

Florida's Tort Reform

FLORIDA OFFICE OF INSURANCE REGULATION

COMMISSIONER MICHAEL YAWORSKY

April 2025

Property Insurance Market Highlights

Data as of December 31, 2024.



\$3.8 T

**Total Insured
Value**

***excluding
auto**

7.57 M

**Residential
Insurance
Policies
in Force**

1.3 M

**Policies
Approved for
Takeout in
2024**

0.5%

**30-Day Average
Request for
Homeowners'
Rates**



How Did We Get Here?

Inflation

Litigation

Storms

Reinsurance

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.



The Outcome: Industry Performance

Underwriting Income

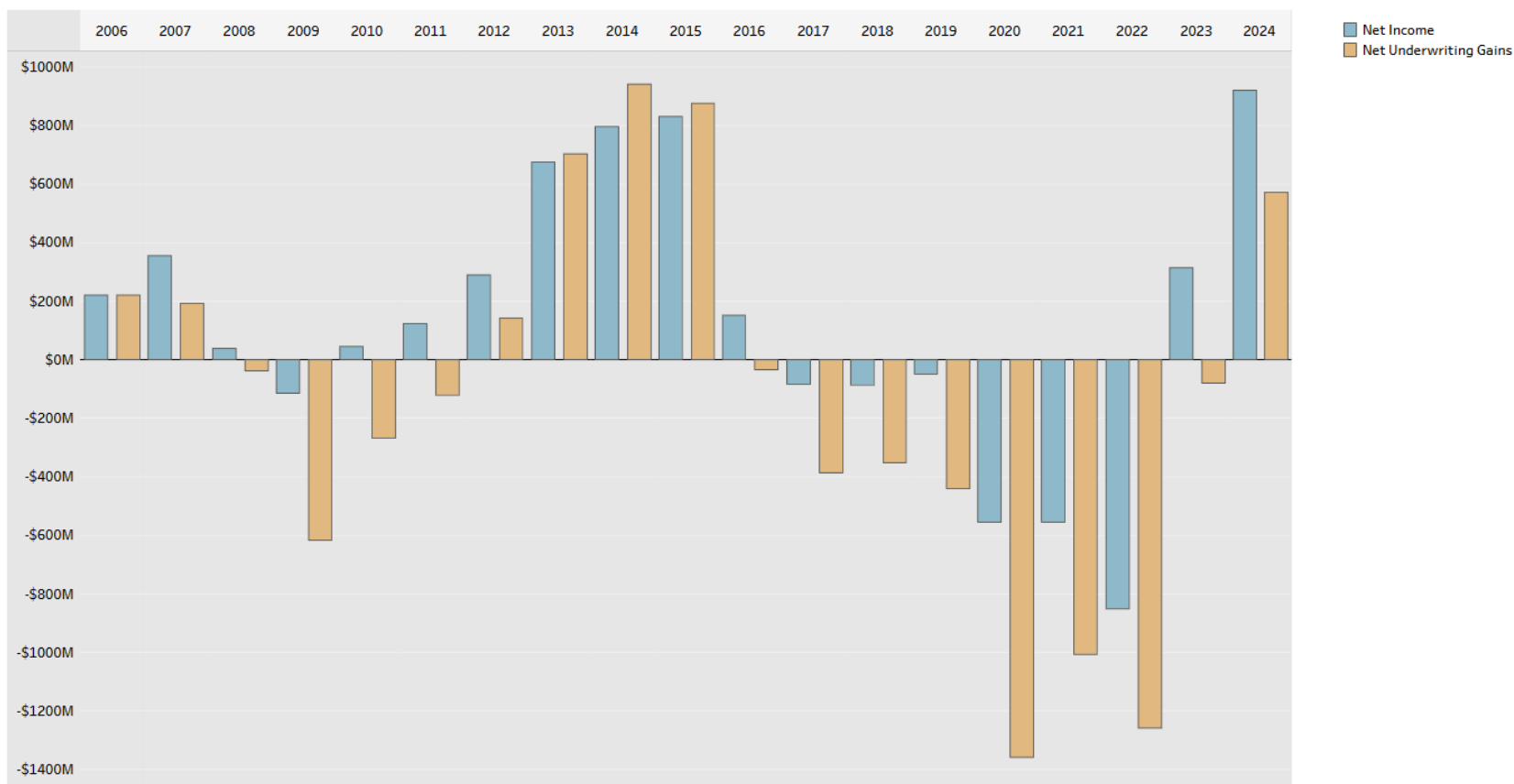
2024 marks the first year since 2015 where companies produced aggregate underwriting gains.

