

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

---

Representing:

DIVISION OF BOND FINANCE  
FINANCIAL SERVICES COMMISSION,  
OFFICE OF INSURANCE REGULATION  
ADMINISTRATION COMMISSION  
STATE BOARD OF ADMINISTRATION

The above agencies came to be heard before  
THE FLORIDA CABINET, Honorable Governor Crist  
presiding, in the Cabinet Meeting Room, LL-03, The  
Capitol, Tallahassee, Florida, on Tuesday, April 3,  
2007, commencing at approximately 9:05 a.m.

Reported by:

MARY ALLEN NEEL  
Registered Professional Reporter  
Registered Florida Reporter  
Notary Public

ACCURATE STENOTYPE REPORTERS, INC.  
2894 REMINGTON GREEN LANE  
TALLAHASSEE, FLORIDA 32308  
(850)878-2221

TRANS040307.txt

Representing the Florida Cabinet:

CHARLIE CRIST  
Governor

CHARLES H. BRONSON  
Commissioner of Agriculture

ALEX SINK  
Chief Financial Officer

\* \* \*

3

I N D E X

DIVISION OF BOND FINANCE  
(Presented by BEN WATKINS)

Page 2

TRANS040307.txt

ITEM	ACTION	PAGE
1	Approved	5
2	Approved	6
3	Approved	6
4	Approved	7
5	Approved	7

FINANCIAL SERVICES COMMISSION, INSURANCE REGULATION  
(Presented by STEVE PARTON)

ITEM	ACTION	PAGE
1	Approved	9
2	Approved	9
3	Approved	11

ADMINISTRATION COMMISSION  
(Presented by GLADYS PEREZ)

ITEM	ACTION	PAGE
1	Approved	12
2	Accepted	23
3	Withdrawn	23

STATE BOARD OF ADMINISTRATION  
(Presented by COLEMAN STIPANOVITCH)

ITEM	ACTION	PAGE
1	Approved	24
2	Approved	24
3	Approved	25
4	Approved	25
5	Approved	25
6	Approved	26

4

CONTINUED INDEX

STATE BOARD OF ADMINISTRATION  
(Presented by COLEMAN STIPANOVITCH)

ITEM	ACTION	PAGE
7	Approved	26
8	Approved	27
9	Approved	27
10	Approved	27

	TRANS040307.txt	
11	Approved	28
12	Approved	28
CERTIFICATE OF REPORTER		30

5

1                   P R O C E E D I N G S  
2                   (The agenda items commenced at 9:19 a.m.)  
3                   GOVERNOR CRIST: The Cabinet will reconvene  
4                   at 11 o'clock for the climate change workshop,  
5                   and I want to thank the CFO and our Commissioner  
6                   for doing great work and leading well in this  
7                   regard. I look forward to it.  
8                   Also, our next Cabinet meeting is Tuesday,  
9                   April 17th.  
10                   Now I think we'll hear from the Division of

11 Bond Finance, Ben Watkins. Good morning, Ben.

12 MR. WATKINS: Good morning Governor and  
13 Cabinet members. Item Number 1 is approval of  
14 the minutes of the March 13th meeting.

15 COMMISSIONER BRONSON: Motion on the  
16 minutes.

17 CFO SINK: Second.

18 GOVERNOR CRIST: Moved and seconded.  
19 Without objection, the minutes are approved.

20 MR. WATKINS: Item Number 2 is a resolution  
21 authorizing the competitive sale of up to  
22 \$200 million in public education capital outlay  
23 bonds to finance school construction.

24 GOVERNOR CRIST: Is there a motion?

25 COMMISSIONER BRONSON: Motion on Item 2.

6

1 CFO SINK: Second.

2 GOVERNOR CRIST: Moved and seconded. Show  
3 it approved without objection.

4 MR. WATKINS: Item Number 3 is a resolution  
5 authorizing the competitive sale of up to  
6 \$200 million in Lottery revenue bonds, again for  
7 financing school construction.

