United Policyholders
Empowering the Insured

Hurricane Ian results in nearly 8k property insurance complaints to the state

ABC Action News WFTS Tampa Bay

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It's been nearly 10 months since Hurricane Ian ravaged Southwest Florida, resulting in more than 520,000 insurance claims. ABC Action News learned 15% of those claims resulted in complaints regarding insurance companies and other claims handling issues to state regulators.

In May, the Florida Office of Insurance Regulation (OIR) said they were investigating how companies are handling Hurricane Ian claims. Through two public records requests, we learned the state received 7,894 complaints related to Ian in the first 7 months after the category 4 storm.

Reasons range from denials and delays to underpayments and cancellations.

The state has marked 5,376 complaints "closed," but 750 are labeled as "impasse," meaning the complaint was closed with no agreement reached.

Other resolutions include:

- 1,635 "Settled prior or in mediation"
- 1,095 "Position or policy explained"
- 728 "Claim settled"
- 141 "Issue resolved"

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Source: https://uphelp.org/hurricane-ian-results-in-nearly-8k-property-insurance-complaints-to-the-state/ Date: July 3, 2024

- 33 “Attorney attained”
- 11 “Claim reopened”
- 6 “Additional payments”

“I would venture to say that’s probably half of what the real numbers are for right now,” Public Adjuster Rick Tutwiler said when we told him the numbers.

He has hundreds of Hurricane Ian clients across Southwest Florida and added a new wave is coming in as they give up waiting on their insurance companies.

“I know a lot of people who were reaching out and trying to get ahold of the DFS,” Tutwiler exclaimed.

In December, ABC Action News reported on the difficulty of filing a complaint with broken links on the Chief Financial Officer’s website and long wait times for overflow phone lines.

Two of Tutwiler’s clients had been trying to contact the CFO and governor for help with their claim. Tutwiler said after the story aired, the homeowners received an exceptional check from their insurance company.

“So I can only imagine what those numbers would really be,” Tutwiler said.

There’s also the “fear factor.” The Culps reached out to ABC Action News for help after battling with their insurance company for 8 months.

“They basically spent about $700 to close the claim, and they’ve closed it twice now where we have to keep reopening it,” exclaimed Bradley Culp. His mother’s home in Venice was damaged by Ian.

The Culps said their insurance company conducted a wind mitigation test in June 2022 and approved insuring the house and taking their payment. But when the hurricane hit in September, they said the company then claimed the damage was not storm-related.

The Culps said they never contacted the state because they were worried about possible retaliation.

“We were kind of concerned regarding a full blown out lawsuit or filing the complaint that we’d really get nowhere with the insurance company… that they would drop the coverage and you can’t get another

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coverage," Victoria Culp said.

Looking into the complaint data, the companies with the most complaints are:

Citizens Property Insurance Corps. = 958
American Integrity Insurance = 761
Universal Property and Casualty Insurance = 739
United Property & Casualty Insurance or UPC, which is now insolvent = 552
Heritage Property & Casualty Insurance = 452
First Protective Insurance Company = 329
American Traditions = 302
People's Trust Insurance = 274
Tower Hill Insurance companies = 272
ASI companies = 219
State Farm Florida = 210
Slide Insurance Company =192

Citizens, the state-backed insurer, currently holds nearly half of the state's homeowners policies at 1.3 million. We asked Citizen's spokesperson Michael Peltier about the high number of complaints.

"We can have older homes. We tend to have those homes that may have more complex repair scenarios," Peltier exclaimed. "We don't always do the right thing at the right time, in the right timeframe, and we tried to do as best as we can to rectify those as quickly as possible."

Universal Property & Casualty Insurance is the third largest insurer in the state, with almost 600,000 policies.

Spokesperson Travis Miller for Universal said in a statement: "UPCIC has received few complaints in relation to the number of claims received from Hurricane Ian."

American Integrity Insurance has the fifth largest amount of policies in Florida at nearly 300,000.

Spokesperson Lisa Miller said in a statement:

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“The combination of dishonest contractors and lack of understanding of flood insurance have caused confusion and has been the source of many DFS inquiries.”

