

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

BANKING AND INSURANCE
Senator Ingoglia, Chair
Senator Sharief, Vice Chair

MEETING DATE: Tuesday, January 14, 2025
TIME: 8:30—10:30 a.m.
PLACE: *Pat Thomas Committee Room, 412 Knott Building*

MEMBERS: Senator Ingoglia, Chair; Senator Sharief, Vice Chair; Senators Boyd, Burton, Hooper, Martin, Osgood, Passidomo, Pizzo, and Truenow

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
	Presentation on Property Insurance by Michael Yaworsky, Commissioner, Florida Office of Insurance Regulation		Presented
	Presentation on Citizens Property Insurance Corporation by Tim Cerio, President, CEO and Executive Director		Presented
	Other Related Meeting Documents		

Property & Casualty Insurance Market Update

FLORIDA SENATE COMMITTEE ON BANKING AND INSURANCE
FLORIDA OFFICE OF INSURANCE REGULATION
COMMISSIONER MICHAEL YAWORSKY
JANUARY 2025

Florida Office of Insurance Regulation (OIR) Overview



310 full time employee positions



\$53 million budget through the Insurance Regulatory Trust Fund

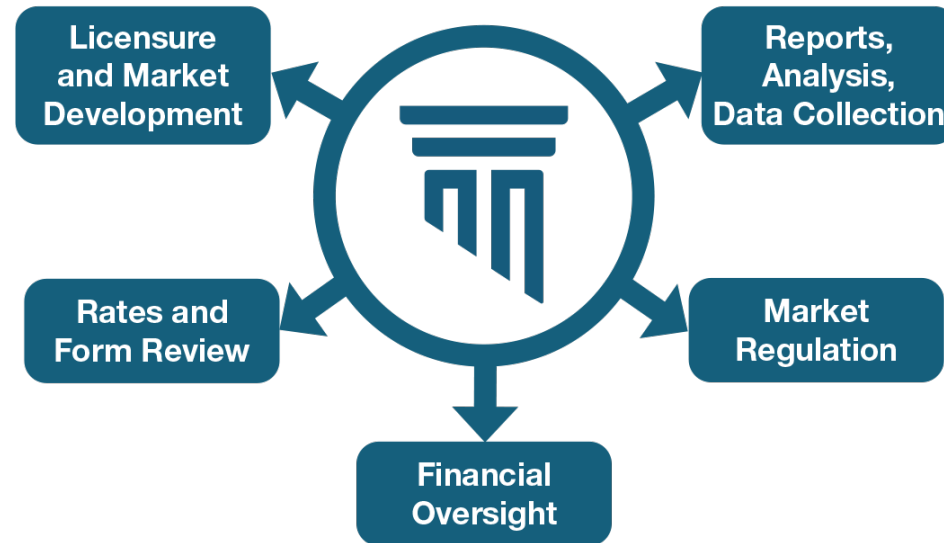


Administratively housed within the Department of Financial Services (DFS) for administrative and technology support services.



Reports to the Financial Services Commission (FSC) made up of the Governor, CFO, Attorney General, and Agriculture Commissioner

OIR Functions



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



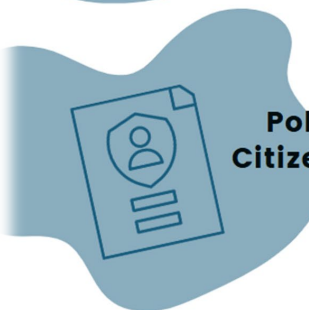
Property Insurance Market Highlights



7.5 M
Residential Insurance
Policies in Force

\$3,731

Admitted Market Average
Homeowners Premium

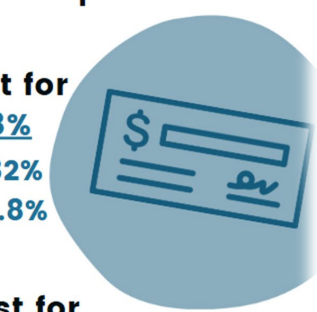


1,263,749
Policies Approved for
Citizens Takeouts in 2024

9 New Companies and 1 Acquisition

**30-Day Average Request for
Homeowners Rate: 0.8%**

1 year ago: 1.82%
2 years ago: 21.8%



**180-Day Average Request for
Homeowners Rate: 1%**
1 year ago: 6.21%
2 years ago: 12.87%

Data as of January 4, 2025

Legislative Reforms

- **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.



Insurer Accountability

OIR monitors the conduct of insurers in the Florida marketplace by reviewing claim payment practices, appropriate form and rate data, and overall market activity to determine whether insurers are acting fairly and in compliance with Florida law.

Market regulation activities of OIR include examinations and investigations of authorized insurers and related parties. Based on the findings of an examination or investigation, the Market Regulation units may take administrative action, impose administrative penalties and require corrective action to protect insurance consumers from unlawful or harmful business practices. In 2024, the market regulation team has finalized more than 20 market conduct examinations and completed over 620 investigations, securing over \$8 million in monetary restitution for consumers.