8 CFO SINK: Move it.

9 COMMISSIONER BRONSON: Second.

10 GOVERNOR CRIST: Moved and seconded.  
11 Without objection, Item 3 is approved.

12 MR. WATKINS: Item Number 4 is a resolution  
13 authorizing the competitive sale of up to

14 \$273 million of Turnpike revenue bonds and a  
15 resolution authorizing the competitive sale of up  
16 to \$257 million of Turnpike revenue refunding  
17 bonds. The new money component is for  
18 improvements, lane widenings, traffic safety  
19 management issues, improvements on various  
20 components of the Turnpike system, no one  
21 particular large project, more lane widenings,  
22 toll plazas, traffic management issues, and the  
23 \$157 million piece is a refinancing transaction  
24 in order to lower the interest rate on the  
25 current debt that's outstanding.

7

1 GOVERNOR CRIST: Good. Is there a motion?

2 CFO SINK: Move it.

3 COMMISSIONER BRONSON: Second.

4 GOVERNOR CRIST: Moved and seconded.

5 Without objection, Item 4 is approved.

6 MR. WATKINS: And lastly, Item Number 5 is a  
7 report of award on the competitive sale of  
8 \$195,055,000 in public education outlay refunding  
9 bonds. The transaction was awarded to the low  
10 bidder at a true interest cost of approximately  
11 4.13 percent, and the overall savings to the  
12 State resulting from the refinancing transaction  
13 is gross debt service savings of approximately  
14 \$17.7 million, or about \$840,000 a year. And on  
15 a present value basis, that translates to  
16 \$11.8 million in interest cost savings on the

17 debt that was refunded.

18 COMMISSIONER BRONSON: Motion on Item 5.

19 CFO SINK: Second.

20 GOVERNOR CRIST: Moved and seconded without  
21 objection, Item 5 is approved. Ben, thank you  
22 very much.

23 MR. WATKINS: Thank you all.

24 GOVERNOR CRIST: Have a good Easter.

25

8

1

2

GOVERNOR CRIST: Financial Services

3

Commission. I think it's Steve Patron, the

4

general counsel, today. Good morning, Steve.

5

MR. PARTON: Good morning, Governor Crist.

6

It's Steve Parton, like Dolly.

7

GOVERNOR CRIST: Parton?

8

MR. PARTON: Yes, sir. Thank you.

9

GOVERNOR CRIST: Oh, forgive me. Like

10

Dolly. Okay. I'll never forget that.

11

MR. PARTON: Good morning to you, CFO Sink

12

and Commissioner Bronson.

13

CFO SINK: You don't look like Dolly.

14

GOVERNOR CRIST: No, he doesn't.

15

MR. PARTON: I won't go there. Item 1 --

16

GOVERNOR CRIST: Good for you, Steve.

17

MR. PARTON: I apologize, by the way, on

18

behalf of Commissioner McCarty. He would have

19

liked to have been here, but he is en route to

20 Washington, D.C., to attend an Executive  
21 Committee meeting of the NAIC dealing with some  
22 fairly significant matters that are up before  
23 Congress or potentially winding their way through  
24 Congress.

25 Item 1 is for approval of the minutes of the

9

1 Financial Services Commission for February 3rd.

2 CFO SINK: Move approval.

3 COMMISSIONER BRONSON: Second.

4 GOVERNOR CRIST: Moved and seconded.

5 Without objection, the minutes are approved.

6 MR. PARTON: Item 2 is for final approval,  
7 or approval for final adoption of Rule  
8 690-149.037. This is nothing more than a  
9 technical amendment. It indicates the  
10 appropriate electronic system under which small  
11 group employers are to make rate filings.

12 COMMISSIONER BRONSON: Motion on Item 2.

13 CFO SINK: Second.

14 GOVERNOR CRIST: Moved and seconded. Show  
15 it approved without objection.

16 MR. PARTON: Item 3 is for approval for  
17 publication -- this is not final adoption. It's  
18 for the publication of the rule, wherein a  
19 hearing will be held in this matter and will come  
20 back before the Commission for final approval.  
21 It is for approval of publication of new Rule  
22 690-157.301 through .304.

23           As you may recall, in the last legislative  
24 session, a new law was passed, 627.9407(7)(c) of  
25 the Florida Statutes, that basically was a

10

1           consumer protection bill designed to protect  
2 people who buy long-term care insurance from  
3 escalating prices that occur as a result of  
4 closed blocks of business. A closed block of  
5 business merely means that the insurance company  
6 is no longer selling that particular insurance  
7 policy. The result of that is, as the business  
8 ages, either due to claims losses, the business  
9 deteriorates, and sometimes rates become so high  
10 that people can no longer afford it.

