

Office of Insurance Regulation Market Update

FLORIDA OFFICE OF INSURANCE REGULATION

COMMISSIONER MICHAEL YAWORSKY

December 2024

Florida Office of Insurance Regulation (OIR) Overview



310 full time employee positions



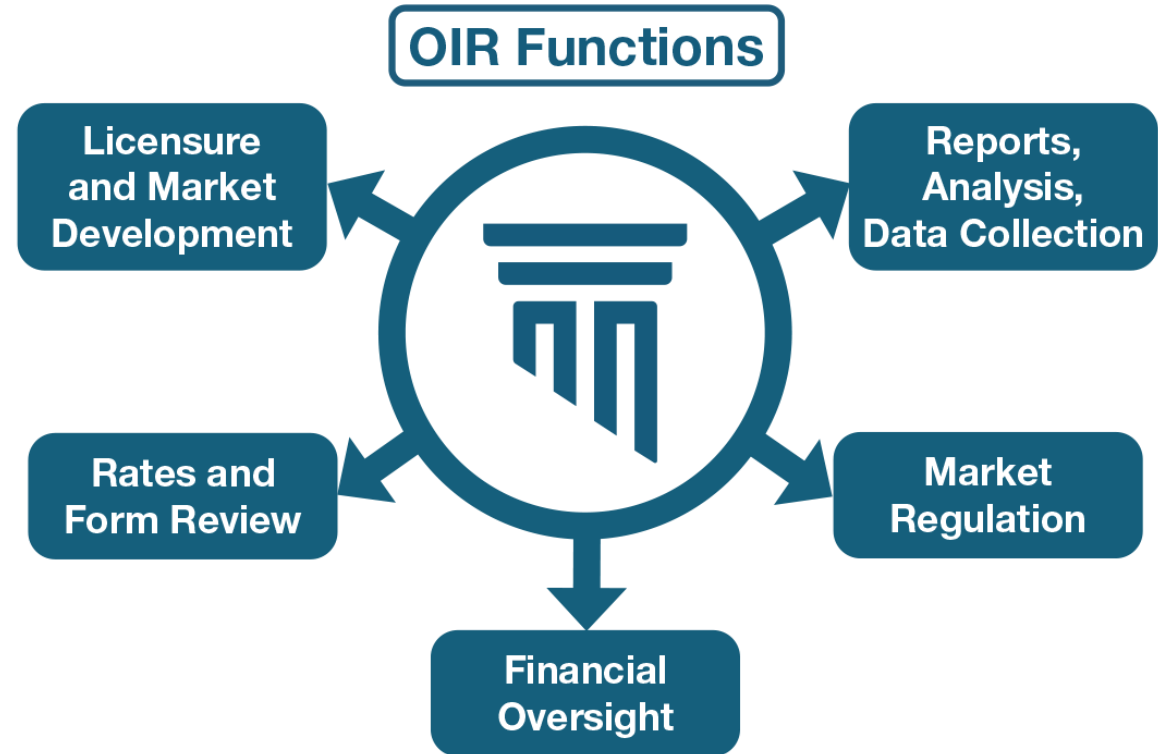
\$53 million budget through the Insurance Regulatory Trust Fund



Administratively housed within the Department of Financial Services (DFS) for administrative and technology support services.



Reports to the Financial Services Commission (FSC) made up of the Governor, CFO, Attorney General, and Agriculture Commissioner



| Department of Financial Services | Office of Insurance Regulation |
|---|---|
| <ul style="list-style-type: none"> Insurance agents and agencies Insurance consumer services Insurance fraud Workers' compensation administration Rehabilitation and liquidation | <ul style="list-style-type: none"> Certificates of authority Product review to include policy forms and rates Market regulation Financial oversight |



Market Regulation

OIR monitors the conduct of insurers in the Florida marketplace by reviewing claim payment practices, appropriate form and rate data, and overall market activity to determine whether insurers are acting fairly and in compliance with Florida law.

Market regulation activities of OIR include examinations and investigations of authorized insurers and related parties. Based on the findings of an examination or investigation, the Market Regulation units may take administrative action, impose administrative penalties and require corrective action to protect insurance consumers from unlawful or harmful business practices.

“Florida Insurance Commissioner Michael Yaworsky has returned millions of dollars to consumers through administrative penalties so far this year and fined insurers nearly seven times the dollar amount during the first three quarters of 2024 as it did for all of 2023.”