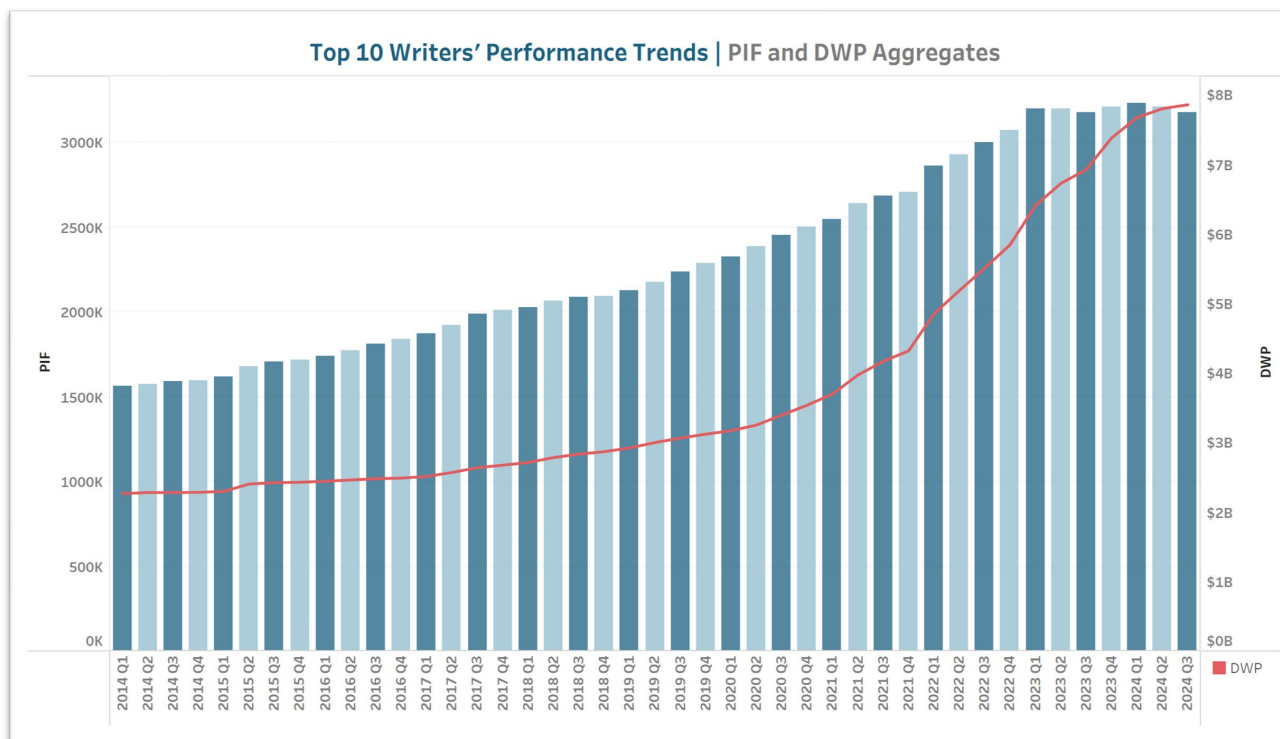
Recent upgrades continue to show that Florida's insurance market is maintaining stability. Moody's Ratings recently upgraded ratings for several Florida assessment-backed special tax bonds, including Florida's Hurricane Catastrophe Fund, Citizen's Property Insurance Corporation and the Florida Insurance Guaranty Association.

“Florida Insurance Commissioner Michael Yaworsky has returned millions of dollars to consumers through administrative penalties so far this year and fined insurers nearly seven times the dollar amount during the first three quarters of 2024 as it did for all of 2023.”

“Yaworsky has aggressively ramped up enforcement since taking office in early 2023. Nearly \$2.8 million in fines were issued between January and October, a staggering increase from \$233,000 during all of 2023, according to the latest enforcement report.”

