

**The Florida Senate**  
**COMMITTEE MEETING EXPANDED AGENDA**

**BANKING AND INSURANCE**  
**Senator Boyd, Chair**  
**Senator DiCeglie, Vice Chair**

**MEETING DATE:** Tuesday, October 10, 2023  
**TIME:** 11:00 a.m.—12:30 p.m.  
**PLACE:** *Pat Thomas Committee Room, 412 Knott Building*

**MEMBERS:** Senator Boyd, Chair; Senator DiCeglie, Vice Chair; Senators Broxson, Burton, Hutson, Ingoglia, Mayfield, Powell, Thompson, Torres, and Trumbull

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
		Presentation on the My Safe Florida Home Program by Steven Fielder, Department of Financial Services	Presented
		Presentation on Florida's property insurance market by Michael Yaworsky, Commissioner, Office of Insurance Regulation	Presented
		Presentation by Tim Cerio, President, Executive Director and CEO, Citizens Property Insurance Corporation	Presented
	Other Related Meeting Documents		

DEPARTMENT OF FINANCIAL SERVICES

# My Safe Florida Home Program

Senate Banking and Insurance Committee

October 10, 2023

CFO JIMMY PATRONIS

# What is My Safe Florida Homes?

The My Safe Florida Home Program (Program) is a wind mitigation grant Program to harden single family homes against future wind damage caused by storms. Through home hardening, it is a goal of the Program to help homeowners obtain the lowest possible insurance premiums.

Two grant types:    Matching - \$2 for every \$1, up to \$10,000  
                              Low Income - No matching required, up to \$10,000

# My Safe Florida Home (MSFH) - Budget

- The MSFH budget (since inception):

Home Inspections	Mitigation Grants	Education & Consumer Awareness	Administration
\$25 million	\$215 million	\$1.3 million	\$10.5 million

# Program Requirements

## Statutory Wind Inspection Qualifications:

- Site-built,
- Single-family,
- Residential home.
- Townhomes added 7/1/23.



## Statutory Grant Qualifications:

- Homeowner must prove homestead exemption.
- Home must be a dwelling with an insured value of \$700,000 or less.
- The building permit application for initial construction of the home must have been made before July 1, 2008.

# What does the grant pay for?

## Roof related items:

- Roof deck attachments
- Roof-to-wall connections
- Secondary water barrier for roof

## Opening protection improvements:

- Hurricane impact windows and doors
- Hurricane shutters for windows and doors

# The Steps

The Program follows these basic steps:

- An initial home inspection is completed to determine what areas of the home could be improved.
- Following initial inspection, the homeowner applies for a mitigation grant.
- Once approved for the grant, funds are set aside for the homeowner, pending completion of the work.
- Homeowner selects a contractor, and work can begin.
- Following completion of the work, homeowner request final inspection.
- Final inspection is completed.
- Homeowner request reimbursement and submits required receipts.
- Reimbursement is processed.

# My Safe Florida Home - Administration

- The Program is wholly outsourced from an administration perspective.
- A single contractor handles the application portal, review and approval of request for inspections and grants. The contractor is responsible for all customer service and processing except actual payment.
- Four contractors used for inspection services.
- Outreach is managed in-house utilizing contractors for individual tasks.
- DFS manages the program with two dedicated employees and support from internal offices.



# My Safe Florida Home - Milestones

- November 18, 2022 - first applications for home inspections.
- December 14, 2022 - first application for a mitigation grant.
- January 4, 2023 - approved the first grant.
- March 10, 2023 - first final (post construction) inspection was completed.
- March 20, 2023 - first reimbursement was processed.

## MSFH – Current Statistics

As of October 6<sup>th</sup>:

- Initial home inspections approved: 92,704
- Initial home inspections completed: 79,119
- Grants applications submitted: 40,703
- Grants applications approved: 20,890
- Final home inspection completed: 4,196
- Reimbursements disbursed: \$23,135,996

## MSFH – Current Statistics

- Homeowners realizing a premium reduction: 1,325
- Homeowners who did not realize a premium reduction: 644
- Homeowners who saw a premium increase: 341
- No premium information provided/available: 101

An annual report will be submitted by DFS no later than February 1<sup>st</sup> in compliance with statute with statistical information about the program.

# MSFH – The Future

The Program's 24/25 Legislative Budget Request:

- Home inspections: \$17.28 million
- Grants: \$200 million
- Administration/Outreach: \$8.5 million (Includes contractor and DFS costs.)

# Questions?

DEPARTMENT OF FINANCIAL SERVICES



CFO JIMMY PATRONIS

# APPEARANCE RECORD

Deliver both copies of this form to  
Senate professional staff conducting the meeting

Bill Number or Topic

10/14/23

Meeting Date

BANK & INS

Committee

Amendment Barcode (if applicable)

Name

Steven Fielder

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850-591-5661

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DFS

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steven.fielder@myfloridafors.com

Street

City

State

Zip

Speaking:

For

Against

Information

**OR**

Waive Speaking:

In Support

Against

**PLEASE CHECK ONE OF THE FOLLOWING:**

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

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# Florida's Residential Property Insurance Market

COMMISSIONER MICHAEL YAWORSKY

OCTOBER 10, 2023





# Florida Office of Insurance Regulation (OIR) Overview

## Mission

To promote a stable and competitive insurance market for consumers.

## Vision

OIR envisions a robust and competitive insurance market while maintaining protections for the insurance-buying public.

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

# 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.





# 2023 Implementation Activities

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## **OIR Reorganization**

- Appointed a Deputy Commissioner of Market Regulation
- 28 new full-time employee positions

## **Rule Promulgation**

- The Financial Services Commission approved rules related to:
  - Financial and market conduct exam methodology
  - Notification of temporary suspension of writing new business
  - Claims handling manuals

## **Home Hardening**

- Updating the “Uniform Mitigation Verification Inspection Form” with new building instruments and techniques that have been developed since 2008
- Exploring techniques to mitigate against perils beyond wind



# New Company Admissions

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OIR has approved five property & casualty insurers to enter Florida's market this year following historic legislative reforms to strengthen Florida's insurance market:

- Orange Insurance Exchange
- Orion180 Select Insurance Company
- Orion180 Insurance Company
- Mainsail Insurance Company
- Tailrow Insurance Company

National carriers have stated their commitment to Florida and have long-term plans to grow in the state.



