

## New Citizens Leader Suggests Breaking 10 Percent Cap on Rate Hikes

In office a week, Barry Gilway, new president of Citizens Property Insurance, said he understands the aversion of officials and property owners to large-scale hike rates.

But Gilway, who was hired away from the private Mattei Insurance Services earlier this month with a directive to reduce the risk and size of the state-backed insurance giant, said Citizens can't remain the most affordable option in Florida.

Appearing before Gov. Rick Scott and the state Cabinet on Tuesday, Gilway said state leaders may need to consider exceeding the state-imposed 10 percent cap on rate hikes as an option to shed many of the 1.4 million policies from what is supposed to be Florida's insurer of last resort.

"You can't ignore the fact that rate is an issue," said Gilway after addressing the Cabinet. Gilway's comments weren't warmly embraced by Cabinet members.

Gov. Rick Scott told reporters after the meeting that the state first needs to attract more private insurers and make sure that those buying Citizens coverage understand what they're getting.

"I'm surprised the survey we talked about in December has not been done," Scott said.

Gilway, who noted he is still wrapping his head around the Citizens' numbers, said Citizens plans to conduct the long-awaited survey in about a week, on what Floridians know about and want from the insurance provider. The survey, expected to cost under \$25,000, will poll about 1,000 people, the number split evenly between policyholders and non-policyholders.

Citizens is the state's largest property insurance company with 1.4 million policyholders, the majority in South Florida and around Tampa Bay.

The state Legislature would have to approve any plan for rates to exceed the 10 percent cap. In May, among the options presented for Citizens to draw down its customer base, it was proposed that rates for new customers **may need to jump an average of 30 percent to help push people to private firms.**

"It's going to be a very, very fine balance act in how we address it. But ultimately my position is we have to address it," Gilway said. "If we want to pull private insurers into the marketplace, particularly A-rated insurers ... the only way you're going to attract private insurers is if they believe they have a reasonable chance of generating a return on capital. It's not rocket science."

He said Florida doesn't have to offer private firms the same rate of returns they receive in other states, but they must offer a return. "They're not going to knowingly moving into a market place and accept a loss," Gilway said.

Citizens has until the end of July to make recommendations on rates for the next year. Gilway said July may be too short a time for a quick turnaround on rate changes based upon the survey results.

Jim Turner, Sunshine State News June 27, 2012



**Best Home  
Inspection and  
Construction  
Company, LLC.**

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It happened in July .....

July 3, 1775

Gen. George Washington took command of the Continental Army at Cambridge, Mass.

July 26, 1775

Benjamin Franklin became postmaster-general.

July 4, 1776

American Revolutionary War: The Continental Congress approved a Declaration of Independence from Great Britain.

July 10, 1821

The U.S. takes possession from Spain of its newly-purchased territory of Florida. (Spain formally ceded ownership July 17, 1821.)

July 3, 1890

Idaho is admitted as the 43rd U.S. state.

July 10, 1890

Wyoming is admitted as the 44rd U.S. state.

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## Florida-based insurers report 40 percent rise in profits: Will consumers benefit?

Florida-based home insurers, which have 60 percent of the state's policies, reported a net income of nearly \$78.7 million in the first quarter, up 40 percent from the first quarter of 2011, according to Florida Insurance Commissioner Kevin McCarty.

If the trend continues, will insurers "share the wealth" with consumers either by bolstering claims-paying reserves or by lowering some premiums?

Many will beef up their reserves, insurance experts say, but it's unclear whether they'll decrease rates based on a year or two of healthy profits. If the market improves in the long-term, that could spur competition among insurers for policies and help lower rates in years to come.

"The numbers often look good for an individual year – or years –

without a hurricane...Good years help build the resources to handle the big losses," said Lynne McChristian, a spokeswoman for the Insurance Information Institute, an industry group.

Nationally, private U.S. property and casualty insurers' net income after taxes for the first quarter rose nearly 30 percent to \$10.1 billion from \$7.8 billion in first-quarter 2011, according to a report Wednesday from ISO and the Property Casualty Insurers Association of America. The increase was largely due to lower costs for catastrophe claims.

The Florida-based insurers reported an underwriting gain, or when premiums outpace claims and other expenses, of \$39.4 million, up 314 percent from \$9.5 million last year,

McCarty reported Tuesday at a Florida Cabinet meeting.

McCarty said there's record interest in Florida this year from reinsurers, which sell catastrophe insurance to insurers. Up to 20 reinsurance companies in Bermuda and London want to increase how much catastrophe backup coverage they sell to Florida insurers.

