



## Executive Summary – Governor’s Press Conference (1-12-26)

Governor Ron DeSantis announced at a press conference held in Davie, FL on January 12, 2026, that recent economic and legal progress in the Sunshine State are working. He was joined by Florida CFO Blaise Ingoglia and Insurance Commissioner Michael Yaworsky. Of course, the announcement and information in the press conference was timed perfectly just before legislative season kicks off. We at LMA captured the following summary and data points for reference. Please contact us if you have any questions. We will keep you apprised each week of legislative happenings. Thank you!

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### 1. Governor Ron DeSantis

#### Market Context & Problem Statement

- Florida experienced:
  - Biggest inflation in 40 years, impacting housing, groceries, and insurance
  - Nationwide home insurance premiums up ~40% over 4–5 years
  - Auto insurance was the #1 inflationary item nationally last year
- Florida faces elevated risk due to:
  - Six major hurricanes in seven years (Irma, Michael, Ian, Idalia, plus back-to-back major storms in 2024)
  - Rising home replacement values
- Core driver of instability prior to reform:
  - Florida accounted for ~8% of U.S. homeowners claims but nearly 80% of U.S. litigation expenses
  - In 2022, the bulk of litigation came from Miami-Dade, Broward, and Palm Beach counties, even though those counties were not directly hit by major hurricanes

#### Legislative & Consumer Interventions

- Tort and litigation reforms enacted to curb abusive claims practices
- Consumer mitigation programs:
  - My Safe Florida Home grants expanded to harden homes and reduce premiums
  - Efforts to clear backlog of grant waitlists via special session funding

#### Private Market Recovery & Competition



- Since reforms:
  - 17 new home-insurance companies have entered Florida's market
  - As of January 2026:
    - 83 filings for rate decreases
    - 100 filings for "no increase"
    - Florida Peninsula filed an ~8% decrease
  - 30-day average requested home-rate change: -2.3%
  - Florida had the lowest homeowners rate increase nationally in 2024
    - 33 states had double-digit increases (up to 23% in Nebraska)
    - Five states exceeded 20% increases (Montana, Iowa, Minnesota, Utah, Washington)

## **Reinsurance Trends**

- Reinsurance renewals (Jan 1) show declining costs, signaling market confidence
- Lower reinsurance costs place downward pressure on consumer premiums

## **Specific Home Insurance Reductions (Examples)**

- Florida Peninsula: -8.2% average
- Security First: -8% average (~62,000 homes)
- Universal Property & Casualty: -5.1% average (~512,000 policies subset)

## **Auto Insurance Improvements**

- Top five auto insurers averaged -6.5% premium reductions
- Florida now has its lowest recorded auto loss ratio in 15 years
- In the last 12 months:
  - 42 auto insurers filed for rate decreases (32 within last six months)
- Company examples:
  - USAA: -6.1% (268,000 drivers)
  - Florida Farm Bureau: -8.7% (86,000 drivers)
  - Progressive: -8% average for ~1M drivers + \$1B customer refund (effective Jan 15)
  - State Farm: -10.1% (third reduction in two years; ~20% cumulative savings ≈ \$1B)



- AAA: Three reductions totaling -15%
- Allstate: -4% (13,000 drivers)

## Spillover Economic Benefits

- Uber fares in Florida are now ~6% lower than the other 49 states since March 2025
- Riders have saved tens of millions of dollars

## Citizens Insurance Update

- Citizens policies reduced from ~1.3 million → under 400,000 (lowest in 14 years)
- Statewide Citizens average reduction: -8.7%
- 150,000+ policyholders will see >10% reductions
- South Florida:
  - Tri-County Average (Dade/Broward/Palm Beach): -13.4%
  - Broward: -14.1% (27,000 homeowners)
  - Miami-Dade: -14% (42,000 homeowners)
  - Palm Beach: -11.9% (26,000 homeowners)
  - Monroe County: -11.3% for full-coverage homes; wind-only policies will not increase
- Tampa Bay region expected reductions: -5% to -7%
- Surplus Lines:
  - Commercial surplus lines: -33%
  - Residential surplus lines: -15%