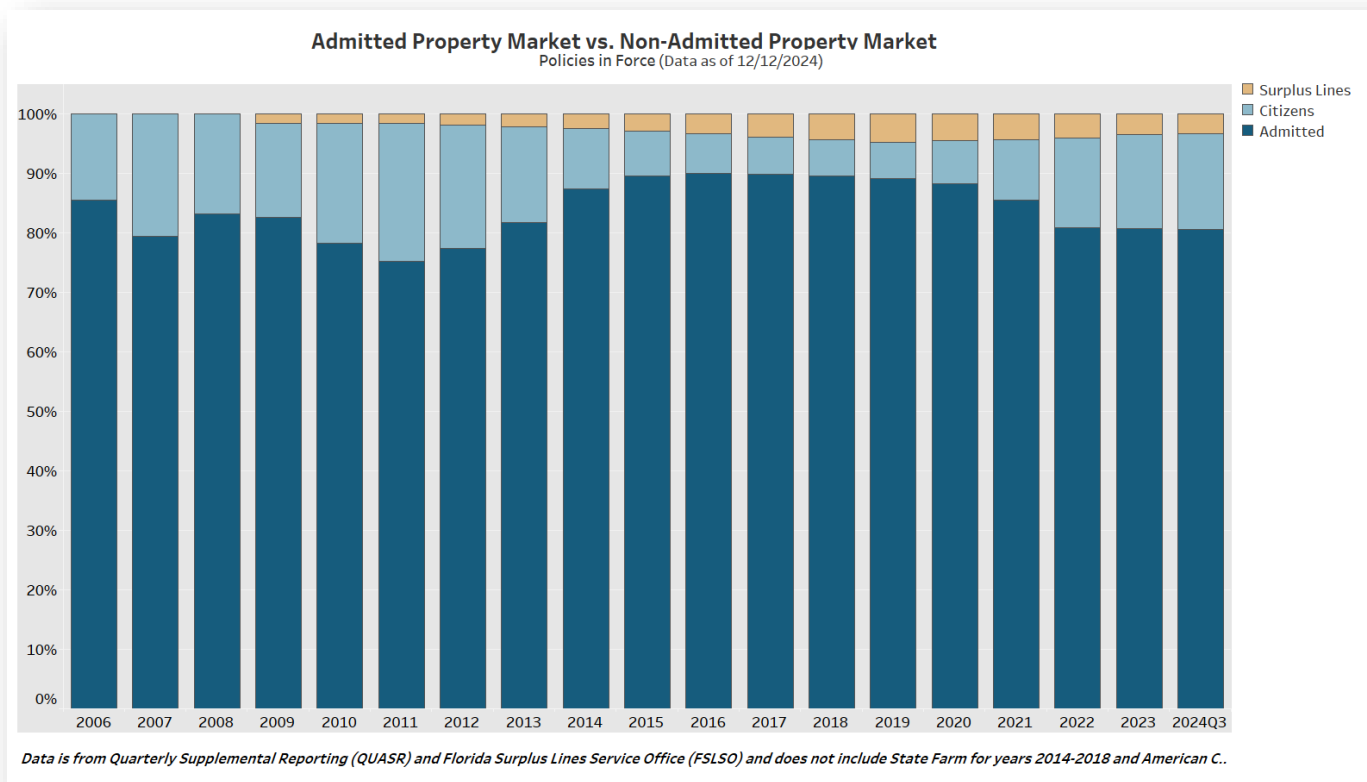


Policies in Force



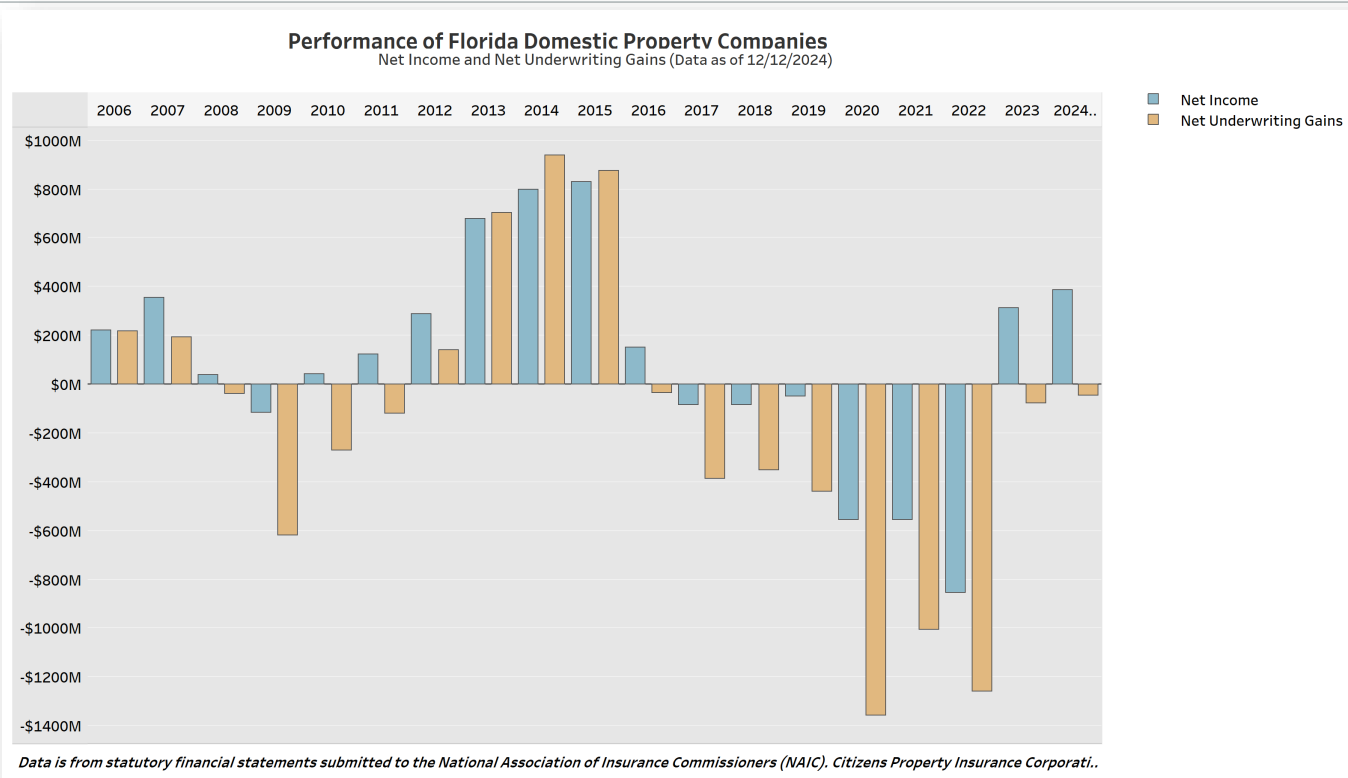


Admitted vs. Non-Admitted Property Market



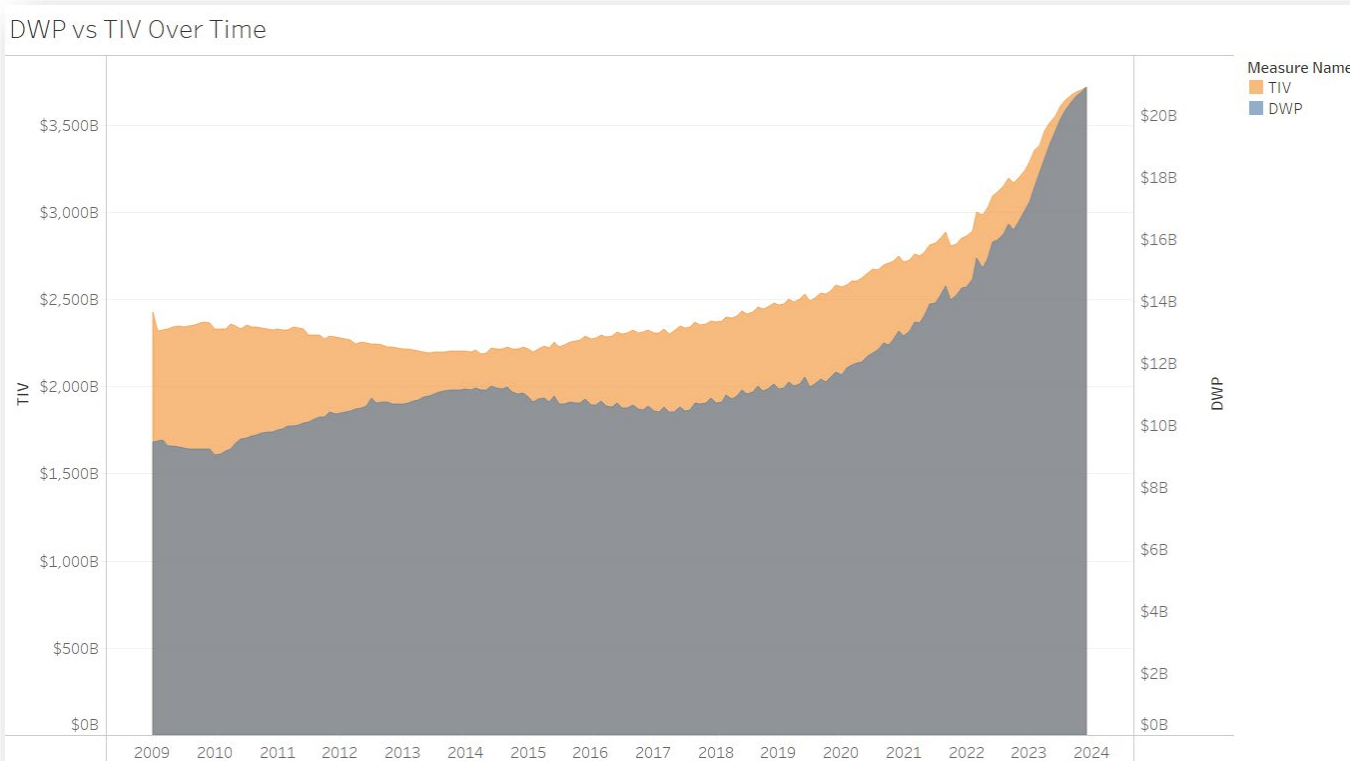


