

Florida Property Insurance

Market Pulse

Updates on the health of the property insurance market in the wake of historic legislative reforms aimed at restoring competition and increasing consumer choice.

Updated: May 22, 2024

Information is gathered from public information and public statements, news articles and press releases from state agencies and will continue to be updated.



8 property & casualty insurers have been approved to enter the market following historic legislative reforms:

1. Condo Owners Reciprocal Exchange
2. Mainsail Insurance Company
3. Manatee Insurance Exchange
4. Orange Insurance Exchange
5. Orion180 Insurance Co.
6. Orion180 Select Insurance Co.
7. Ovation Home Insurance Exchange
8. Tailrow Insurance Co.

Since 2023, OIR has approved more than 1 million policies for "take outs" (no longer needing to be served) from Citizens, Florida's state-backed insurer of last resort.:

Approximately 389k policies have been taken out of Citizens from January 2023 through March 2024.

Fact: While terms might sound negative, the growing number of "takeouts" or "depopulation" of Citizens is a positive sign when it comes to insurance. Reducing properties covered by state-backed insurer of last resort means more standard/private companies willing/able to support homeowners.

Carriers Publicly Quoted, Recommitting to Serving Floridians:

- AAA
- State Farm
- Kin Insurance
- Universal Insurance Holdings, "encouraged by favorable claims and litigation trends that are beginning to emerge as a result of recent legislative reforms"

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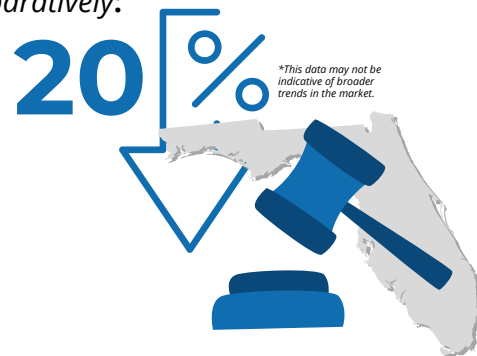
According to OIR (May 2024), **rate filings for 2024 show a slight trend downward** for the first time in years, indicating stabilization of the property insurance market.



The 2023 **reinsurance market responded positively to these reforms**. According to OIR, early signs from the 2024 reinsurance purchasing season show further positive indications. Reinsurance is a direct and significant cost to consumers and relief in this area is a significant sign that the reforms are working.



Decrease in Lawsuits Reported by Citizens, year to year, 2022 (11,734) and 2023 (9,325), comparatively:



Citizens policy count has begun decreasing for the first time in several years.

- From September to December 2023, Citizens' policy count decreased by 179,087 policies (12.7%).
- Citizens' policy count decreased again by 62,851 (5.12%) from December 2023 to January 2024.

News Clips:

Florida property insurance market sees slight relief, per new report

CBS 12, May 23, 2024

Key findings from the OIR update include a decrease in rate filings by several insurance companies for 2024, as well as reductions in reinsurance costs. Additionally, there has been a significant shift of policies away from Citizens Property Insurance Corporation -- dubbed the insurer of last resort -- with approximately 389,000 policies transitioning to other insurers since January 2023.

3 Florida property insurance companies announce reduction in rates, desire to give homeowners some relief

News4Jax, April 15, 2024

Insurance experts call this move a glimmer of hope in an otherwise troubled insurance market in Florida. The reductions in property insurance premiums don't equate to a whole lot of money, but they could mean a step in the right direction.

Homeowners insurance company to reduce rates by 2% for new customers, renewals

WPTV, April 10, 2024

"We're very excited. We're getting ready to reduce rates by 2% for our condominium and homeowners insurance customers," Clint Strauch, president of Florida Peninsula Insurance, told WPTV...Strauch said a piece of legislation, Senate Bill 2A which passed in 2022, made this possible.

Florida Citizens: Capital markets "especially" positive for \$5.5bn reinsurance renewal

Artemis.bm, April 8, 2024

Florida's property insurer of last resort, Citizens Property Insurance Corporation, has said that it sees market conditions as especially positive in the capital markets, as it looks to progress its \$5.5 billion reinsurance renewal for 2024.

Home insurance cost hikes slowed at the end of 2023. Some say the crisis may be nearing its end.