# Citizens Takeouts

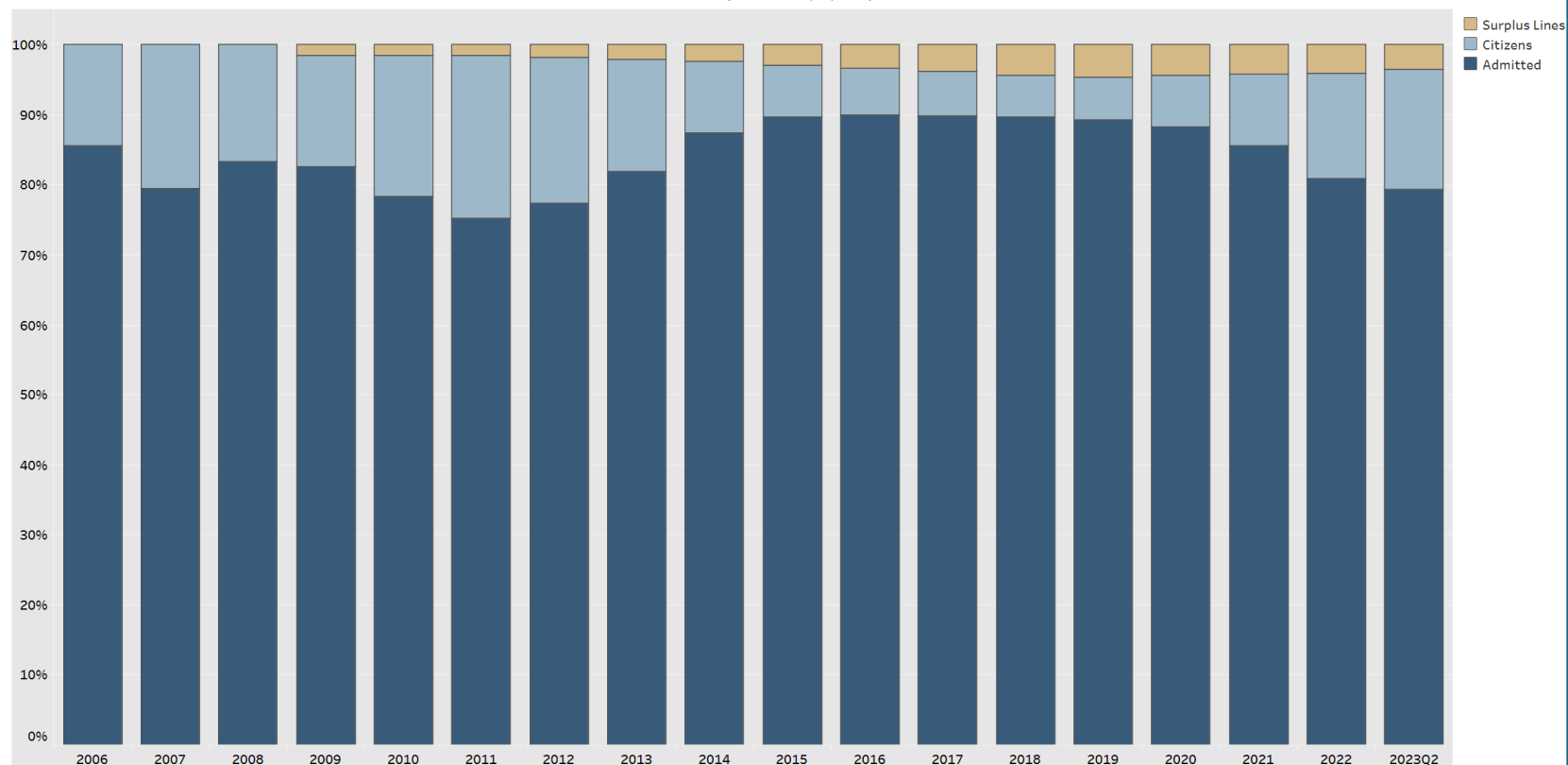
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- The Citizens takeout program was created by the Florida Legislature to reduce the number of Citizens' insured properties and exposure.
- Requests by companies to assume Citizens' policies has increased over 800% year over year.
- OIR has approved a total of 646,617 policies for assumption in 2023.



### Admitted Property Market vs. Non-Admitted Property Market

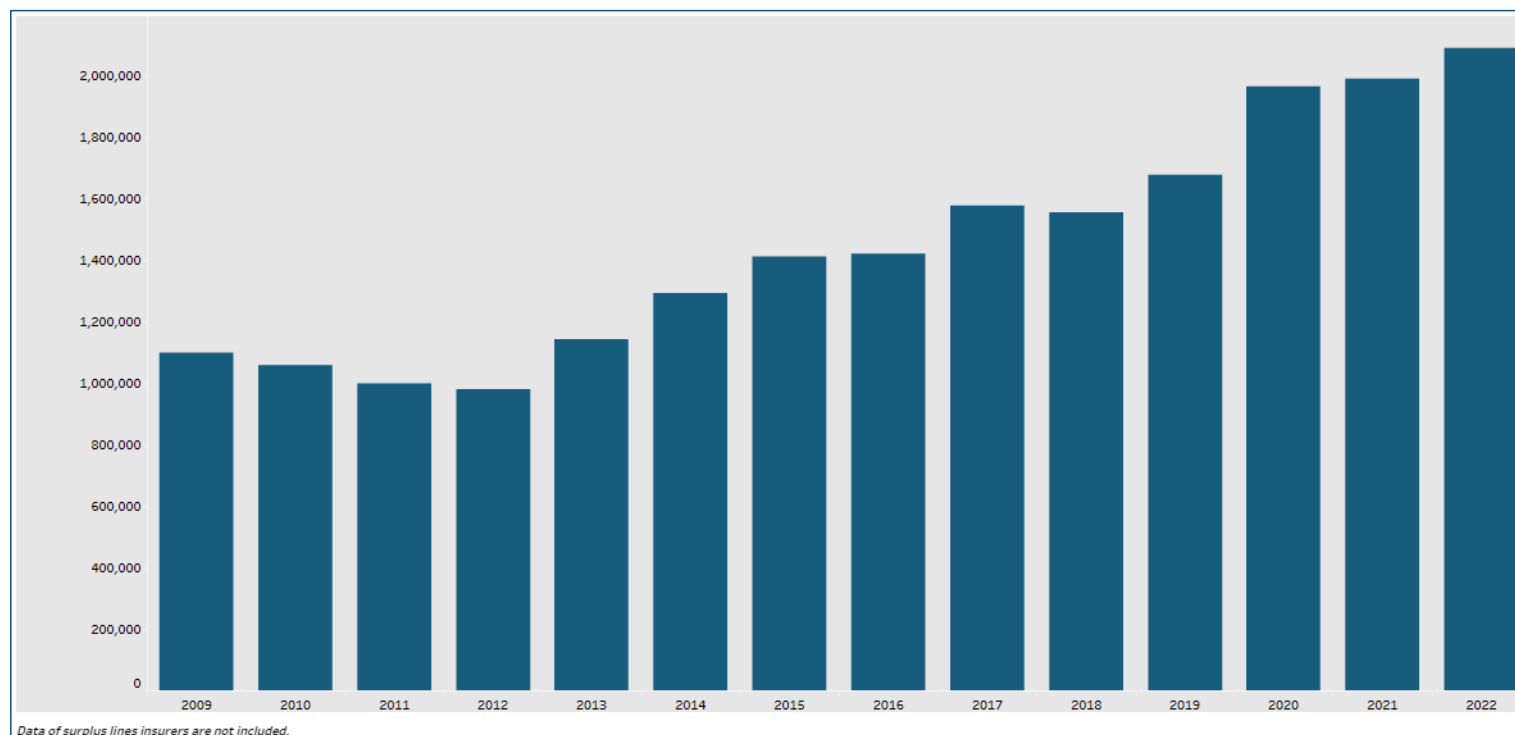
Policies in Force (Data as of 09/11/2023)



