

Friday, May 3, 2013

PIA of Florida Claims Victory on Legislative Session, Despite the Most Unlikely of Foes

After more than 65 years of representing professional insurance agents in Florida and before the legislature, we thought we had seen it all. Of course, as soon as you think that you will certainly be surprised, and we were.

First, the good news. In fact, make that **GREAT NEWS!** PIA of Florida was successful in achieving its two major objectives this legislative session - protecting agent commissions and averting private alternatives to the Citizens Clearinghouse.

There is nothing more fundamental than protecting agent commissions. Frankly, if we aren't doing that, we don't deserve to be here. Early in the session, we sounded the alarm that your commissions were being considered to pay for part or all of the new Citizens Clearinghouse. We received an overwhelming reaction of concern, despite some who compared our actions to "pulling the fire alarm in a crowded theater." I guess we would have to respond by saying it's OK to do that when the theater is on fire!

At no point has PIA of Florida ever opposed the Citizens Clearinghouse concept. We were there throughout the discussions at Citizens and in legislative committees as the idea was developed.

We all support the responsible depopulation or prevention of population of Citizens, recognizing that its level of exposure is extremely dangerous to Floridians. However, it is also critical that agents do not become the scapegoat for the problem and are fairly compensated for the valuable work and advice they provide their clients.

Fortunately, **Senate Banking and Insurance Chairman David Simmons (R-Altamonte Springs)** agreed, and at the request of PIA of Florida, added agents to the list of those who could not be charged a fee for participating in the Clearinghouse program. **House Insurance and Banking Chairman Bryan Nelson (R-Apopka)** readily accepted this change, protecting your commissions for yet another year!

PIA of Florida also successfully defeated a questionable attempt to create "private alternatives" to the Clearinghouse program. While we have been and continue to be stalwart advocates of private market competition, we failed to see any value in creating multiple clearinghouses other than to dilute the distribution of policies from the maximum number of potential carriers and to

generate profits at the expense of agents for the operators of the so-called "private alternatives." Fortunately, legislative leaders agreed with our perspective and took the private alternatives out of the legislation.

The victory on these two issues was completed yesterday, when after a tremendous amount of last-minute political jockeying to ensure that the legislation would not cause any increase in Citizens' rates, the Senate concurred with the House's changes to **Senate Bill 1770** and sent it to the Governor for his signature.

Just when we were ready to break out the champagne to celebrate, **Representative Kevin Rader (D-Boca Raton)** filed an amendment that would delete the PIA of Florida seat on the Citizens Market Accountability and Advisory Committee (MAAC) and reduce the number of seats (*see amendment attached*). The MAAC is a key Citizens committee that PIA of Florida has served on since its inception, providing critical input in the organization's operations. Since Representative Rader is an independent insurance agent and has sought and received financial and campaign support from PIA of Florida and its members throughout his political career, we could not fathom why he would seek to reduce agent input in Citizens, thus weakening the voice of the entire industry. Moreover, as agents serve to be the voice of consumers on the MAAC to inform the Citizens Board and staff of consumer concerns, this move can only be further interpreted as anti-consumer.

As an independent insurance agent, Kevin Rader should know better. When asked about the amendment and if he would withdraw it, he declined to pull it without first obtaining the approval of the **Florida Association of Insurance Agents (FAIA)**. Unfortunately, after years of spreading false and malicious rumors about PIA of Florida as an association in decline, FAIA has reacted to our successful efforts to protect agent commissions and thwart the questionable "private alternative" clearinghouses by getting a fellow agent to turn against his industry, his peers, and his constituents in a petty, and base attack.

PIA of Florida has steadfastly remained above the fray in its differences with the FAIA. Many times we have bitten our tongue, recognizing that agents are bound to have different perspectives, and thus, deserve options when choosing their association. However, this anti-competitive and destructive behavior spilling over into the legislative arena is truly unconscionable; especially when they should have standing alongside is in this effort.

As always, PIA of Florida will continue to focus on our mission of serving agents by providing the best possible advocacy, communication, and education available to help you grow your business. We will continue to work alongside other great agent associations who are willing to share synergies for the betterment of our mutual members.

We're not perfect and we're not always right; but we always, **ALWAYS** fight for your best interests and will listen to you, the professional insurance agent, fighting for your business.

To all of you who are PIA of Florida members, we thank you!

To those of you who have not yet given us a shot, please review our list of **member benefits** and

consider [joining today](#). You'll be glad you did!

Our Legislative Updates are made possible by Membership in PIA of Florida.



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