Sun Sentinel, April 8, 2024

A reduction in reinsurance costs, triggered by a decline in litigation and a mild year for hurricanes in 2023, will help to stabilize or even reduce homeowner insurance rates next year — if nature cooperates and spares us the cost and heartbreak of a major hurricane, Suarez-Resnick said.

Eight property and casualty insurers approved to enter market following legislative reforms

Florida Office of Insurance Regulation, April 3, 2024

"Florida's insurance market continues to strengthen, showing signs recent legislation is having positive impacts to the property insurance market," said Insurance Commissioner Michael Yaworsky. "OIR remains steadfast in our efforts to stabilize Florida's insurance market by implementing legislative reforms and recruiting more insurers to the state. We look forward to continuing this work and promoting a competitive market for policyholders."

April 1 reinsurance renewals more favourable to buyers: Aon

Reinsurance News, March 28, 2024

"The April 1st reinsurance renewals were more predictable and generally favorable to reinsurance buyers. As mid-year renewals get under way for the catastrophe-exposed markets of Florida, Australia and New Zealand, reinsurers are indicating a strong appetite for catastrophe risk," said George Attard, CEO of Asia Pacific for Aon's Reinsurance Solutions.

Florida: Reforms encourage carriers, drive property insurance market improvement

Artemis.bm, Feb. 28, 2024

The legislative reforms aimed at improving the property insurance market in Florida are increasingly seen as having a positive effect, with carriers increasing their appetite for writing in the state and analysts suggesting the benefits of the reforms could be significant over time.

News Clips Continued:

"6 new insurance companies approved in Florida as state looks to reduce Citizens Insurance policies"

WPTV, Oct. 5, 2023

"A new set of insurance companies have been given approval to step in and make offers to take over Citizens Insurance policies in Florida."

"On insurance, we can't lose sight of the policyholder | Jimmy Patronis"

Sun Sentinel, by CFO Jimmy Patronis, Aug. 21, 2023

"... It will take time for these reforms to be fully realized within Florida's insurance market, and to some degree, Florida's challenges with insurance may have been the canary in the coal mine for the rest of the United States. According to the Wall Street Journal, 31 states have had double digit rate increases since the beginning of 2022. Louisiana had a special session to deal with their insurance crisis, policyholders in Texas are facing huge premium hikes, and California's got companies who are withdrawing or refusing to write new policies. As Florida's changes take hold, the Legislature has to ensure we don't lose sight of the policyholder."

"OIR approves Mainsail as newest domestic property insurer; Citizens in line to shed nearly 300,000 lines of coverage"

The Capitolist, Aug. 15, 2023

"The addition of Mainsail Insurance Company to the Florida market is evidence that recent legislative reforms are having a positive impact for consumers," said Insurance Commissioner Michael Yaworsky.

"Florida insurance market continues to grow, regulator says"

Insurance Business, Aug. 15, 2023

Mainsail joins Tailrow, which received OIR approval in April. The OIR is actively accepting and reviewing applications and will announce new entrants on an ongoing basis.

"Private insurers set to take thousands of Citizens policies. Here's why it matters"

Click Orlando, Aug. 2, 2023

Cotton says more private carriers showing that they are willing to take on more risk is proof that the fixes the legislature put in place during the last legislative session are actually beginning to work."

"Slide backed to pick up 100,000 Florida Citizens policies"

Insurance Business America, Aug. 1, 2023

"We view this as a big opportunity to grow our footprint in Florida," Slide CEO Bruce Lucas told Insurance Business... We do think that the market is at a turning point," Lucas said. "The legislation from December, we think is working, we think that the future is very bright as a result of that. It's given me the confidence to grow and expand in Florida."

"Universal encouraged by Florida claims & litigation environment after reforms: CEO"

Artemis.bm, July 28, 2023

Universal Insurance Holdings, the Florida headquartered primary insurance carrier, believes that there are now signs of an improved claims and litigation environment in the state, after the enactment of the legislative property insurance reforms.

"State Farm recommits its coverage in Florida amid environmental risks"

NewsNation, July 25, 2023

"State Farm plans to continue our substantial presence in the Florida insurance marketplace. Our current plans include a commitment to responsible growth so that we can maintain the financial strength to deliver on our promises to our customers," State Farm spokesperson Roszell Gadson said in a statement. "We are encouraged by the recent insurance reforms and efforts to curb legal system abuse and we will continue to work constructively with the Florida Legislature and the Office of Insurance Regulation to improve the marketplace on behalf of our Florida customers."