Industry Performance



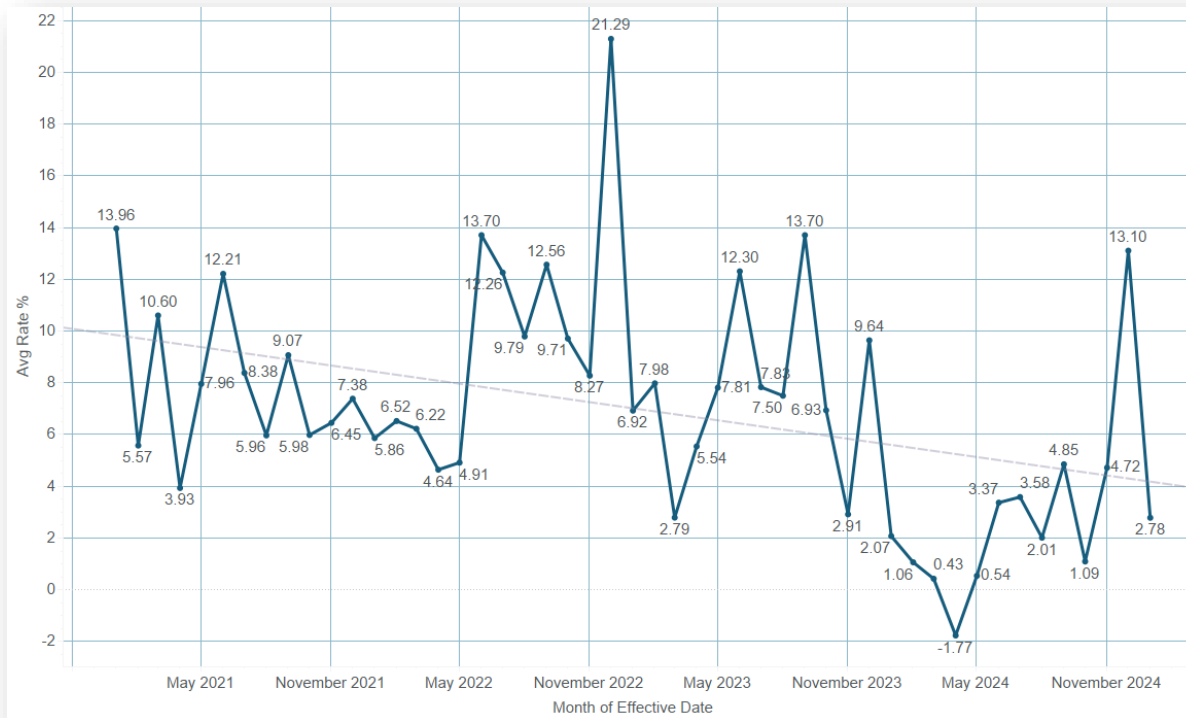


Total Insured Value & Direct Written Premium





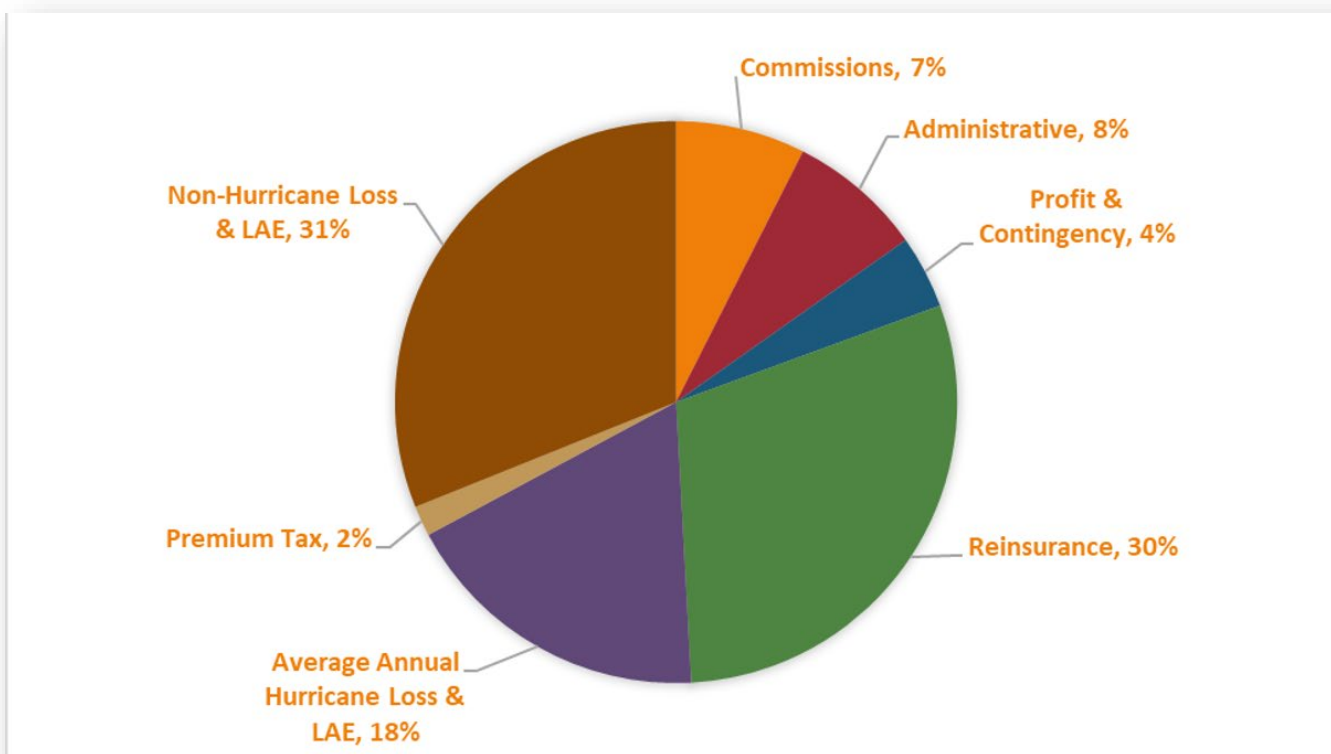
Personal Residential Property Average Rates