11           Basically, what the legislation said was  
12 that an insurance company cannot charge more for  
13 a closed block of business than what it is  
14 otherwise charging for new business in a new  
15 policy type. But this rule deals with the  
16 situation where in fact an insurance company is  
17 no longer selling new business at all, so there  
18 had to be a way to sort of cap the rate so the  
19 escalation of rates for those closed blocks of  
20 business for insurance companies that are no  
21 longer selling long-term care insurance.

22           Basically, what the Legislature said was  
23 that we were to determine what that rate would be  
24 based upon a minimum of 80 -- an average of  
25 80 percent of the business for the types of

1 policies that are going to be regulated, and  
2 that's what this rule seeks to do.

3 GOVERNOR CRIST: Is there a motion on 3?

4 CFO SINK: I move it.

5 COMMISSIONER BRONSON: Second.

6 GOVERNOR CRIST: Moved and seconded. Show  
7 Item 3 approved without objection. Thank you,  
8 Steve.

9 MR. PARTON: Thank you.

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

1 GOVERNOR CRIST: Administrative Commission.

2 Gladys, good morning.

3 MS. PEREZ: Good morning. Item 1 is  
4 recommend the approval of the minutes of the  
5 December 19, 2006 meeting.

6 GOVERNOR CRIST: Is there a motion on the  
7 minutes?

8 COMMISSIONER BRONSON: Motion.

9 CFO SINK: Second.

10 GOVERNOR CRIST: Moved and seconded.

11 Without objection, the minutes are approved.

12 MS. PEREZ: Item 2, we recommend acceptance  
13 of the 33rd annual report and annual performance  
14 contract submitted by the Division of  
15 Administrative Hearings, and we have as a speaker  
16 Chief Judge and Executive Director Bob Cohen.

17 GOVERNOR CRIST: Good morning, Your Honor.

18 MR. COHEN: Good morning, Governor and  
19 members of the Cabinet.

20 This past year has been a year of some  
21 changes and improvements in the way we do  
22 business at DOAH. I'll hit the high points and,  
23 of course, go into as much detail as you like.

24 But in terms of office automation, which has  
25 always been a priority of ours, we have -- on the

13

1 adjudication of disputes side, we have launched  
2 the general counsel's agency page which allows  
3 general counsels to go in and on one page, or  
4 multiple pages, depending on the number of cases,

5 manage the caseloads of all the attorneys working  
6 with that general counsel within the agency. It  
7 gives them a one click, one stop, check out the  
8 cases, make sure the lawyers working with them  
9 are meeting their deadlines and are managing  
10 their caseload well. That's up and running. It  
11 has been now several months, and we've had  
12 excellent feedback. We met with all the general  
13 counsels at a lunch and launched it, and they're  
14 enjoying the use of that new tool.

15 On the workers' comp side, we improved our  
16 electronic filing, but we found that a lot of the  
17 people weren't using it. We went out after the  
18 workers' comp convention last year in August --  
19 in fact, we started there. We put on seminars  
20 there for paralegals, for attorneys, for the  
21 people in the offices who would actually be  
22 inputting all this information to show them that  
23 it really does work and that when they file  
24 something, it really is there and it shows up on  
25 the docket. They don't have to follow it up with

14

1 a paper filing. And since we launched a series  
2 of workshops like that, we went from 300 filings  
3 in a month to 700 to 1,500 to 2,700 in January of  
4 this year. So it has really taken off in terms  
5 of the number of users of that system.

6 We've continued to expand our work for the  
7 non-state agencies. The Florida Senate

8 contracted with us this year to handle all the  
9 claims bills. We appointed some ALJs as special  
10 masters to handle the claims bills and get  
11 everything done in a timely manner, and they are  
12 there now. Yes?

13 GOVERNOR CRIST: ALJs?

14 MR. COHEN: Administrative law judges.

15 GOVERNOR CRIST: Thanks.

16 MR. COHEN: So our judges handled those  
17 cases, and they issued their reports to the  
18 Senate, and we were able -- even though we didn't  
19 get them as we normally would in August, we  
20 didn't get the cases until November, we got them  
21 all done before the February 1 date that we were  
22 given, and those reports are before the Senate.  
23 And I believe that some are actually going to be  
24 scheduled in the next few weeks before the  
25 Legislature leaves.