Citizens Property Insurance President Barry Gilway also had some good news: the state-run insurer has downsized, shedding 80,288 policies representing \$20 billion in risk so far this year.

Julie Patel, Sun Sentinel June 28, 2012

**It doesn't take a hero to order men into battle. It takes a hero to be one of those men who goes into battle.**

**Norman Schwarzkopf**

## P/C Insurers Profits Rose to \$10.1B in Q1

Private U.S. property/casualty insurers' net income after taxes rose to \$10.1 billion in first-quarter 2012 from \$7.8 billion in first-quarter 2011, with insurers' overall profitability as measured by their annualized rate of return on average policyholders' surplus climbing to 7.2 percent from 5.6 percent.

Driving the increases in insurers' net income and overall rate of return, net losses on underwriting receded to \$0.2 billion in first-quarter 2012 from \$4.5 billion in first-quarter 2011. The combined ratio — a key measure of losses and other underwriting expenses per dollar of premium — improved to 99 percent in first-quarter 2012 from 103.3 percent in first-quarter 2011, according to ISO, a Verisk Analytics company, and the Property Casualty Insurers Association of America (PCI).

The improvement in underwriting results is primarily attributable to a drop in net losses and loss adjustment expenses (LLAE) from catastrophes. ISO estimates that insurers' net LLAE from catastrophes fell to \$3.4 billion in first-quarter 2012 from \$6.6 billion in first-quarter 2011. Those amounts exclude LLAE that emerged after in-

surers closed their books for each period but do include late-emerging LLAE from events in prior periods.

Partially offsetting the improvement in underwriting results, net investment gains — the sum of net investment income and realized capital gains (or losses) on investments — dropped \$1.2 billion to \$12.3 billion in first-quarter 2012 from \$13.6 billion in first-quarter 2011.

Also limiting the improvement in insurers' overall results, insurers' miscellaneous other income receded to \$0.4 billion in first-quarter 2012 from \$0.5 billion in first-quarter 2011, and insurers' federal and foreign income taxes rose to \$2.3 billion from \$1.8 billion.

Pretax operating income — the sum of net gains or losses on underwriting, net investment income, and miscellaneous other income — grew to \$11.8 billion in first-quarter 2012 from \$8.6 billion in first-quarter 2011.

Reflecting insurers' net income after taxes and unrealized capital gains on investments (not included in net income), policyholders' sur-

plus — insurers' net worth measured according to Statutory Accounting Principles — increased \$20.4 billion to a record-high \$570.7 billion at March 31, 2012, from \$550.3 billion at December 31, 2011.

The 7.2 percent annualized rate of return for first-quarter 2012 is insurers' highest first-quarter annualized rate of return since the 13.3 percent for first-quarter 2007. Since the start of ISO's quarterly data in 1986, insurers' first-quarter annualized rate of return has ranged from as low as negative 2.6 percent in 1994 to as high as 17.9 percent in 2005 and has averaged 10 percent.

The figures are consolidated estimates for all private property/casualty insurers based on reports accounting for at least 96 percent of all business written by private U.S. property/casualty insurers.

Insurance Journal

**Success is how high you bounce when you hit bottom.**  
**George S. Patton**

## Florida housing bounces back from sky-high vacancy rates

Florida's housing market is improving -- perhaps not as quickly as property-holders might wish, but improving nonetheless.

David Lockhart, president and CEO of the Federal Reserve Bank of Atlanta, recently attributed the modest upswing to an infusion of foreign capital.

"The economy in South Florida has seen a resurgence in foreign spending, primarily on real estate and tourism," he said. "Our contacts in the real estate sector have noted for some time that international investors, mainly from Canada, Europe, and South America, have been active buyers of this area's distressed residential real estate assets."

But there's still a long way to

go, as indicated by the latest housing data from the U.S. Census Bureau

The seven major metropolitan areas with the worst vacancy rates as of 2010 (the most recent figures available) were all in Florida, led by Cape Coral-Fort Myers at 37.0 percent. That means roughly two of every five houses, condominiums and apartments in that area were vacant just two years ago.

The next six markets in the vacancy rankings were Bradenton-Sarasota (27.9 percent), Lakeland (21.4 percent), Orlando (20.7 percent), Miami-Fort Lauderdale (19.5 percent), Palm Bay-Melbourne (17.8 percent) and Tampa-St. Petersburg (17.6 percent).