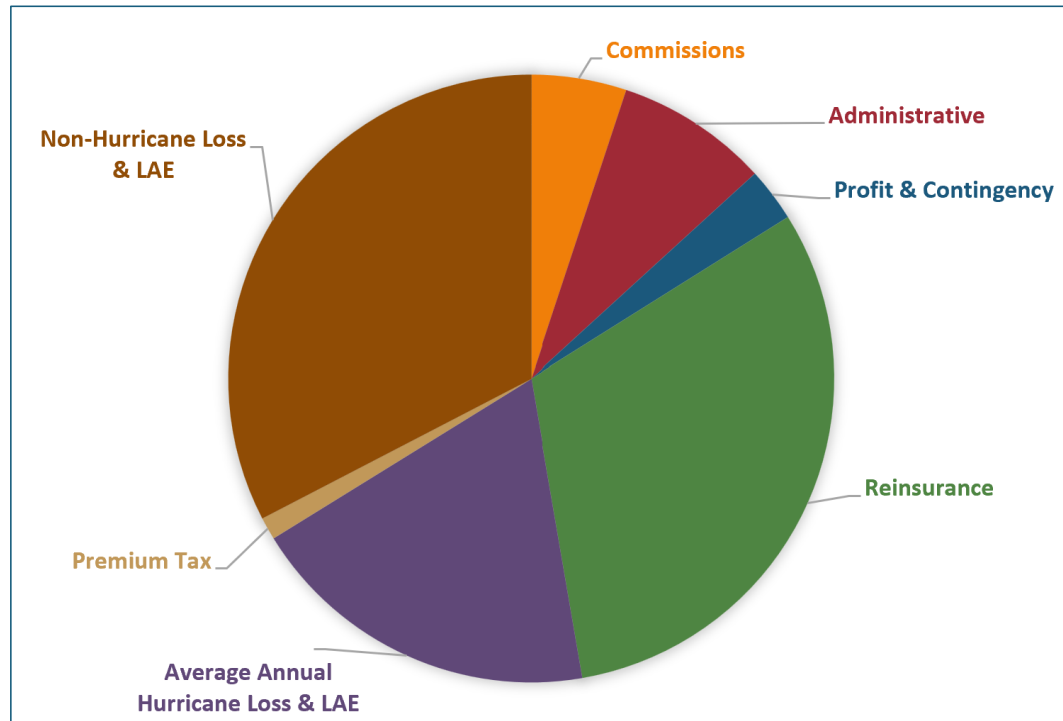
Data is from Quarterly Supplemental Reporting (QUASR) and Florida Surplus Lines Service Office (FSLSO) and does not include State Farm for years 2014-2018 and American Coastal Insurance Company, United Property & Casualty Insurance Company, and Family Security Insurance Company for years 2017 and 2018 due to trade secret declarations.



