



PROPERTY INSURANCE REFORM

2024 LEGISLATIVE SESSION

MARKET FACTORS



- **WEATHER:** Three major hurricanes from 2017 to 2022.
- **INFLATION:** Since President Biden took office, inflation has increased by 20.7% — impacting hurricane repair costs, both in materials and labor.
- **HOME VALUES:** An 80% increase in the value of the average Florida home over the past five years resulted in higher premiums to cover that same home.
- **LITIGATION:** In 2021, prior to recent reforms, Florida represented approximately 7% of overall claims nationwide but accounted for 76% of property insurance lawsuits.

LEGISLATIVE REFORMS



TORT REFORM (2022-23)

WHAT WE DID: Eliminated one-way attorney fees, Assignment of Benefits (AOB), and enacted bad faith reform to reduce lawsuits.

HOW THE MARKET RESPONDED: The percentage of nationwide homeowners’ lawsuits opened in Florida dropped from 76% in 2021 (79% in 2020) to under 71% in 2022 — *the lowest level since 2017.*



REINSURANCE (2022-23)

WHAT WE DID: Florida boosted reinsurance capital through the Reinsurance to Assist Policyholders (RAP) program and the Florida Optional Reinsurance Assistance Program (FORA).

HOW THE MARKET RESPONDED: In 2023, Florida insurers increased reinsurance purchases by 11% from the previous year.

Risk-adjusted reinsurance costs rose by only half of what was expected in 2022. The Florida Office of Insurance Regulation expects further improvement.



CLAIM MEDIATION (2022)

WHAT WE DID: We authorized an insurer to require binding arbitration with the insured under certain conditions.

HOW THE MARKET RESPONDED: We expect to see a reduction in litigation and increase in settlements.



MY SAFE FLORIDA HOME (2022-24)

WHAT WE DID:

- **2022-23:** \$433.5 million invested into the My Safe Florida Home program.
- **2024:** My Safe Florida Home program funding increased by \$200 million to help Floridians harden their homes — prioritizing low-income families and seniors.
- **2024:** \$30 million invested to create My Safe Florida Condominium Pilot Program which offers mitigation grants to condominium associations for hardening improvements to coastal areas.
 - These programs: (1) increase hurricane and wind-storm resiliency, statewide, and (2) increase the number of homes that qualify for insurance discounts.

HOW FLORIDIANS BENEFITED:

70% of Floridians using the My Safe Florida Home Program have seen a rate stabilization or decrease. Homeowners who have completed recommended improvements and received grants report an average savings of over \$1000 a year. The Natural Hazard Mitigation Saves Report shows every \$1 invested in home hardening saves \$11 in recovery costs.

ADDITIONAL REFORMS (2024)

- **Allow** select surplus line insurers to cover Citizens Property Insurance Corporation policies for second homes, reducing Citizens’ liability exposure.
- **Eliminate** the requirement for for Citizens policyholders to purchase contents insurance as part of their required flood coverage.
- **Immediate tax-relief** estimated to save Florida policyholders \$501.8 million.

RESULTS SEEN



- **NEW COMPANIES ENTERING THE STATE:** Seven new companies are coming into Florida bringing \$1.25 billion in new capital.
- **CITIZENS DEPOPULATION:** The Florida Office of Insurance Regulation is seeing greater participation in the Citizens’ Depopulation Program by insurance carriers — decreasing Citizens’ total policy count for the first time in several years (1.2 million last year, down from 1.4 million in 2022).
- **REINSURANCE RATE INCREASES SLOWING** After recent reforms, the Florida Office of Insurance Regulation says this rate slowed to only 27% in 2023.