Net Income

2024 **\$922M** earnings from 2023's **\$313 million gain** & **2022's \$854 million net loss.**

Performance of Florida Domestic Property Companies

Net Income and Net Underwriting Gains (Data as of 03/13/2025)



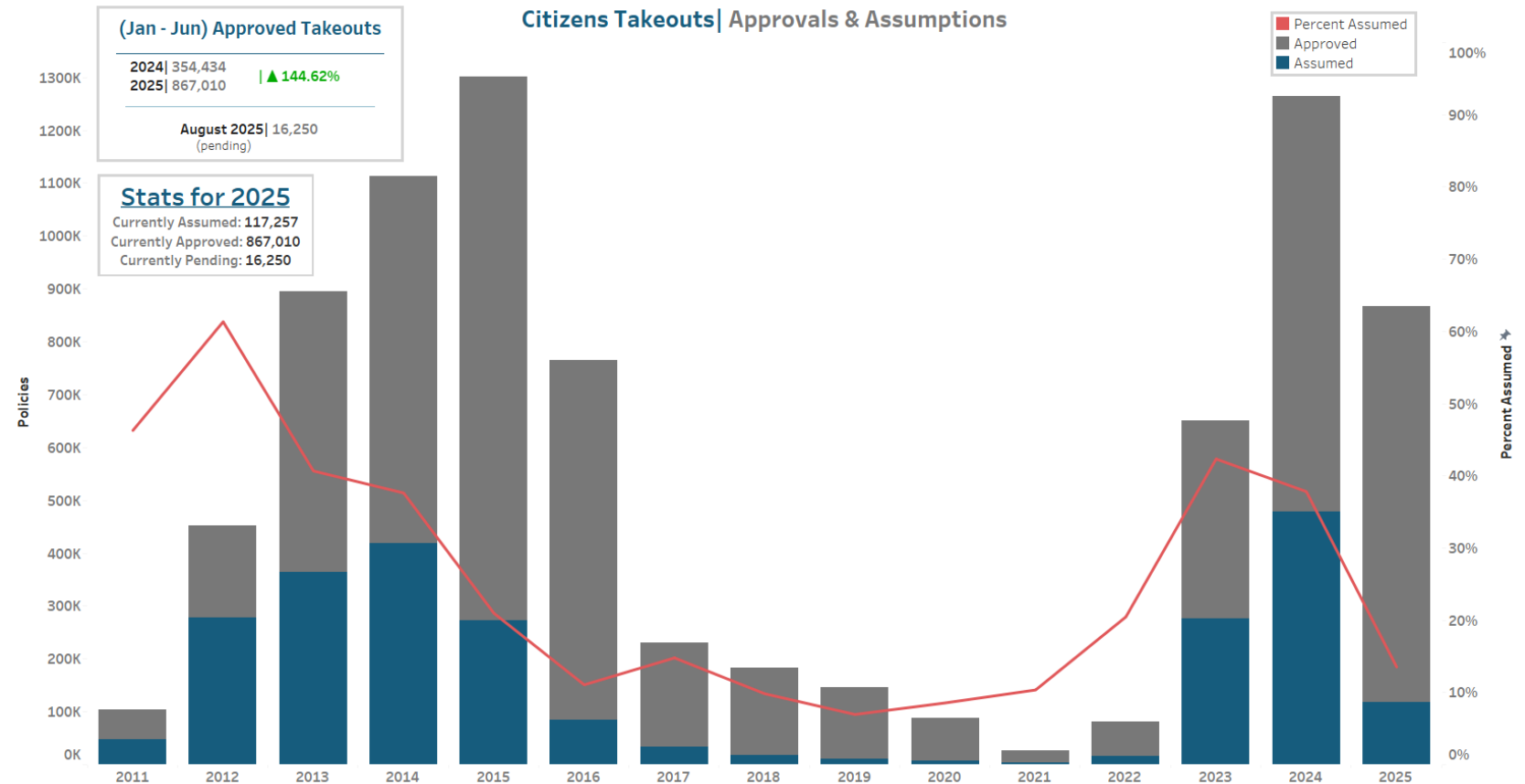
The Outcome: Citizens Property Insurance Corporation