# New policies written in the admitted market



# Breakdown of a rate calculation for a residential homeowners line of business

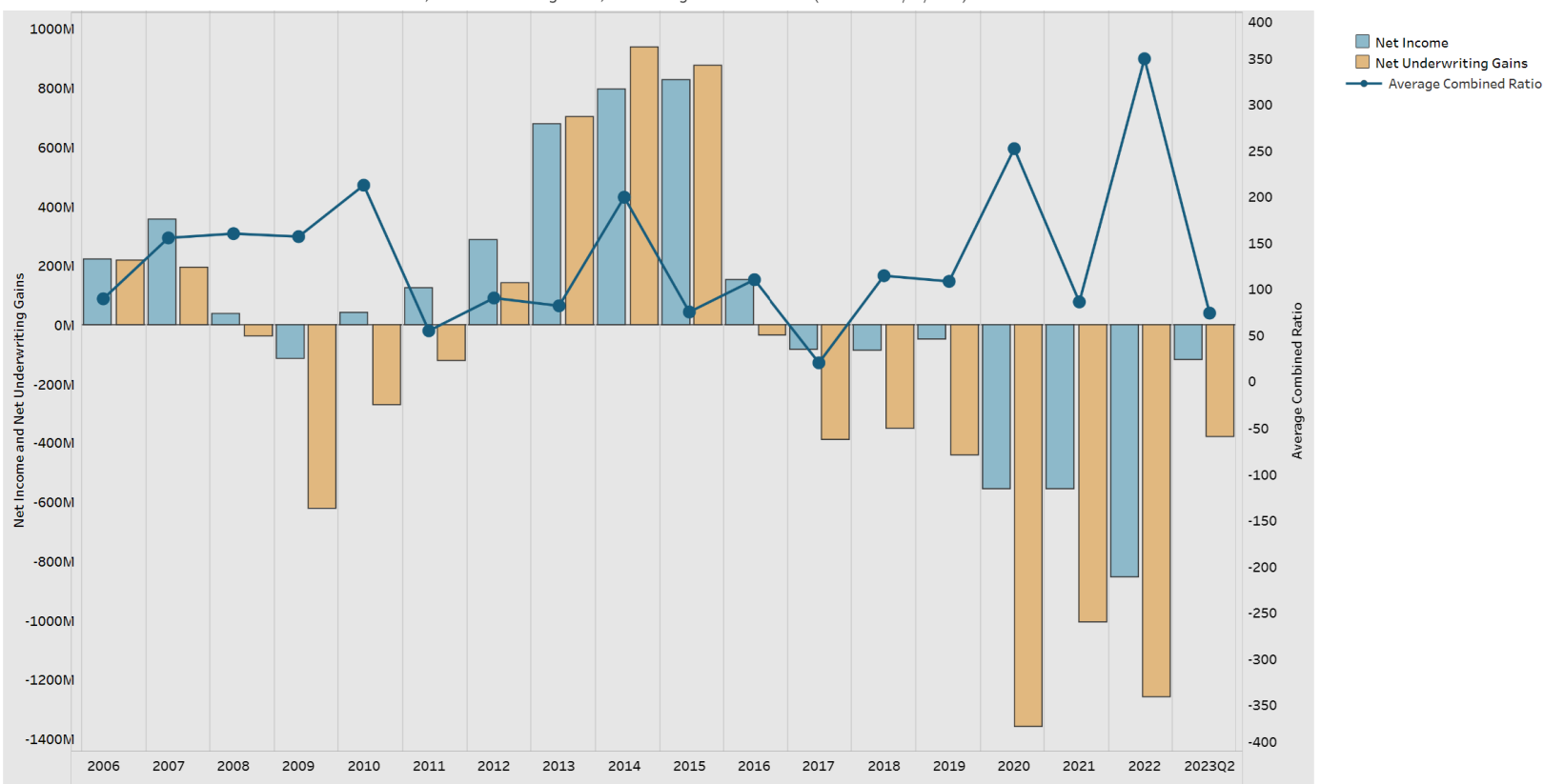






### Performance of Florida Domestic Property Companies

Net Income, Net Underwriting Gains, and Average Combined Ratio (Data as of 09/11/2023)



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



# 2023-2024 Reinsurance

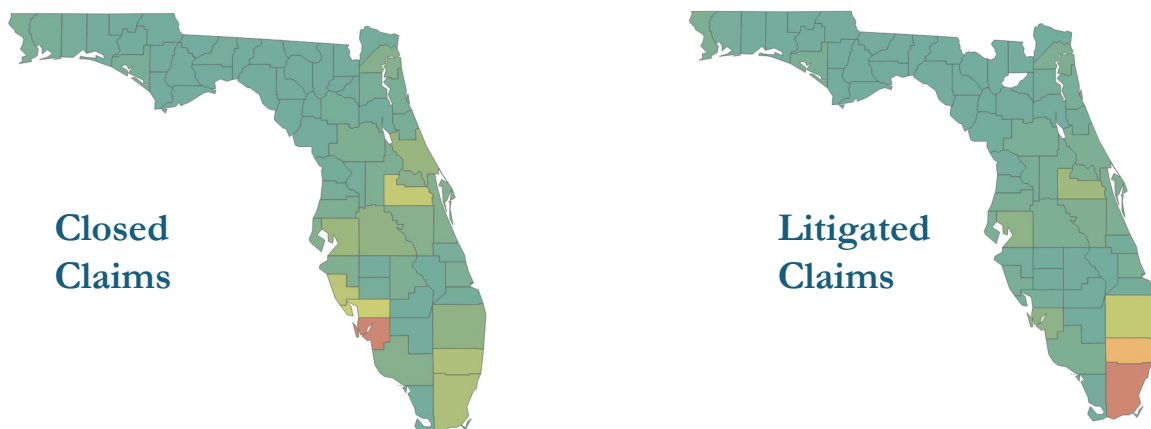
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- Despite rumored 50-60% increases at the beginning of the year, companies reported the 2023 risk-adjusted change in reinsurance cost from 2022 was on average 27.03%.
- All Florida carriers were able to secure full reinsurance coverage for the 2023-2024 contract year.



# Property Claims Litigation Report

The Property Claims Litigation Report is an annual data call capturing the full scope of every claim closed during the reporting year. It includes information on the claim filing, litigation, public adjuster, vendors, and associated costs.



# Hurricane Response & Claims Handling



In response to Hurricane Idalia, under the authority of Governor DeSantis' Emergency Order, OIR issued [EO 315284-23](#) to protect policyholders in impacted counties, effective through October 31, 2023.

## Hurricane Idalia *(data as of October 5, 2023)*

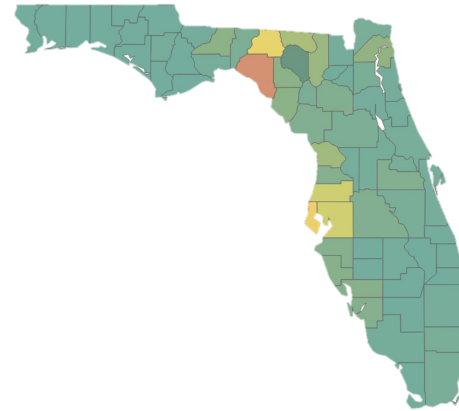
- Total Claims: 22,763
- Percent Claims Closed: 60.9%

## Hurricane Ian *(data as of October 9, 2023)*

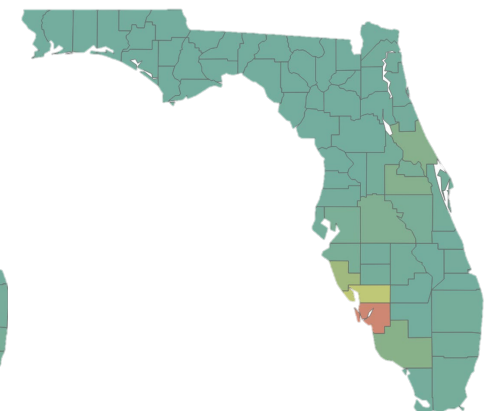
- Total Claims: 758,644
- Percent Claims Closed: 90.2%

## Claims Reported

**Idalia**



**Ian**





# Private Flood Insurance

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Insurance companies writing in the private flood insurance market are currently writing primary or excess flood insurance outside of the National Flood Insurance Program.

OIR has made the development of the private flood market a priority by:

- Streamlining form and rate filing procedures
- Encouraging company participation as flood writers
- Requiring the submission of private flood data
- As of 2022, 107,825 private flood policies were in force across the state, which is an increase of 144% from 2018.



# Contact Information

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For more information visit [www.floir.com](http://www.floir.com).