15

1 We have also increased our agency referrals.  
2 The Agency for Persons with Disabilities sends  
3 all the cases to us now, and we're excited.  
4 We've been working with their new general  
5 counsel, John Newton, and their new secretary.  
6 We're pleased to see that Jane Johnson is the new  
7 secretary there and a tireless advocate for  
8 people with disabilities, and we feel that she  
9 will work closely with us and help us move those  
10 cases through the system. We've had a high

11 volume of cases there, and that has really led to  
12 an increase in our cases this past year, but  
13 we're handling them all within the statutory time  
14 frames.

15 On the workers' comp side, we have -- based  
16 on the 2003 changes to the workers' comp law, we  
17 have seen a decrease in the number of petitions  
18 filed, but the number of the difficult, actually  
19 complex cases that go to hearing still remains  
20 pretty constant. So the judges of compensation  
21 claims are still hearing those cases on a -- the  
22 detailed cases, pretty much as many as they have  
23 over the past several years even prior to those  
24 amendments.

25 We have worked hard with our rulemaking.

16

1 November 1 of last year, the new rules were  
2 launched for the judges of compensation claims.  
3 They're in Chapter 60Q of the Florida  
4 Administrative code. They are -- they have been  
5 pretty well received. I mean, we have not had  
6 any rules challenges. The lawyers are learning  
7 to work with them. Certainly the people in the  
8 offices, the judges and those who have to apply  
9 those rules, are working within the rule  
10 guidelines.

11 We have done some physical plant  
12 improvements. We have upgraded our space in some  
13 of the areas without moving, but just going in

14 and renegotiating some of our leases in some of  
15 our spaces around the state. Right now we're in  
16 the budget, the Governor's budget as well as the  
17 House and Senate budget, to improve the space in  
18 Miami, which has been really our worst space over  
19 the years in terms of inefficient use of the  
20 space. The new space will allow the mediators to  
21 conduct meaningful mediation, have rooms to  
22 separate the parties, and mediation is really the  
23 linchpin to how the workers' comp system works.  
24 We're now at about half the cases get settled  
25 through mediation, or 51 percent, but if we could 17

1 get that up to 60 percent, it would move the  
2 entire system along more quickly. And Miami has  
3 been the logjam, and we really believe that this  
4 upgrade in the space there will do it.

5 In terms of our performance standards, we  
6 have -- on the adjudication of disputes side, we  
7 have pretty much exceeded or met all the  
8 performance standards except one, the one being  
9 the percent of cases that go to -- in  
10 professional licensure cases, the percent of  
11 cases that are completed within 120 days of  
12 filing. And I think we've figured out the reason  
13 why that doesn't happen. They have to be  
14 scheduled within 90 days. Of course, agencies,  
15 if their caseloads are too heavy, ask us for more  
16 time, and we give them more time. We're

17 interested in due process, not in just meeting  
18 performance standards. But we've found that that  
19 30-day period between the hearing and the order,  
20 when they order a transcript, it takes two weeks  
21 to get the transcript, then the parties want 20  
22 days. Well, right there we've eaten up that 30  
23 days, which pushes us over the 120 days.

24 We're not looking to eliminate or change  
25 that performance standard. It's a high standard.

18

1 We want high standards so we always have  
2 something to shoot for. But we're still -- we've  
3 still got 120 days. Sixty-nine percent of the  
4 cases were completed on professional licensing  
5 within 120 days, as opposed to our standard of  
6 77 percent which has been set by the Legislature.

7 On the workers' comp side, we have done very  
8 well this year in improving the performance  
9 standards except for what is to me the most  
10 important one, and that is from the filing of the  
11 case until the final merit order is entered, 240  
12 days, we are still behind in that standard. The  
13 Miami office renovations will help. That will  
14 make the space better, will make it ADA  
15 accessible, which it hasn't been. People have  
16 had to sit outside of the hearing room to have  
17 hearings conducted, and we've had to shuffle  
18 around. A couple of the rooms will accommodate  
19 people in wheelchairs, and a couple of them

20 won't. So the new space will, of course, comply  
21 with all the ADA standards and will allow people  
22 to have their hearing in privacy, in total  
23 privacy without us having to clear the area so  
24 they can be heard while testifying.