2025

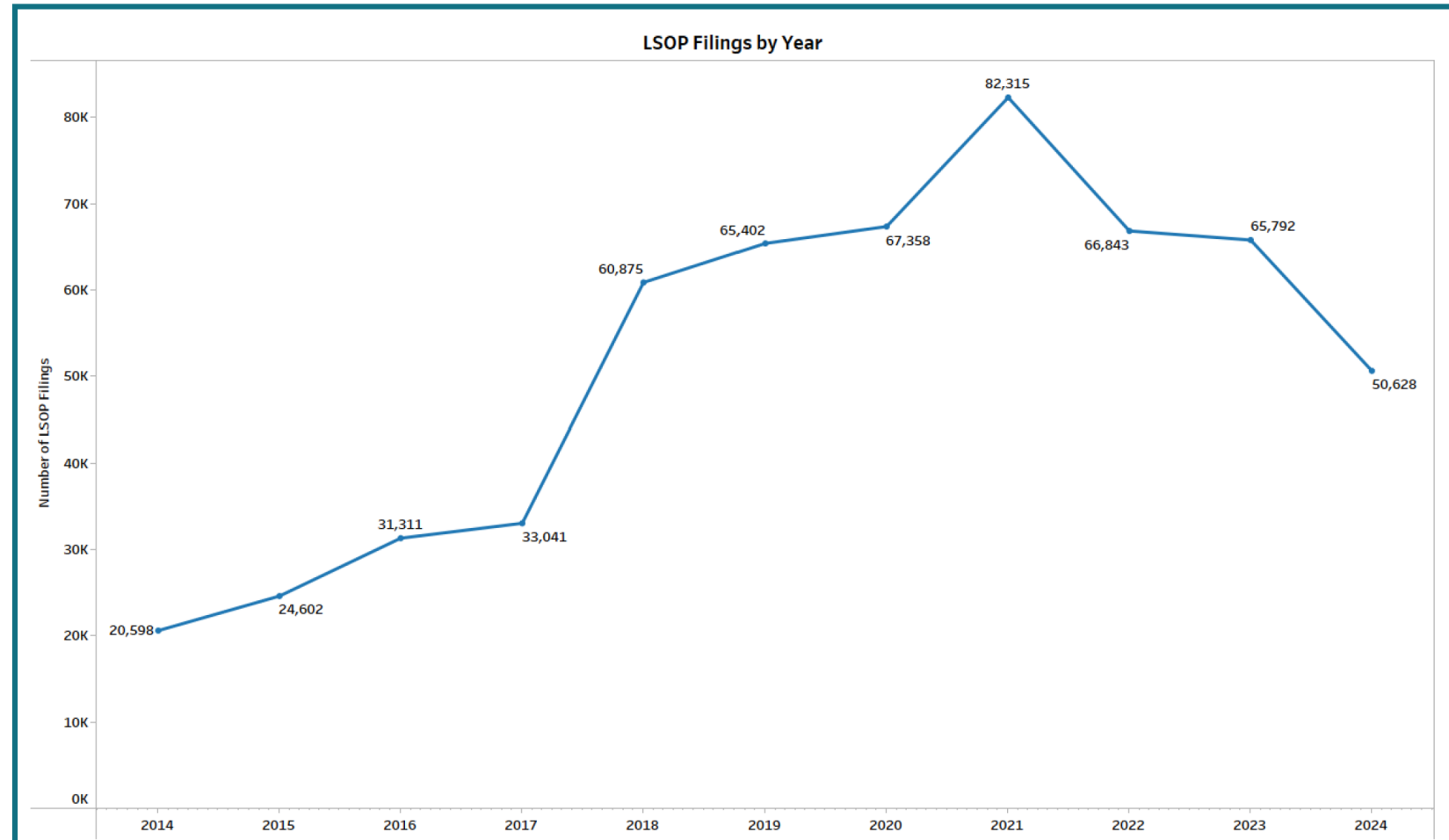
867K total takeouts approved (so far), a **145% increase** compared to the same January-June 2024 period

