

T H E C A B I N E T  
S T A T E O F F L O R I D A

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Representing:

FINANCIAL SERVICES COMMISSION, OFFICE  
OF INSURANCE REGULATION

STATE BOARD OF ADMINISTRATION

The above agencies came to be heard before  
THE FLORIDA CABINET, Honorable Governor Bush  
presiding, in the Cabinet Meeting Room, LL-03, The  
Capitol, Tallahassee, Florida, on Tuesday, March 16,  
2006, commencing at approximately 9:15 a.m.

Reported by:

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Governor

CHARLES H. BRONSON  
Commissioner of Agriculture

CHARLIE CRIST  
Attorney General

TOM GALLAGHER  
Chief Financial Officer

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## I N D E X

FINANCIAL SERVICES COMMISSION, INSURANCE REGULATION  
(Presented by KEVIN McCARTY)

ITEM	ACTION	PAGE
1	Approved	4
2	Approved	5
3	Approved	5
4	Approved	6
5	Approved	6
6	Approved	8
7	Approved	14
8	Approved	14
9	Approved	26

STATE BOARD OF ADMINISTRATION  
(Presented by Coleman Stipanovich)

ITEM	ACTION	PAGE
1	Approved	26
2	Approved	26
CERTIFICATE OF REPORTER		27

1 P R O C E E D I N G S

2 (The agenda items commenced at 9:35 a.m.)

3 GOVERNOR BUSH: All right. The Financial  
4 Services Commission, Office of Insurance  
5 Regulation. Butterbean, how are you doing?

6 MR. McCARTY: Good morning, Governor and  
7 Members of the Cabinet.

8 CFO GALLAGHER: Motion on the minutes of  
9 January 11th.

10 ATTORNEY GENERAL CRIST: Second.

11 GOVERNOR BUSH: There's a motion and a  
12 second. Without objection, Item 1 passes.

13 Item 2.

14 MR. McCARTY: Item 2 is a request to publish  
15 Rule 690-125.003 relating to an unfair trade  
16 practice. This proposed rule makes it an unfair  
17 trade practice for an insurance company to  
18 unfairly discriminate against people who travel  
19 outside the United States by increasing rates or  
20 refusing to offer coverage unless the insurer can  
21 demonstrate an actuarial justification as to why  
22 the travel has an adverse effect on the  
23 applicant's health or life expectancy.

24 CFO GALLAGHER: Motion on 2.

25 ATTORNEY GENERAL CRIST: Second.

1 GOVERNOR BUSH: There's a motion and a  
2 second. Without objection, the item passes.

3 MR. McCARTY: Item number 3 is adoption of  
4 amendments to Rule 690-138 relating to financial,  
5 rate, and market conduct examination. The  
6 proposed amendment adopts the policies and  
7 procedures for reimbursement of expenses for --

8 CFO GALLAGHER: Motion on 3.

9 MR. McCARTY: -- market examinations.

10 ATTORNEY GENERAL CRIST: Second.

11 GOVERNOR BUSH: There's a motion and a  
12 second. Without objection, the item passes.

13 Kevin, if we could pause here for a second.

14 (Discussion of non-agenda matter.)

15 GOVERNOR BUSH: Item 3 -- no, 4. What item  
16 are we on, Kevin?

17 MR. McCARTY: We're on item number 4,  
18 Governor.

19 GOVERNOR BUSH: All right. Item 4.

20 MR. McCARTY: Repeals Rule 690-154 regarding  
21 initial notice and adoption of amendments to Rule  
22 690-154.304, 5, and 6, Notice of Occurrence of  
23 Qualifying Event, Election and Premium Notice.  
24 Essentially, this rule makes conforming changes  
25 to our current rule regarding changes to

1           statutory language made in Senate Bill 811 from  
2           the legislative session last year.