We also asked if a policyholder would be dropped if they filed a complaint, and they said:

“We would never drop a customer because they ask for help from the state, and in fact, using the state’s free service for help is so much better than immediately hiring a lawyer.”

According to public Hurricane Ian data on the OIR website, there are a total of 520,000 property insurance claims filed as of June 28, with 84% closed.

“At least 99% of our claims have been closed at least once. I think about 10% of those claims have been reopened,” Peltier explained.

The United Policyholders advocacy group said it’s up to the consumer to not give up.

“The first reaction of some insurance companies in some scenarios is, ‘We’re just going to deny it, and if they come back and fight, then we’ll deal with it,’” said Amy Bach, United Policyholders executive director.

A closed complaint is not the same as a closed claim. Bach said the state’s insurance office can only do so much.

“The state agency that’s charged with overseeing insurance companies, they don’t have the resources. They’re not going to be a free lawyer for you,” she explained.

“The most important thing is that the market conduct exams now and… for OIR to really dig into these complaints, these claims that were closed without payment and the claims that were closed that are being disputed and really understand, ‘Are there patterns and practices here? What’s going on?’” Bach concluded.

The American Policyholder Association (APA) focuses on criminal cases related to insurance. Executive Director Doug Quinn said they have referred three whistle-blower tips of company claims to handle to Florida’s criminal investigators.

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“Independent adjusters who are hired by the insurance company. We’ve had 3 come forward to the APA and say that they’ve witness crimes and they’ve brought very compelling evidence,” Quinn explained. “We’ve had an additional 30 come forward, but who are too intimidated to actually go public.”

Some homeowners, like the McBrides with American Integrity in Port Charlotte, told us they have no option but to take their insurance company to court. They said the process could take a year, and their life savings is running out.

“I want my home back… It’s all taken away from me, and how much longer?” said Sherry McBride.

A spokesperson for OIR confirmed that their investigation into Ian’s claims handling is ongoing.

We asked about a policyholder’s rights when it comes to getting canceled or non-renewed for a complaint or lawsuit.

The spokesperson pointed her toa statute stating: “Claims on property insurance policies that are the result of an act of God may not be used as a cause for cancellation or nonrenewal.”

That “Act of God” would be the hurricane, but the OIR’s ‘Homeowners Insurance Overview’ also stated:

“Currently, there are no laws that prohibit an insurer from canceling a property policy if the insured has a pending claim except upon a declaration of an emergency and the filing of an order by the Commissioner of Insurance Regulation.”

In the complaint data we reviewed, there are 61 “cancellation issue” complaints related to Hurricane Ian.

At the end of May, Governor Ron DeSantis signed the Insurer Accountability Act, which in part addresses insurance claims handling.

Regarding insurer claims handling, the bill summary states:

- Requires liability insurers to follow proper claims handling practices on behalf of their insureds and provides that insurers engaging in a pattern or practice of violations are subject to enhanced enforcement penalties, including a 2.0 multiplier of fines.
- Requires residential property insurers to create and use claims-handling manuals that comply with

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the Insurance Code and, at a minimum, comport to industry standards. The OIR may request a claims handling manual at any time and requires each property insurer to attest that their claims manuals comply with Florida law and the insurer is able to properly implement their manual.

- Strengthens the Unfair Insurance Trade Practices Act by:
    - Prohibiting alteration or amendment of an adjuster's report without providing a detailed explanation as to why any change that has the effect of reducing the estimate of the loss was made. The insurer must also either create a list of changes and who made the change or retain all versions of the report.
    - Prohibiting officers and directors of impaired or insolvent insurers from receiving a bonus from that insurer or other entity under common ownership with that insurer.

The bill also increases the fines for insurance companies that don't properly handle claims, but the APA said they are still barely a slap on the wrist for companies that make billions of dollars.
In accordance with the bill, each property insurer must submit their claims-handling manual to OIR by Aug. 1.

A press release from OIR added: "Further, the insurer must attest that it maintains adequate resources available to implement the requirements of its claims-handling manuals at all times, including during natural disasters and catastrophic events."

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