The database has breakdowns for the nation's 100 biggest metros,

derived from the Census Bureau's 2010 American Community Survey.

The highest vacancy rates occurred in states that depend heavily on tourism and seasonal housing, such as Florida, Nevada and Arizona.

The most stable markets were in the East, Midwest and coastal California, led by Lancaster, Pa., at 4.5 percent.

The collective vacancy rate for all 100 markets was 10.9 percent.

The Business Journals by G. Scott Thomas  
Date: Tuesday, June 19, 2012

[Click here for the entire list.](#)

You can re-sort by clicking any column header.

<u>Metro area</u>	<u>Housing units</u>	<u>Occupied</u>	<u>Vacant</u>	<u>Vacancy rate</u>	<u>Rank</u>
Cape Coral-Fort Myers, FL	371,145	233,693	137,452	37.04%	1
North Port-Bradenton-Sarasota, FL	401,323	289,448	111,875	27.88%	2
Lakeland-Winter Haven, FL	281,278	221,073	60,205	21.40%	3
Orlando-Kissimmee-Sanford, FL	943,029	748,210	194,819	20.66%	4
Miami-Fort Lauderdale-Pompano Beach, FL	2,464,604	1,984,559	480,045	19.48%	5
Palm Bay-Melbourne-Titusville, FL	269,975	221,945	48,030	17.79%	6
Tampa-St. Petersburg-Clearwater, FL	1,354,211	1,116,299	237,912	17.57%	7
Las Vegas-Paradise, NV	841,494	698,955	142,539	16.94%	8
Phoenix-Mesa-Glendale, AZ	1,800,056	1,503,107	296,949	16.50%	9
New Orleans-Metairie-Kenner, LA	538,739	451,411	87,328	16.21%	10

Dear valued customer and friend, the following information is being passed along as a public service. The information is intended to enlighten you as to the hazards associated with an item becoming more widely used in our homes. **WARNING - THERE ARE GRAPHIC IMAGES.** However, they will help drive home the point about the dangers discussed.

# SALISBURY FIRE DEPARTMENT

## Training Newsletter April 2012

SALISBURY FIRE  
DEPARTMENT  
TRAINING CENTER

TRAIN AS IF YOUR LIFE  
DEPENDS ON IT...  
BECAUSE IT DOES!

### QUOTE OF THE MONTH

"BEWARE OF THE  
FIREFIGHTER WHO  
CLAIMS HE DOESN'T  
NEED ANY MORE  
TRAINING."

Chief Billy Goldberger

325 Cypress Street  
Salisbury, MD 21801

Phone: 410-548-1253 - Ext. 112  
Fax: 410-548-3121  
Email: [jester@d1.salisbury.md.us](mailto:jester@d1.salisbury.md.us)

## Energy-saving Bulb Dangers

By Lt. James L. Jester

### WARNING:

This newsletter contains GRAPHIC images



By now, we have all seen them. We probably all have some in our homes. We most certainly have come into contact with them in the homes to which we respond. I am talking about energy-saving light bulbs. They have many different names; compact fluorescent lamp (CFL), compact fluorescent light, and compact fluorescent tube, all describe a fluorescent lamp designed to replace an incandescent lamp. Compared to their incandescent brothers producing the same amount of visible light, CFLs consume less power (from 1/5 to 1/3) and have a longer service life (8 to 15 times).

But the news in our quest to be better stewards of our planet is not all good. These CFLs have a small electronic ballast in their base. There is a fire hazard associ-

ated with these ballasts, but that is a conversation for another day. Let's talk about another danger posed by these "green" lamps: mercury exposure and poisoning.

Like all fluorescent lamps, CFLs contain mercury. This fact not only complicates their disposal under normal conditions, the problem is exacerbated when the lamp is broken and the mercury is allowed "out of its box." The symptoms of mercury poisoning typically include sensory impairment (vision, hearing, and speech), a lack of coordination, skin discoloration, tingling, itching, burning or pain, and desquamation (shedding of skin).

Mercury in lamps is typically present as either elemental mercury liquid, vapor, or both, since the liquid readily evaporates at room temperature. When broken indoors, lamps may emit sufficient mercury vapor to present health concerns. Breakage of multiple lamps presents a greater concern. Injection of mercury into the body through broken glass that is contaminated is of particular concern.