Florida Office of Insurance Regulation

10/10/2023

Meeting Date

Senate Banking & Insurance

Committee

The Florida Senate

# APPEARANCE RECORD

Deliver both copies of this form to  
Senate professional staff conducting the meeting

Bill Number or Topic

Amendment Barcode (if applicable)

Name Michael Yaworsky

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Florida

32399

City

State

Zip

Speaking:  For  Against  Information **OR** Waive Speaking:  In Support  Against

**PLEASE CHECK ONE OF THE FOLLOWING:**

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

Office of Insurance Regulation

*While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. § 11.045 and Joint Rule 1. [2020-2022 Joint Rules pdf \(flsenate.gov\)](#)*

This form is part of the public record for this meeting.

S-001 (08/10/2021)



# Senate Banking and Insurance Committee

Tim Cerio - President, CEO and Executive Director

October 10<sup>th</sup>, 2023



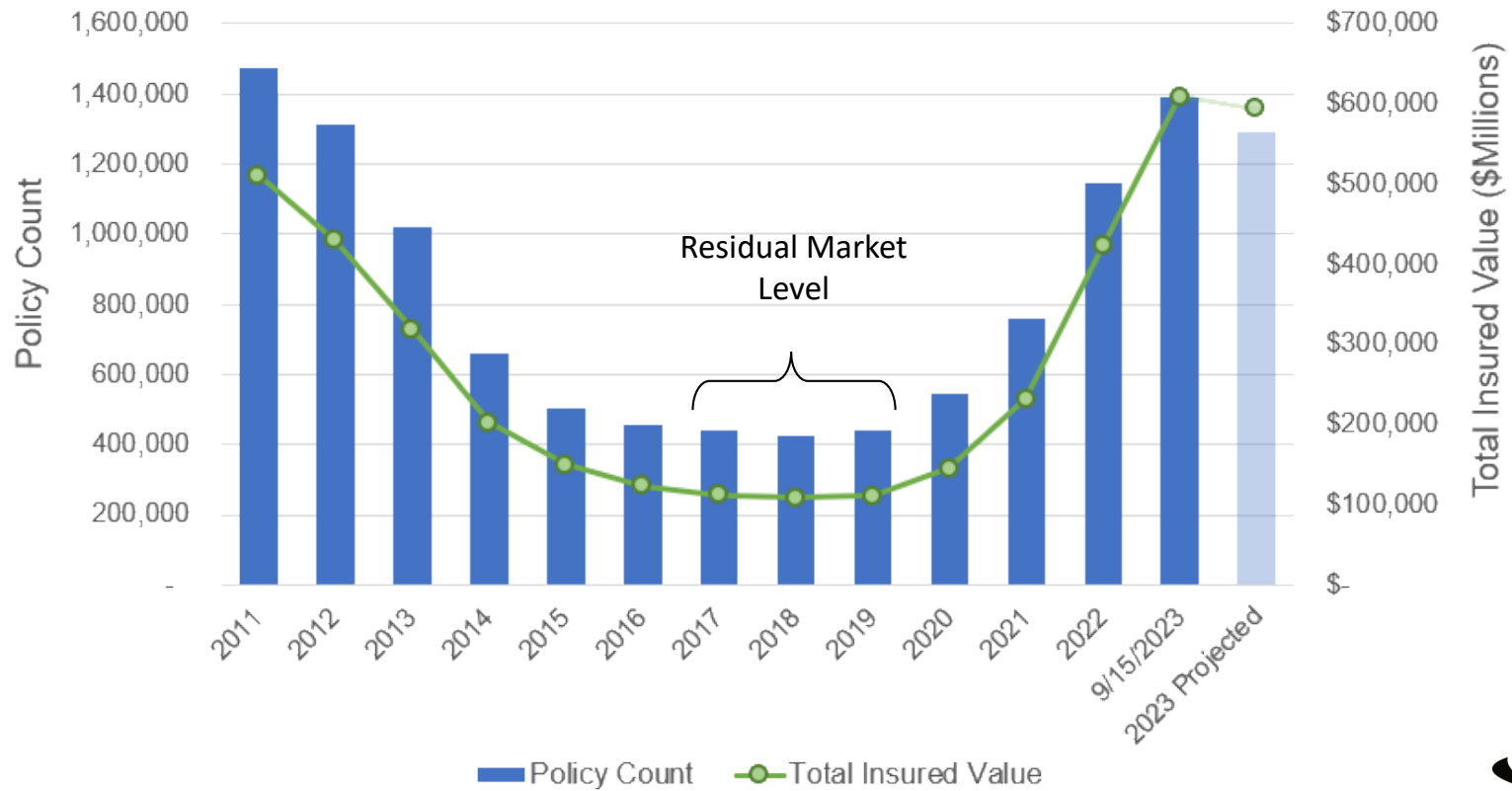
## Fair Access to Insurance Requirements Plan Report

State	Policies in Force	Exposure (\$000)	% of Total Exposure
<b>Florida</b>	<b>1,220,897</b>	<b>\$ 422,953,352</b>	<b>51%</b>
California	261,421	\$ 209,808,071	25%
Massachusetts	197,177	\$ 90,572,584	11%
Louisiana	154,507	\$ 40,935,450	5%
North Carolina	218,506	\$ 33,404,590	4%
Texas	66,488	\$ 11,301,744	1%
New York	23,197	\$ 6,892,000	1%