Data as of December 2, 2024. Data is from rate filings submitted by insurers through the Insurance Regulation Filing System. Data includes Citizens Property Insurance Corporation.



Rate Calculation Breakdown





Contact Information

Kevin Jacobs, Chief of Staff

Kevin.Jacobs@floir.com

(850) 413-5011

Seth Stubbs, Deputy Director of Legislative and Cabinet Affairs

Seth.Stubbs@floir.com

(850) 413-2427

For more information visit floir.com.

The Florida Senate

APPEARANCE RECORD

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

1/14/25

Meeting Date

Bill Number or Topic

Senate B+I

Committee

Amendment Barcode (if applicable)

Name

Michael Yaworsky

Phone

(850) 413-5011

Address

200 E Gaines St.

Email

insurancecommissioner@flor.com

Street

Tallahassee

FL

32308

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: OIR

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

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)

Florida Senate Banking and Insurance Subcommittee

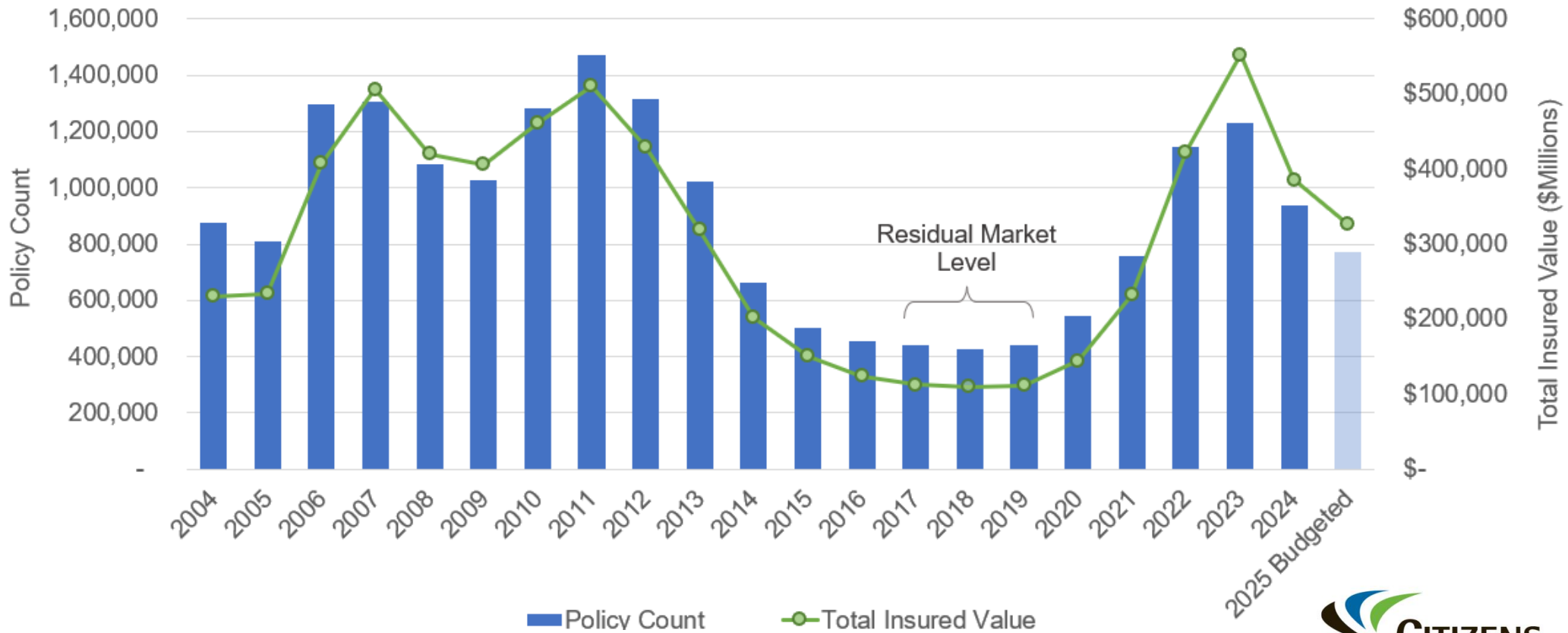
Senator Blaise Ingoglia, Chair
Senator Barbara Sharief, Vice Chair

