

# Florida Legislature Wraps Early with Insurance Fund, Roof and Condo Bills

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By [William Rabb](#) | May 26, 2022

By Wednesday morning, it was all over except for the speeches.

The five-day special session on the insurance crisis turned into just three days, and without seeing adoption of a single significant modification to two bills that had been carefully crafted to help some property insurers with reinsurance costs and help everyone else with litigation and roof claims.

Both chambers passed [SB 2D](#) and [SB 4D](#) with overwhelming support, a testament to the lock-step relationship between Florida's governor and Senate and House leadership.

The fact that the passage of the bills seemed a foregone conclusion early on in the session did not stop several lawmakers, though, from blasting colleagues for failing to do more to help homeowners who have seen soaring premiums in the last two years.

"This is called corporate welfare, market manipulation, trickle-down economics," said Rep. Michael Grieco, D-Miami Beach.

He was referring to the \$2 billion Reinsurance to Assist Policyholders, or RAP fund, authorized by SB 2D. It gives insurers a one-year layer of reinsurance below what the Florida Hurricane Catastrophe Fund provides, saving some companies millions on additional reinsurance from private reinsurers. Instead of paying premiums into the RAP fund, participating carriers will have to provide premium reductions to policyholders within a month.

Still, Grieco called it "a slush fund for insurance companies."

Other lawmakers and industry representatives agreed the legislation didn't go far enough to solve all of Florida's insurance woes. But many said it was a good first step.

"I give it a grade of C," said Donald Brown, a former legislator who now is a registered lobbyist for the Association of Bermuda Insurers and Reinsurers, the Florida Insurance Council and Associated Industries of Florida.

Rep. Ralph Massullo praised the bill and said it was filled with "great initiatives" that address major cost drivers.

The Senate vote was 30-9 in favor of SB 2D. The House approved it 95-14. Some 27 amendments were offered, including a freeze on insurance rates and a ban on insurers cancelling policies while a claim or litigation is pending. But all amendments were handily voted down.

A second bill, SB 4D, ended up being two measures rolled into one. One part modifies the state building code, which until now has required that entire roofs be replaced if just 25% of the surface is damaged. The bill opens the door to less-costly repairs, as long as the rest of the roof surface meets code requirements.

A second part of SB 4D is the condominium reform bill. Gov. Ron DeSantis added that to the agenda at the last minute after the regular session did not address the issue. It, too, passed. The measure met with plenty of emotional speeches but no “nay” votes.

The roof/condo bill, adopted almost 11 months to the day after the deadly condo collapse in Surfside, Florida, now requires high-rise condominiums to be inspected more often. Inspection reports must be provided to unit owners and prospective buyers, and condo association can no longer defer maintenance and funding for repairs.

The condo section of the bill “makes the trip to Tallahassee worth it,” Grieco said on the House floor.

Insurers will appreciate the bill, once it is signed into law, because it will provide needed information on the condition of buildings, supporters said.

The both bills will take effect upon the governor’s signature. It wasn’t clear when the governor will sign the legislation, but the ink is expected to flow this week.

Several lawmakers and insurance representatives said the industry won’t have to wait long to know if the legislation has helped smooth the turbulent waters of the Florida market. Many reinsurance programs must be renewed by June 1, and insiders predicted that as many as four carriers won’t complete their programs and will face insolvency or rehabilitation in coming weeks, despite the RAP fund in SB 2D.

“We’re not done,” said Rep. Matt Willhite, D-Wellington, suggesting that more legislation may be needed later this year or at the 2023 regular session of the Legislature.

Beyond the bills that were passed, the special session has put state regulators under the microscope. A number of lawmakers, on both sides of the aisle, charged that OIR has fallen short in monitoring for potential insolvencies, limiting rate increases, providing information on the industry, and other areas. Some argued that the entire structure of insurance regulation, with some duties split between OIR and the Department of Financial Services, was partly to blame for Florida’s recent troubles.

“I find the Office of Insurance Regulation to be incredibly flawed,” said Rep. Anna Eskamani, D-Orlando. “When you have a position that is not elected, but is appointed by a position that is well-funded by insurance companies, you have a serious situation of the fox guarding the hen house.

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