



Community Newsletter

The Voice of Condominium, Civic, & Homeowner Associations of Pasco County

Volume 5 - Issue 3

Council of Neighborhood Associations, Inc. since 1985 - Incorporated 1987

March 2007



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C.O.N.A.

Meeting

Wednesday

March 21, 2007

9:30 AM

at

New Port Richey City Hall

5919 Main Street

Speaker for this meeting will be
Assistant Pasco County
Attorney
Elizebeth Blair

Ms. Blair will speak to us on
Pasco County's action on
Property Insurance

C.O.N.A. meetings are open to the
public. Bring someone with you.

"MAKE EVERY CAR A CARFULL"

Try to encourage someone from your
association's board of directors to attend
our meetings, or send a representative.

Our program chairman, Pat Gorecki,
could use a few suggestions for the
subjects you're interested in so we can
enlist speakers to speak at our meetings.
If you have a problem in your commun-
ity, we may be able to enlist someone to
speak at our meetings that may be able
to help you. Let us know your trouble
areas.

Is your clubhouse open to the public?
If you would like extra publicity
announcing a special activity at your
clubhouse, let our editor know what it is
and we will print your activity article in
our newsletter.



Senator Mike Fasano Announces Forum Regarding Condominium Association Self-Insurance



Senator Mike Fasano
announces that he
will be hosting a
forum to discuss
options for
condominium
associations to
self-insure under
provisions set during

the recently ended special session of the
Florida Legislature. Representatives of the
Florida Office of Insurance Regulation will
be on hand to make a presentation and
answer questions. The forum will be held on
March 1, 2007 from 6:30 to 8:30 PM.

"I encourage condominium associations and
property management companies to send a
representative to this forum," Senator
Fasano states. "Due to the rapidly rising cost
of property insurance my office receives
calls every day regarding what options may
be available to condo associations to make
that insurance more affordable. The Office
of Insurance Regulation will be well
equipped to answer those questions."

To ensure that adequate room is available
for all participants it is requested that only
two representatives from each condominium
association attend the forum. The forum will
be held at the Pasco County Commission
Chambers, 7530 Little Road, New Port
Richey.

For more information regarding the forum
please contact the office of Senator Mike
Fasano at 727-848-5885 or 800-948-5885



Frequently Asked Questions

ON EMERGENCY RULE 690ER07-1 RELATING TO RESIDENTIAL PROPERTY

INSURANCE RATE FILINGS

From State Senator Ted Deutch

dated February 14, 2007

1. What is the effective date of Emergency Rule 690ER07-1?

A. January, 31.2007

2. Does the Emergency Rule apply to Commercial Residential policies, such as condominium association policies or rental property policies?

A. An insurance company will be prohibited from making a rate filing for a rate increase for all types of residential properties, which includes personal residential AND commercial residential (condo association) policies until they make the required rate filing reflecting the Presumed Factor.

However, the prohibition on cancellations and nonrenewals ONLY applies to personal residential policies.

What is a rate filing?: All admitted property and casualty insurers with a Certificate of Authority to do business in Florida must have their rates and forms approved by the Office of Insurance Regulation. Periodically, the company must make a filing with the Office in order to adjust its rates. This is what is known as a "rate filing."

What is the presumed factor? House Bill 1A, passed during the 2007A Special Session requires the Office of Insurance Regulation to calculate a Presumed Factor (or series of factors) for use by the insurance companies in their rate filings to reflect the savings resulting from changes made in the bill. The Presumed Factor is a number expressed as a percentage which every admitted property and casualty insurance company will be required to use in calculating their mandatory rate decreases.

What is the difference between a commercial residential policy and a personal residential policy? A commercial residential insurance policy provides coverage for risks such as condominium association (not including the condo unit owners) or apartment buildings. A personal residential insurance policy provides coverage for risks including individual homeowners, condo unit owners, and mobile homeowners.

3. Does the rule apply to mobile homeowner's insurance policy?

A. Yes

4. I received a Notice of Cancellation or Nonrenewal prior to January 31, 2007 which becomes effective on or after January 31, 2007. Does the rule require the Notice to be withdrawn or rescinded?

A. Yes. Cancellations and nonrenewals, on personal residential properties, which were to take effect on or after the effective date of the Emergency Rule pursuant to notices of cancellation and nonrenewal issued prior to the effective date of the rule, are prohibited and must be withdrawn.