Tim Cerio – President/CEO and
Executive Director

January 14, 2025



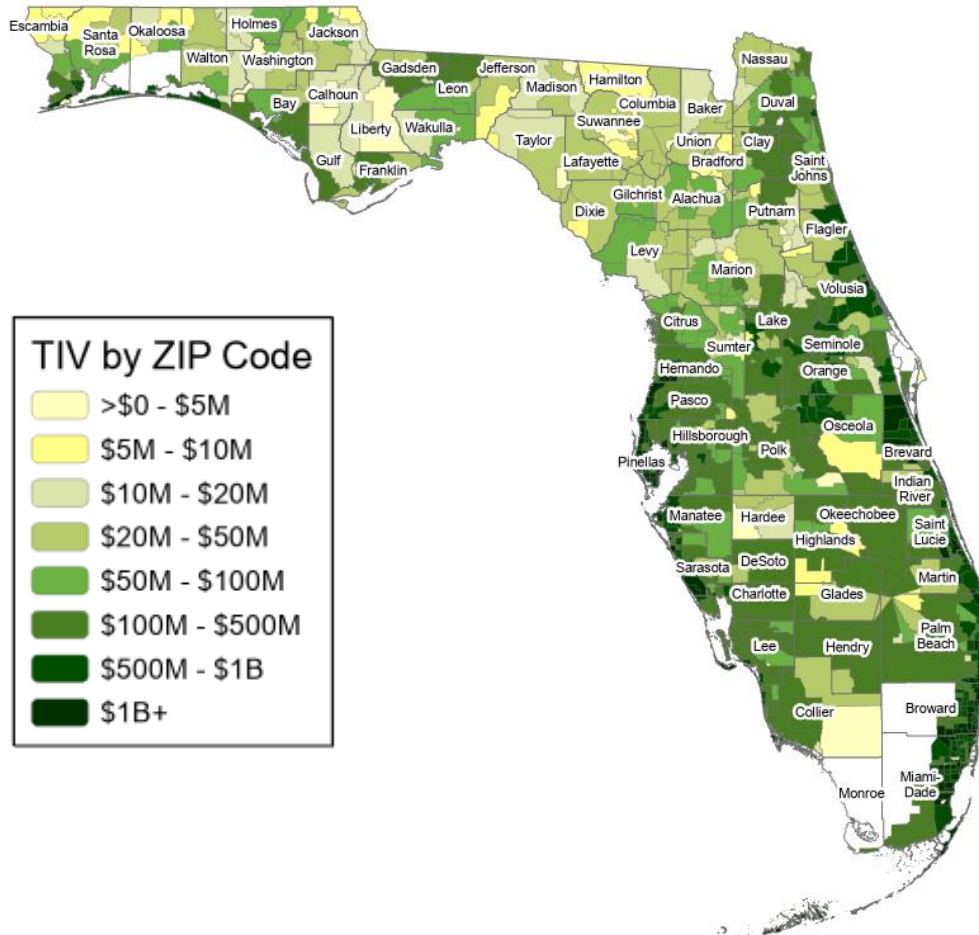
Policy Count and Total Insured Value



Total Insured Value (TIV) Top 15 Counties

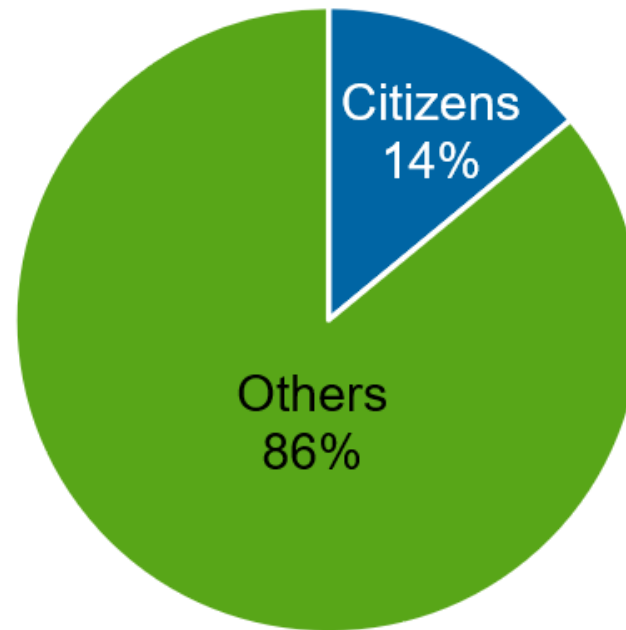
Top 15 Counties as of 12/31/24

County	Building Count	TIV (in Millions)
Miami-Dade	173,321	\$67,197
Broward	120,388	\$42,621
Pinellas	96,011	\$41,852
Palm Beach	92,252	\$39,677
Brevard	43,101	\$18,452
Hillsborough	43,076	\$16,609
Sarasota	27,922	\$14,907
Volusia	26,267	\$11,789
Orange	29,169	\$11,090
Pasco	30,976	\$10,663
Monroe	18,653	\$10,496
Lee	24,917	\$9,799
Collier	8,587	\$7,155
Hernando	18,452	\$7,069
Saint Lucie	16,427	\$6,683



