

ASSOCIATED INDUSTRIES OF FLORIDA  
**LEGISLATIVE  
DAILY BRIEF**



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Daily Brief

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### **WORKERS' COMPENSATION**

The Senate Criminal Justice Committee passed SB 2268, a bill that came about as a result of an interim study by committee staff undertaken since the passage of SB 50A (last year's workers' compensation reform package). This "glitch bill" as it has been called would open the door for bad legislation to thwart all cost saving measures that last year's reform package created. There were three technical amendments filed to the bill that the committee adopted.

Additionally, Senator Rod Smith (D-Gainesville) filed two amendments dealing with claimant attorney fees. One would eliminate the current statutory attorney fee schedule and increase claimant attorneys to a flat 25% fee for all benefits secured. The other amendment would give workers' compensation judges the discretion to award a "reasonable fee" in any instance in which the employer/carrier paid an attorney to defend a petition for benefits. This provision clearly would increase costs and provide an incentive for attorneys to maximize billable hours on cases.

At the time the bill was heard in the committee, however, the amendment sponsor was not present. Therefore, Committee Chair Mike Haridopolos (R-Melbourne) ruled the amendments as withdrawn.

Therefore, the committee passed the bill without the unfriendly attorney fee amendments.

**AIF opposes this legislation because any changes to the workers' compensation statute has the potential to destroy the savings that last year's workers' compensation reform package, SB 50A, has already brought to Florida's employers. AIF will continue to work with legislators to preserve those savings.**

The full Senate voted 40-0 to pass SB 1926 by Senator Jeff Atwater (R-North Palm Beach). This bill is the work product of the Joint Select Committee on Workers' Compensation Rate Reform which met during the interim prior to session and which Senator Atwater chaired.

This bill will allow the Office of Insurance Regulation (OIR) greater flexibility when approving rate deviations by insurers. This should make coverage available to more employers by private workers' compensation carriers. It also provides incentives for carriers to write coverage for policyholders in the Joint Underwriting Association (JUA or more commonly referred as an insurer of last resort) so that those employers have additional options for coverage in the voluntary market. The bill also requires the OIR to submit an annual report to the legislature evaluating competition in the workers' compensation market in Florida.

A similar measure, HB 1241 sponsored by Representative Kim Berfield (R-Clearwater), has passed the House Insurance Committee and will be heard next by the House Appropriations Committee.

**AIF supports legislation addressing the concerns outlined by SB 1926 and HB 1241, but will continue to closely monitor this bill.**

## INSURANCE

The Senate Banking and Insurance Committee met today and unanimously passed SB 2488 by Senator JD Alexander (R-Winter Haven) relating to the Florida Hurricane Catastrophe Fund (FHCF or CAT Fund). The CAT Fund was created in November 1993 during a special legislative session after Hurricane Andrew. The purpose of the FHCF is to protect and advance the state's interest in maintaining insurance capacity in Florida by providing reimbursements to insurers for a portion of their catastrophic hurricane losses.

The bill's sponsor, Senator Alexander, offered a strike everything amendment that was passed, effectively replacing the original language in the bill. This amendment would increase the capacity of the fund from \$11 billion to \$15 billion by June 1, 2005 and provide for administrative changes that would allow the CAT Fund to run more efficiently.

Bonny Gordon of GEICO Insurance spoke in opposition to the bill and the strike everything amendment because currently assessments are made on all types of insurance which helps to fund the FHCF. According to Ms. Gordon, expanding the CAT Fund would ultimately result in auto policy holders paying higher premiums.

Representatives from the Reinsurance Association of America also testified in opposition to the bill by claiming that the state of can and should cover the costs of a devastating hurricane by using private reinsurance firms instead of a state fund subsidized by the citizens of Florida.

Senator Alexander countered this claim by stating that the CAT Fund currently provides stability in the market as well as lower insurance premiums for Floridians and that many insurers would not write business if not for the FHCF. SB 2488 will be heard next by the Senate Governmental Oversight and Productivity Committee.

**AIF will continue to monitor the progress of this bill as it moves through the legislative process.**

## Other Bills of Interest

### HB 1363- ELECTRONIC MAIL COMMUNICATIONS ACT

The House Commerce Committee passed HB 1363 also known as the Florida Anti-Spam Bill. This bill creates the "Commercial Electronic Mail Communications Act" which protects the public and businesses from deceptive and unsolicited commercial e-mail. The Attorney General is given the authority to bring a civil action and seek injunctive relief against any violation of this bill under the Florida Deceptive and Unfair Trade Practices Act. Any person outside of Florida who initiates or assists in the transmission of unsolicited commercial e-mail to anyone in Florida is violating this proposed law and could face prosecution. The bill will be heard next by the House Judiciary Committee.

Please send your comments or suggestions to us at [aif@aif.com](mailto:aif@aif.com) or call the Governmental Affairs department at (850)224-7173.

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