

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:

FINANCIAL SERVICES COMMISSION, OFFICE OF
INSURANCE REGULATION

BOARD OF TRUSTEES, INTERNAL IMPROVEMENT TRUST FUND

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, May 1,
2007, commencing at 9:05 a.m.

Reported by:
JO LANGSTON
Registered Professional Reporter
Notary Public

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

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APPEARANCES:

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Representing the Florida Cabinet:

CHARLIE CRIST
Governor

CHARLES H. BRONSON
Commissioner of Agriculture

BILL McCOLLUM
Attorney General

ALEX SINK
Chief Financial Officer

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1 INDEX
2 FINANCIAL SERVICES COMMISSION, OFFICE OF
INSURANCE REGULATION
3 (Presented by KEVIN McCARTY)
Page 2

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

9
BOARD OF TRUSTEES, INTERNAL IMPROVEMENT TRUST FUND
10 (Presented by MICHAEL SOLE)

11	ITEM	ACTION	PAGE
12	1	Approved	10
	2	Approved	11
13	3	Approved	11

14
15 STATE BOARD OF ADMINISTRATION
16 (Presented by Coleman Stipanovich)

17	ITEM	ACTION	PAGE
18	1	Approved	13
	2	Approved	13

19
20
21 CERTIFICATE OF REPORTER 15

22
23
24
25

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

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3 GOVERNOR CRIST: First, Financial Services
4 Commission, Kevin McCarty, Office of Insurance

5 Regulation. Good morning, Kevin.

6 MR. McCARTY: Good morning, Governor. Good
7 morning, Governor, members of the Commission. First
8 item is adoption of the minutes for the Financial
9 Services Commission for January 18, 2007.

10 GOVERNOR CRIST: Is there a motion on the minutes?

11 CFO SINK: I move it.

12 ATTORNEY GENERAL McCOLLUM: Second.

13 GOVERNOR CRIST: Moved and seconded. Without
14 objection, the minutes are approved.

15 MR. McCARTY: Agenda Item Number 2 is a suggestion
16 for a final adoption, standardization requirements
17 required for insurance, insurance companies to make
18 reports to the department, to the Office of Insurance
19 Regulation, after the Governor has declared a state of
20 emergency.

21 This really kind of evolved over the emergency
22 rules that were adopted in 2004 and 2005, and it gives
23 notice to all the insurance companies of the kinds of
24 information that will be required. This is used as a
25 solvency tool but also gives us the ability to know

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1 when companies are paying claims and doing so in a
2 timely fashion.

3 ATTORNEY GENERAL McCOLLUM: I move it.

4 CFO SINK: Second.

5 GOVERNOR CRIST: Moved and seconded. Show it
6 approved without objection. Item 3.

7 MR. McCARTY: Agenda Item 3 is adoption of
8 proposed amendment to Rule 690-170.0155. Pursuant to
9 the special session, the office has developed a
10 specific affidavit form which is required to be
11 submitted in all future filings for property and
12 casualty.

13 This form requires the CEO, the CFO and the
14 actuary to certify that the information contained in
15 the rate filing is an accurate and true reflection of
16 the facts in that rate filing.

17 GOVERNOR CRIST: Is there a motion on Item 3?

18 COMMISSIONER BRONSON: Motion on Item 3.

19 ATTORNEY GENERAL McCOLLUM: Second.

20 GOVERNOR CRIST: Moved and seconded. Without
21 objection Item 3 is approved.

22 MR. McCARTY: Item 4, Governor, is request for
23 approval to publish a rule to amend a particular form.
24 These proposed amendments adopt two forms regarding our
25 mitigation program in Florida. The first form is a

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1 notice of the premium discounts for hurricane loss
2 mitigation that is to be used by the insurance
3 companies to inform individual consumers of the savings
4 as they invest in various mitigation devices.

5 The second form is a uniform form to be used so
6 that it can certify that the work has in fact been done
7 consistent with the mitigation devices.