Florida's Residential Property Insurance Market

Latest Data



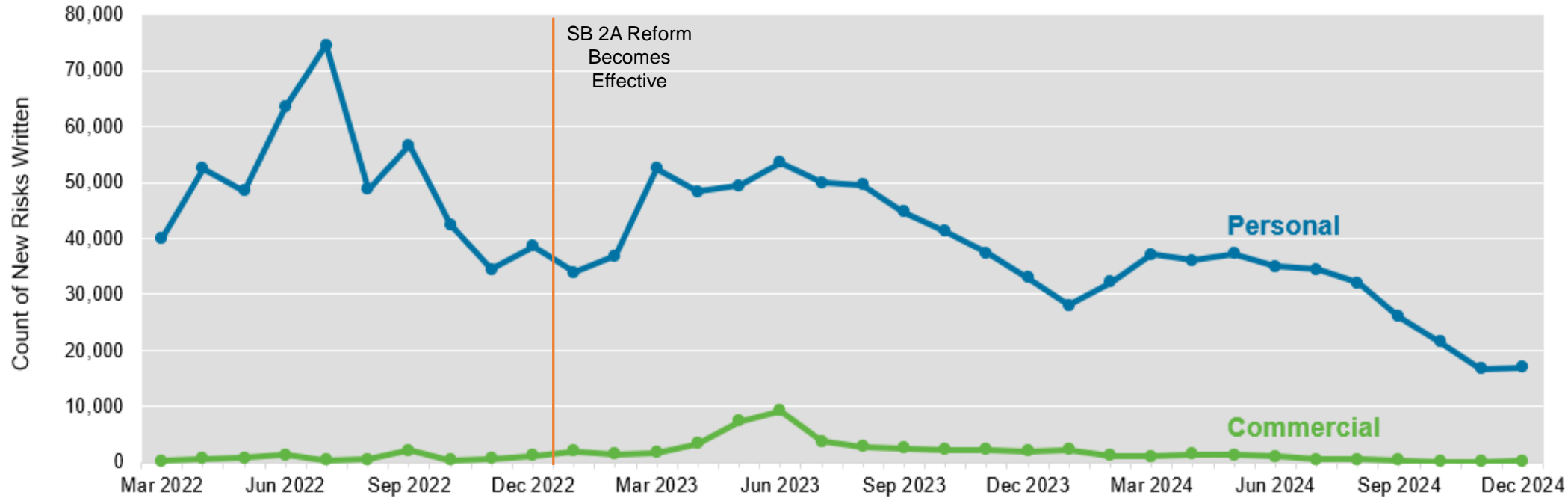
9/30/2024

Notes:

- 1) Includes admitted insurers only
- 2) Based on insured value for policies with wind coverage
- 3) Percentages may not add up to 100% due to rounding
- 4) Source: *Quarterly and Supplemental Reporting System Reports*. FL Office of Insurance Regulation



Policies Return to Private Market



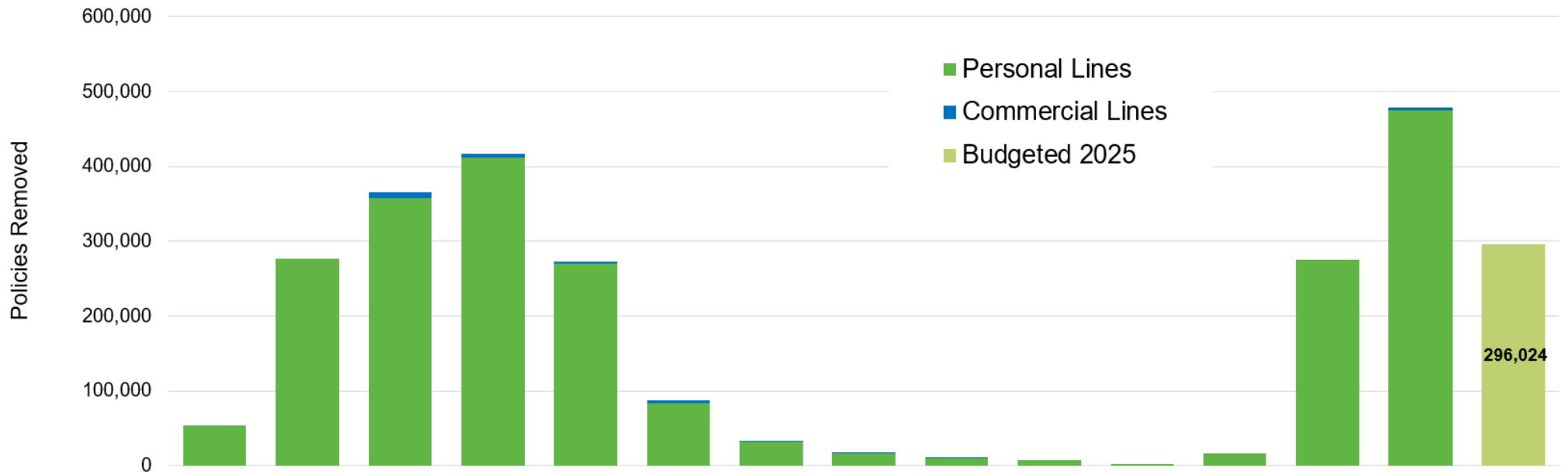
Notes:

- 1. Personal lines includes policies from insolvent carriers.
- 2. Includes policies with wind coverage; 3.0% of new policies exclude wind coverage over the past year.



Policies Return to Private Market

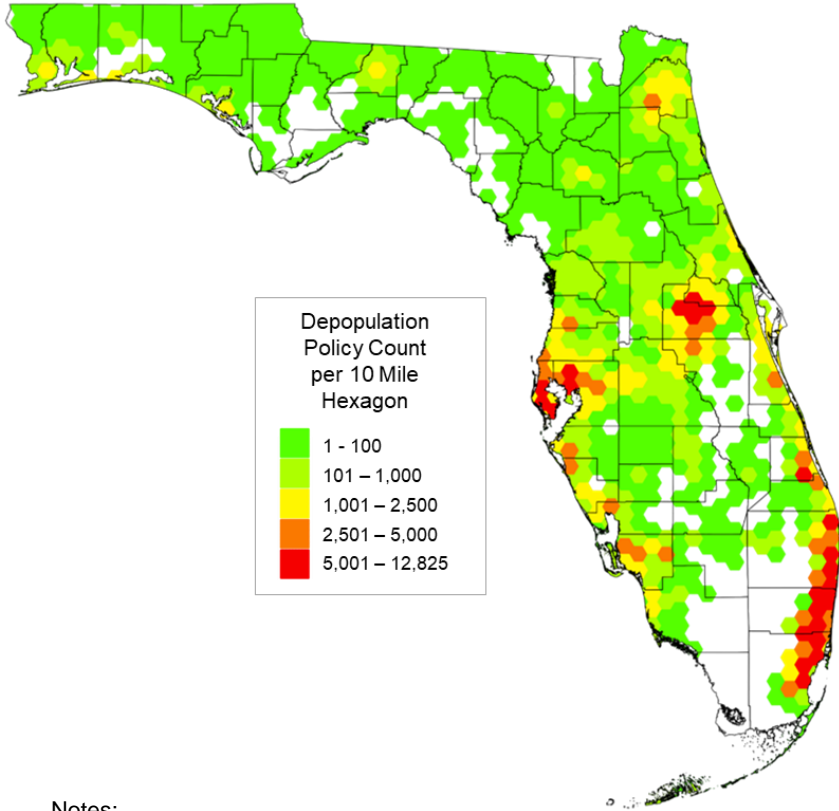
Historical and Projected Depopulation



Removed	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Budgeted 2025
Policies	53,577	277,002	365,767	416,623	272,785	88,000	34,008	17,905	10,084	7,463	2,814	16,408	275,324	477,821	296,024
Exposure (in millions)	\$14,474	\$75,927	\$112,265	\$117,530	\$64,830	\$23,363	\$7,435	\$4,308	\$2,181	\$2,497	\$1,027	\$7,174	\$113,375	\$214,527	

Note: Depopulation does not reflect opt outs after the date of assumption.