What is a Notice of Cancellation or Nonrenewal?: This is a letter from your insurance company notifying you that either they will be terminating your policy before the renewal date (cancellation) or that they will not offer you a new policy after your current policy expires(nonrenewal). If the company sends a Notice of Cancellation, they must specify the date upon which the policy will become ineffective.

5. Does the Emergency Rule prohibit the issuance of Notices of Cancellation or Nonrenewal on or after January 31?

A. Yes. No new Notices of Cancellation or Nonrenewal shall be issued until a rate filing reflecting the Presumed Factor is made. However, the insurer may cancel a policy upon proper notice for failure to pay premiums, fraud, or material misrepresentation.

6. May an insurer send a Notice of Cancellation or Nonrenewal now to take effect after June 1, 2007?

A. No. No new Notices of Cancellation or Nonrenewal shall be issued until a rate filing reflecting the presumed factor is made.

7. Many companies have previously announced upcoming non-renewals. Will these be stopped by the new rule? Also, as a result of the Emergency Rule does that mean that nobody can be nonrenewed for 100 more days after the required rate filing is made?

A. Yes, the Emergency Rule applies to previously announced nonrenewals. Once a company has made the required rate filing reflecting the Presumed Factor, they must give 100 days notice if they wish to nonrenew a policy. For nonrenewals that will become effective during hurricane season (June 1-Nov 30), the company must give notice 100 days prior to the effective date of the nonrenewal or by June 1, whichever is earlier. [Example: Once the company has made the required rate filing, for a policy which will be nonrenewed or cancelled effective August 31, 2007, it must give the policyholder a Notice of Nonrenewal or Cancellation no later than May 24, 2007, which is 100-day notice. For a policy which will be nonrenewed or cancelled effective October 31, 2007, the company must give the policyholder notice no later than June 1, 2007.]

See Emergency Rule - page 3

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Emergency Rule continued

8. Allstate has announced over 100,000 nonrenewals. Will they be exempt from the new rule since they have made arrangements to transfer the policies to Royal Palm Insurance Company?

A. No. Allstate is not exempt. They must withdraw any Notices of Cancellation or Nonrenewal that are effective on or after January 31 and may not issue any new notices of nonrenewal until after the required rate filing is made.

9. Does the Emergency Rule allow insurers to just stop writing new business?

A. The Emergency Rule does not prohibit insurers from refusing to write new policies.

10. My policy was nonrenewed or cancelled after January 31. I purchased insurance with Citizens or another insurer. What are my options?

A. The insurer that nonrenewed or cancelled your previous policy must offer you a reinstatement or extension of the policy. It is your decision whether or not to accept that offer. You will need to check with your new insurer as to what refund you would be entitled to in the event you decide to cancel the new policy and accept the reinstatement of your old policy. It is up to you to decide which is the better economic option for you.

11. I received a renewal premium notice and my premium is much higher than last year. I thought rates could not be increased until the insurer made a rate filing to reduce rates as required by the Emergency Rule. Is this allowed?

A. Any rate that was in effect or approved prior to January 31 may be applied to renewals and new policies. The rule prohibits the Office of Insurance Regulation from approving any pending rate filings until the insurer has made the required rate filing reflecting the Presumed Factor. The increased premium on your renewal notice may be the effect of a rate increase that was approved for your insurer last year. In addition, your premium may reflect recoupments and/or assessments for the Florida Insurance Guaranty Association, the Florida Hurricane Catastrophe Fund, and Citizens Property Insurance Corporation.

12. How do we tell which rate changes are valid or not valid under the new rule?

A. You should check with your agent to determine whether you have been charged the correct rate or you can contact the Department of Financial Services Consumer Helpline at 1-800-342-2762 for assistance.

13. Does the Emergency Rule apply to an insurer which is withdrawing from the state and has in place a plan approved by the Office of Insurance Regulation to nonrenew policies?

A. Yes. The insurer is not exempt and must comply with the Emergency Rule.

14. Will the Florida Select policies that are being cancelled midterm by court order during the coming 90 days be reinstated? They are being offered a replacement policy from Southern Fidelity at a much higher rate.

A. The rule does not apply to insurers that are subject to receivership proceedings.

15. Does the Emergency Rule apply to surplus lines companies?

A. No. Surplus Lines insurers do not file rates or forms for approval and therefore are not subject to the Emergency Rule.

