

FLORIDA HOUSE OF REPRESENTATIVES

BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

BILL #: [CS/HB 1097](#)

TITLE: Insurance Research

SPONSOR(S): Canady

COMPANION BILL: [SB 114](#) (Trumbull)

LINKED BILLS: None

RELATED BILLS: None

Committee References

[Insurance & Banking](#)

16 Y, 0 N



[Budget](#)

26 Y, 0 N, As CS



[Commerce](#)

SUMMARY

Effect of the Bill:

The bill renames the existing “Florida Catastrophic Storm Risk Management Center” to the “Florida Center for Excellence in Insurance and Risk Management” (Center) located at Florida State University (FSU). The bill expands the purpose, duties, and interests of the Center. The bill requires the Center to collaborate with the Office of Insurance Regulation (OIR) on a variety of tasks.

The bill transfers all of the duties, powers, functions, funds, existing contracts, and other issues associated with or related to the public hurricane loss production model from Florida International University to FSU.

Fiscal or Economic Impact:

Implementation of the bill is subject to funding in the General Appropriations Act.

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ANALYSIS

EFFECT OF THE BILL:

The bill renames Florida State University’s Florida Catastrophic Storm Risk Management Center to the Florida Center for Excellence in Insurance and Risk Management (Center). The bill expands the scope of the Center from catastrophic storms to broadening its purpose to insurance and risk management.

The bill changes the purpose of the Center:

- to develop, conduct, and evaluate accurate and timely research issues related to Florida’s insurance market and risk management;
- to assist the Legislature in developing and evaluating evidence-based policy options and making recommendations related to insurance and risk management in Florida;
- to identify emerging issues in the insurance market; and
- to provide insight regarding accessibility and affordability of insurance products.

The bill does not change the Center’s purpose to assist in identifying and developing education and research grant funding opportunities among higher education institution in this state and the private sector.

The bill aligns the Center’s purpose consistent with this change. The Center is to conduct research responsive to inquiries from the President of the Senate and the Speaker of the House of Representatives. The bill permits the Center to conduct research upon the request of Office of Insurance Regulation (OIR). (Section [1](#)).

The Center and OIR

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Conducting Research

The bill requires the Center to cooperate with the OIR on conducting research. The bill provides that areas of research may include:

- storm forecasting and loss modeling;
- Florida's insurance-related consumer protections;
- insurer claims-handling and adjudication practices in this state in comparison with insurer practices in other states;
- cost factors in the reinsurance, catastrophe bond, and insurance-linked securities markets;
- the Florida Hurricane Catastrophe Fund;
- the effectiveness of the My Safe Florida Home Program;
- risk management strategies, particularly for catastrophic risk; or
- health insurance, life insurance, workers' compensation, motor vehicle insurance, or any other type of insurance sold within this state. (Section [1](#)).

Producing Report

The bill requires the Center to collaborate with OIR to create and to produce a report examining the property insurance market in Florida by forecasting what the market will look like in 1 year, 5 years, 10 years, and 20 years. The report must include recommendations on improving the availability and affordability of property insurance, and this state's preparation and response to catastrophic events. (Section [1](#)).

The bill requires the Center to publish the initial report on or before January 1, 2026, and update the report at least every 2 years. (Section [1](#)).

Developing a Program to Encourage Students to Work for Public Sector

The bill requires the Center to collaborate with OIR and the Actuarial Science Program of the Florida State University (FSU) Department of Mathematics to develop a program to encourage actuarial science students to work in the public sector in the field of risk management insurance. (Section [1](#)).

The Florida Public Hurricane Loss Model

The bill mandates OIR to contract with the Center to manage the public hurricane loss model, and the Center to work with other entities and universities, including Florida International University (FIU), to develop the public model. The bill removes FIU as the lead institution for developing and operating the public model, and replaces parts in the statutes to reflect FSU's Center instead of FIU. (Section [2](#)).

The bill transfers¹ all powers, duties, functions, records, offices, personnel, associated administrative support positions, property, pending issues, existing contracts, administrative authority, administrative rules, and unexpended balances of appropriations, allocations, and any other funds relating to the public hurricane loss projection model from FIU to FSU. (Section [3](#)).

Annual Report on Hurricane Loss Data and Associated Exposure Data

The bill requires the FSU Center instead of FIU to annually publish a report summarizing the hurricane loss data and associated exposure data connected² to and collected from residential property insurers and licensed rating and advisory organizations. The bill directs the FSU Center to annually submit such report on or before October 1st to the Governor, the President of the Senate, and the Speaker of the House of Representatives. (Section [4](#)).

¹The bill states that such transfer is a type two transfer, as defined in [s. 20.06\(2\), F.S.](#) A type two transfer allows the state to move a program and functions of an existing agency to another agency.

²[S. 627.06292\(2\)](#) defines "loss data and associated exposure data" as the type, age, wind mitigation features, and location of each property insured; the amount and type of coverage written on each of those properties; the amount, date, and type of damage paid for by the insurer on each property; and the amount of any reserves held by an insurer for future payments or expenses on damages associated with the date or dates of occurrence of hurricanes.

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The operational costs of the Hurricane Loss Model at Florida State University will be subject to funding by the General Appropriations Act (GAA).

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Office of Insurance Regulation

The Office of Insurance Regulation (OIR) regulates specified insurance products, insurers, and other risk bearing entities in Florida.³ The Financial Services Commission (FSC), composed of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture, serves as agency head of the OIR for purposes of rulemaking. Further, the FSC appoints the OIR commissioner.

