

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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**FROM JANUARY 6, 2003
INTERIM COMMITTEE MEETINGS**

In the shadow of the city's inaugural festivity preparations, the Florida House of Representatives and the Florida Senate kicked off their interim committee hearing process today.

"Interim Committee hearings" are just that – committee hearings held in the interim between the November elections and the formal kick off of the 2003 Regular Session, which begins on March 4th. As such, this being the first week of hearings, the actual agenda for the respective committees is not terribly heavy on substance but rather introductions, orientation and briefings by various agency and department heads and personnel.

LONG TERM CARE AND LAWSUITS, AGAIN

Of particular interest to AIF was the initial meeting of the House and Senate Joint Select Committee on Nursing Homes. As you may recall, AIF played a lead role in 2001 by winning tort relief for the nursing homes, which were being virtually looted by trial attorneys. Nursing homes were being shut down or simply finding mandated liability insurance unavailable due to the lawsuit explosion. The Joint Select Committee was formed because that, while the 2001 reforms have taken the "edge" off the crisis, the tort relief has not been entirely effective in giving the nursing homes the relief and access to the insurance market they need and require. Today's first meeting was held to debrief the committee members on the current status of the insurance liability market, aggregate pending lawsuits and possible avenues the Legislature might take to provide further tort relief to the state's nursing homes.

OUR CONSTITUTION REQUIRES WHAT?

The Florida Senate held its first meeting of Senate President Jim King's (R-Jacksonville) newly created Select Committee on Constitutional Amendment Implementation. The mission for the Committee is straightforward. In November, voters approved amendments to the Florida Constitution mandating universal pre-K education, the prohibition of workplace smoking, and strict limits on public education class sizes. The Legislature must adopt implementing legislation to enact the inexactly drawn smoking ban and the education mandates will take bucket loads of tax dollars. These amendments are a heavy, heavy load for the Legislature in the weeks and months ahead and Senate President Jim King decided these constitutional mandates required the special time and attention of select staff and Senators. Today's meeting was dedicated to providing legislative committee staff time to precisely brief the Committee on every letter and verb tense of these constitutional amendments and the statutory implementation they are now enjoined to perform.

PIP INSURANCE NEEDS ATTENTION

State law requires that licensed drivers purchase Personal Injury Protection (PIP) insurance. This requirement, which found its nexus in the hope that such a mandate would spread insurance risk (and depress costs), provide physical care and get people back on the road with peace of mind, has found its way into a ditch. PIP is now rife with fraud and criminal behavior. Florida's no-fault system is intended to enable prompt payment of motor vehicle accident related medical and lost wage expenses without the need to prove who caused the accident. Also, no-fault is intended to reduce court congestion. Only those who have suffered a permanent injury "within a reasonable degree of medical probability" are to be permitted to file suit for pain and suffering damages. Lastly, since all motorists are required to purchase no-fault insurance coverage, taxpayer exposure for automobile accident injuries should be reduced. Sadly, unscrupulous individuals have steadily eroded the original intent of the no-fault legislation through rampant fraud and abuse. The number of lawsuits related to motor vehicle accidents is rising and disputes between insurers and providers have skyrocketed. Automobile insurance costs are increasing and fewer carriers are in this important market, according to the Florida Insurance Council.

The Senate Select Committee on Automobile Insurance/PIP Reform met today to address this ballooning crisis. Again, similar to every meeting held today, the principle agenda for the Committee was the discussion and introduction of the issue to Committee members, staff presentations to the Committee regarding what is happening in the marketplace and the causes. We will be watching this issue closely. PIP fraud and abuse and its effect on insurance rates are a significant cost-driver to Florida's business community and it is a problem that needs to be addressed in the 2003 Regular Session.

As the character and intent of the Legislature becomes clear on these and other issues and when actual legislation falls under consideration, as always, AIF will be providing its recommendation and/or policy position(s) as part of its Daily Brief and Weekly Brief Reports.

This report was prepared by Curt Leonard, Vice President – Governmental Affairs at Associated Industries of Florida (AIF). Please send your comments or suggestions to us at aif@aif.com or call the Governmental Affairs department at (850)224-7173.

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