How do I know whether my insurer is a surplus lines company? You can go to the Office of Insurance Regulation Company Search website at <http://www.fldfs.com/data/CompanySearch> and type in the name of your company. If your company is a surplus lines company, next to "Company Type," it will say "Surplus Lines."

16. I purchased a new policy recently and I have been informed by the insurer that I do not meet the underwriting guidelines and was sent a notice of cancellation. Is this permitted under the Emergency Rule?

A. No. The Emergency Rule does not allow the cancellation or a notice to be sent on or after January 31. After the required rate filing is made, the insurer may then send you a Notice of Cancellation.

17. May an insurer make a rate filing to reduce rates?

A. Yes.

18. I have a binder for my homeowners insurance, but have not been issued a policy. Does the rule prohibit the insurer from cancelling the binder?

A. No. The Emergency Rule does not apply to binders.

CA DAY 2007

ATTENTION HOMEOWNERS !!!

Suncoast Chapter of Community Association Institute

presents its annual CA Day and Trade Show

Friday, March 2, 8:00 am until 3:30pm

Harborview Center -300 Cleveland Street, Clearwater

Free Coffee and Donuts- Prize Giveaways

Keynote Speaker: Christine Turner, Legislative Affairs Coordinator for Citizens Insurance

8:30 - 9:30 am - Florida Friendly Landscaping Room 2&3

8:30 - 9:30 am - Amending Documents and Bylaws - Ballroom B

8:30 - 10:30 am - Homeowner Roundtable - Room 1

9:45 - 10:45 am - Planning for Major Expenses - Ballroom 4

9:45 - 10:45 am - Legal Q & A for HOA's - Ballroom B

10:30 - 11:30 am - Florida Legislative Alliance - Room 1

10:00 am - 12 noon - 2007 Legal Update for CAM's - Room 2&3

11:00 - 12 noon - Painting, Roofing, Restoration - Ballroom A

12 noon - 12:30 pm - LUNCH

12:45 - 2 pm - *Keynote Speaker: Christine Turner,*

Legislative Affairs Coordinator for Citizens Insurance

Ballroom A & B

2:15 - 3:30 pm - Legal Q & A for Condominiums

3:30 - 5:00 pm - Wine and cheese Reception

Trade Show Floor

There is a wealth of information at this show for Boards of Directors.

Free Admission - No Registration Required (just show up)

Daylight Saving Time

On August 8, 2005, President George W. Bush signed the *Energy Policy Act of 2005*.

This act changed the time change dates for Daylight Saving Time in the U.S.

Beginning in 2007, DST will begin on the **second Sunday in March, the 11th** and end the **first Sunday in November, the 4th**. The Secretary of Energy will report the impact of this change to Congress. Congress retains the right to resume the 2005 Daylight Saving Time schedule once the Department of Energy study is complete.

Note: That's Daylight Saving Time (not Daylight Saving(s) Time.

In the U.S., clocks change at 2:00 a.m. local time.

Remember - Spring forward - Fall Backward

If you don't like all the fuss about changing time...blame Benjamin Franklin.

For the U.S. and its territories, Daylight Saving Time is **NOT** observed in Hawaii, American Samoa, Guam, Puerto Rico, the Virgin Islands, and Arizona.

This is a good time to change the battery in the smoke detectors, and in home gas detectors for those folks that have gas for cooking and heating. If you have gas for cooking and heating and don't have gas detector alarms...GET SOME!



March 2007						
S	M	T	W	T	F	S
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November 2007						
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25	26	27	28	29	30	



OFFICE OF INSURANCE REGULATION

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FINANCIAL SERVICES
COMMISSION

CHARLIE CRIST
GOVERNOR

ALEX SINK
CHIEF FINANCIAL OFFICER

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ATTORNEY GENERAL

CHARLES BRONSON
COMMISSIONER OF
AGRICULTURE

February 07, 2007

The Honorable Charlie Crist
The Governor of Florida
The Capitol
Tallahassee, FL 32399

Dear Governor Crist:

This letter is to confirm my understanding of the effect of the Emergency Rule adopted Tuesday January 30, 2007, as it relates to my enforcement of its provisions.

