

Putting Florida more in line with national practices

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Stacey Clark walks around her Bethel Creek home with her dog Sweetie on Oct. 15 after a tornado tore through her home

Oct. 9 before Hurricane Milton passed through the area. Clark was in her home with Sweetie when the tornado ripped her

roof off. into the same category.

Harold Levy, founder and managing partner of HL Law Group in Fort Lauderdale, said he is not surprised that companies are optimistic that they have better prospects than they did three years ago for getting through storm season more solvent and profitable, now that the laws favor keeping them out of court. And he doesn't think it's a coincidence that claims closed without payment have begun increasing since the state passed laws that prohibit lawyers from getting their fees added to their clients' insurance settlement.

"Carriers know well that without statutory fees, that certain claims are going to be very difficult for a lawyer to be able to justify financially," Levy said. "So, if someone has a legitimate \$15,000 claim, and I can't get fees on that ... the insurance companies are banking on that."

Typically, the lawsuits show up three to six months after a storm, Levy said.

Friedlander, representing the Insurance Information Institute, doesn't see the number of claims getting closed without payment as a result of the tort reform, however. The reforms bring the state more in line with other states' legal rules, he said.

“Two primary reasons for hurricane claim denials: A flood claim filed with your property insurer or the loss not meeting the windstorm deductible of the (example: \$20,000 storm loss with a \$25,000 windstorm deductible),” Friedlander said in an email. And “FEMA requires a coverage denial letter from your property insurer as part of the emergency grant application process. This has led to many homeowners knowingly submitting a flood claim with their home insurer.”

The tort reforms also added some accountability for insurers, supporters of the changes point out. If Fernandez of Zephyrhills, for example, doesn’t get an offer for settling her claim within 60 days of filing it, she can file a civil remedy notice about it, shortened from 90 days. That’s a tool that’s useful only if she sues, though.

Also, under the new laws, her insurer must provide a detailed explanation in writing about the results of her claim. If she has a dispute about the amount her insurance company is offering, she can submit it to the state Department of Financial Services. Other remedies would involve hiring an adjuster or an appraiser.

A definite win for the companies, but what about policyholders?

Jeff Brandes, a former Republican state senator now the founder and president of the think tank Florida Policy Project, said all signs show the reforms are working. He’s predicting that policyholders will see a 1% to 5% reduction in their premiums and more nationally backed insurers interested in doing business in Florida, despite the latest slew of storms.

“What we’re seeing is the huge reduction in litigation is having a huge impact. ... We’re probably another year away from outside capital waking up and seeing that the market of Florida has turned,” Brandes said.

He cited a report from the 13th-biggest property insurer in Florida, Heritage Insurance, reporting net income of \$8.2 million in 2024’s third quarter, compared to the net loss of \$7.4 million in the same quarter in 2023. The gain was recorded despite the company’s \$48 million in hurricane losses, according to a company statement.

Still, Amy Bach, executive director of United Policyholders, an advocacy nonprofit for the insured, said she’s concerned that Florida’s insurance is getting thinner and thinner while there are too few avenues

for consumers to hold insurance companies to account when there is a loss, even though Floridians pay more than homeowners in any other state.

“We feel like we hear too many stories of people whose claims were closed without payment because either the policy had been rewritten in such a way that they didn’t meet the very high deductibles or the insurer found a way not to pay instead of what we expect them to do, which is find a way to pay,” Bach said.

More policy fixes?

When the Florida Legislature convenes in March, the impact of this past storms season is scheduled to hit policyholders’ premiums.

In anticipation of the upcoming session – between the landfalls of Helene and Milton, in early October – Chief Financial Officer Jimmy Patronis announced he will ask the Legislature to dedicate more funding to My Safe Florida Home, which gives residents up to \$10,000 to better hurricane-proof their homes.

Meanwhile, Republican Sen. Blaise Ingoglia of Spring Hill, who represents the part of the state hit by both Helene and Milton, would like to go even further than My Safe Florida Home and encourage people to build their tall Florida home. Incentivizing the construction of buildings higher than any storm surge would end the cycle of rebuilding after a hurricane only to have the rebuilt structures annihilated again, he says.