

## **AAA Media Statement**

**AAA's Florida-based insurance provider is not leaving the state.** In fact, **we seek to continue growing our insurance business in Florida.** While other providers have either left the state or stopped writing new business, we continue writing new home and auto insurance policies.

Unfortunately, Florida's insurance market has become challenging in recent years. Last year's catastrophic hurricane season contributed to an unprecedented rise in reinsurance rates, making it more costly for insurance companies to operate. Prior to that, the market was already strained by an increase in claims costs due to inflation and excessive litigation.

We are encouraged by the statutory changes that have recently taken effect and believe they will provide positive results. Those improvements will take some time to fully materialize and until they do, AAA, like all other providers in the state, is forced to make tough decisions to manage risk and catastrophe exposure.

**Evaluating risk and exposure management is common practice in the insurance industry,** and we recently made the difficult decision to not renew a very small percentage of higher exposure homeowner's policies in Florida. The policyholders who are affected by this change have already been notified.

The non-renewals apply to a small percentage of higher exposure package policies underwritten by Auto Club Insurance Company of Florida. These package policies bundle both home and auto coverage. Those affected would be able to reapply for auto coverage, provided by our sister carrier, Auto Club South Insurance Company. ACICF continues writing new package policy business in Florida.

This is a decision we do not take lightly. We acknowledge that this is a difficult time for those affected. We encourage them to work with their AAA insurance agent to help identify alternate coverage.

AAA has been serving members in Florida for more than 100 years, and we will continue to do so. AAA currently provides insurance, roadside assistance, banking and financial services, travel offerings and more to nearly 4 million members in Florida. We are committed to staying in Florida and growing our insurance business in the state.