3           CFO GALLAGHER: Motion on 4.

4           ATTORNEY GENERAL CRIST: Second.

5           GOVERNOR BUSH: There's a motion and a  
6           second. Without objection, the item passes.

7           MR. McCARTY: Item number 5 is adoption of  
8           amendments to Rule 690-164, Application of the  
9           Valuation of Life Insurance Policies. This  
10          amendment provides for guidance to insurance  
11          companies to ensure that they have adequate  
12          reserves to cover claims and providing directions  
13          on how the accounting procedure is to be  
14          followed.

15          CFO GALLAGHER: Motion on 5.

16          COMMISSIONER BRONSON: Second.

17          GOVERNOR BUSH: There's a motion and a  
18          second. Without objection, the items passes.

19          MR. McCARTY: Item number 6 is adoption of a  
20          new rule providing for residential property  
21          insurance checklists and disclosures. This rule  
22          adopts a comprehensive checklist to provide  
23          policyholders a list of coverage that we offer to  
24          the policyholders. This will prevent the problem  
25          that occurred in 2004 in terms of the confusion

1 to the policyholder as to what was covered and  
2 also provides a very clear disclosure regarding  
3 their deductible.

4 COMMISSIONER BRONSON: Motion on 5.

5 CFO GALLAGHER: On this I want to just make  
6 a comment. After the 2004 storms, I had the  
7 opportunity to host six town hall meetings all  
8 over the state, and probably hands down, the  
9 storm victims said what they really wanted, and  
10 that was a clear disclosure on exactly what their  
11 deductibles were, because many of them didn't  
12 realize that they had a deductible that was a  
13 percentage of the value of their home and the  
14 policy as opposed to a percentage of the value of  
15 the loss.

16 So this committee that Kevin took on that we  
17 got the Legislature to establish was to provide  
18 the homeowners with a simple, easy-to-understand  
19 checklist so they'll know exactly what the  
20 coverage is in their policies, and it outlines  
21 the discounts available to property owners when  
22 in fact they do things that mitigate damage from  
23 hurricanes.

24 And also, that working group did a good job  
25 putting this checklist together, and this

1 implements that, and I thank you all for what you  
2 did, Kevin.

3 MR. McCARTY: Incidentally, in the aftermath  
4 of Rita and Katrina, a number of people in the  
5 Gulf States were not aware that they didn't have  
6 flood insurance. And this particular disclosure  
7 is now a national a blueprint that is going to be  
8 adopted nationally for providing information to  
9 consumers.

10 CFO GALLAGHER: As usual, we're out there  
11 ahead of many other states on these issues.

12 MR. McCARTY: We try to be.

13 All right. Number 7 --

14 GOVERNOR BUSH: We ought to be. Did we have  
15 a motion on 6?

16 MR. McCARTY: Oh, I'm sorry.

17 CFO GALLAGHER: Motion on 6.

18 COMMISSIONER BRONSON: Second.

19 GOVERNOR BUSH: There's a motion and a  
20 second. Without objection, Item 6 passes.

21 MR. McCARTY: Item number 7 is adoption of  
22 amendments to Rule 690-203.204, filing for  
23 approval of discount medical plan organizations.  
24 This provides guidelines for how to make a filing  
25 for the group policy.



1                   CFO GALLAGHER: Let me ask you a question,  
2                   Kevin. Are these discount advertising policies  
3                   required to have in big letters on them that this  
4                   is not health insurance?

5                   MR. McCARTY: Absolutely.

6                   CFO GALLAGHER: Because we just had a just  
7                   horrible problem. Someone had Blue Cross/Blue  
8                   Shield, and they switched to what they thought  
9                   was a less expensive insurer, and it ended up  
10                  being a discount card and, you know, a member of  
11                  the family ended up with cancer. And now, of  
12                  course, they're going to get, if it ever happens,  
13                  a discount on hundreds of thousands of dollars  
14                  probably of medical bills. And the bottom line  
15                  is, that's a big difference from having the  
16                  health insurance coverage that they would have  
17                  had, which would have moved into the major  
18                  medical part. So I just want to make sure that  
19                  we do anything we can to let people know this is  
20                  not health insurance.