Here is the scenario:

You are dispatched to The Smith residence for a laceration to the foot. Routine run huh? Nope. What you were not told is that Mr. Smith uses CFL lamps in his home. One of those lamps burned-out, and Mr. Smith did not wait for the lamp to cool down before he stood on a chair and removed it. Because the lamp was hot to the touch, Mr. Smith dropped it. As the lamp hit the floor, it exploded. As Mr. Smith descended from the chair he stepped, barefooted, into the broken glass and exposed mercury. Here is what Mr. Smith's foot looked like during his 2-week stay in ICU:



At one stage it was feared that his foot would need to be amputated. Currently his foot is connected to a vacuum pump to remove continuously dead tissue.



The following are the recommended actions to take in the event of a broken CFL.

- ❖ Evacuate the room, taking care not to step on the broken glass littering the floor
- ❖ Ventilate the room for a MINIMUM of 15 minutes (EPA recommendation)
- ❖ DO NOT clean the debris of the broken lamp with a vacuum cleaner as this will spread toxic mercury droplets throughout the house either immediately or upon the future use of the vacuum
- ❖ Don protective gloves (I'll be the one in SCBA too!); use a broom or brush to sweep the debris into a dustpan; empty the contents of the dustpan into a plastic bag; seal the plastic bag
- ❖ DO NOT dispose of the plastic bag into an ordinary refuse receptacle
- ❖ The debris is lawfully a Hazardous Material and must be disposed of accordingly

Depending on the severity of the spill, a more thorough clean-up regimen may need to be employed. Private companies exist that specialize in this type of operation.

Mercury is a toxin, and should be treated with the utmost of care and respect. A CFL may look benign, and make you feel good about "going green," but once the poison is "out of its box" and able to cause an exposure, it's a brand new deal. Stay Safe folks!

## CEOs say government fiscal flux a black cloud over hiring, sales

The CEOs of the nation's largest corporations are dialing back their expectations for sales, hiring and capital investment -- and it's largely Washington's fault.

That's the message from the [latest survey of Business Roundtable members](#).

*Click on link for survey results*

The second-quarter survey found that 75 percent of big-business CEOs expect their sales to increase in the next six months, down 6 percentage points from their first-quarter expectations.

The survey found that 43 percent of CEOs plan to increase capital spending, a decline of 5 percentage points.

And only 36 percent of CEOs expect their companies will increase employment -- a decline of 6 percentage points. Twenty percent of CEOs expect their companies will lay off workers.

Job cuts already are happening at aerospace companies, said Boeing Company Chairman and CEO Jim McNerney, who chairs the Business Roundtable.

That's because of \$1.2 trillion in federal spending cuts that automatically will go into effect at the end of this year unless Congress finds an alternative solution to reducing the deficit.

Half of these across-the-board cuts -- a process known as sequestration -- will occur in the defense budget.

Large defense contractors, such

as Boeing, "are taking actions today" to prepare for this potential lost revenue "because we can't afford to just wait till the last minute," McNerney said.

"There's no way to approach the prospect of sequestration without hedging a bet," he said. Congress' failure to decide what to do about tax rates that are automatically scheduled to go up Jan. 1 also is causing busi-

**"CEOs envision somewhat slower overall economic growth for 2012 and have modestly lower expectations for sales, capital expenditures, and hiring as compared to last quarter."**

nesses to lean "back in the saddle as we approach the end of the year," McNerney said.

"I think the concern is significant because we don't know how corporations or individuals will be taxed," he said.

Assurances from Congress that these spending and tax questions will be settled after the election aren't enough for business leaders, especially after last year's failure of the "super committee" to agree on a long-term plan to address the federal government's huge debt load.

"We have yet to regain faith that the process will deal with it," said John Engler, president of the Business Roundtable.

A temporary extension of current tax rates wouldn't do much to encourage businesses to ex-

pand because that would just continue "the limbo we find ourselves in today," McNerney said.

"We would all advocate for an imperfect solution vs. waiting forever for a perfect solution," McNerney said.

U.S. corporations also can expect to see lower sales in Europe, as a result of the sovereign debt crisis and accompanying economic slowdown there.

Meanwhile, China's economy isn't growing as fast as it had been.

But Washington is the biggest thing holding business back, especially when you add uncertainty over regulatory policy to the mix.

Many companies are holding back, waiting for clarity on these issues. If that ever happens, "there are lots of projects that will be unleashed," McNerney said.

