

THE ONLINE MBA
YOU PROBABLY CAN'T GET INTO



UNC
KENAN-FLAGLER
BUSINESS SCHOOL

Environment and Natural Resources >

Groups rally behind Cat Fund bill, but progress hard to come by

Florida Current Staff, 03/13/2013 - 03:27 PM

+ responses

Recommend 0

Tweet 9

By **Gray Rohrer** and **Bruce Ritchie**

A coalition of business, insurance and environmental groups are pushing for legislation to reduce the coverage of the **Florida Hurricane Catastrophe Fund** because they say the state fund provides cheaper reinsurance than the private market and subsidizes coastal construction.

Efforts to reduce the coverage of the Cat Fund, as it's known, failed to get through the Legislature last year, but lawmakers are trying again this year with **HB 1107** and **SB 1262**. Ten groups, including seven environmental groups, sent a letter on Tuesday to the **House Insurance & Banking Subcommittee** supporting the House version.

In addition to preventing taxpayers from being on the hook in case of hurricane losses, restricting development in flood prone areas also protects habitat for nesting sea turtles, shore birds and other coastal wildlife species, said **David Godfrey**, executive director of the **Sea Turtle Conservancy** in Gainesville.

"The aesthetics and quality of our coastal ecosystem in Florida is diminishing," Godfrey said. "Why let it diminish further with public subsidies that also put taxpayers at risk?"

In addition to the environmental groups, representatives of **Associated Industries of Florida**, the **Florida Chamber of Commerce** and **Florida TaxWatch** signed the letter along with former state Rep. **Thomas E. Danson Jr.**, R-Sarasota, and coastal consultant **Ken Lindeman**.

The **House Insurance and Banking Subcommittee** discussed their version of the bill Wednesday and the Senate version is up for a vote Thursday, but its path to becoming law is still murky. Members of the **Senate Banking and Insurance Committee** already moved to strip Cat Fund provisions from a separate bill designed to reduce the risk of state-run **Citizens Property Insurance Corp.**, **SB 1770**.

Don Brown, a former representative who chaired the House insurance panel and is now a consultant for reinsurance companies, urged lawmakers to take action to reduce the Cat Fund's coverage. The fund currently has a maximum coverage of \$17 billion, but studies suggest the fund could have trouble borrowing money to cover claims after a catastrophic storm, leaving a shortfall of \$1.7 billion.

"Selling phantom coverage is just not something government should do. In fact, it's something that if a private company would do it, someone would go to jail," said Brown, who is also a lobbyist for Associated Industries of Florida.

Coastal lawmakers, however, have rejected measures to shrink the Cat Fund, fearing companies would buy more expensive reinsurance in the private market and pass the costs on to consumers in rate hikes.

Environmental groups including the **Florida Wildlife Federation** and the Sea Turtle Conservancy also are supporting **HB 835**, which would prohibit Citizens from insuring newly constructed property seaward of the state's Coastal Construction Control Line and on lands located within the federal Coastal Barrier Resources System.

The bill, by state **Rep. John Wood**, R-Winter Haven, also would phase-in a prohibition on

Related to this current:

BILLS

HB 0835 [Relating to Citizens Property Insurance Corporation \(Wood\)](#)

03/13/13 HOUSE Now in Government Operations Appropriations Subcommittee

SB 1262 [Relating to Florida Hurricane Catastrophe Fund \(Hays\)](#)

03/11/13 SENATE On Committee agenda - Banking and Insurance, 03/14/13, 8:00 am, 110 S

HB 1107 [Relating to Florida Hurricane Catastrophe Fund \(Hager\)](#)

03/13/13 HOUSE Workshopped by Insurance & Banking Subcommittee

SB 1770 [Relating to Property Insurance \(Banking and Insurance\)](#)

03/12/13 SENATE Now in Appropriations Subcommittee on General Government

LEGISLATORS



Rep John Wood
(R Winter Haven)

COMMITTEES

FREE SUBSCRIPTION
 Sign up to receive our *Morning Edition* via email.
 Delivered weekday mornings.

Register Now

Home	Health Care	State & Local Administration	Budget & Taxes	Environment	Economy	Education	Elections	Business	More
FL Governor Rick Scott	FL Dept. of Environmental Protection	Oil Drilling	FL Agriculture Commissioner Adam Putnam	Water Quality	Oil Spill Compensation & Restoration	State la			

Reporter Gray Rohrer can be reached at grohrer@thefloridacurrent.com. Reporter Bruce Ritchie can be reached at britchie@thefloridacurrent.com.

Filed in: [Environment and Natural Resources](#), [Growth Management](#), [Insurance](#)
 Tags: [Citizens Property Insurance](#), [Conservation](#), [Development](#), [Natural Disaster](#), [Property Insurance](#)

Related Current

- [Appeal court upholds OIR position on sinkhole coverage](#) (03/13/13)
- [Bill seeking to rein in local transportation fee systems passes House subcommittee](#) (03/13/13)
- [Crisafulli says he's working on legislation to address controversial local fertilizer regulations](#) (03/12/13)
- [Bills pre-empting local regulation of agricultural tourism pass committees](#) (03/12/13)
- [The Week Ahead for March 11 to March 15](#) (03/11/13)

Comments

ALSO ON THE FLORIDA CURRENT

Take the Medicaid money, Fasano advises
1 comment

House grapples with sequestration cuts, incentives oversight 1 comment

House speaker calculates pension savings
10 comments

Readers Poll: Support strong for Medicaid expansion 2 comments

AROUND THE WEB

[What's this?](#)

The Best Small Artisan Cheese Makers Chevrolet

Are You an Effective Mentor? Here's How to Find Out Citi Women & Co.

6 Tax Credits That Anyone Can Claim
Investopedia

5 Words That Make You Sound Stupid
First To Know

0 comments



Leave a message...

Discussion

Community

Share



Comment feed Subscribe via email

[We Buy Sinkhole Homes](#)

www.WeBuySinkhole.com

Florida sinkhole house buyer Sell fast for cash 407-739-5773



AdChoices