8 CFO SINK: Move it.

9 ATTORNEY GENERAL McCOLLUM: Second.

10 GOVERNOR CRIST: Moved and seconded. Item 4, show
11 it approved without objection. Item 5.

12 MR. McCARTY: Item 5, Governor, is the request for
13 approval to publish a rule. This amendment to the rule
14 is a new maximum medical trend. Maximum medical trend
15 is a trend of how much we anticipate our medical
16 expenses to go up over the next year. Some companies
17 have such a small pool of business they can't develop
18 their own trend. This prevents erratic trend increases
19 and stabilizes rates with regard to medical health
20 care.

21 GOVERNOR CRIST: Is there a motion on Item 5?

22 COMMISSIONER BRONSON: Motion on Item 5.

23 CFO SINK: Second.

24 GOVERNOR CRIST: Moved and seconded. Without
25 objection, Item 5 is approved.

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1 MR. McCARTY: And one last agenda item, Governor,
2 is request for approval to publish Rule 690-149.005,
3 003 and 007. The proposed amendments provide
4 guidelines for insurance companies to comply with
5 Florida law, specifically requires the pooling of
6 cancer claims so that you prevent a death spiral.

7 Sometimes if you separate out specific policy
8 forms and as those policy forms age, they create death
9 spirals. And this requires those to be pooled to

10 prevent those death spirals and escalating cost for the
11 particular line of insurance.

12 ATTORNEY GENERAL McCOLLUM: I move Item 6.

13 GOVERNOR CRIST: Is there a second?

14 COMMISSIONER BRONSON: Second.

15 GOVERNOR CRIST: Moved and seconded. Without
16 objection, Item 6 is approved. Thank you, Kevin.

17 MR. McCARTY: Thank you, Governor.

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1 GOVERNOR CRIST: Board of Trustees, Secretary Mike
2 Sole. Good morning, Secretary.

3 MR. SOLE: Governor, Cabinet members, good
4 morning. I have three items this morning. Item Number
5 1 entails the movement of the Alachua County Fairground
6 site. In 1972 the Board of Trustees conveyed to
7 Alachua County property which included a deed
8 restriction that it must maintain or be retained as a
9 fairground site.

10 The Board of County Commissioners have proposed to

11 move that location to an area about 10,000 feet to the
12 north and as such requests that the Board of Trustees
13 remove the existing deed restrictions and replace or
14 establish similar deed restrictions and updated deed
15 restrictions on the new site.

16 Both properties are 102, approximately 102 acres,
17 and the Department is recommending favorably on this
18 request.

19 GOVERNOR CRIST: Is there a motion?

20 COMMISSIONER BRONSON: I'd like to move Item 1.

21 ATTORNEY GENERAL McCOLLUM: I'll second it.

22 GOVERNOR CRIST: Moved and seconded. Any
23 discussion? I think we have Commissioner Rodney Long.
24 Would you like to --

25 MR. SOLE: Correct, Vice-Chair, Board of County

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1 Commissioners.

2 GOVERNOR CRIST: Commissioner, welcome.

3 MR. LONG: Good morning, Governor Crist and
4 members of the Cabinet. I'm Rodney Long. I'm
5 vice-chairman of the Alachua County Commission from
6 Gainesville, Florida. I'm sure you've heard of that
7 town before. It's sometimes called Title Town USA.

8 CFO SINK: It's really gotten bad.

9 MR. LONG: I'm here on behalf of the 2,050
10 residents that make up that great community. We wanted
11 to thank the Secretary and all of you for your support.

12 By moving the fairground to the north, this will
Page 8

13 allow us to implement Plan East Gainesville, which is a
14 planning vision of many stakeholders, including the
15 City of Gainesville, the University of Florida and the
16 airport.

17 We begin now to be able to have better economic
18 opportunities for people on that corridor. So we thank
19 you very much for helping us realize our vision. Thank
20 you very kindly.

21 GOVERNOR CRIST: Thank you, Commissioner. Any
22 questions? Thank you, sir. Title Town. Secretary.

23 MR. SOLE: Governor, Item Number 2 is --

24 GOVERNOR CRIST: Do we need to -- I don't think we
25 voted there, my friend.

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1 MR. SOLE: Yes, sir.

2 GOVERNOR CRIST: Is there a motion? We have a
3 motion. We have a second. Any opposed? Show it
4 adopted without objection. Item 2.