21                  MR. McCARTY: Yes. And the campaign to  
22                  verify before you buy has really been very  
23                  successful in terms of informing the consumers to  
24                  call your department to determine whether or not  
25                  they actually are getting credible insurance

1 coverage. But the enactment of this legislation  
2 provided the regulatory framework, I think, that  
3 effectively removed that as a major problem. We  
4 still have to be vigilant to ensure consumers are  
5 buying real insurance and not fake insurance or  
6 discount plans.

7 COMMISSIONER BRONSON: Governor, if I could  
8 ask a question too. And this kind of goes back  
9 to 6 probably more so than 7, but the Governor  
10 and the Legislature, everybody, the Cabinet,  
11 everybody is trying to get the people of this  
12 state to on their own go out and be ready for  
13 these hurricanes, be prepared, some personal  
14 responsibility, if you will.

15 Are we also working with the insurance  
16 companies that if someone is repairing their home  
17 and fixes it up tighter than it was before, with  
18 more strap tie-downs, those types of things, that  
19 we're working with them on insurance coverage so  
20 that their own personal responsibility will  
21 benefit them for two reasons: One, their home  
22 may not get torn up quite as bad; and number two,  
23 it won't be so bad on their insurance premiums  
24 with that? Are we working with them on those  
25 issues?

1           CFO GALLAGHER: There are discounts  
2 available.

3           MR. McCARTY: Absolutely, Commissioner. We  
4 have three basic programs. We offer a building  
5 code enforcement grading scale which allows  
6 consumers to retrofit their homes and take  
7 advantage of the discounts that are available  
8 there. We also have a mitigation program that  
9 provides for hurricane mitigations, for shutters  
10 and other things. So we've been really working  
11 hard with the Legislature and the leadership of  
12 Governor Bush to provide economic incentives in  
13 the right places to provide for safe homes.

14           GOVERNOR BUSH: I think it's going to be  
15 hopefully -- in our budget request, a version of  
16 it, we proposed \$50 million for lower income  
17 people to be able to harden their homes. The  
18 Legislature is looking at doing an endowment  
19 which would yield perhaps the same result, but  
20 probably a smaller amount on an annual basis than  
21 what I think -- we ought to be doing a dramatic  
22 program, in my opinion, for this.

23           And then the other thing is, I think the  
24 bill that's moving in both the House and the  
25 Senate has this rating concept. It would be

1           emphasized more that you could get discounts on  
2           your insurance premiums if you move from -- I  
3           don't know. In the House and Senate, both of  
4           them have it in their bills where --

5           MR. McCARTY: Yes.

6           GOVERNOR BUSH: -- it's 1 through 5? Every  
7           property would be rated. If you're low rated,  
8           you would harden your home in a variety of  
9           different ways. You go up from 5 to 3, and  
10          because of that, you get a discount.

11          MR. McCARTY: Right.

12          GOVERNOR BUSH: Which I think is absolutely  
13          essentially. Plus people that own homes with the  
14          current building code should get a lower  
15          insurance rate if we know for a fact that the  
16          damage that's going to be done to their neighbor  
17          is going to be far greater because it's an older  
18          home. We've got to realize that our building  
19          code is the key to our long-term success. We  
20          have to constantly be reminded of that.

21          CFO GALLAGHER: Well, we all saw in the  
22          hurricanes those built to code and those that  
23          weren't and the difference. They can look  
24          exactly the same, except one gets torn up and the  
25          other doesn't.

1 GOVERNOR BUSH: Yes.

2 CFO GALLAGHER: And I know there's some talk  
3 about having a \$100 million fund that would be  
4 zero interest loans that people could get to fix  
5 their homes in order to protect their homes and  
6 to get lower insurance, and we're certainly in  
7 support of that.

