



Consumer Federation of America



CENTER FOR ECONOMIC JUSTICE

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NATIONAL CONSUMER ORGANIZATIONS APPLAUD GOVERNOR CRIST FOR HOLDING DOWN INSURANCE RATES

The Consumer Federation of America (CFA)¹ and the Center for Economic Justice² today applauded Governor Charlie Crist for continuing to protect Florida homeowners from unjustified insurance rates. At a recent Associated Press Florida event, Governor Crist said he would veto legislation promoted by insurance companies that allows them to charge unlimited rates for home insurance.

The bill, HB 447, allows insurers to offer property/casualty insurance policies (other than Workers' Compensation or auto insurance) at rates higher than approved by the Florida Office of Insurance Regulation (OIR) if the consumer agrees to accept a policy that "is not subject to full rate regulation." Consumers would not be told that the Florida Insurance Commissioner has no authority to stop these insurers from charging excessive rates, leaving consumers completely without state protection from unjustifiably high insurance rates in a non-competitive market.

"It is outrageous to claim that this bill falsely promises 'consumer choice,' when its purpose is to let insurance companies charge whatever high rate they want with no consumer protections in a market with virtually no competition," said J. Robert Hunter, Director of Insurance for CFA and former Texas Insurance Commissioner and Federal Insurance Administrator under Presidents Ford and Carter. "The bill is an insurance industry wolf wrapped in consumer-choice-like lamb clothing," he said.

"We agree with Governor Crist that deregulation does not equal consumer choice," said Birny Birnbaum, Executive Director of the Center for Economic Justice. "We thank the governor for standing up for consumers."

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¹ CFA is a non-profit association of some 300 organizations that, since 1968, has sought to advance the consumer interest through research, advocacy and education.

² CEJ is a non-profit that advocates on behalf of low-income and minority consumers on insurance, credit and utility matters.

