



**CHARLIE CRIST**  
GOVERNOR

June 24, 2009

Secretary Kurt S. Browning  
Secretary of State  
R.A. Gray Building  
500 S. Bronough Street  
Tallahassee, Florida 32399

Dear Secretary Browning:

By the authority vested in me as the Governor of Florida, and under the provisions of Article III, Section 8, of the Constitution of Florida, I do hereby withhold my approval of and transmit to you my objections to, Committee Substitute for Committee Substitute for House Bill 1171, 111<sup>th</sup> Session of the Legislature of Florida, since statehood in 1845, during the Regular Session of 2009 and entitled:

An act relating to residential property insurance...

Since the passage of House Bill 1A in January 2007, which yielded rate decreases on average of 15.9 percent statewide, rates have remained relatively stable for most homeowners. This bill will reverse that trend by exempting certain insurers from the determination that their rates are excessive by the Office of Insurance Regulation. This will likely result in significant and unpredictable rate increases that, during these difficult economic times, people can simply not afford.

Although coined the "Consumer Choice" bill, there is no provision in House Bill 1171 that allows consumers to review options and make a choice that best fits their needs. On the contrary, the bill actually gives the "choice" to a select group of property insurance companies and allows them to decide who they are willing to sell a non-regulated policy. These select property insurance companies will be able to cherry-pick, or sell only to profitable policyholder risks, while at the same time offloading their undesirable policyholders that are higher risk to their competitors and Citizens Property Insurance Corporation.

Further, Florida has added new property insurance writers and a significant amount of new capital since 2006 and more than 400,000 policies were taken out of the state-run Citizens Property Insurance Corporation in 2008, reducing the state's exposure by more than 20 percent. House Bill 1171 will disrupt the effort to build an increasingly competitive insurance marketplace and treat certain insurers differently than emerging Florida domestic companies. If the select group of property insurance companies are allowed to "redline" areas of the state they do not wish to write, this will harm consumers and investors who have worked in good faith to create a competitive marketplace that has benefited all Floridians.

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Finally, the legislation contains no consumer protections to ensure these companies make a commitment to their policyholders or Florida's insurance market. House Bill 1171 allows certain insurers the ability to collect unregulated insurance premiums and then leave the marketplace with Florida's hard working families' earnings. I want to commend Commissioner Kevin McCarty for his continuing efforts to create a competitive property insurance marketplace, while ensuring Florida's consumers have the opportunity to purchase affordable insurance products.

For these reasons, I withhold my approval of Committee Substitute for Committee Substitute for House Bill 1171, and do hereby veto the same.

Sincerely,

A handwritten signature in blue ink that reads "Charlie Crist". The signature is written in a cursive, flowing style with a large initial "C".

Charlie Crist