The Business Journals  
Kent Hoover, Washington Bureau Chief  
Date: Wednesday, June 20, 2012

**I conceive that the great part of the miseries of mankind are brought upon them by false estimates they have made of the value of things.**  
**Benjamin Franklin**

## Builder confidence on the mend

It has a very long way to go to recapture the days of the real estate boom, but **confidence among U.S. builders has ticked to its highest level in five years**. Industry watchers -- and participants -- took it as another sign that things are slowly getting better in one of Southwest Florida's seminal industries.

The improvement comes against a backdrop of rising sales for existing homes and condominiums, increasing revenues for some sectors of the regional economy and a seven-month streak of declining unemployment. The National Association of Home Builders/Wells Fargo **builder sentiment index rose to 29 during June, its highest level since May 2007**. The index, released Monday, has risen in seven of the past nine months, suggesting builders are starting to see the seeds of a recovery taking shape after years of stagnation.

But the sector still has a long way to go: **any reading below 50 indicates negative sentiment**. The index has not reached that level since April 2006, the peak of the boom. This month, builders reported their highest sales levels since April 2007, though their outlook for sales in the next six months has not changed from May.

Southwest Florida home builders say they, too, are seeing improvements, as buyers take advantage of low-interest rates and express pent-up demand. "It's certainly much better than it was a year ago," said Roy Dupuis, president and owner of Sarasota-based Anchor Builders. Anchor is a custom builder that tends to construct larger houses, so its customer differs from those seeking a home in a traditional large subdivision. "We started seeing a little more activity on waterfront-type properties and more activity at Lake Club and golf course-type communities," Dupuis said, referring to Lakewood Ranch's Lake Club.

For the first time in five years, Taylor Morrison's West Florida Division had an "ever so slight" increase in its prices during May, said Katy Walker, the division's marketing manager. So far this year, sales in the division -- which builds from Tampa to Naples -- are 30 percent ahead of last year. "We're in the early stages of recovery," Walker said.

Confidence among builders in this region appears to have remained high from brisk selling during the winter tourist season, even though the industry is headed into the traditionally slowest months of July and August, said Alan Anderson, executive vice president of the Home Builders Association of Manatee-Sarasota. "There's a lot of buyers out there," Anderson said, quickly adding that **40 percent of sales remain cash deals**. That is a clear sign that for many buyers, bank loans still remain out of reach. "We do need some help from the banks to lend some money to some of these people that are either bridging some loans or first-time home buyers."

But cheaper mortgages and lower home prices in many markets have made home buying more attractive. Some economists believe that U.S. housing construction could contribute to overall economic growth this year for the first time since 2005.

Jennifer Lee, senior economist for BMO Capital Markets, said that the June builder sentiment was welcome news. She noted that even with recent weak reports on employment, builders' outlook for sales over the next six months has not declined. Still, the pace of home sales remains well below healthy levels. Economists say it could be years before the market is fully healed.

Though new homes represent less than 20 percent of the housing sales market, they have an outsize impact on the economy. Each home built creates an average of three jobs for a year and generates about \$90,000 in tax revenue, according to Home Builders' data. Many people are still having difficulty qualifying for home loans or cannot afford larger down payments required by banks. Some would-be home buyers are holding off because they fear that home prices could keep falling.

Bank loans are not as much of a problem on Southwest Florida's barrier islands, though, where buyers tend to be wealthier and the collateral of beachfront property is more appetizing to banks, said Shawn Kaleta, president of Beach to Bay Construction, based in Holmes Beach. "I've remained pretty confident in the Anna Maria, Bradenton, Sarasota market for a while," Kaleta said. There was a "huge influx" of buyers during the recent tourist season, said Kaleta, noting that 90 percent of his homes are pre-sold.

By Doug Sword Tuesday, June 19, 2012

**Only government can take perfectly good paper, cover it with perfectly good ink and make the combination worthless. Milton Friedman**



## Impact of PIP law still unknown

Beginning July 1, a law restructuring personal injury protection insurance will take effect statewide. But exactly what impact the reforms will have is still an open question, according to a report by the Orlando Sentinel.

The new law will ban the use of PIP money on treatments such as acupuncture and massage and will cap the payout of nonemergency treatment at \$2,500, the Sentinel reported. It will also create a new anti-fraud bureau, but does not state exactly how the bureau will be funded.

The law is designed to cut down on PIP fraud, but even [advocates concede it may be some time before customers see savings in their insurance bills](#). According to the Sentinel report, since 2009 the Office of Insurance Regulation has recorded that State Farm's PIP rates have risen by 94.6 percent, Geico's by 87.6 percent and Progressive's by 50.2 percent. The high rates are attributed in large part to staged accidents.