117K takeout policies assumed



The Outcome: Litigation Trend

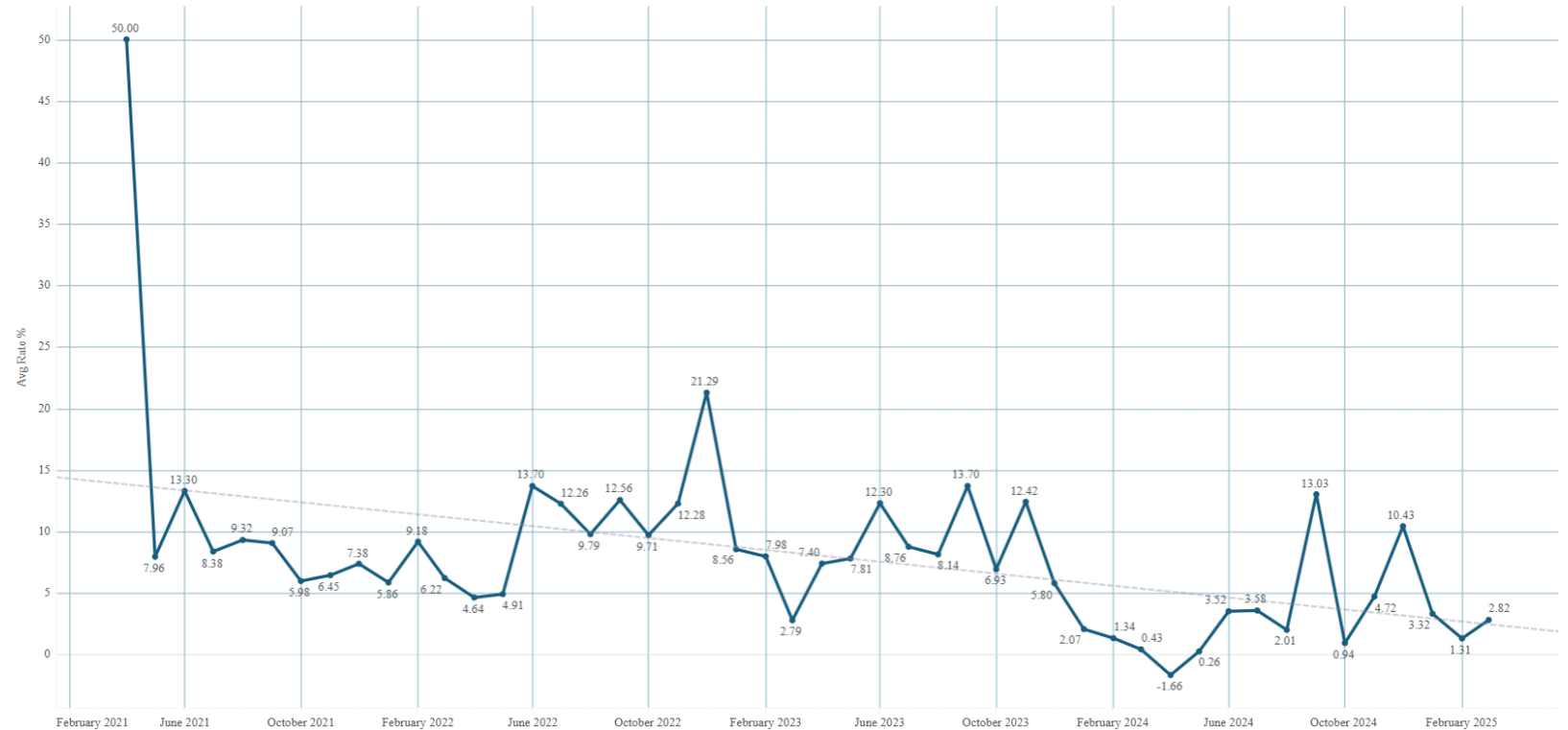
Yearly Comparison	
23.0% Decrease	2023: 65,792
	2024: 50,628