25 And at this point, I enjoy the job. It is a 19

1 challenge every day. We have -- I was at the  
2 Statewide Nomination Commission yesterday for  
3 judges of compensation claims. We have four  
4 judges who are up for reappointment. There were  
5 several lawyers who came out to speak against  
6 some of the judges, and the judges were grilled,  
7 put on the carpet and had to explain. There were  
8 performance related issues and an accusation by  
9 some lawyers that one judge always rules for the  
10 defense. Of course, it doesn't bear out when you  
11 look at the cases, because they usually fall  
12 pretty much down the middle just in terms of --  
13 but that lawyer I guess had a bad record with the  
14 judge and was looking for some sort of relief  
15 that I'm not sure the Nominating Commission can  
16 give him.

17 But at this point, I offer the performance  
18 contract, our annual report, and will answer any  
19 questions you have.

20 GOVERNOR CRIST: CFO Sink.

21 CFO SINK: Judge, I'm sorry I didn't ask you  
22 this earlier, but in the case of -- I notice that

23 the workers' comp part of your business, if you  
24 will, is about two-thirds of your budget.

25 MR. COHEN: It is.

20

1 CFO SINK: And 194 lawyers. Do you have an  
2 opportunity if -- and is this even appropriate?  
3 If you see situations in which you believe that a  
4 case should never have gotten even to your level,  
5 that maybe we in our workers' comp division  
6 should have taken some other action, is there an  
7 opportunity for you to express opinions about  
8 ways that we can do our jobs better to perhaps  
9 reduce the amounts of disputes that occur?

10 MR. COHEN: Generally speaking, the cases  
11 that get to the level where they actually get to  
12 hearing, because a lot of times cases are filed  
13 because somebody has applied for benefits and the  
14 employer just denies them the benefits, or the  
15 carrier denies the benefits, so they have to file  
16 a petition. The benefits may get awarded two  
17 weeks after they file that petition, but they  
18 have to go through that process.

19 I'm not sure that -- I mean, I think that  
20 when the Legislature changed the law in 2003, it  
21 was to eliminate attorneys and people making big  
22 deals out of the medical-only benefits. If  
23 someone just needs to go in and get extended  
24 medical care, maybe a surgical procedure, and  
25 then they're finished and they'll be back to

21

1 work, the Legislature saw fit to say we're going  
2 to limit the attorney's fees on that, so there  
3 was no incentive for lawyers to drag those cases  
4 out -- not that the lawyers were, but I'm sure  
5 there were some, because the Legislature  
6 certainly found in its intent that there was a  
7 drawing out of the process. So I believe that  
8 has -- in terms of bringing down the number of  
9 petitions filed, that has achieved at least some  
10 of its goal of getting those simple cases that  
11 the carriers should work out or the employers  
12 should work out with their injured workers and  
13 not getting into a judicial type system.

14 CFO SINK: Okay. Thank you.

15 GOVERNOR CRIST: Yes, Commissioner.

16 COMMISSIONER BRONSON: Well, I would like to  
17 thank you and all your judges for what they do.  
18 I know sometimes we don't always agree with  
19 administrative law judges. You know, every  
20 agency has attorneys that advise us on issues.  
21 And attorneys and doctors all seem to work the  
22 same way. If you ask enough of them, you'll get  
23 that many different opinions.

24 But I will say that what I've seen so far,  
25 and we've had some very tough issues come before

22

1 administrative law judges out of our department,  
2 that what that really does is give us an idea, if

3 we decide we're going to carry this on, what it's  
4 going to cost the State of Florida to do that and  
5 whether we want to jump that hurdle or not or go  
6 to the Legislature. And what I see that comes  
7 out of this is, if we need to go back to the  
8 Legislature and ask for clarification on issues,  
9 then we certainly have the option of doing that  
10 so that it's clear next time.

11 So I think -- in the long run, I think your  
12 group helps probably save the State of Florida a  
13 lot of legal fees when it comes down and the  
14 court system from being tied up with just so many  
15 cases. So I would like to thank you. All of  
16 your judges have been very -- that we've dealt  
17 with have been very courteous and have given us  
18 not exactly what we want necessarily, but what we  
19 needed to know to do a better job.

20 MR. COHEN: Thank you, Commissioner.  
21 Appreciate the kind words.

22 GOVERNOR CRIST: Thank you very much, Chief  
23 Judge. Good work. Keep it up.

24 MR. COHEN: Thank you, Governor.

25 GOVERNOR CRIST: Appreciate it. Happy

23

1 holiday.