As part of their regulatory oversight, the OIR may suspend or revoke an insurer's certificate of authority under certain conditions.⁴ The OIR is responsible for examining the affairs, transactions, accounts, records, and assets of each insurer that holds a certificate of authority to transact insurance business in Florida.⁵ As part of the examination process, all persons being examined must make available to the OIR the accounts, records, documents, files, information, assets, and matters in their possession or control that relate to the subject of the examination.⁶ The OIR is also authorized to conduct market conduct examinations to determine compliance with applicable provisions of the Insurance Code.⁷

Florida Catastrophic Storm Risk Management Center

In 2007, the Florida Legislature created the Florida Catastrophic Storm Management Center. The Florida Catastrophic Storm Management Center is housed within the Department of Risk Management in the College of Business located at FSU.⁸ The Florida Catastrophic Storm Management Center's primary focus is to support the state's ability to prepare for, respond to, and recover from catastrophic storms. The support the Florida Catastrophic Storm Management Center provides includes:⁹

- Coordinating and disseminating research efforts that are expected to have an immediate impact on policy and practices related to catastrophic storm preparedness.
- Coordinating and disseminating information related to catastrophic storm risk management, including but not limited to research and information that benefits business, consumers and public policy makers.
- Facilitating Florida's preparedness and responsiveness to catastrophic storms and collaborating with other public and private institutions.
- Creating and promoting studies that enhance the educational options available to risk management and insurance students.
- Publishing and disseminating findings primarily related to risk management.
- Organizing and sponsoring conferences, symposiums, and workshops to educate consumers and policymakers.

The Florida Public Hurricane Loss Model

In 2000, the Florida Legislature authorized the creation of a public hurricane loss projection model (public model) and the OIR contracted with FIU to develop the model in 2001.¹⁰ In March 2006 the public model was activated and

³ S. [20.121\(3\)\(a\), F.S.](#)

⁴ S. [624.418, F.S.](#)

⁵ S. [624.316\(1\)\(a\), F.S.](#)

⁶ S. [624.318\(2\), F.S.](#)

⁷ The Code is comprised of chs. 624-632, 634-636, 641, 642, 648, and 651, F.S. See S. [624.3161, F.S.](#)

⁸ S. [1004.647, F.S.](#)

⁹ *Id.*

¹⁰ Summary information on the Florida Public Hurricane Loss Projection Model obtained from Office of Program Policy Analysis and Government Accountability. Report No. 11-25: *Steps Could Be Taken to Reduce the Public Hurricane Loss*

in August 2007 it was first found acceptable by the Florida Commission on Hurricane Loss Projection Methodology. The public model was built to assess hurricane risk and predict annual expected insured residential losses in Florida for an insurance company, zip code, county, or for the entire state. The OIR uses the public model as an independent tool to facilitate its review of the reasonableness of property insurance rates proposed by insurers. Without the public model, the OIR's basis for rate determinations would be each insurer's own selected private model and corresponding loss data and the OIR would not have a way to corroborate the accuracy of this data. The FIU is the lead institution for developing and operating the public model, but it collaborates with several other public and private Florida universities (including FSU, the Florida Institute of Technology, the University of Florida, and the University of Miami), University of Missouri-Kansas City, and the U.S. National Oceanic and Atmospheric Administration.¹¹

Annual Report on Hurricane Loss data and Associated Exposure Data

Currently, FIU is required to annually publish a report summarizing the hurricane loss data and associated exposure data connected to and collected from residential property insurers and licensed rating and advisory organizations. FIU must annually submit such report on or before October 1st to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The report must include a summary of the data supplied by residential property insurers and licensed rating and advisory organizations from September 1 of the prior year to August 31st of the current year, and must include certain information.¹²

FIU International Hurricane Research Center

FIU has a specific center that focuses on minimizing hurricane damage and loss of life. The International Hurricane Center studies include: ¹³

- household mitigation and evacuation;
- storm hazard and vulnerability mapping, long-term community recovery; and
- economic loss modeling.

Previously, the National Science Foundation (NSF), the Federal Emergency Agency (FEMA), OIR, and the Florida Division of Emergency Management (DEM) have assisted with these studies. ¹⁴ The International Hurricane Center has four research laboratories¹⁵ focused on different aspects of hurricane damage and resiliency.

OTHER RESOURCES:

[FIU Hurricane Research Center](#)
[Florida Public Hurricane Loss Model](#)

Projection Model's Reliance on State Funding (December 2011). Available at:
<http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1125rpt.pdf>

¹¹ *What Is the FPHLM?* Florida Public Hurricane Loss Model, Florida International University International Hurricane Research Center, <https://fphlm.cs.fiu.edu/> (last visited Mar. 6, 2025).

¹² [S. 627.06292\(3\), F.S.](#)

¹³ *History*, International Hurricane Research Center, Florida International University, www.ihrc.fiu.edu/about/history/ (last visited Mar. 7, 2025).

¹⁴ *Id.*

¹⁵ The four research laboratories include the [laboratory for coastal research](#), [laboratory for insurance, financial and economic research](#), [laboratory for social science research](#), and [laboratory for wind engineering research](#).

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Insurance & Banking Subcommittee	16 Y, 0 N	3/13/2025	Lloyd	Herrera
Budget Committee	26 Y, 0 N, As CS	3/27/2025	Pridgeon	Perez
THE CHANGES ADOPTED BY THE COMMITTEE:	Removed the appropriation of \$5 million recurring funds and \$1.5 million nonrecurring funds from the General Revenue Fund.			
Commerce Committee			Hamon	Herrera

THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.
