

FOR IMMEDIATE RELEASE
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**FLORIDA NONPROFIT AND BUSINESS GROUPS APPLAUD
INTRODUCTION OF LEGISLATION AIMED TO SHRINK CAT FUND**

Tallahassee, Fla. – Leaders from nonprofits and business groups statewide expressed their enthusiasm for legislation filed by Rep. Bill Hager (R-Boca Raton). Heeding the advice of Florida Hurricane Catastrophe Fund (Cat Fund) Chief Operating Officer Jack Nicholson, Rep. Hager is sponsoring House Bill 833 which aims to right-size the Cat Fund to better protect all Floridians.

Jose Gonzalez, Vice President of Government Affairs, Associated Industries of Florida

“We have consistently urged the Florida Legislature to reform the Florida Hurricane Catastrophe Fund, and applaud Rep. Hager for filing this important legislation which will greatly reduce the risk all Floridians – including Florida businesses – currently face from the Cat Fund’s funding shortfall and reliance on statewide assessments. The financial burden associated with the current structure of the Cat Fund requires massive ‘hurricane tax’ assessments to be levied on all Florida policyholders in the wake of multiple storms or one major storm hitting our state. As bad as it sounds, funding losses through the imposition of massive hurricane taxes after a major hurricane is the best case scenario under the current dysfunctional system. Even with these assessments, the Cat Fund has warned it cannot meet all of its obligations, posing enormous risks to Florida’s businesses and consumers. AIF calls on the entire Florida Legislature to support Rep. Hager’s bill in an effort to implement necessary change before the next storm season.”

Dominic M. Calabro, President and CEO, Florida TaxWatch

“As documented in the independent research report Risk & Reform released by Florida TaxWatch last month, reform of the Florida Hurricane Catastrophe Fund is necessary and changes to promote a functioning market and reduce taxpayer liability are both achievable and affordable. Recently, the Cat Fund determined it is \$3.2 billion short of funding its statutory obligations. This shortfall would threaten the solvency of insurers and destabilize the Florida economy. Thankfully legislative leaders such as Rep. Hager fully understand how important it is we alter the current state-run interrelated system in order to reduce the probability, frequency, and amount of potential ‘hurricane taxes’ on Florida taxpayers. Reform is necessary to ensure the Cat Fund can meet its obligations, without crippling taxes.”

Manley Fuller, President, Florida Wildlife Federation

“We strongly support reform of both Citizens Property Insurance Corp. and the Florida Hurricane Catastrophe Fund as changes to these state-run entities will lessen the requirement that all Floridians subsidize reckless coastal development in the most hazardous areas of the state. By reducing unfunded, publicly subsidized coverage on structures in flood and storm-prone areas seaward of Florida’s coastal construction control line and within units of the Coastal Barrier System and by adopting fiscally sensible reforms of the Cat Fund, we can reduce the risk of the public having to pay the claims on multimillion dollar beachfront property. The legislation presented by Rep. Hager is an important step in the right direction and we urge the entire Florida Legislature to realize the positive impact this bill will have on Florida’s environment.”

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Dr. J. Robert McClure, III, President and CEO, The James Madison Institute

“Rep. Hager should be commended for introducing a bill that addresses the urgent need for Cat Fund reform. Legislators and policy makers must work towards the goal of allowing the private market – which is willing and able – to assume insurance risk instead of burdening all Floridians with the possibility of substantial ‘hurricane tax’ assessments in the wake of the next storm. We’ve gone far too many years without reform of the state-run entity. It’s time for our legislative leaders to follow the advice of experts in the subject, including Cat Fund Chief Operating Officer Jack Nicholson, and reform the Cat Fund through market principles.”

David Hart, Executive Vice President, Florida Chamber of Commerce

“We know Florida faces a ticking time bomb from hurricanes and the resulting ‘hurricane taxes’ that will inequitably distribute costs to the Florida business community as well as all homeowners, charities, churches and automobile policyholders. Despite being hurricane-free for many years now, the Cat Fund still cannot meet its statutory obligations. Under current law, when the next major storm makes landfall in Florida the Cat Fund’s estimated \$3.2 billion shortfall will result in insurance insolvencies that will have to be paid off by all Floridians. Reforming the Cat Fund is not a choice, but a requirement. We support Rep. Hager’s legislation that will reduce the financial risk we are all faced with and believe this bill is a critical component to putting Florida on a glide path to stability.

Eli Lehrer, Vice President, The Heartland Institute

“For far too long, the Florida Hurricane Catastrophe Fund has distorted markets, cheated homeowners, damaged the environment, and posed a threat of insolvency for the entire state of Florida. It needs to change sooner rather than later. Rep. Hager’s bill is a major step in the right direction.”

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