

## Florida CFO pushes Cat Fund reform

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Florida's Chief Financial Officer Alex Sink is proposing a reform of the Florida Hurricane Catastrophe Fund that she says could reduce the potential for Cat Fund assessments on insurance consumers. The proposal follows an effort earlier this year to provide rate relief to consumers. The Legislature agreed to add \$12 billion in optional reinsurance coverage, but a release from Sink's office said the rate relief expected to come from that measure is not being realized. Sink's proposal would give the governor and the Florida Cabinet the ability to set both the reinsurance levels and pricing of the Cat Fund's optional coverages - a move she said would give greater flexibility and accountability to the management of Florida's reinsurance fund as well as promote increased competition in the private insurance market. Sink is preparing legislation and will urge lawmakers to implement the proposal during the upcoming special session. Sink also said she would present her proposal at the Florida Cabinet meeting on Oct. 16. If approved by the Legislature before the end of the month, the reformed Cat Fund would begin evaluating financial and insurance market conditions and would recommend to the governor and Cabinet the level and pricing of Cat Fund optional coverages for the 2008 hurricane season. The Cabinet would make a final decision by Feb. 15, 2008, well in advance of the time when a majority of private insurers would negotiate their private reinsurance contracts, the release said.