2 MR. COHEN: Thank you.

3 GOVERNOR CRIST: Do we need to --

4 MS. PEREZ: We need to vote on that.

5 GOVERNOR CRIST: -- approve that or  
Page 20

6 something?

7 MS. PEREZ: Yes.

8 GOVERNOR CRIST: Is there a motion on Item  
9 2?

10 COMMISSIONER BRONSON: Motion on Item 2.

11 CFO SINK: Second.

12 GOVERNOR CRIST: Moved and seconded.

13 Without objection, the report and contract are  
14 accepted. Item 3.

15 MS. PEREZ: Item 3 is, we're requesting  
16 withdrawal of the previously presented Item 3  
17 because that item was settled by the parties.

18 COMMISSIONER BRONSON: Motion on Item 3 to  
19 withdraw.

20 CFO SINK: Second.

21 GOVERNOR CRIST: Moved and seconded.

22 Without objection, Item 3 is withdrawn.

23 MS. PEREZ: Thank you.

24 GOVERNOR CRIST: Thank you.

25

24

1 GOVERNOR CRIST: State Board of  
2 Administration. Coleman, good morning.

3 MR. STIPANOVITCH: Good morning, Governor.

4 GOVERNOR CRIST: See you soon, Commissioner.

5 MR. STIPANOVITCH: Good morning, Governor  
6 and members.

7 GOVERNOR CRIST: Good morning.

8 MR. STIPANOVITCH: CFO Sink. Item 1 is a  
Page 21

9 request for approval of the minutes of March 13,  
10 2007.

11 GOVERNOR CRIST: Is there a motion?

12 CFO SINK: I move it.

13 GOVERNOR CRIST: Moved and seconded.

14 Without objection, the minutes are approved.

15 MR. STIPANOVITCH: Item Number 2 is a  
16 request for approval of fiscal sufficiency of an  
17 amount not exceeding 273 million State of Florida  
18 Department of Transportation Turnpike revenue  
19 bonds.

20 CFO SINK: Move it.

21 GOVERNOR CRIST: Moved and seconded.

22 Without objection, Item 2 is approved.

23 MR. STIPANOVITCH: Item 3 is --

24 GOVERNOR CRIST: I'm the one seconding, by  
25 the way.

25

1 MR. STIPANOVITCH: Item 3 is a request for  
2 approval of fiscal sufficiency of an amount not  
3 exceeding 200 million State of Florida, State  
4 Board of Education Lottery revenue bonds.

5 CFO SINK: I move it.

6 GOVERNOR CRIST: I second it. Moved and  
7 seconded. Without objection, show it approved.  
8 Item 4.

9 MR. STIPANOVITCH: Item 4 is a request for  
10 approval of fiscal sufficiency of an amount not  
11 exceeding 200 million State of Florida, State

12 Board of Education public education capital  
13 outlay bonds.

14 CFO SINK: I move it.

15 GOVERNOR CRIST: I second it. Without  
16 objection, Item 4 is approved.

17 MR. STIPANOVITCH: Item 5 is a request for  
18 approval of fiscal sufficiency of an amount not  
19 exceeding 157 million State of Florida,  
20 Department of Transportation Turnpike revenue  
21 refunding bonds.

22 CFO SINK: I move it.

23 GOVERNOR CRIST: I second it. Without  
24 objection, Item 5 is approved.

25 MR. STIPANOVITCH: Item Number 6 is a

26

1 request for approval of fiscal determination by  
2 the State Board of Administration of Florida for  
3 the issuance of an amount not exceeding  
4 250 million Florida Housing Finance Corporation  
5 homeowner mortgage revenue bonds.

6 CFO SINK: I move it.

7 GOVERNOR CRIST: I second it. Without  
8 objection, Item 6 is approved.

9 MR. STIPANOVITCH: Item 7 is a request for  
10 approval and authority to file a notice of  
11 proposed rulemaking for Rule 19-15-001, which is  
12 the Insurance Capital Build-up Incentive Program,  
13 and to file for adoption if no member of the  
14 public requests a rule workshop.