“Yaworsky has aggressively ramped up enforcement since taking office in early 2023. Nearly \$2.8 million in fines were issued between January and October, a staggering increase from \$233,000 during all of 2023, according to the latest enforcement report.”

Property Insurance Market Highlights

Data as of November 1, 2024.



7.58 M

**Residential
Insurance
Policies
in Force**

\$3,731

**Admitted
Market Avg.
Homeowners
Premium**

\$3.8 T

**Total Insured
Value**

***excluding
auto**

1.2 M

**Policies
Approved for
Takeout in
2024**



Company Complexity





How Did We Get Here?

Inflation

Litigation

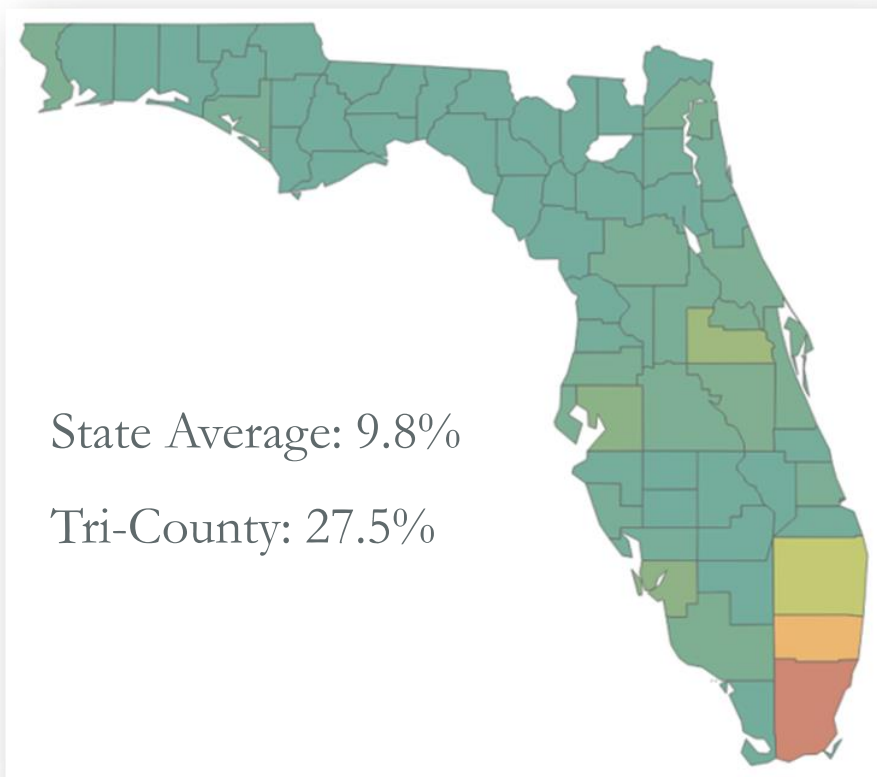
Storms

Reinsurance

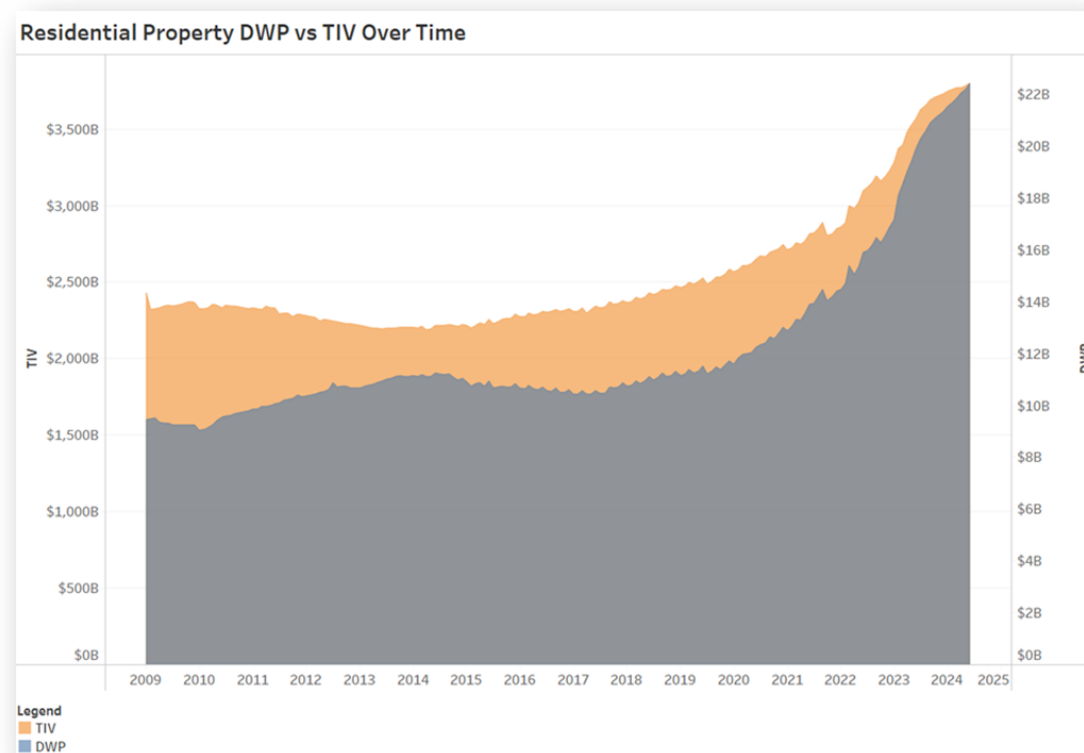


What Can We Do?

LITIGATION



INFLATION



Legislative Reform

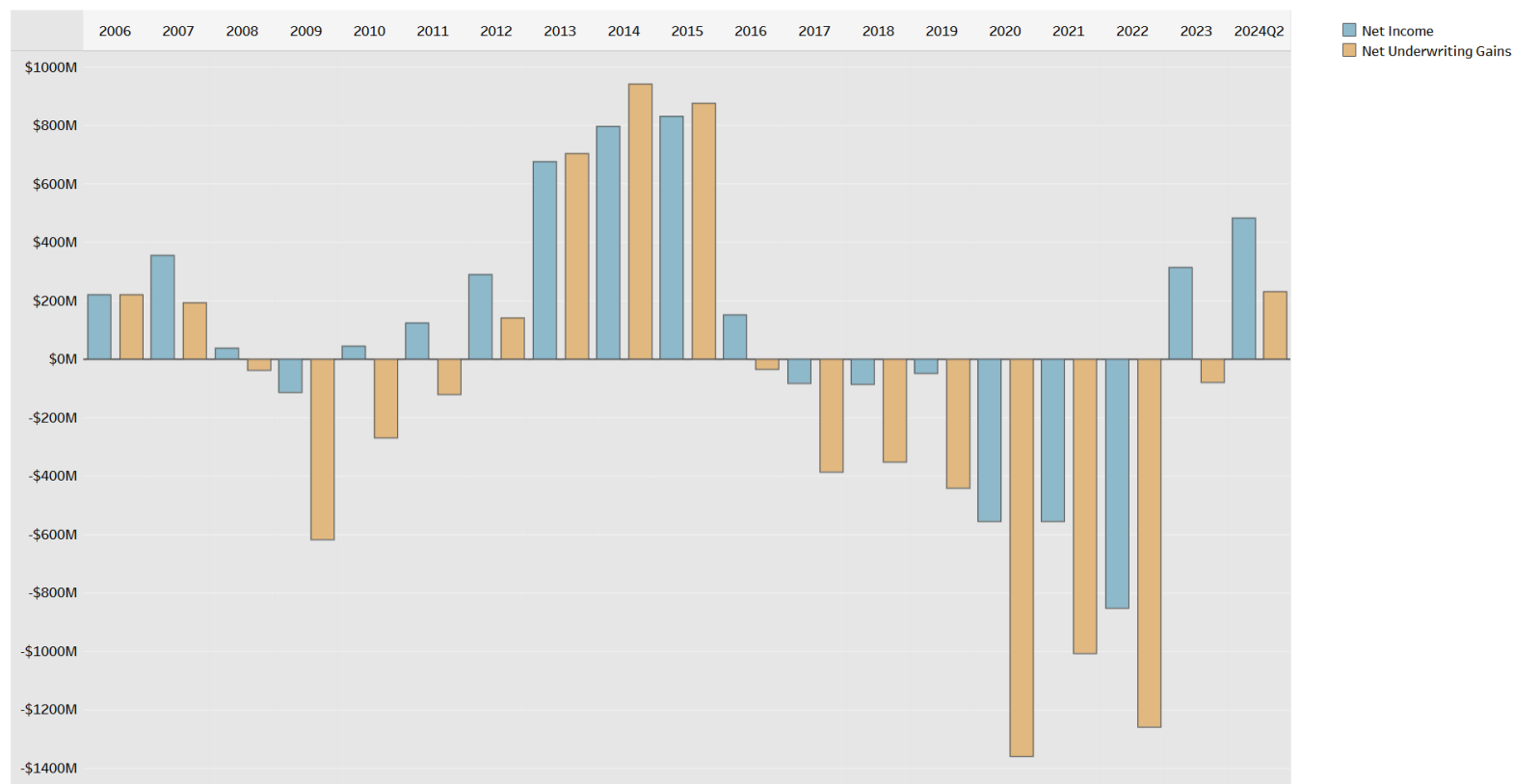
- **Senate Bill 7052 (2023)** enacted consumer protections intended to support Florida's policyholders following a disaster and strengthened OIR's regulatory authority.
- **House Bill 837 (2023)** modified the bad faith framework, eliminated one way attorney's fees and fee multipliers and ensured that Floridians can't be held liable for damages if the person suing is more at fault.
- **House Bill 799 (2023)** required OIR to conduct a wind-loss mitigation study to determine how to include wind uplift prevention to the list of windstorm mitigation measures for purposes of policyholder mitigation discounts.
- **Senate Bill 2-D (2022)** enacted pro-consumer measures to help alleviate rising insurance costs, to increase insurance claim transparency, and to crack down on frivolous lawsuits.
- **Senate Bill 2-A (2022)** eliminated one-way attorney fees for property insurance, strengthened the regulatory authority of OIR, established a new optional state reinsurance program, and required insurers to more promptly communicate, investigate, and pay valid claims.



