

[Insurance companies are increasingly scrutinizing the state of the inside of your house](#)

The Destin Log

Predict and prevent is the aim of the insurance industry's latest approach to forestall the need for them to replace.

Insurance companies aren't just scrutinizing your roof. They are snooping more closely at fixtures under the sink and around the toilet, too.

Particular kinds of piping materials, certain electrical panel models and corrosion in the wrong places are just a few of the issues that may cause you heartburn when you check the mailbox.

It's becoming more likely you could be getting a letter that says you have a deadline, sometimes just a few weeks, to fix any number of a household issues if you're going to keep your insurance coverage. Or it could be, as you seek coverage on a newly purchased house or a replacement policy for the one that got canceled, that the insurer demands you change fixtures or appliances, like older water heaters, to prevent a future claim.

It's yet another among the growing list of concerns for thousands Florida homeowners struggling with higher insurance premiums. Over the past several years, home, and other property owners from Pensacola to Palm Beach are being pummeled by triple-digit increases in their insurance costs. And that's if their insurer didn't drop them altogether.

This latest move by insurance companies may exacerbate the situation, as the repairs they demand could run in the thousands of dollars — as Cindy Gillum of western Palm Beach County recently found out. She

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was told she had one month to cough up \$7,000 to repair the buckling and settling pavement that had occurred at her home of more than 40 years, or face losing her insurance.

“I was shocked,” said Gillum of the costly saga that unfolded six months ago. “I wrote to the governor and called it legalized extortion.”

The requirements are part of a shift in the insurance industry’s approach, said Mark Friedlander, spokesman for the industry-funded Insurance Information Institute, based in Malvern, Pa. And it’s not just happening in Florida.

“The old approach used to be (when there was a loss) we’ll just fix that,” Friedlander said. “Now it’s, how do we try to mitigate risk to prevent loss?”

To that end, insurers appear to be looking more closely.

Insurers are dispatching more inspectors to have a look-see
Private companies don’t officially share information on the number of property inspections they conduct annually.

But the state’s largest property insurer, Citizens Property Insurance Corp., has plans to increase its policyholder inspections more than 166% from the number of inspections done in 2022 to 400,000 inspections this year. The nonprofit insurer’s activities are public because it is the state-backed insurer of last resort with the power to impose an assessment on all Florida property owners if loss payouts go beyond its means.

“In late 2022, the Citizens Board of Governors directed staff to ramp up the frequency of surveys to get a better handle on the property characteristics of the policies we cover,” explained Michael Peltier, spokesman for Citizens. “Prior to that, we were surveying far fewer homes than private insurance companies.”

Peltier said the inspections don’t typically mean premium adjustments. However, the more intense focus on home repairs is triggering more and more threats of policy cancellations, some insurance agents and consumer advocates say.

That lifetime warranty that came with your hot-water heater may not impress your insurer, it turns out. Insurance policyholders report that they've been ordered to replace 14-year-old hot-water heaters.

"It's understandable that they are mitigating risk, but man, you can't own anything anymore," said Tony Diamante, 60, of Margate, whose job as a property manager has put him in contact with insurers' concerns about hot-water heaters, shut-off valves and other plumbing.

A 2-year-old hot-water heater needed the attention of Joey Godoy, who runs Joey's Handyman and Tree Service based in Coral Springs. He said a client called him to change it out on the orders of the insurance company. Godoy said he has also been getting customers ordered to deal with window leaks and overgrown trees after their insurer sent an inspector.

"This is a new thing, for sure," Godoy said of the change he noticed about five years ago.

Feeling the financial burn

To be sure, getting an inspection is not always bad news. Vicki Barnes, 61, was on the phone and scheduling a four-point inspection of her Sanford home of 20 years after her premium rose \$7,500 last year from 2022's bill. The retired journalist had never had a claim before.

"The bill did come down \$4,500" after the inspection, she said.

But Amy Bach, executive director of United Policyholders, a 33-year-old San Francisco-based insurance customer advocacy nonprofit, said the approach is targeting older homes in certain places.

This isn't what insurance is for, she said.

"An insurance policy is not a home maintenance agreement," she said. "Yet, any evidence of deferred maintenance is a red flag. It couldn't come at a worse time for the American public who are struggling to make ends meet."

Equipment list gives insurers pause

Copper pipes, polybutylene pipes and certain kinds of electrical panels are among the items that may spur insurers to send a notice threatening cancellation, even though some of them were being installed as late as the mid-1990s.

With 30 years working as an electrician for the family company, McAfee Electric Inc. in West Palm Beach, Kyle McAfee has been on the receiving end of insurers' demands to replace items that may not seem to be an issue to homeowners.

Fifteen years ago, for example, Federal Pacific Electric (FPE) panels were acceptable to insurers if the electrician would certify the good working order of the panel, McAfee said. FPE products were found faulty in some models' government tests of how well they stopped electric wires from getting overheated or short-circuited as electricity flows into structures from the source. But then insurers started taking a harder line against FPE and certain other brands of electric panels, McAfee said.

"I was a little bit skeptical," McAfee said when all the FPE equipment had insurers putting the brakes on coverage.

It's not uncommon for homeowners to resist trying to make the change, he said.

"Why would I spend the money to fix something that isn't going to aesthetically improve my house and I'm not going to see a change in function?" McAfee said, describing a common reaction and noting that it usually costs a typical homeowner about \$2,500 to switch out electric panels.

He expects a raft of condos' electrical panels will face the same replacement with the new scrutiny occurring in the wake of the Surfside condo collapse that triggered increased inspection requirements for older structures.

After all, a faulty electrical system might have consequence more severe than a bad paint job, or an air conditioner quitting.

"When that equipment fails, that really is a legitimate life safety issue," McAfee said. " ... Very few people are excited to do it, but when you explain it to them ... then usually they're willing and they'll move forward."

Over in western Palm Beach County, though, Gillum sees things a different way: "If it's not broken, why change it?"