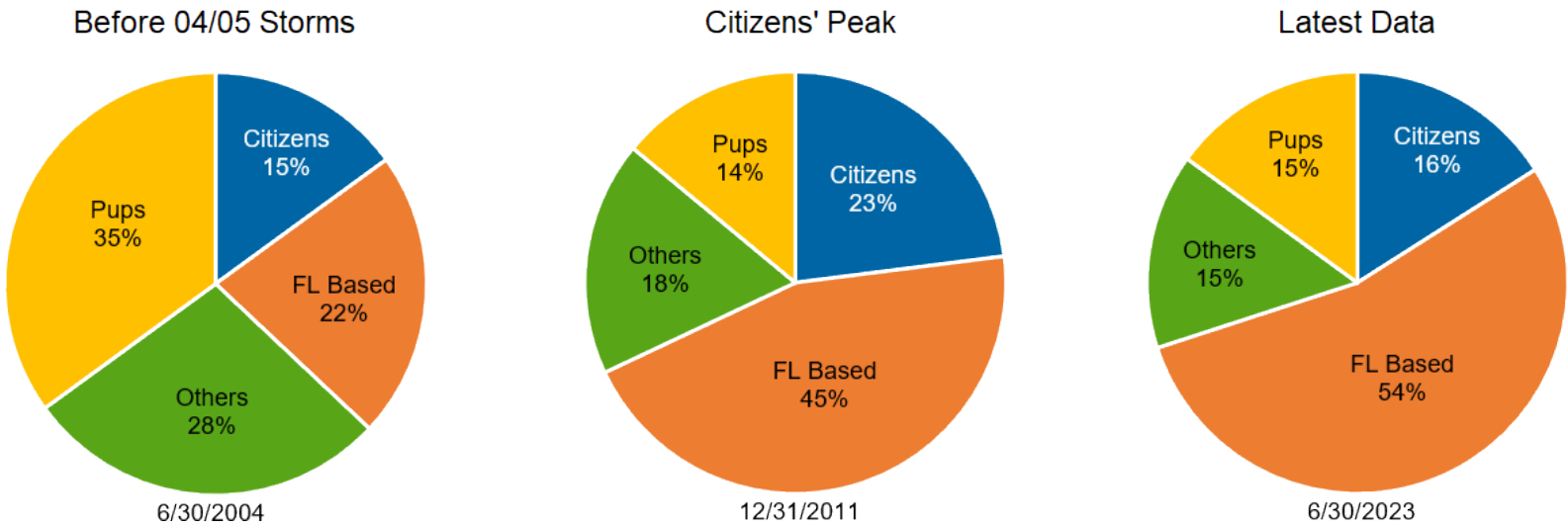
PIPSO Reports. (2023, June). Property Insurance Plans Service Office, Inc.

# Policies and Exposure

Estimated 225K policies and \$100M TIV in depopulation factored into 2023 projection



# FL's Residential Market Share



Pups

FL Based

Others

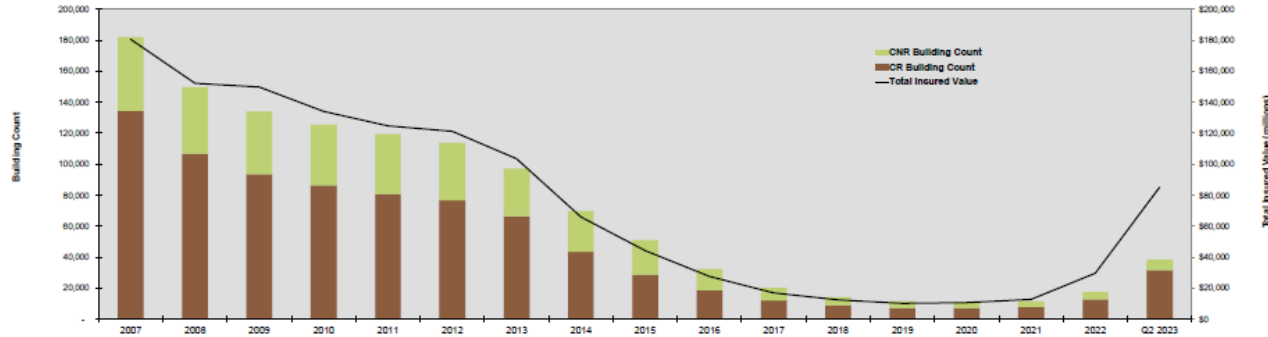
FL only subsidiaries of major national writers

FL domiciled companies where majority only write in state

National writers

# Commercial Lines by Residential and Non-Residential (Data as of June 30, 2023)

## Commercial Lines by Residential and Non-Residential (Data as of June 30, 2023)



	Commercial Residential				Commercial Non-Residential				Total			
	Policy Count	Building Count	Premium (millions)	TIV (millions)	Policy Count	Building Count	Premium (millions)	TIV (millions)	Policy Count	Building Count	Premium (millions)	TIV (millions)
2007	28,504	134,260	\$899	\$159,885	37,147	47,669	\$104	\$20,683	65,651	181,929	\$974	\$180,569
2008	24,697	106,620	\$694	\$134,130	32,626	42,988	\$87	\$17,698	57,623	149,608	\$771	\$152,129
2009	23,404	93,534	\$591	\$132,325	30,310	40,343	\$82	\$17,473	53,714	133,877	\$643	\$149,797
2010	21,763	86,301	\$542	\$116,885	29,378	39,244	\$89	\$17,105	51,141	125,545	\$631	\$133,990
2011	20,776	80,824	\$508	\$107,853	28,455	38,514	\$94	\$16,885	49,231	119,338	\$603	\$124,738
2012	19,741	76,803	\$517	\$104,764	26,999	36,937	\$97	\$16,327	46,740	113,740	\$615	\$121,091
2013	16,620	66,341	\$464	\$89,346	21,445	30,690	\$93	\$14,135	38,065	97,031	\$557	\$103,462
2014	11,626	43,347	\$262	\$53,508	18,157	26,401	\$88	\$12,325	29,783	69,748	\$350	\$65,833
2015	8,315	28,615	\$153	\$33,723	15,389	22,234	\$79	\$10,359	23,704	50,849	\$231	\$44,082
2016	5,929	18,478	\$95	\$20,946	9,337	13,679	\$56	\$6,532	15,266	32,157	\$150	\$27,478
2017	4,266	11,978	\$58	\$12,700	5,487	8,149	\$38	\$4,049	9,753	20,127	\$96	\$16,749
2018	3,221	8,837	\$45	\$9,627	3,564	5,270	\$28	\$2,730	6,785	14,107	\$72	\$12,357
2019	2,641	7,121	\$37	\$7,927	2,847	4,227	\$24	\$2,228	5,488	11,348	\$61	\$10,155
2020	2,566	7,155	\$41	\$8,457	2,686	4,074	\$25	\$2,151	5,252	11,229	\$66	\$10,608
2021	2,440	7,674	\$53	\$10,564	2,390	3,740	\$25	\$2,021	4,830	11,414	\$78	\$12,586
2022	3,252	12,695	\$183	\$26,949	3,185	4,784	\$35	\$2,542	6,437	17,479	\$218	\$29,491
Q2 2023	5,786	31,480	\$662	\$80,864	4,290	6,822	\$61	\$4,257	10,076	38,302	\$723	\$85,120
% Change from 2022 to Q2 2023	77.9%	148.0%	262.4%	200.1%	34.7%	42.6%	71.6%	67.5%	56.5%	119.1%	231.4%	188.6%