Based upon the language of the rule and the comments of the members of the Financial Services Commission, it is my understanding that the purpose of the rule is to maintain the status quo of the homeowners market as it relates to rates until insurers make, and have approved, a rate a filing that reflects the presumed factor provided for in House Bill 1-A. Moreover, until a rate filing reflecting the presumed factor is made, insurers may not cancel or non-renew any policyholders.

With that understanding:

1. Cancellations and non-renewals which were to take effect on or after the adoption of the Emergency Rule pursuant to notices of cancellation and non-renewal issued prior to the adoption of the rule, are prohibited;
2. Cancellations and non-renewals which were to take effect after the adoption of the Emergency Rule pursuant to notices of cancellation and non-renewal issued on or after the adoption of the rule, are likewise prohibited; and
3. No new notices of cancellation or non-renewal shall be issued until a rate filing reflecting the presumed factor is made.

I have directed my staff to immediately begin implementing the Emergency Rule.

Sincerely,

Kevin M. McCarty

New Officers of Associations

HOA of the Glen at River Ridge

Otto Georgi, President; Jack Alwood, VPresident; Maria Coken, Secretary; Daniel Douglas, Treasurer

Beacon Woods Vlg 16 & 17

Don Reeds, President; Gus Lawrence, VPresident; Doris Cusak, Secretary; David Nelson, Treasurer

Shadow Ridge HOA

Don Paeplow, President; Bert Keenet, VPresident; Dayne Cote, Treasurer

Millwood Vlg@Beacon Woods East Assoc., Inc.

Tom Dyska, President; Mark Vida, VPresident; Jeannie Benatti, Treasurer

Sea Pines Civic Association

Ernie Reed, President; Mark Nuzzo, VPresident; Lucy Davis, Secretary; Patsy Piccininno, Treasurer

Veterans Villas III

Fred Williams, President; Theresa Consiglio, Secretary-Treasurer

*New Association Member

Westport Association, Inc.

Don Beatty, President; Ron Agin, VPresident; Donna McKenzie, Secretary; Cindy Leach, Treasurer

*New Individual Members

Robert H. Benton of Cedar Pointe Condo Assoc.

John McFadden-Barrington Woods at Beacon Woods East.

**OFFICE OF INSURANCE
REGULATION**

Kevin M. McCarty - Commissioner

IN THE MATTER OF: Case No: 90321-07

THE PRESUMED FACTORS TO BE USED IN
RESIDENTIAL PROPERTY INSURANCE RATE
FILINGS

ORDER

**TO: All Residential Property Insurers
doing business in this State**

THIS CAUSE came on for consideration as a result of the enactment of House Bill 1A ("HB 1A"). Pursuant to HB 1A, Section 3, subsection 2, this Order specifies the dates upon which the rate filings required by HB 1A, Section 3, subsection 1 and 6, must be made and be effective in order to provide rate relief to policyholders. The Office of Insurance Regulation ("OFFICE") being fully advised in the premises finds

1. The OFFICE has jurisdiction over the parties and the subject matter of these proceedings.

2. HB 1A, Section 3, subsection 6, requires that each insurer reflect a rate change that takes into account the Presumed Factors determined under Section 3, subsection (3) for any policy written or renewed on or after June 1, 2007.

3. HB 1A, Section 3, subsection 1, requires every residential property insurer to make a rate filing with the OFFICE, pursuant to the "file and use" provisions of Section 627.062(2)(a), Florida Statutes, which reflects the savings or reduction in loss exposure to the insurer due to the provisions of Section 2 of HB 1A.

4. The OFFICE anticipates publishing the Presumed Factors by March 1, 2007.

WHEREFORE, in consideration of the foregoing and being otherwise duly advised in the premises, it is hereby **ORDERED**:

A. All residential property insurers (hereinafter "insurers" or "insurer") shall make a filing on or before March 15, 2007, either adopting the Presumed Factors that are determined by the OFFICE, or the insurers shall make a filing using the Presumed Factors that are determined by the OFFICE, or the insurers shall make a filing using the

Presumed Factors and reflecting a rate decrease that takes the Presumed Factors into account. The rate decreases reflected by these filings shall be effective for any policies written or renewed on or after June 1, 2007.