- Lowest Litigation Since 2017



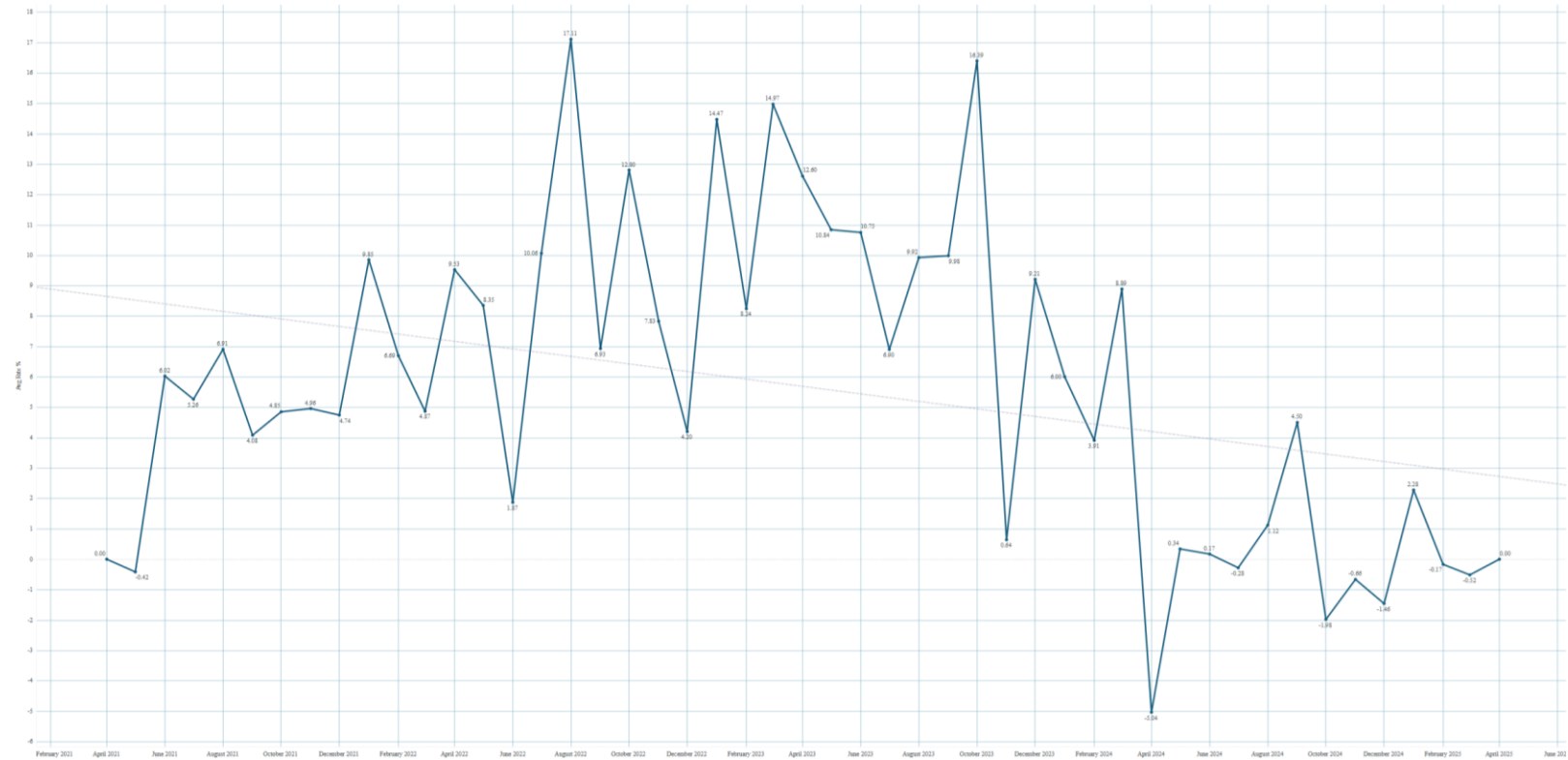
The Outcome: Approved Personal Residential Property Average Rates (Excluding Citizens)



Effective **December 2022**,
average approved rates were
+21.29%.

Effective **March 2025**, average
approved rates were **+2.82%**.

The Outcome: Approved Private Passenger Average Rates



Effective **January 2023**, average
approved rates were **+14.47%**.

Effective **March 2025**, average
approved rates were **-0.52%**.