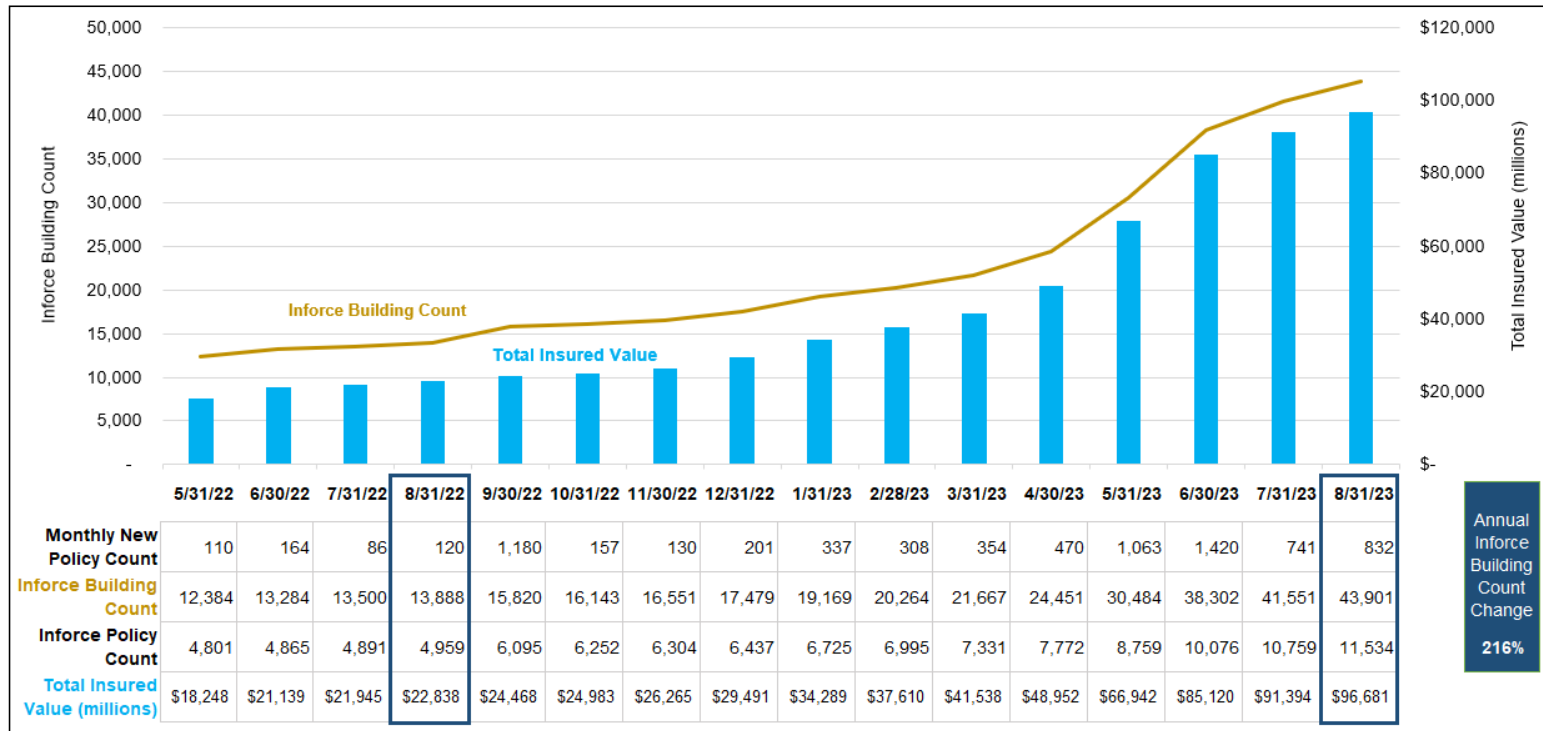
**Notes:**

- 1) Commercial policy forms include building coverage, other structure coverage, and business personal property. Commercial non-residential multi-peril policies no longer include business income/extra expense beginning with June 2012 renewals and May 2012 new business.
- 2) Excludes takeout policies
- 3) Within the commercial data, commercial non-residential wind-only (CIW) counts are policy counts; building counts are unavailable. The product was phased out during 2009, with no policies remaining in force as of 12/31/09. The commercial non-residential multi-peril program was introduced in November 2008.



# Monthly Policy Data

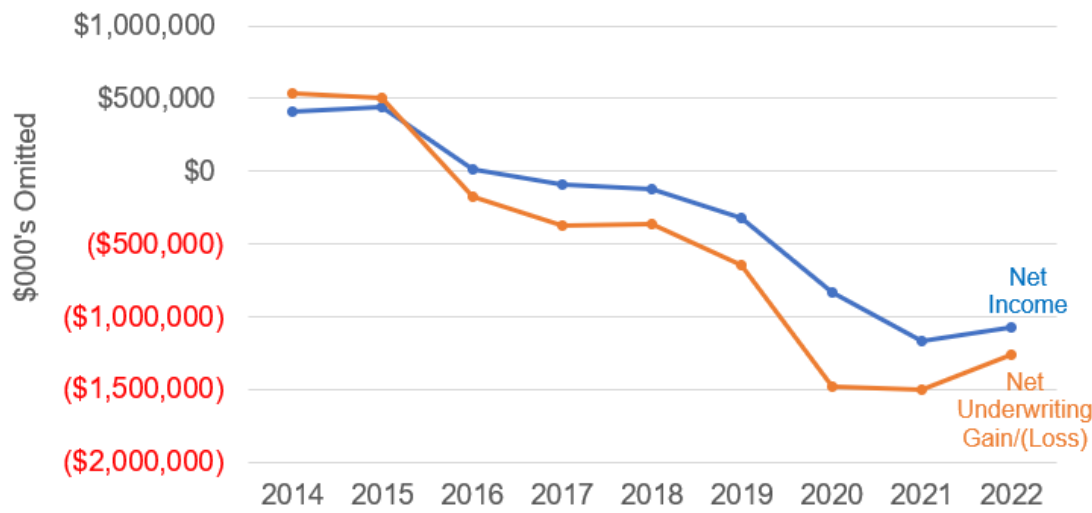
## Monthly Policy Data Commercial Policy Types



# State of the Market

These financial results are from a subset of companies that make up over half of the residential property market. The majority are FL based companies.