Industry Performance

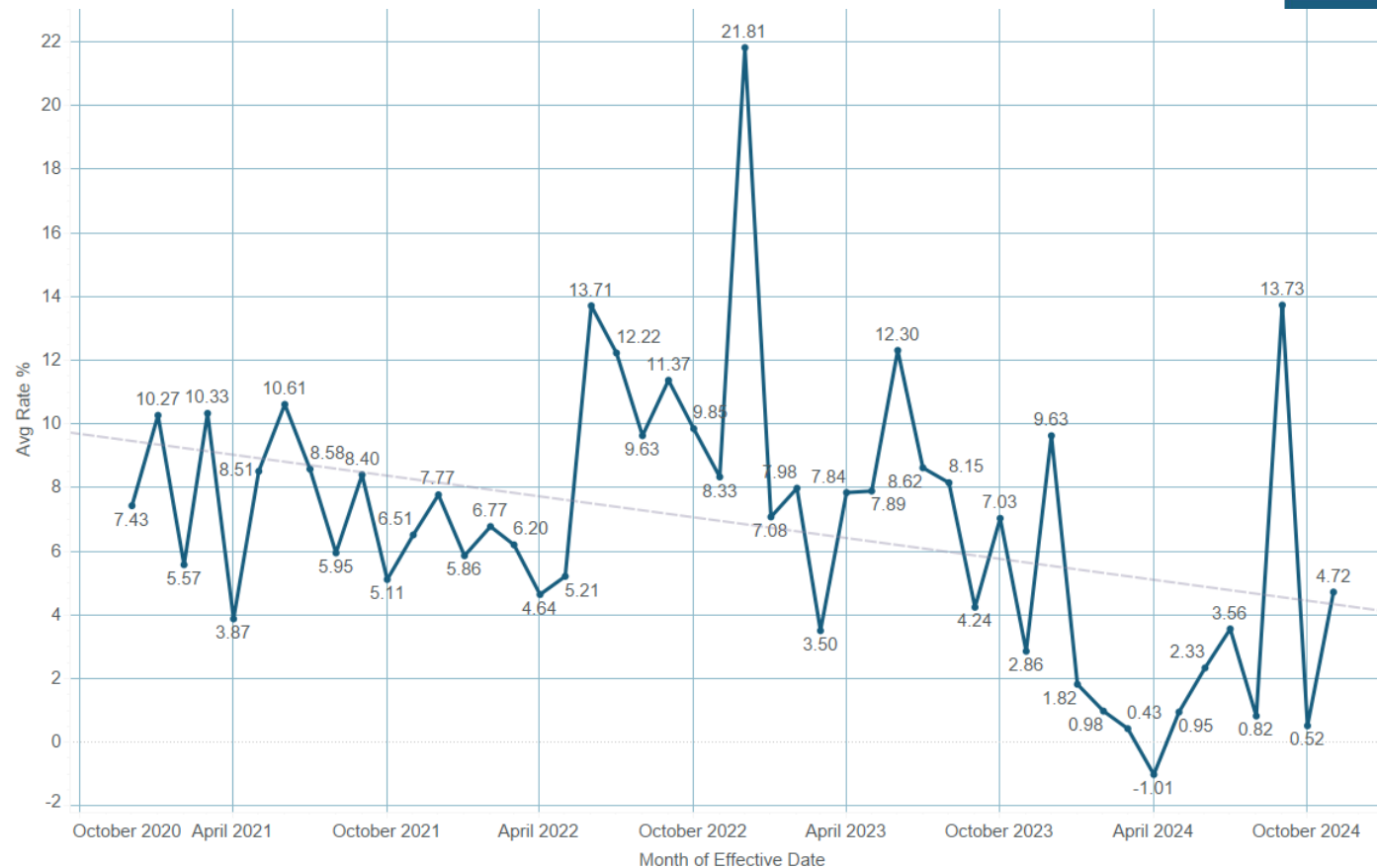
Performance of Florida Domestic Property Companies