Tampa Bay Business Journal Date: Tuesday, June 26, 2012

## Florida, California, Nevada top mortgage fraud list

[Florida ranked No. 3](#) among the states on a new list of mortgage loan fraud suspicious activity reports. California and Nevada ranked No. 1 and No. 2, respectively, on mortgage loan fraud suspicious activity reports per capita in the first quarter of 2012, according to the Financial Crimes Enforcement Network. The [Tampa-St. Petersburg-Clearwater](#) metropolitan statistical area ranked [No. 9](#) per capita on FinCEN's list of top 20 MSA. [Hillsborough County is No. 11](#) among counties nationwide. During the quarter, there was a sharp increase in debt elimination schemes and other foreclosure rescue schemes, a statement from FinCEN said.

Tampa Bay Business Journal Date: Tuesday, June 26, 2012

## Most economists agree home prices will bottom by 2013

[Economists predict home prices nationwide will drop slightly in 2012](#), falling 0.4 percent for the year, according to the Zillow Home Price Expectations Survey. For the first time, the economists surveyed were largely in agreement on the trajectory of home prices nationally, signaling that a true bottom may be imminent.

The survey, sponsored by the online real estate information marketplace Zillow and conducted by Pulsenomics LLC, is based on the projected path of the S&P/Case-Shiller U.S. National Home Price Index during the next five years. The survey is based on 114 responses by a diverse group of economists, real estate experts and investment and market strategists, Zillow said.

Still, a majority — 56 percent — also said they believe that, in five years, the U.S. homeownership rate will be below 65.4 percent, the rate recorded in the first quarter of 2012. One in five believe the homeownership rate will be at or below 63 percent, testing or breaking the 62.9 percent rate established in 1965, the lowest on record.

The survey comes as new home sales surged in May to a two-year high and prices rose from a year ago as inventories fell, another sign that the housing market is gaining momentum. U.S. Commerce Department said on Monday sales jumped 7.6 percent to a seasonally adjusted 369,000-unit annual rate, the highest since April 2010.

Boston Business Journal  
Thomas Grillo, Real Estate Editor  
Monday, June 25, 2012

**Concentrated power is not rendered harmless by the good intentions of those who create it.**

**Milton Friedman**

**The real tragedy of the poor is the poverty of their aspirations.**

**Adam Smith**

**[www.BestHomeInspectionAndConstructionCo.com](http://www.BestHomeInspectionAndConstructionCo.com)**

## State Farm requests sixth rate hike in 2.5 years

State Farm, Florida's third largest home insurer, is requesting a 14.9 percent statewide average rate hike due to changes it wants to make on home insurance discounts and deductibles.

The changes include increasing or reinstating some discounts but overall, they are projected to increase rates by a statewide average of 14.2 percent for homeowners policies, 48.8 percent for renters and 27.3 percent for condominium unit owners.

The proposed increase comes after State Farm received rate increases the past 2.5 years of 28 percent, 14 percent, 7 percent, 19 percent and 2 percent, according to the insurer's proposal to regulators. The last major increase was a 19 percent statewide average increase in April 2011.

The proposed 14.2 percent increase for homeowners includes a much higher average rate hike for those who rent out their homes instead of live in them: 58 percent. The Office of Insurance Regulation will hold a rate hearing on that portion of the rate request July 25.

Regulators allowed State Farm Florida to shed 125,000 policies in recent years, which led the insurer to lose its spot as the largest private insurer of homes in Florida. It is the second largest, with 466,797 home insurance policies, including 66,960 in Broward, Palm Beach and Miami-Dade counties.

Universal Property & Casualty Insurance in Fort Lauderdale is the largest after state-backed Citizens Property Insurance.

A popular discount that would be reinstated under State Farm's rate proposal is the home and automobile discount, which gives eligible policyholders a 10 percent discount on the non-hurricane portion of their homeowners insurance premiums if they also have an auto policy with the insurer.

"That's a positive option for customers," said State Farm spokeswoman Michal Connolly. "All of these changes are to better reflect what's appropriate for that discount or option."

The actual rate increase would depend on what discounts homeowners qualify for and what deductibles they choose. Under the proposal, homeowners with very low deductibles would have them automatically increased to at least 1 percent of the value of their homes, Connolly said. If all homeowners went with the highest deductible, 3 percent, the statewide rate increase for homeowners insurance would work out to be 3.2 percent instead of the 14.2 percent that is proposed.