5 MR. SOLE: Thank you, Governor. Item 2 is the
6 City of Stuart --

7 GOVERNOR CRIST: Can't do it unless we vote,
8 Secretary.

9 MR. SOLE: Yes, sir. It is an important part of
10 this process.

11 GOVERNOR CRIST: Democracy.

12 MR. SOLE: Item Number 2 is City of Stuart public
13 marina, entails three, or excuse me, two areas. One is

14 a 14-slip staging area that will support a 120-dry-slip
15 facility, upland facility. There's also an
16 approximately 562,000 area lease for preemption to
17 support a 198-slip public marina.

18 This facility is going to be open to the public.
19 It does have pump-out facilities established and
20 procedures to ensure protection of the resources. The
21 Department is recommending approval on this item.

22 ATTORNEY GENERAL McCOLLUM: I move Item 2.

23 COMMISSIONER BRONSON: Second.

24 GOVERNOR CRIST: Moved and seconded. Any
25 questions or comments? Anybody to speak on it,

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1 Secretary?

2 MR. SOLE: No, sir.

3 GOVERNOR CRIST: Show it approved without
4 objection.

5 MR. SOLE: Our last item, Item Number 3, is the
6 Cannonsport facility. That is a facility that was
7 originally four separate properties. It has been
8 rezoned for mixed use development, which includes
9 development of a condominium as well as continuation of
10 a public marina.

11 Currently there's 30 slips that are open to the
12 public at this facility. The applicant proposes to
13 increase the number of slips to 54 slips, of which 11
14 will be retained for dedicated use for the condominium,
15 and 43 slips remaining open to the public. The

16 Department is recommending favorably on this item.

17 COMMISSIONER BRONSON: Motion on Item 3.

18 CFO SINK: Second.

19 GOVERNOR CRIST: Moved and seconded. Any
20 questions or comments or anyone to speak on the item?

21 MR. SOLE: No, sir.

22 GOVERNOR CRIST: Show it approved without
23 objection.

24 MR. SOLE: Thank you, Governor. Thank you,
25 Cabinet.

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1 GOVERNOR CRIST: Thank you very much, Secretary.
2 Appreciate it.

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

3 MR. STIPANOVICH: Good morning, Governor. Good
4 morning, members. Item Number 1 is request for
5 approval of the minutes of April 17, 2007.

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

7 CFO SINK: Move it.

8 ATTORNEY GENERAL McCOLLUM: Second.

9 GOVERNOR CRIST: Moved and seconded. The minutes
10 are approved without objection.

11 MR. STIPANOVICH: Thank you, Governor, members.
12 As you may recall, there was an item on that agenda
13 which is reflected in the minutes that was deferred to
14 the workshop that will be held on Tuesday, May 15th, at
15 8:30 a.m. in the Plaza Level Conference Room 03.

16 Item Number 2 is request for approval of fiscal
17 determination in connection with the issuance of amount
18 not exceeding 41,500,000 Tax Exempt Florida Housing

19 Finance Corporation Multifamily Mortgage Revenue
20 Refunding Bonds.

21 CFO SINK: I move approval.

22 ATTORNEY GENERAL McCOLLUM: Second.

23 GOVERNOR CRIST: Moved and seconded. Any
24 questions, comments? Show it approved without
25 objection. Thank you, Coleman.

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1 MR. STIPANOVICH: That completes the agenda.
2 Thank you.

3 GOVERNOR CRIST: Good work. Thank you very much.
4 See you soon.

5 (Whereupon, the proceeding was concluded at 9:30
6 a.m.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, Jo Langston, Registered Professional Reporter,
do hereby certify that the foregoing pages 4 through 14,
both inclusive, comprise a true and correct transcript of
the proceeding; that said proceeding was taken by me
stenographically and transcribed by me as it now appears;
that I am not a relative or employee or attorney or counsel
of the parties, or a relative or employee of such attorney
or counsel, nor am I interested in this proceeding or its
outcome.

IN WITNESS WHEREOF, I have hereunto set my hand
this 11th day of May, 2007.

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JO LANGSTON

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Registered Professional Reporter

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