no longer allowing the OIR to protect Floridians from excessive or discriminatory rate hikes as Kevin McCarty and his office have successfully done time and time again.

If HB 1171 becomes law, major insurance carriers would not only be able to charge whatever they like, they would also be able to game the system by manipulating rates, quoting excessive premiums to coastal

homeowners, then dropping those policies if they choose to so they can maintain and grow inland policies where there is less exposure. The lack of predictability this would create is exactly what we don't need in a state with an already fragile and overstrained property insurance market.

And perhaps the most troublesome provision is that the bill would help further grow the surpluses of these larger insurers while preventing small Florida-based carriers from doing the same. In this way the bill aims to provide an unfair competitive advantage to larger companies by discouraging across the board competition with smaller carriers. This would ultimately harm consumers and businesses by fostering an insurance market offering fewer choices in terms of dependable insurers. It's also important to recognize that there's no guarantee these large companies will continue writing policies in Florida.

Rather than deregulating the market, which hasn't worked out in the past, we should be working on policy goals that support a more competitive insurance market that provides consumers with more affordable options. In short, we need more Florida-based companies competing, not fewer large insurers who dominate the market, essentially holding homeowners hostage, charging any rate they choose. Governor Crist has already indicated some reservations about signing this bill. I implore him to continue that smart thinking and to continue looking out for the best interests of Florida's insurance consumers.

Consumer advocates across the state are expressing similar concerns including the Florida Public Interest Research Group, the Consumer Federation of the Southeast, the Florida Consumer Action Network, Consumer Watchdog, the Center for Economic Justice, United Policyholders, Insured's Public Action Coalition, Floridians In Action as well as Florida's Insurance Consumer Advocate Sean Shaw.

As Florida residents continue to weather an economic crisis, they cannot afford to be caught in a volatile insurance market faced with



erratic rate increases. Governor Crist has always been an advocate for the people of Florida – we need him now more than ever and urge him to veto this anti-consumer measure.

I urge concerned citizens to call the governor’s office of Citizens Services at 850) 488-4441 or e-mail the governor at Charlie.Crist@myflorida.com asking to protect consumers by vetoing HB 1171.

Brad Ashwell is the consumer advocate for the Florida Public Interest Research Group (www.floridapirg.org).

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