15 CFO SINK: I move it.

16 GOVERNOR CRIST: I second it. Without  
17 objection, Item 7 is approved.

18 MR. STIPANOVITCH: Item 8 is a request for  
19 approval of the 2007-08 premium formula and  
20 proposed 2007 rates, which is required for the  
21 Florida Hurricane Catastrophe Fund to provide  
22 insurance to the insurers for the '07-08 contract  
23 year.

24 CFO SINK: I move it.

25 GOVERNOR CRIST: I second it. Without

27

1 objection, Item 8 is approved.

2 MR. STIPANOVITCH: Item Number 9 is a  
3 request for approval of and authority to file a  
4 notice of proposed rulemaking for Rule 19-8.028,  
5 reimbursement premium formula.

6 CFO SINK: I move it.

7 GOVERNOR CRIST: I second it. Without  
8 objection, Item 9 is approved.

9 MR. STIPANOVITCH: Item Number 10 is a  
10 request for approval and authority to file for  
11 adoption Rule 19-8.010, which is reimbursement  
12 contract; 19-8.029, insurer reporting  
13 requirements; and 19-8.030, insurer  
14 responsibilities, including the appropriate  
15 forms.

16 CFO SINK: I move it.

17 GOVERNOR CRIST: I second it. Without

18 objection, Item 10 is approved.

19 MR. STIPANOVITCH: Item Number 11 is a  
20 request for authority to file a notice of  
21 proposed rulemaking for Rule 19-8.010,  
22 reimbursement contract, and to file for adoption  
23 if no member of the public requests a rule  
24 hearing.

25 CFO SINK: I move it.

28

1 GOVERNOR CRIST: I second it. Without  
2 objection, Item 11 is approved.

3 MR. STIPANOVITCH: The last item is a  
4 request for approval of the appointment of Randy  
5 Dumm to serve as chair of the Florida Commission  
6 on Hurricane Loss Projection Methodology for the  
7 '07-08 year.

8 CFO SINK: I move it.

9 GOVERNOR CRIST: I second it. Without  
10 objection, Item 12 is approved.

11 CFO SINK: Governor.

12 GOVERNOR CRIST: CFO.

13 CFO SINK: Let me just make a comment that I  
14 think the changes that we're making to enable  
15 more insurer -- or to enable insurers to provide  
16 insurance for mobile homes and manufactured  
17 housing is really critically important.

18 GOVERNOR CRIST: It sure is.

19 CFO SINK: I know that there have been many  
20 insurers who have an interest in manufactured

21 housing who have been concerned that there hasn't  
22 been sufficient insurance available and that  
23 there are companies out there willing to  
24 understand that risk. And 20 percent of our  
25 housing stock in Florida, 20 percent is in the

29

1 form of manufactured and mobile homes, so I do  
2 want to just reinforce the importance of what we  
3 did here today to enable this important sector  
4 and these people who haven't had access to  
5 insurance. And as you and I saw the effect of  
6 the tornados in central Florida, it's just  
7 something very important that I think we'll deal  
8 with partially through what we did today.

9 GOVERNOR CRIST: I couldn't agree more, CFO  
10 Sink. You know, we're both from the Tampa Bay  
11 area. There are significant manufactured housing  
12 units in our part of the state as well as others,  
13 so thank you for your leadership on this. And,  
14 Coleman, thank you.

15 MR. STIPANOVITCH: Thank you, Governor and  
16 CFO.

17 GOVERNOR CRIST: Take care. We stand  
18 adjourned until 11:00.

19 (Proceedings concluded at 9:48 a.m.)

20  
21  
22  
23

24

25

30

1

CERTIFICATE OF REPORTER

2

3

STATE OF FLORIDA:

4

COUNTY OF LEON:

5

I, MARY ALLEN NEEL, Registered Professional

6

Reporter, do hereby certify that the foregoing

7

proceedings were taken before me at the time and place

8

therein designated; that my shorthand notes were

9

thereafter translated under my supervision; and the

10

foregoing pages numbered 1 through 29 are a true and

11

correct record of the aforesaid proceedings.

12

I FURTHER CERTIFY that I am not a relative,

13

employee, attorney or counsel of any of the parties,

14

nor relative or employee of such attorney or counsel,

15

or financially interested in the foregoing action.

16

DATED THIS 13th day of April, 2007.

17

18

19

---

MARY ALLEN NEEL, RPR, FPR  
2894-A Remington Green Lane  
Tallahassee, Florida 32308  
(850) 878-2221

20

21

22

23

24

25