Increases for individual policyholders can vary greatly from the statewide average. After regulators approved a 19 percent statewide rate hike for

State Farm last year, some South Floridians reported triple-digit increases.

State Farm said in its proposal that it needs the increase because its "financial position has deteriorated significantly over the past several years." The company's claims-paying reserves decreased to \$368 million last year from \$822 million at the end of 2007. It had an underwriting loss, when premiums don't keep pace with claims and other costs, of 4 percent last year. The loss was 31 percent in 2010, 94 percent in 2009 and 32 percent in 2008.

It's unclear how State Farm's average rates in Florida compare to other insurers. But sample rates for two specific types of homes in Broward and Palm Beach counties show State Farm's rates are higher in most cases than Universal P&C's or Citizens', according to the state's Consumer Home Owners' Insurance Comparison Electronic System website, [flor.com/choices](http://flor.com/choices).

By Julie Patel, Sun Sentinel June 28, 2012

**Economic depression cannot be cured by legislative action or executive pronouncement. Economic wounds must be healed by the action of the cells of the economic body - the producers and consumers themselves.**  
**Herbert Hoover**

## The Florida Trend 350 Biggest Companies in Florida

Collectively, revenue at Florida's 350 largest companies rose \$38.2 billion over the past year, with private company revenue rising 9.3% compared with an 8.2% rise at public companies.

Other notes:

1. The cutoff for public companies is \$3.5 million, compared with \$3.0 million last year.
2. Among the privates, the 200th-ranked company posted revenue of \$75 million this year, up \$4 million from 2011.
3. The 150 public companies combined brought in \$95.1 billion more than the 200 private companies.
4. Overall, about a quarter of the public companies -- 37 companies -- reported lower revenue.
5. On the private side, only 16.5% of the companies on the list reported lower revenue -- 33 companies.

Click this link for the entire story and list.

[http://www.floridatrend.com/a57074\\_the-florida-trend-350-biggest-companies-in-florida](http://www.floridatrend.com/a57074_the-florida-trend-350-biggest-companies-in-florida)

## Lennar's second-quarter net income surges as new orders climb

Lennar, which sells homes for entry level and move-up buyers as well as retirees, said Wednesday that **there are signs of a slow and steady housing market recovery but that it continues to be very localized.**

Homebuilders are a bellwether for the housing market and the economy. While new homes represent less than one-fifth of the total housing market, construction of houses has a major impact on the economy.

Lennar's adjusted earnings and its revenue beat Wall Street expectations, and its shares rose 95 cents, or 3.5 percent, to \$28.34 in premarket trading. They are trading near the high end of their 52-week range of \$12.14 to \$30.12.

The Miami company earned \$452.7 million, or \$2.06 per share, for the three months ended May 31. That's up sharply

from \$13.8 million, or 7 cents per share, a year ago.

The current quarter's earnings included \$1.85 per share tied to the partial reversal of the valuation allowance against deferred tax assets.

Taking out the tax adjustment, earnings were 21 cents per share. Analysts forecast adjusted earnings of 17 cents per share, according to a FactSet survey.

CEO Stuart Miller said in statement that the company's quarterly performance benefited from higher prices, lower incentives and cost control efforts.

Revenue rose 22 percent to \$930.2 million from \$764.5 million, topping Wall Street's estimate of \$885.6 million.

Lennar's home deliveries climbed 20 percent to 3,222 homes, while new orders increased 40 percent to 4,481 homes. The average sales price of homes delivered rose to \$250,000 from \$245,000. Sales incentives offered to buyers were \$29,800 per home delivered compared with \$33,900 per home delivered in the prior-year period.

The company said that its cancellation rate was at 16 percent in the quarter, while backlog rose 61 percent to 3,970 homes.

Revenue for Lennar's Rialto Investments division, which buys troubled loans and properties from banks, fell to \$33.5 million from \$42.6 million.

Herald-Tribune  
Wednesday, June 27, 2012

## Electrical Safety

Electricity is an essential part of our lives. However, it has the potential to cause great harm. Electrical systems will function almost indefinitely, if properly installed and not overloaded or physically abused. Electrical fires in our homes claim the lives of 485 Americans each year and injure 2,305 more.

Some of these fires are caused by electrical system failures and appliance defects, but many more are caused by the misuse and poor maintenance of electrical appliances, incorrectly installed wiring, and overloaded circuits and extension cords.