8 GOVERNOR BUSH: That's a good idea.

9 CFO GALLAGHER: I'll move Item 7.

10 ATTORNEY GENERAL CRIST: Second.

11 GOVERNOR BUSH: St. Pete, you better be  
12 ready. You're the only place that hasn't been  
13 hit yet. Well, you've been hit. You just --

14 CFO GALLAGHER: You haven't been whacked.

15 GOVERNOR BUSH: You've been hit by wind  
16 damage. If you live on the water, there has been  
17 some damage, but --

18 MR. McCARTY: Yes. In reference to the  
19 building code grading scale, the building  
20 evaluation, I think it's a good idea, because  
21 when homeowners go to buy a home, they look at  
22 how close they are to shopping and how good the  
23 schools are, and we want to inject into the  
24 decision matrix how safe their home is.

25 GOVERNOR BUSH: Exactly.

1           MR. McCARTY: And not only just for the fact  
2           that they might get lower insurance premiums, but  
3           after what we've seen after Hurricane Katrina,  
4           what would these people give to be back in their  
5           homes today that are scattered all over the  
6           country. So I think it's an important part of  
7           the whole --

8           GOVERNOR BUSH: All right. Is there a  
9           motion?

10          CFO GALLAGHER: Motion.

11          COMMISSIONER BRONSON: Second.

12          GOVERNOR BUSH: And a second. Without  
13          objection, the item passes.

14          MR. McCARTY: Item number 8 is the repeal of  
15          Rule Chapter 690-211 concerning insurance  
16          representatives. This removes a duplicative  
17          rule.

18          CFO GALLAGHER: Motion on 8.

19          ATTORNEY GENERAL CRIST: Second.

20          GOVERNOR BUSH: There's a motion and a  
21          second. Without objection, the item passes.

22          MR. McCARTY: Item 9, Governor, is a  
23          presentation to the Financial Services Commission  
24          of a resolution for supporting a national  
25          comprehensive insurance program for catastrophes.

1           CFO GALLAGHER: Governor, following the  
2           devastation of Hurricane Andrew back in 1992, the  
3           property insurance market basically collapsed.  
4           Insurers were leaving, and policyholders really  
5           had nowhere to turn. We were notified back then  
6           in the Insurance Department that a million and a  
7           half people were not going to be renewed, and  
8           there were no companies writing any policies, so  
9           we had a tremendous problem.

10           We took some real historic steps to respond  
11           to that crisis, including creating the insurer of  
12           last resort, establishing the Hurricane  
13           Catastrophic Fund. And the bottom line is that  
14           the cat fund has been integral in keeping capital  
15           here in Florida and tracking new capital, to have  
16           some competition and to make coverage available  
17           and affordable.

18           Back in the '90s, we could see that the idea  
19           really needed to be replicated nationally, and I  
20           went to Congress and testified about having a  
21           national cat fund back then. And now, of course,  
22           10 years later, we even see more than ever, after  
23           Florida in a 15-month period got \$30 billion plus  
24           insurance damage, and that's not counting the  
25           damage that people paid for themselves because of

1           their deductible or what was not insured. And so  
2           we see old Max Mayfield, our friend down there at  
3           the Miami Hurricane Center, isn't helping much,  
4           because he's telling us all we've got 10 or 20  
5           years of these storms.

6                     But what also we have to look at is across  
7           the country, with earthquakes, tornados, floods,  
8           wildfires, storms, hurricanes, and other natural  
9           disasters that have happened all over the  
10          country, we've had 115 major disaster  
11          declarations in 31 states in the past two years.  
12          So, you know, we all recognize what happens here  
13          in Florida because we're living here, but we  
14          don't realize that there has been 115 major  
15          disaster declarations across the country, and 31  
16          other states had problems. We, of course, know  
17          about Texas and Louisiana and Mississippi and  
18          Alabama because they're close to us, but there's  
19          a whole lot of other states that have had  
20          problems also.

