

## Anthony Westbury: Florida badly needs solution to homeowners' insurance woes

By Anthony Westbury

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Gov. Charlie Crist vetoed a bill last week that would have allowed insurance companies free rein in setting homeowners' insurance rates.

I couldn't resist a small cheer, yet my pleasure was short-lived.

Crist is just playing politics, refusing to come up with a permanent solution to the insurance crisis that threatens Florida in favor of placating voters.

Responding to the veto, State Farm Florida vowed it will no longer offer homeowner insurance in Florida state, leaving 1.2 million policyholders in the lurch.

Consider what Crist's decision means to every Floridian, homeowner or not.

The original bill, overwhelmingly supported by Republicans in the Legislature, aimed to bring back the big insurers.

State Farm, Allstate and their peers have said repeatedly since Hurricane Andrew that the cost of operating in Florida is simply too much for their delicate balance sheets to bear.

Yet, allowing the big boys to charge what they like just to get them back would have sent many Floridians over the edge.

Already we pay the second-highest property insurance premiums in the nation after California. We're also paying extra assessments on auto and homeowner policies to help bail out Citizens Property & Casualty, the state's "insurer of last resort."

As private insurers have fled, Citizens has been taking on more of the load until it dangerously lacks enough resources to cover losses from even a mild hurricane.

Those policy payments (around \$10 a year on auto policies and \$100 a year or more on property policies) will stay in force until 2017, according to St. Lucie County State Farm agent Larry Lee Jr.

Crist's missing signature does nothing to strengthen the state's paper-thin insurance shield.

We remain precariously ill-prepared even if newer, smaller insurers take State Farm's place. In the opinion of Lee and other industry insiders, these small fry are undercapitalized and have no experience whatsoever in handling post-storm claims.

Florida badly needs a permanent solution.

Dan Montgomery has been campaigning for just that for years. His Shield Our State Coalition plan ([www.shieldourstate.org](http://www.shieldourstate.org)) would allot the windstorm portion of premiums to a common pot to pay all storm-related claims.

Better yet, the fund would accumulate to the tune of about \$5 billion a year. It would encourage big insurers to stay in Florida and concentrate on more profitable forms of insurance.

Montgomery has tried in vain to interest legislators in Save Our Shield, He says he hasn't given up yet.

His plan would require a great deal of groundwork, but an analysis by respected economist Hank Fishkind & Associates bears out the basic soundness of the plan.

Getting politicians to look beyond their noses, of course, will be the hardest part of the puzzle. I wish Montgomery (and my fellow policyholders) all the luck in the world.

We're going to need it.

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