The Outcome: Noteworthy Reduction in Defense & Cost Containment Expenses (DCC) for Domestic Homeowners Insurers By Accident Year



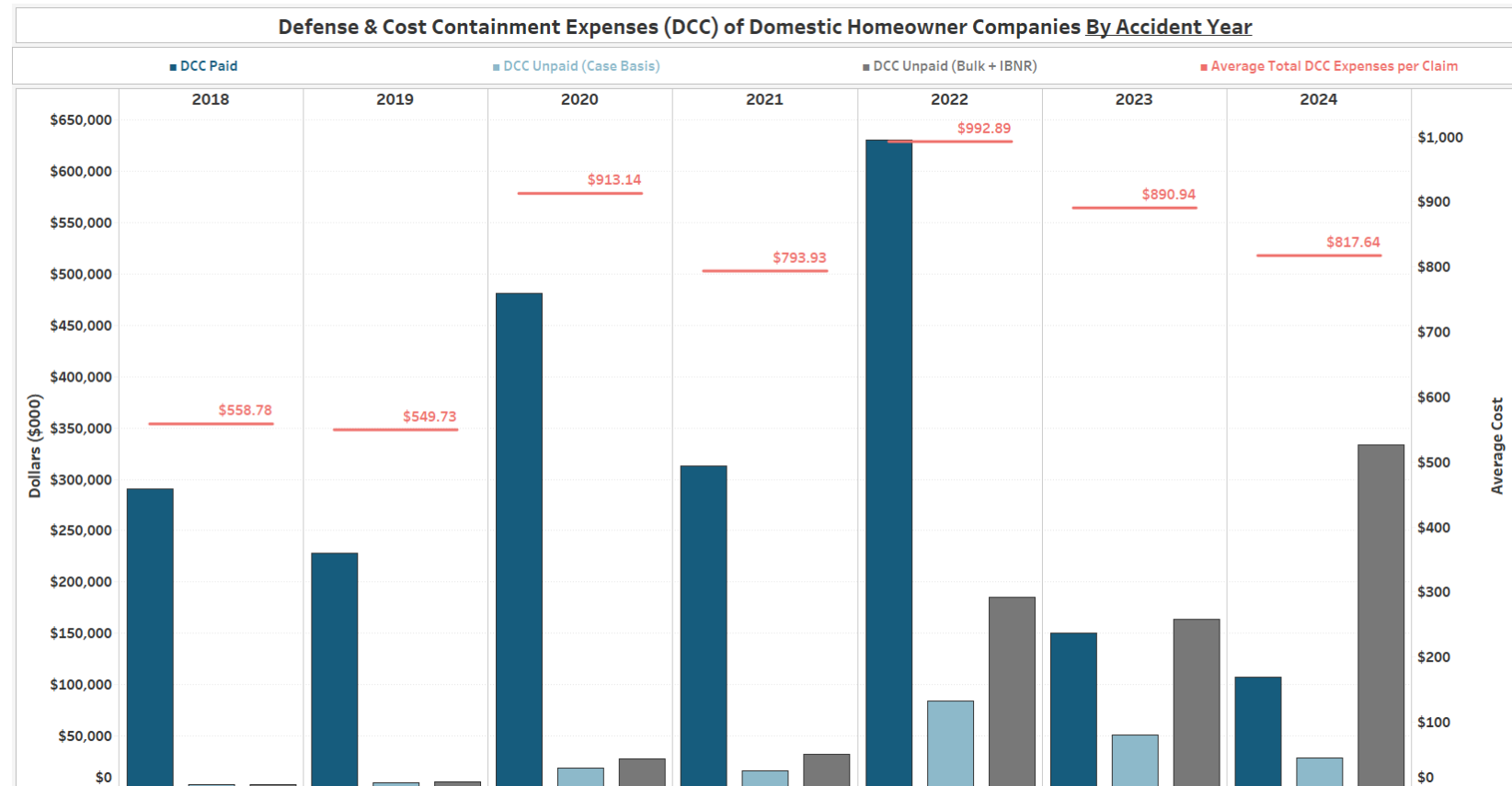
Average Accident Year DCC Expenses Per Reported Claim

Includes **DCC Paid**, **DCC Unpaid (Case Basis)**, & **DCC Unpaid (Bulk & IBNR)**

2024: Companies are paying & reserving **18% or \$175.25 less** on average in DCC per reported claim from 2022.

DCC Unpaid (Case Basis)

2024: **\$55M or 65% less** from 2022 (despite active storm season)





Florida Office of Insurance Regulation