21                    So we know that the Florida Cat Fund has  
22          really been the cornerstone of our insurance  
23          market, but it has its limitations. As we had a  
24          report a couple of weeks ago, it had \$6 billion  
25          in cash built up. It is now down to zero and has



1 put us in a position where we may have to issue  
2 bonds. Last November we brought forward a lot of  
3 proposals to strengthen our insurance markets,  
4 and part of those is to have a national  
5 catastrophic fund.

6 So what we're asking today is that we  
7 endorse that here in the Cabinet. I know that  
8 you've been to Congress talking about this  
9 particular issue. Our cat fund needs a backup  
10 with a national cat fund. And we know -- Kevin  
11 can give us a report on, you know, what has been  
12 happening around the rest of the country.

13 We know that we have a personal  
14 responsibility to protect our homes and things  
15 like that, but at the same time, we also need to  
16 make sure that the risk bearing entities that are  
17 willing to write business have a place to back it  
18 up.

19 In the national, or I guess the  
20 international reinsurance market, because of the  
21 huge losses that they took in the last two years,  
22 we see a 50 percent increase in the cost for  
23 reinsurance for our insurers in Florida and a  
24 third less available for the insurers in Florida,  
25 which means that many of them are going to be

1           forced to non-renew policies because they don't  
2           have the coverage to cover the policies if they  
3           would have a problem.

4           I know Kevin that has been working very  
5           diligently with the other insurance commissioners  
6           across the country, and maybe he could tell us  
7           what has been happening among those. I remember  
8           back when it was only Andrew, the rest of them  
9           didn't have a lot of interest in helping us.  
10          Maybe that has changed.

11          MR. McCARTY: Well, it's interesting. Back  
12          in Andrew and Iniki and the earthquake at  
13          Northridge, most Americans believed that was one  
14          of the prices to live in paradise, that this was  
15          really a problem for living in Hawaii,  
16          California, and Florida, when in fact we know  
17          that 49 of 50 states have a moderate to severe  
18          risk of a catastrophic event. Clearly, the --

19          GOVERNOR BUSH: Which state doesn't?

20          MR. McCARTY: Well, it has a risk of flood,  
21          but the state that doesn't is North Dakota.  
22          There's not a whole lot of population there  
23          anyway.

24          GOVERNOR BUSH: It's a great state, though.

25          MR. McCARTY: It is a beautiful state.

1           GOVERNOR BUSH: You're not going to get me  
2           to say anything bad, because the last time I did  
3           that was about six years ago, and I had to go on  
4           talk radio and apologize to Pierre or someplace.

5           MR. McCARTY: Well, last February as chair  
6           of the NAIC working group and the C committee, we  
7           have been working -- and property committee. We  
8           have been working to develop a comprehensive  
9           national plan. At the same time, I met with the  
10          insurance commissioners in a summit -- insurance  
11          commissioners from California, Illinois, and New  
12          York, and we co-sponsored a summit for bringing  
13          in national experts and economists to look at --

14          GOVERNOR BUSH: Where was that convention,  
15          by the way?

16          MR. McCARTY: That was in San Francisco,  
17          Governor.

18          CFO GALLAGHER: But the last one was in  
19          Orlando.

20          MR. McCARTY: Yes, the last one was in  
21          Orlando.

22          GOVERNOR BUSH: I'm just trying to give him  
23          a hard time.

24          MR. McCARTY: You were successful, sir.

25          Anyhow, as a result of that meeting, we've

1           been -- Florida has been really taking these  
2           basic ideas and shaping a national program, and  
3           we're pleased to report that we're moving along  
4           in the committee process.

5                     We're also working together with the  
6           National Coalition of Insurance Legislators, with  
7           Steve Geller and Representative Eiland from  
8           Texas, to come up with a comprehensive plan and  
9           jointly go forward with this. We're proceeding  
10          through the process, and NCOIL and NAIC will  
11          probably have that completed in the next couple  
12          of weeks.