Net Income and Net Underwriting Gains (Data as of 10/10/2024)



Data is from statutory financial statements submitted to the National Association of Insurance Commissioners (NAIC). Citizens Property Insurance Corporation is not included.

Personal Residential Property Average Rates

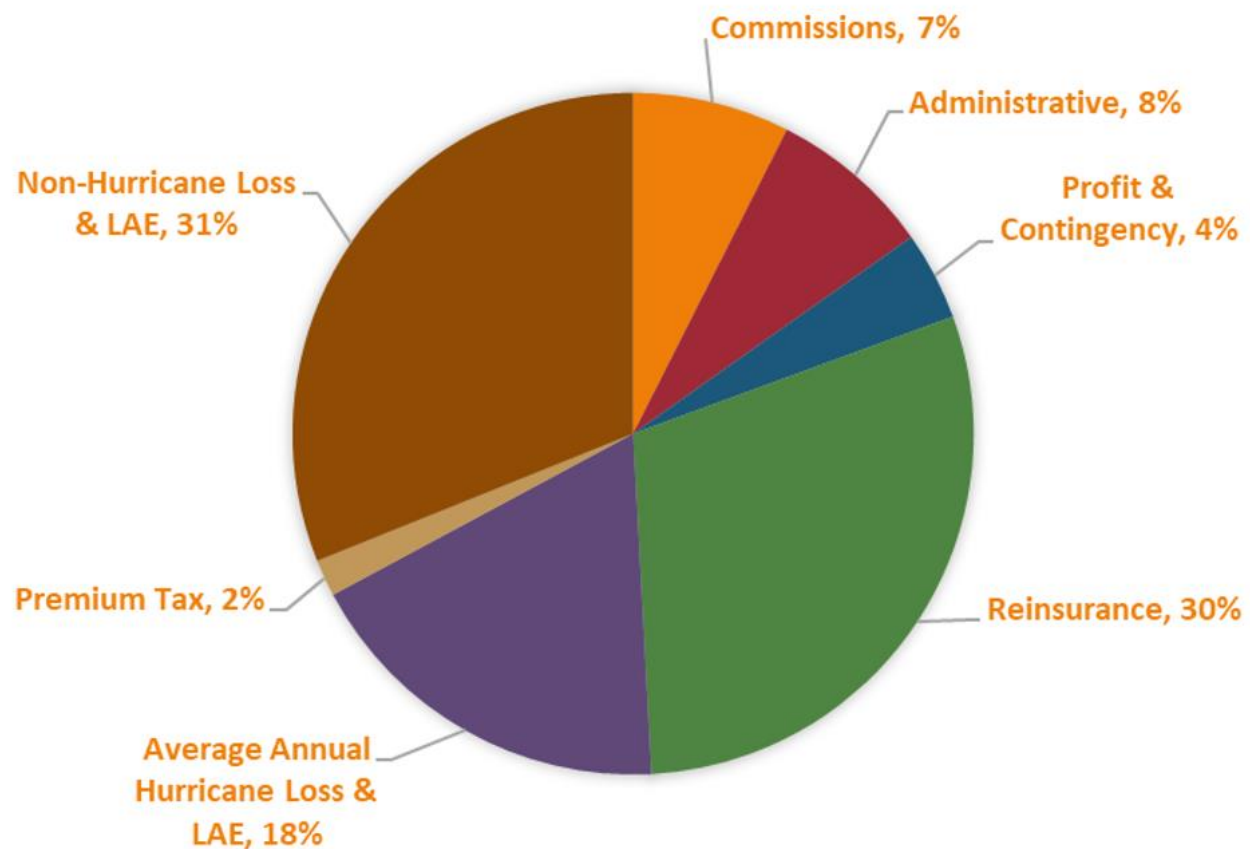


Data as of December 2, 2024. Data is from rate filings submitted by insurers through the Insurance Regulation Filing System. Data includes Citizens Property Insurance Corporation.