### Some safety tips to remember:

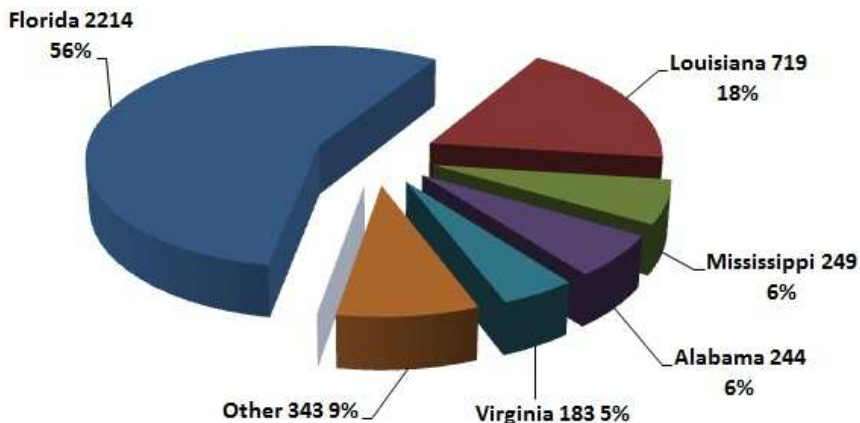
- ⇒ Routinely check your electrical appliances and wiring.
- ⇒ Frayed wires can cause fires. Replace all worn, old and damaged appliance cords immediately.
- ⇒ Use electrical extension cords wisely and don't overload them.
- ⇒ Keep electrical appliances away from wet floors and counters; pay special care to electrical appliances in the bathroom and kitchen.
- ⇒ Don't allow children to play with or around electrical appliances, such as space heaters, irons and hair dryers.
- ⇒ Keep clothes, curtains and other potentially combustible items at least 3 feet from all heaters.
- ⇒ If an appliance has a three-prong plug, use it only in a three-slot outlet. Never force it to fit into a two-slot outlet or extension cord.
- ⇒ Never overload extension cords or wall sockets. Immediately shut off, then professionally replace, light switches that are hot to the touch, as well as lights that flicker.
- ⇒ Use safety closures to childproof electrical outlets.
- ⇒ Check your electrical tools regularly for signs of wear. If the cords are frayed or cracked, replace them. Replace any tool if it causes even small electrical shocks, overheats, shorts out or gives off smoke or sparks.

From Electrical Safety - Int'l Association of Certified Home Inspectors



## Chinese Drywall cases Reported to the CPSC - as of 04.19.12

CPSC has received about 3,952 reports from residents in 43 States, the District of Columbia, American Samoa, and Puerto Rico, who believe their health symptoms or the corrosion of certain metal components in their homes are related to problem drywall. State and local authorities have also received similar reports.



### Owner: Tom Yelton

State of Florida Home Inspector License # HI-2129  
 State of Florida Certified General Contractor License # CGC-038663  
 National Home Inspector License # CY-580829  
 Charlotte County License # AAA00101250  
 Certified Wind Mitigation Inspector

Member of NACHI - National Association of Certified Home Inspectors  
 Member of NAHI - National Association of Home Inspectors  
 Member of FABI - Florida Association of Building Inspectors

30 + Years Experience in Residential and Commercial Construction  
 20 + Years Experience as Owner or Manager in Construction Industry

Contractor's Liability Insurance  
 Errors and Omissions Insurance  
 Worker's Compensation Insurance

## TRY SUDOKU

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### Rich Yelton

Cell: 813.245.4523  
 Email: ryelton@tampabay.rr.com

State of Florida Home Inspector  
 License # HI-570

National Home Inspector  
 License # RY-549559

Certified Residential Contractor  
 License # CRC-047941

Certified Wind Mitigation Inspector

Available for:  
 Standard Home Inspections  
 Wind Mitigation Inspections  
 Roof Certifications  
 and 4-point Inspections

Sarasota, Manatee, Hillsborough, Pinellas,  
 Pasco, Hernando, Citrus, Sumter, Polk,  
 and Hardie Counties.

### SERVICES WE PROVIDE:

- STANDARD BUILDING / HOME INSPECTIONS
- 4-POINT INSPECTIONS
- WIND MITIGATION INSPECTIONS
- SPRINKLER INSPECTIONS
- WASHER & DRYER INSPECTIONS
- POOL & SPA INSPECTIONS
- ROOF INSPECTIONS
- CHINESE DRYWALL INSPECTIONS
- GENERAL CONTRACTING
- FORECLOSURE CLEANOUT & CLEANUP
- HANDYMAN SERVICES