13                    But what I have for you today, in  
14          recognition of the importance of the catastrophe  
15          plan, I think it's important to note that what  
16          we're promoting here is not just a federal  
17          backstop for the insurance industry. We know  
18          that there's going to be a \$100 billion event, an  
19          earthquake in the New Madrid Fault or a hurricane  
20          to hit one of the vulnerable areas in the  
21          Northeast or the Southeast which would break the  
22          insurance industry. But we also want to  
23          emphasize very important things like mitigation,  
24          personal responsibility, maximizing the private  
25          sector, and really looking at this as a

1 comprehensive plan that encourages personal  
2 responsibility and maximizing international  
3 global reinsurance.

4 GOVERNOR BUSH: Kevin, I think the end  
5 result would be that the FEMA allocations that  
6 grow each year because of the number of disasters  
7 and the values of property growing as well, and  
8 our population, that should be reduced if we have  
9 a bill that encourages strong building codes,  
10 encourages development outside of the danger  
11 areas, requires personal responsibility, requires  
12 a state cat fund. If you put all these things in  
13 that type of -- requires emergency response  
14 capabilities that we proudly have and other  
15 states are attempting to build. If you require  
16 those things, you're going to see a reduction in  
17 FEMA allocations that will be outgoing, and  
18 you're going to create stability in the insurance  
19 market. To me, this is essential.

20 One of the things -- you just mentioned all  
21 those groups, but I didn't hear you mention the  
22 NGA or the states that are interested in this. I  
23 mean, it might make sense to hit that as well, to  
24 have Schwarzenegger and Perry --

25 MR. McCARTY: I was going to ask you to make

1 a couple of phone calls, actually.

2 GOVERNOR BUSH: Well, one thing we can do is  
3 to put together -- in the states where there's  
4 broad support for a comprehensive approach like  
5 this, we can encourage our delegations to be  
6 supportive. We've done that on other issues.

7 MR. McCARTY: Yes. And I recently returned  
8 from Washington and met with our congressional  
9 delegation about the national plan, and I'm  
10 really pleased th at Congressman Foley has  
11 sponsored HR 2668 with eight co-sponsors which  
12 provides for tax-deferred reserves. The United  
13 States is the only country in the world that  
14 doesn't allow insurance companies to accumulate  
15 reserves for catastrophic events. So that's also  
16 a key element to maximizing the private  
17 marketplace.

18 CFO GALLAGHER: If we had had a tax  
19 exemption on catastrophic reserves, there would  
20 have been \$20 billion sitting in the insurance  
21 companies available to pay these claims of 2004  
22 and 2005, and it would have made a tremendous  
23 difference in their willingness to stay active in  
24 Florida. But because they get taxed on it, they  
25 don't keep the money there, and we end up with a

1 shortage --

2 GOVERNOR BUSH: Is this a federal tax  
3 exemption?

4 CFO GALLAGHER: Yes. And I also want to  
5 mention Congressman Jay Brown-Waite and  
6 Congressman Clay Shaw, who are sponsoring  
7 national cat fund legislation, which this  
8 resolution is about.

9 GOVERNOR BUSH: Well, throw in Feeney.  
10 Feeney's got another one too. That's the  
11 problem.

12 CFO GALLAGHER: Feeney's doing the --

13 GOVERNOR BUSH: We've got too many bills.

14 CFO GALLAGHER: He's doing the catastrophic  
15 savings account bill.

16 MR. McCARTY: Yes. Back to what you said  
17 before, though, Governor, in terms of local  
18 preparedness. You know, the information that  
19 we've received as part of our task force  
20 investigation is that 80 percent of the wind  
21 damage from Katrina could have been prevented had  
22 the communities in the affected states had the  
23 building codes that we have in effect in Florida.  
24 So not only do you reduce the amount of FEMA  
25 money going out --

1                   GOVERNOR BUSH: Well, but there was huge  
2 water --

3                   MR. McCARTY: Of the --

4                   GOVERNOR BUSH: Of the wind?

5                   MR. McCARTY: Of the wind damage, right.  
6 Clearly, the devastating effect of the storm  
7 surge was the major contributing factor.

