
To: Cindy Walden
Subject: RE: Request for Public Comment: Uniform Mitigation Verification Inspection Form Rule Hearing

From: Sunshine, Al [mailto:SUNSHIA@wfor.cbs.com]
Sent: Monday, September 19, 2011 5:32 PM
To: Florida OIR Communications Office
Cc: Insurance Commissioner
Subject: Request for Public Comment: Uniform Mitigation Verification Inspection Form Rule Hearing

I am providing you a copy of a recent News Article which was Broadcast last September here in Miami and also appeared in several South Florida Publications.

I hope it is helpful in expressing the deep concerns struggling Homeowners Statewide may have over recent changes in the State Windstorm Mitigation Program and the way Mitigation Credits and Home Construction is being reviewed.

If possible, I'd like it entered into the Formal Record of the OIR's September 20th Hearings on amending the Florida Windstorm Inspection and Mitigation Credit Program.

Regards,
Al Sunshine

Like so many other South Florida homeowners, Country Walks' Alina Blanco wages war with her budget every month. When her homeowners' insurance bill recently went up to more than \$5-thousand dollars a year, she found cheaper coverage. The Health Insurance Executive changed companies and fought for every insurance discount she was entitled to, including her storm shutters. Alina says the discounts are very important to her and adds if she has to pay more on here bill, "I'm not going to be able to afford my home". Most families have several different kinds of storm shutters protecting their homes like older storm panels or newer accordion shutters. But it turns out they may not qualify anymore for the insurance discounts. That's because after complaints from the industry, state insurance regulators changed Florida's residential inspection program. Why the issue? Allegations of fraud. Dulce Suarez-Resnick of Doral's NCF Insurance says "The industry's concern was a lot of unqualified people were certifying home's were eligible for discounts when they weren't. So they looked for a more uniform way of certifying inspectors, but it worked the other way around". For some homeowners, "Worked the other way around " means they'll lose the discounts they counted on because of the way homes are now being inspected. Insurance insiders tell me some homeowners could see as much as an 80% rate hike on the windstorm portion of their premiums, when their homes are re-inspected under the new guidelines.

Suarez-Resnick says "I have a customer who lost their mitigation discounts and the new bill went all the way up \$10,000 a year from the increased windstorm portion of his premium".

So what actually changed?

Chief Consumer Investigator Al Sunshine says when his home was last inspected in 2007, it qualified for a series of storm shutter and roof bracing discounts.

But under the current inspection guidelines, the very same shutters didn't meet the requirements and the inspector, hired by the insurance company, couldn't verify the roof qualified for any discounts at all.

That, despite the fact the original inspector 3 years ago found the shutters and extra roof bracing did qualify for discounts. Sunshine says some of the new requirements are actually impossible to meet, because in some cases, a portion of the roof would have to be torn open to verify it included a water-penetration barrier that can't be seen once the roof is completed.

Professor Jose Mitrani is a construction management expert and Professional Engineer who teaches at Florida International University.

When Al Sunshine asked him "What chance do most homeowners have under the current guidelines to get a discount, he answered "Not Much."

The Building Code expert says the new inspection program is based on Florida's tougher building codes that most of the state's older homes can't meet without expensive modifications and upgrades like entire new roofing systems.

Mitrani adds " Since the majority of homes were built prior to 2004 when the new statewide code came about, or after Hurricane Andrew in 1993, and the code changed down here in 1994, a majority of the homes statewide will not meet the new requirement or most of the requirements.

Alina Blanco says she didn't know about the changes in the state's inspection program and adds "I'm surprised they didn't let people know about this. It almost sounds like a trick to me to get higher rates. Something sounds funny to me".

Insurance Expert Suarez-Resnick says consumers need to start getting all their old permits and inspection records together to prove to their insurance companies their homes do meet current codes, and contest a bad inspection.

The Florida Office of Insurance Regulation recently held a workshop on its' inspection program and is studying ways of improving it.

The state's biggest Insurer, Citizen's Property and Casualty, temporarily suspended inspection on its' Business Policies to evaluate its' findings and add more inspection companies to manage it.

Citizens' officials insists most of its' customers will still qualify for some of their earlier discounts.

But as the program stands right now, Insurance Companies can require policyholders to get their homes re-evaluated by building inspectors picked and paid for by them, to decide if a home qualifies for any discounts.

Under current Insurance Regulations, consumers can still hire their own certified inspectors to check out their homes.

But with no independent mediation process in place and no way to arbitrate disputes, consumers have no way of getting a discount on their insurance bills if the Insurance Company decides its own inspectors came to the proper conclusion.

And all this comes at a time when Florida remains one of the worst states in the nation for foreclosures and faces double-digit unemployment in many of its' largest residential areas.

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From: Florida OIR Communications Office [mailto:FloridaOIRCommunicationsOffice@flor.com]

Sent: Monday, September 19, 2011 2:41 PM

Subject: Media Advisory: Uniform Mitigation Verification Inspection Form Rule Hearing

-FROM THE FLORIDA OFFICE OF INSURANCE REGULATION-

MEDIA ADVISORY

September 19, 2011

WHO: Uniform Mitigation Verification Inspection Form OIR-B1-1802

WHAT: A public rule hearing will be held to discuss the Uniform Mitigation Verification Inspection Form OIR-B1-1802.

This purpose of this hearing is to revise the form to include 2010 statutory changes and to better reflect terminology used in the Florida Building Code.

WHEN: September 20, 2011
9:30 a.m.

WHERE: Room 116, Larson Building
Tallahassee, Florida

Live video of the hearing will not be available but a recording of the hearing will be available on our website at a later date.

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