



TailoredRisk
Insurance Advisors



WHY ARE MY HOMEOWNERS PREMIUMS INCREASING?

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In Southwest Florida, we have seen an extremely unstable insurance market since Hurricane Ian (September 2022). Many carriers are hesitant to add new residential exposures and are actively non-renewing existing clients. Even the state-run Citizens Property Insurance Corporation is denying residents coverage in certain situations.

Despite the frustrations of Florida homeowners, lawmakers and local insurance agents are optimistic that recent legislation will eventually stabilize the state's insurance market. While lowering premiums may not be guaranteed, the following 13 measures are aimed at reducing the cost of claims to carriers and encouraging new insurers to enter the state. The key reforms enacted include:

May 2022 Special Session

My Safe Florida Home Program: The Legislature established the My Safe Florida Home Program, allocating \$150 million for free hurricane inspections for single-family homes with homestead exemptions. It also offers grants of up to \$10,000 for improvements to enhance property safety and resilience against hurricane damage.

'Useful life' rule for roofs: The Legislature prohibited insurance companies from denying coverage based solely on the age of a roof if it is less than 15 years old or has an authorized inspection indicating five or more years of useful life.

Contractor solicitation rules: A bill was passed preventing roofing contractors from encouraging homeowners to make property insurance claims for roof damage without specifying that such actions are a third-degree felony.

December 2022 Special Session

No more one-way attorney fees: The Legislature repealed Florida's one-way attorney's fee provision, eliminating the requirement for insurers to cover the policyholder's legal fees if any recovery amount was awarded. This change aims to reduce incentives for plaintiffs' attorneys to file unnecessary or premature suits.

No more assignment of benefits: Homeowners are now prohibited from assigning their insurance benefits to a third party, preventing contractors from filing insurance claims on their behalf.

Citizens as a last resort: The Legislature passed a bill making homeowners ineligible for insurance through Citizens if a private insurer offers comparable coverage that is not more than 20% more expensive than the Citizens premium.

Less time to file claims: The Legislature shortened the time for policyholders to initiate claims from two years to one.

2023 Regular Session

Insurer Accountability Act: A bipartisan bill mandated more transparent claims-handling practices, prohibiting companies from altering adjusters' reports without providing details. It also restricted failing or insolvent companies from soliciting or accepting new policies.


What is under consideration:

The 2024 legislative session has begun, and while there are a few insurance-related bills, lawmakers anticipate limited traction. They are monitoring the impact of previous measures on the insurance market.

2024 Regular Session (proposed)

Insurance rebate program for low-income seniors (SB 348/HB 1055): Proposing an insurance rebate program for Floridians aged 65 and older, offering a rebate equal to 10% of premiums for seniors with incomes at or below 200% of the federal poverty level.

Expanding access to Citizens (HB 565/SB 604): In counties with insufficient competition, homes worth up to \$1.5 million could be insured by Citizens, with an annual rate increase cap of 10%. Flood insurance would not be mandatory for low-risk flood zone X properties.



Citizens surcharge for high-value homes (SB 1106/HB 889): Statewide, homes valued between \$700,000 and \$1 million could be insured with Citizens if private coverage is unavailable, but an additional surcharge of up to \$2,500 per year may apply.

‘Actual value’ instead of ‘replacement cost’ for condominiums (SB 802/HB 655): Proposing a windstorm pilot program allowing condominium associations to insure the actual cash value of the roof. This would potentially reduce costs but provide less coverage in catastrophic events.

Insuring the unpaid balance, not the whole home (SB 1070/HB 809): Similar to the condominium bill, this proposal suggests reducing premiums by allowing homeowners to buy coverage equal to the unpaid principal of their mortgage rather than the entire home. Insurers would be required to warn customers of potential significant financial losses in case of a disaster.