## Property Tax Reform Outlook

- Local property-tax revenue:
  - 2019: \$32B → 2024: \$56B (~75–80% increase)
- Goal:
  - Focus relief on homesteaded primary residences
  - Avoid subsidizing investment properties and short-term rentals.
- State fiscal posture:
  - Over 50% of Florida's taxpayer-supported debt retired



- Rainy Day Fund grown from ~\$1.3B to ~\$5B
- 141 million visitors annually help offset tax burden

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## **2. Insurance Commissioner Michael Yaworsky**

### **Impact of Tort Reform**

- Tort reforms enacted in [2022](#) and [2023](#) directly responsible for:
  - Market stabilization
  - Carrier re-entry and expansion
  - Rate reductions now visible to consumers
- Florida is:
  - The 7th largest insurance market globally and among the most complex
  - Previously saw 13 insurers become insolvent during peak instability

### **Market Recovery Indicators**

- 17 new carriers entered Florida
- Major national insurers are expanding again
- Progressive reversed earlier contraction plans and is growing Florida operations

### **Consumer Protection & Enforcement**

- Enhanced enforcement actions:
  - \$40 million returned to policyholders in 2025 due to regulatory recoveries and enforcement
- Expanded staffing and enforcement resources continue to increase oversight

### **Litigation Abuse in Citizens (Historical)**

- At peak:
  - Citizens faced 800+ lawsuits per month in the tri-county region
  - Many claims were first reported via lawsuits rather than claims filings
- Florida's former legal framework forced insurers to pay opposing legal fees in most cases, driving systemic cost inflation

### **Citizens Financial Stability**



- Citizens surplus during crisis: \$8.7 billion, among the highest capitalizations per policyholder nationally
- Actuarial review:
  - Rates analyzed over four weeks by actuaries
  - Reductions remain actuarially sound and preserve solvency

## Reinsurance Cost Trends

- Reinsurance makes up up to ~30% of a policyholder's premium
- Post-reform:
  - First year: ~8% reinsurance cost reduction
  - Continued reductions observed; further declines expected mid-year renewals

## Long-Term Outlook

- Continued stabilization expected unless disrupted by:
  - Major legislative reversals, or
  - Significant macro-economic or catastrophic events
- Workers' compensation cited as a historical example of long-term tort reform success

Govs press conference 1.12.26

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## 3. Chief Financial Officer Blaise Ingoglia

### Pre-Reform Market Conditions

- Florida:
  - ~8% of U.S. population
  - ~8% of insurance claims
  - ~76% of U.S. insurance lawsuits
- Consequences:
  - Repeated double-digit rate increases
  - Capital flight from Florida
  - Carrier bankruptcies unrelated to storm losses alone

### Post-Reform Outcomes



- 17 new insurers operating in Florida
- Dozens of companies filing rate decreases.
- Progressive returning \$1B to policyholders (Jan 15)
- Citizens:
  - All 67 counties will see rate reductions
  - Nearly half of policies will receive double-digit reductions
- Surplus lines:
  - Commercial: -33%
  - Residential: -15%
- Downstream cost benefits:
  - Uber fares down.
  - Auto, commercial, workers' comp, and homeowners premiums declining.

## **Housing Affordability Strategy**

- Insurance reform directly tied to housing affordability.
- Future focus:
  - Property tax reform as next major affordability lever.
- Emphasis on protecting policyholders and taxpayers

You can read more in the [Governor's Press Release](#).

[View this summary as a PDF document](#)

If you have any questions, comments, or concerns, please contact Lisa Miller at (850)-528-9229 or [LisaMiller@LisaMillerAssociates.com](mailto:LisaMiller@LisaMillerAssociates.com).