

# Florida-backed reinsurance company will help businesses get coverage

TALLAHASSEE, Fla. -- Aug. 16, 2006 -- Gov. Jeb Bush's Cabinet yesterday created a state-backed commercial reinsurer in Florida, which it hopes will stimulate the private insurance market to offer more business coverage in the state.

"The governor's office said they had gotten thousands of e-mails from businesses having trouble accessing coverage and affording coverage," says Office of Insurance Regulation (OIR) spokesman Bob Lotane. "The problems we are seeing ... put downward pressure on what otherwise has been a booming economy."

But private insurers must believe the program will work before they'll commit to offering new policies in the state, and many appear skeptical of the details. For example, if the new state reinsurer, the Commercial Joint Underwriting Association (JUA), runs a deficit, the insurers could be levied additional charges.

Under the program, the 13-person JUA would pay up to \$1 million for each commercial property insured. Advocates say that will make coverage more attractive to private insurers after a July survey indicated that 49 percent of Florida businesses cannot afford property insurance and 17 percent have no coverage at all.

The program automatically expires after 90 days, but the state can extend it.

Source: South Florida Sun-Sentinel, Deepa Seetharaman, Aug. 16, 2006.

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