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Crist vetoes property insurance bill

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Gov. Charlie Crist rejected a bill Wednesday that would have deregulated rates for national property insurers - prompting one sponsor to suggest a veto override.

Crist had hinted for weeks that he might veto HB 1171, which would have allowed national major property insurers to charge whatever rates they wanted in Florida. Sen. Mike Bennett and Rep. Bill Proctor, both Republicans, said they sponsored the Consumer Choice Act to give residents the option of paying more for the added security of coverage from large, well-known private companies.

Consumer groups argued that would obliterate years of efforts to keep insurance rates affordable. But industry heavyweights such as the state Chamber of Commerce said it would help repair a broken insurance market and reduce exposure of the state's Citizens Property Insurance Corp. to hurricane losses it cannot cover.

In his veto letter, Crist said that nothing in the bill would prevent the largest companies from "cherry-picking" customers in low-risk areas, inflating their rates along the coast.

"Finally, the legislation contains no consumer protections to ensure these companies make a commitment to their policyholders of Florida's insurance market," the governor wrote. "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."

Bennett, of Bradenton, said Crist based his decision on bad information, and said some lawmakers are talking about overriding the veto. He plans to discuss that prospect - along with the possibility of a special session to "tweak" the bill - with legislative leaders.

"The people of the state of Florida have said, 'We're actually smart enough to shop for insurance,'" Bennett said.

Jill Chamberlin, spokeswoman for House Speaker Larry Cretul, could not say whether he would support such proposals but forwarded Cretul's comments expressing "disappointment" with the veto. Senate President Jeff Atwater had not yet reviewed Crist's veto message, spokeswoman Jaryn Emhof said late Wednesday.

Told of Bennett's comments, Crist spokesman Sterling Ivey said, "The governor took action today that he felt was best for consumers. He's more than willing to work with legislative leaders in the upcoming session."