8                   GOVERNOR BUSH: That's a little bit -- I'm  
9 sure that's accurate, but it's a little bit of a  
10 -- it may be a little misleading, just because if  
11 you go to the coast, the houses are like --

12                   MR. McCARTY: Off their foundations.

13                   CFO GALLAGHER: Gone, totally.

14                   GOVERNOR BUSH: And the wind would have  
15 gotten them if the water hadn't gotten there  
16 first. I mean, it was brutal.

17                   MR. McCARTY: And the last element is, as  
18 Treasurer Gallagher has referred to, Congressman  
19 Feeney has sponsored HR 4836, which provides for  
20 catastrophe savings accounts to allow individuals  
21 to accumulate money to help them pay for  
22 mitigation or for deductibles for --

23                   GOVERNOR BUSH: Is there a specific bill  
24 that the insurance gnomes have all gathered up  
25 and support?



1                   MR. McCARTY: No, no. The insurance  
2 industry is kind of --

3                   GOVERNOR BUSH: I'm talking about the  
4 insurance regulators.

5                   MR. McCARTY: Well, we're about ready to get  
6 to that point. We're a couple of weeks away.  
7 We're finalizing that, like I said, and we're  
8 working with NCOIL to hopefully get their support  
9 too. But the framework, quite frankly, of the  
10 Brown-Waite/Clay Shaw bill is shaping up to be  
11 what the national bill that the National  
12 Association of Insurance Commissioners is really  
13 framing after.

14                   GOVERNOR BUSH: Okay.

15                   CFO GALLAGHER: I'll move the resolution.

16                   COMMISSIONER BRONSON: Second.

17                   GOVERNOR BUSH: There's a -- have you all  
18 seen the resolution?

19                   CFO GALLAGHER: It's coming down to get  
20 signed.

21                   GOVERNOR BUSH: There's a motion and a  
22 second. Without objection, the resolution shall  
23 be signed.

24                   MR. McCARTY: Thank you, Governor. We have  
25 a similar resolution before the House and Senate.

1 GOVERNOR BUSH: State Board of  
2 Administration.

3 MR. STIPANOVICH: Item 1, approval of the  
4 minutes.

5 CFO GALLAGHER: Motion on the minutes of  
6 March 3rd.

7 ATTORNEY GENERAL CRIST: Second.

8 GOVERNOR BUSH: There's a motion and a  
9 second. Without objection, the item passes.

10 MR. STIPANOVICH: Item 2, request to rescind  
11 the fiscal determination in connection with the  
12 issuance of an amount not exceeding 7-1/2 million  
13 tax-exempt Florida Housing Finance Corporation  
14 multifamily mortgage revenue funds.

15 CFO GALLAGHER: Motion on 2.

16 ATTORNEY GENERAL CRIST: Second.

17 GOVERNOR BUSH: There's a motion and a  
18 second. Without objection, the item passes.

19 MR. STIPANOVICH: Thank you, Governor.

20 GOVERNOR BUSH: Great article in the Wall  
21 Street Journal, Coleman.

22 MR. STIPANOVICH: Yes, sir. Thank you,  
23 Governor. Thank you, members.

24 (Proceedings concluded at 10:05 a.m.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA:

COUNTY OF LEON:

I, MARY ALLEN NEEL, Registered Professional Reporter, do hereby certify that the foregoing proceedings were taken before me at the time and place therein designated; that my shorthand notes were thereafter translated under my supervision; and the foregoing pages numbered 1 through 26 are a true and correct record of the aforesaid proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor relative or employee of such attorney or counsel, or financially interested in the foregoing action.

DATED THIS 20th day of March, 2006.

\_\_\_\_\_  
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