Financial for Selected FL Insurers



2<sup>nd</sup> Quarter 2023  
 Net Income **(\$240M)** Net  
 U/W Loss **(\$438M)**  
 47 companies in subset

2<sup>nd</sup> Quarter 2022  
 Net Income **(\$452M)** Net  
 U/W Loss **(\$536M)**  
 45 companies in subset

Data excludes Citizens, national carriers and Pups.



# Depopulation

2023 Personal Lines Depopulation Results							
Month	Number of Carriers	OIR Approved <sup>1</sup>	Requested by Carriers <sup>2</sup>	Policyholder Choice Letters Mailed <sup>3</sup>	Assumed <sup>4</sup>	Assumption Rate <sup>5</sup>	Exposure Removed <sup>6</sup>
February	0	0	0	0	0	0%	\$0
April	2	20,000	26,335	26,335	4,573	17%	\$2,189,517,038
May	0	0	0	0	0	0%	\$0
June	1	46,218	18,760	18,760	17,239	92%	\$7,399,907,777
August	2	26,000	28,826	27,689	8,836	32%	\$4,265,547,864
October	5	184,000	363,118	311,310			
November	7	202,399	210,001	179,747			
December	7	168,000					
<b>YTD Totals</b>		<b>646,617</b>	<b>647,040</b>	<b>563,841</b>	<b>30,648</b>	<b>42%</b>	<b>\$13,854,972,679</b>

<sup>1</sup>OIR approval is maximum number of policies permitted to be assumed by carriers.

<sup>2</sup>Sum of all policies requested by carriers, including duplicate offers from multiple carriers.

<sup>3</sup>Total letters mailed, one (1) per policy. Multiple offers may be contained in a single mailing.

<sup>4</sup>Policies assumed by carriers on Assumption Date.

<sup>5</sup>Quotient of 'Assumed' divided by 'Policyholder Choice Letters Mailed'.

<sup>6</sup>Exposure Removed as of Assumption Date.

## 2023 Commercial Lines Depopulation Results

There are no OIR approvals for participation in 2023 Commercial Lines assumptions.





# Non-Catastrophe Litigation Rates

For ratemaking and reserving purposes, we measure the amount of litigation with a “litigation rate” by accident year. This rate is the projected ultimate number of claims litigated divided by the total number of claims that occurred for that period. Without a doubt, that rate has been decreasing recently. Directly below are the non-cat results for all personal lines:

Personal Lines (as of 6-30-2023)	
Non-Catastrophe Litigation Rate	
<u>Accident Year</u>	<u>Litigation %</u>
2017	21.3%
2018	18.5%
2019	17.1%
2020	18.0%
2021	17.4%
<u>2022</u>	<u>15.2%</u>

- Citizens has been experiencing a decrease in the non-cat litigation rate for several years.
- While 2023 is still immature, early signs are pointing to a significant reduction in the ultimate litigation rate for claims with a 2023 accident date.
- Through the first six months of 2023, less than 10% of non-cat personal lines were filed with an AOB. In prior years, that percentage was in the 20% to 30% range.

The Florida Senate

APPEARANCE RECORD

N/A

10/10/23

Meeting Date

Deliver both copies of this form to Senate professional staff conducting the meeting

Bill Number or Topic

Banking + Insurance

Committee

Amendment Barcode (if applicable)

Name

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Tallahassee FL

City

State

Zip

Speaking:

For

Against

Information

OR

Waive Speaking:

In Support

Against

PLEASE CHECK ONE OF THE FOLLOWING:

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This form is part of the public record for this meeting.

S-001 (08/10/2021)

# CourtSmart Tag Report

Room: KB 412

Case No.: -

Type:

Caption: Committee on Banking and Insurance

Judge:

Started: 10/10/2023 11:00:44 AM

Ends: 10/10/2023 12:30:24 PM Length: 01:29:41

11:00:42 AM Chair calls meeting to order  
11:00:51 AM CAA calls the roll  
11:00:56 AM Quorum announced  
11:01:17 AM Opening comments  
11:02:55 AM Tab 2 Michael Yaworsky, Commissioner, Office of Insurance Regulation  
11:03:06 AM Mr. Yaworsky presents  
11:33:16 AM Questions  
11:33:19 AM Senator Powell  
11:33:23 AM Mr. Yaworsky  
11:34:11 AM Senator Powell  
11:34:51 AM Mr. Yaworsky  
11:35:21 AM Senator Powell  
11:36:00 AM Mr. Yaworsky  
11:36:11 AM Senator Powell  
11:36:14 AM Mr. Yaworsky  
11:37:19 AM Senator Powell  
11:37:43 AM Mr. Yaworsky  
11:39:23 AM Senator Ingoglia  
11:39:54 AM Mr. Yaworsky  
11:40:54 AM Senator Ingoglia  
11:42:32 AM Mr. Yaworsky  
11:43:56 AM Senator Mayfield  
11:44:09 AM Mr. Yaworsky  
11:45:33 AM Senator Mayfield  
11:47:50 AM Mr. Yaworsky  
11:49:50 AM Chair with comments  
11:50:55 AM Senator Torres  
11:51:40 AM Chair Boyd  
11:52:09 AM Mr. Yaworsky  
11:52:33 AM Senator Torres  
11:52:37 AM Mr. Yaworsky  
11:53:24 AM Chair Boyd  
11:53:41 AM Senator Torres  
11:53:44 AM Mr. Yaworsky  
11:54:30 AM Senator DiCeglie  
11:54:36 AM Mr. Yaworsky  
11:54:59 AM Chair Boyd  
11:55:28 AM Tab 3 Tim Cerio, President, Executive Director, CEO, Citizens Property Insurance Corporation  
11:55:42 AM Mr. Cerio presents  
12:12:59 PM Questions  
12:13:23 PM Senator Thompson  
12:13:30 PM Mr. Cerio  
12:14:09 PM Senator Thompson  
12:14:52 PM Mr. Cerio  
12:15:12 PM Senator Powell  
12:15:51 PM Mr. Cerio  
12:17:16 PM Senator Powell  
12:19:16 PM Mr. Cerio  
12:20:30 PM Senator Torres  
12:21:31 PM Mr. Cerio  
12:22:17 PM Senator Torres  
12:22:20 PM Mr. Cerio

**12:22:47 PM** Chair Boyd  
**12:23:10 PM** Tab 1 Steven Fielder, DFS - My Safe Florida Home Program  
**12:23:14 PM** Mr. Fielder presents  
**12:29:29 PM** Chair Boyd  
**12:29:40 PM** Mr. Fielder  
**12:29:59 PM** Chair Boyd  
**12:30:10 PM** Meeting adjourned