B. A Presumed Factor filing that adopts the Presumed Factors shall be a separate filing using the process established in the I-file system specifically for the Presumed Factor filing, and shall only reflect the effects of the Presumed Factors on the rates currently in effect. Such filing shall not be subject to the requirements of Section 18, subsection (9) of HB 1A. The filing shall be limited to the effects of the Presumed Factors on the rates currently in effect, and the elimination of the 25% rapid cash buildup portion of the insurer's Florida Hurricane Catastrophe Fund premium.

C. A Presumed Factor filing that uses, but does not adopt, the factors to reflect a rate decrease that takes into account the Presumed Factors shall be a "use and file" filing and shall provide all the information used in preparing the filing including copies of all reinsurance treaties. Such filings are subject to credits or refunds if the rate reductions are determined to be inadequate. The filing shall be limited to the effects of the Presumed Factors on the rates currently in effect, and the elimination of the 25% rapid cash buildup portion of the insurer's Florida Hurricane Catastrophe Fund premium.

D. A Presumed Factor filing made pursuant to paragraph C shall be accompanied by a sworn statement from the chief executive officer or chief financial officer of the insurer and the chief actuary or actuary preparing the filing that, based on their knowledge after reviewing the filing, the filing contains all the information used to prepare the filing, includes all the reinsurance treaties, reflects all premium savings that are reasonably expected to result from legislative enactments and are in accordance with generally accepted and reasonable actuarial techniques. The sworn statement shall further state that the filing does not contain any untrue statement of a material fact nor does it omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading.

E. Either a filing pursuant to paragraph B or paragraph C shall satisfy the requirements of Emergency Rule 690ER07-1 as it

relates to the filing required before an insurer may non-renew or cancel or continue the non-renewal or cancellation of personal residential insurance policies, provided that, consistent with s.627.4133(2)(c), Florida Statutes, the policyholder receives at least 100 days written notice that shall not include any time period between the effective date of the Emergency Rule and the date of the insurer's Presumed Factor filing. Approval of the filing is not necessary to comply with the filing requirement of the Emergency Rule.

F. After making the Presumed Factor filing, insurers shall make a "True-Up" filing pursuant to the "file and use" provisions of s.627.062(2)(a)1. that is a complete rate filing which reflects the savings or reductions in loss exposure to the insurer due to all of the provisions of HB1A and the anticipated 2007 reinsurance program. The "True-Up" filing shall be accompanied by the sworn statement required by HB 1A.

The "True-Up" filing shall contain a complete description of the reinsurance program for each company for the 2007 Hurricane Season, including the following:

a) A schematic diagram of all reinsurance coverage, including contract retentions and limits, for both CAT fund and private placements.

b) A listing of all reinsurance contracts, including retentions, limits, estimated ceded premium and rates on line (i.e. premium as a percentage of limits) for each contract.

c) A copy of confirming documentation for each contract, either in the form of a treaty or if the treaty is not yet available, in the form of a "reinsurance slip."

G. The "True-Up" filing may be made at any time after the insurer has submitted its Presumed Factor filing, but shall be made within 90 days from the date of the Presumed Factor filing for insurers with confirmed reinsurance in place for the 2007 Hurricane Season. For all other insurers, the "True-Up" filing shall be made within 90 days from the insurer's receipt of the broker or reinsurer confirmation of new or revised terms of the insurer's reinsurance agreements for the 2007 Hurricane Season, but in no event later than September 20, 2007.

H. For those insurers who have reduced rates since the enactment of HB 1A, an allowance will be made in the Presumed Factor filing for credit for these early rate reductions. Such insurers shall be required to make a Presumed Factor filing and a "True-Up" filing within the frames provided in this Order.

I. Failure to comply with this Order shall be cause for the OFFICE to commence proceedings to suspend or revoke the insurer's certificate of authority pursuant to applicable provisions of the Florida Insurance Code including Section 624.418, Florida Statutes, and/or impose administrative fines and penalties as allowed by the Florida Insurance Code.

DONE and ORDERED this 19th day of February 2007
Signed: KEVIN M. MCCARTY, COMMISSIONER

NOTICE OF RIGHTS

Any party to these proceedings adversely affected by this Order is entitled to seek review of this Order pursuant to Section 120.68, Florida Statutes, and Rule 9.110, Fla.R.App.P. Review proceedings must be instituted by filing a petition or notice of appeal with the General Counsel, acting as the agency clerk, at 612 Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0333, and a copy of the same with the appropriate district court of appeal, within thirty (30) days of rendition of this Order