- 30-day Average: 0.8%
- 180-day Average: 1.3%
- In the past 2 months 7 filings were requested at a decrease greater than 4%.



Rate Calculation Breakdown





University Partnerships

Look Back Study

Mitigation
Research on Perils
other than wind

Wall of Wind

Public Model

Market Analysis



Florida's Comprehensive Market Data

QUASR

Monthly Residential Property Data

- Contains detailed **market** data to track overall and individual company shifts over time.

MYST

Mitigation Yield Statistical Tracking

- Contains detailed **policy** information to understand impacts of resiliency measures and track consumer choice.

PCLR

Property Claims Lifecycle Report

- Contains detailed **claims** data to understand where the costs are coming from to project early warning signs of pressure in the market.

The State of Florida is a national leader in data collection and market analysis.



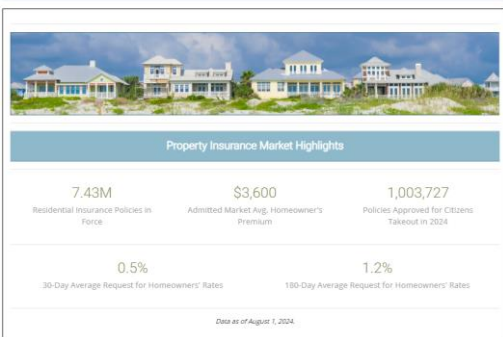
Telling Florida's Story

Florida Property Insurance Market Stats, Data, and Facts

The Florida Office of Insurance Regulation (OIR) oversees one of the most complex property insurance markets in the world and serves as a national leader in identifying market trends and taking bold action to promote a stable and competitive insurance market for consumers.

OIR is a national leader in identifying market trends and taking bold action because OIR collects more data about its insurance market than any other state or regulatory entity. OIR tracks and collects data from different sources to monitor affordability and availability in the property insurance market. A full list of OIR's required data reporting for property and casualty insurers is available here.

This page provides comprehensive data on the homeowners insurance market in Florida and includes data points such as market shares, rates and premiums, company financial information, and reinsurance coverage. This page is intended to serve as a resource for consumers and other stakeholders impacted by Florida's property insurance market.



| Property Insurance Market Data |
|---|
| Market Share Data - Policies in Force, Direct Written Premium, and Market Share Reports |
| Homeowners' Rates Data - Filings, Requests, and Hearings |
| Average Homeowners' Policy Premium Data |
| Financial Data - Net Income & Net Underwriting Gain/Loss, Loss Reserve Development, and Insurer Financials |
| The Claims Life Cycle Report (Property Claims and Litigation Data) - Data Call Overview, 2024 Data Call Results, and 2023 Data Call Results |
| Reinsurance Data - Florida Public Hurricane Loss Model, Annual Reinsurance Data Call, and Catastrophe Stress Test |
| Citizens Property Insurance Corporation Data - Rates, Hearings, and Depopulation Program |

Dating back to the historic reforms following Hurricane Andrew in 1992, Florida has been a leader with regards to innovation and transparency in the insurance space.

WEATHER NEWS | Published April 24, 2024 11:50am EDT

Texas, Alabama score poorly in report ranking home resilience in hurricane-prone zones while Florida shines

Insurance experts say enacting stringent building standards can prevent billions of dollars in property damage during natural disasters. Despite progress, the IBHS says less than 35% of Americans reside in communities with sufficient building codes.

CAPITAL WEATHER GANG

Florida university to design 'Category 6' hurricane wind and surge simulator

School received \$12.8 million to design a facility to test structures' ability to withstand 200 mph winds and a 20-foot ocean surge

6 min 34

Florida's hurricane fund in 'strong' position heading into storm season

By Gary Fineout | 05/20/2024 06:31 AM EDT

The financial health of the account nicknamed the "Cat Fund" is important to Floridians regardless of where they live.

LOCAL NEWS

Expert: South Florida building code 'toughest for hurricanes in the world'



By Ted Scouten
September 29, 2022 / 10:35 PM EDT / CBS Miami



Hurricane Florence churns over the Atlantic Ocean in September 2018, as seen from the International Space Station. ESA/NASA via AP



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