



## Property insurance: Reforms needed more than ever

TUESDAY, MAR. 24, 2009

With every tropical disturbance that spun in the Atlantic Ocean last year, Floridians held their breaths through the 2008 hurricane season.

The Florida Hurricane Catastrophe Fund is even deeper in the hole than in the past, but there are signs of hope.

Thankfully the Sunshine State was spared from any major hurricanes making landfall in Florida, but with the 2009 legislative session under way, Associated Industries of Florida urges our elected leaders to take the necessary steps to stabilize the property insurance market in Florida and put it on the path to fiscal responsibility.

Last year, Chief Financial Officer Alex Sink, many legislators and AIF championed a bipartisan proposal that would have reduced the risk associated with the CAT Fund by \$3 billion. That bill was not approved by the Legislature.

By embracing a thoughtful, long-term strategy this year, we can return our property insurance market to a healthy state. It is critical that Gov. Charlie Crist and the Legislature reinstate the My Safe Florida Home program. This helps working class Floridians strengthen their homes against hurricanes, it helps reduce the state's exposure to catastrophic damage and will help reduce insurance premiums.

Another important element to stabilizing Florida's property insurance market is to reduce the number of policies held by Citizens Property Insurance Co. Citizens was created by the Legislature in 2002 to serve as the insurer of last resort for Floridians without private insurance options.

Over the years, Citizens has ballooned as property insurance companies have left the state.

Reducing red tape will encourage private insurance companies to return to Florida and increase competition.

Embracing a long-term strategy that "storm proofs" our homes and strengthens our state's insurance markets is the best way to pursue lower property insurance costs.

Because of the collapse of the financial markets, we need our elected officials to realize the importance of protecting all Floridians by reducing the risk associated with the CAT Fund.

Rather than hoping for bailouts from outside, we should take responsibility and put ourselves on a sounder financial footing.

I urge my fellow citizens to contact their legislators and encourage them to reduce the current CAT Fund and challenge them to embrace the long-term solutions that will stabilize the insurance markets and benefit us all.

**BARNEY BISHOP, president and CEO, Associated Industries of Florida, Tallahassee**