Depopulation Activity



Policies Assumed in 2024 and 2025			
Assumption Date	# OIR Approved	Choice Letters Mailed	# Assumed
1/23/2024	200,000	126,479	76,316
2/20/2024	39,000	27,652	15,713
2/27/2024 (CL)	850	437	321
3/19/2024	59,498	27,879	22,209
4/23/2024 (CL)	400	246	150
5/21/2024	54,386	34,760	17,610
6/25/2024 (CL)	300	170	126
10/22/2024	410,008	308,803	237,323
10/29/2024 (CL)	4,250	2,276	1,527
11/19/2024	235,035	103,248	57,355
12/17/2024	310,022	82,269	49,171
1/21/2025 (CL)	3,800	320	TBD
2/18/2025	342,918	143,814	TBD
3/18/2025 (CL)	250	TBD	TBD
3/25/2025	160,440	TBD	TBD
Total	1,821,157	858,353	477,821

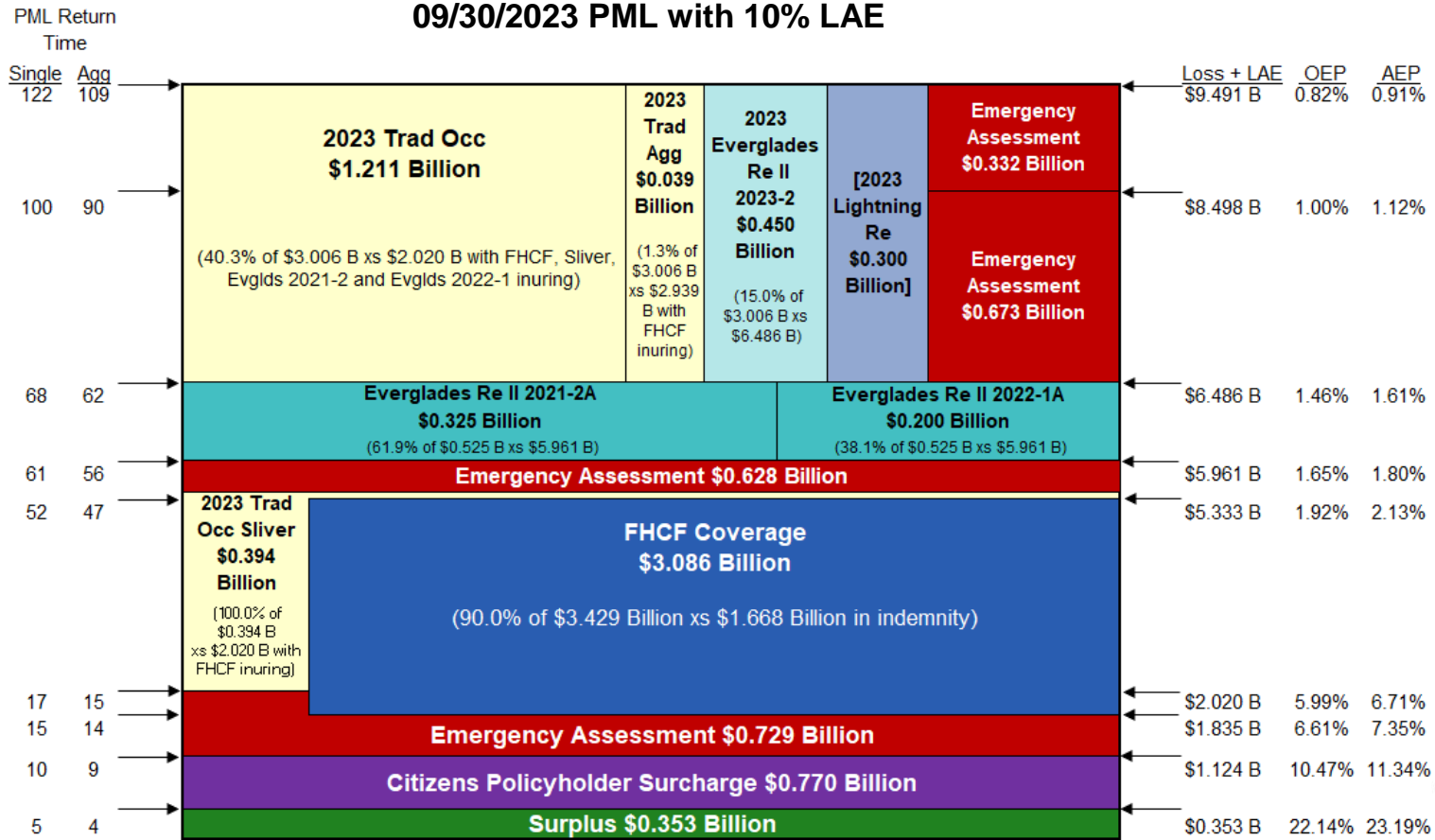
Notes:

- 1) Policyholder Choice Letters Mailed indicates the number of depopulation letters mailed, one per policy. Multiple offers may be contained in a single mailing.
- 2) Number assumed refers to policies assumed on date of assumption.
- 3) The hexagon map shows all personal lines and commercial lines (CL) policies assumed through December 2024.



2023 Risk Transfer

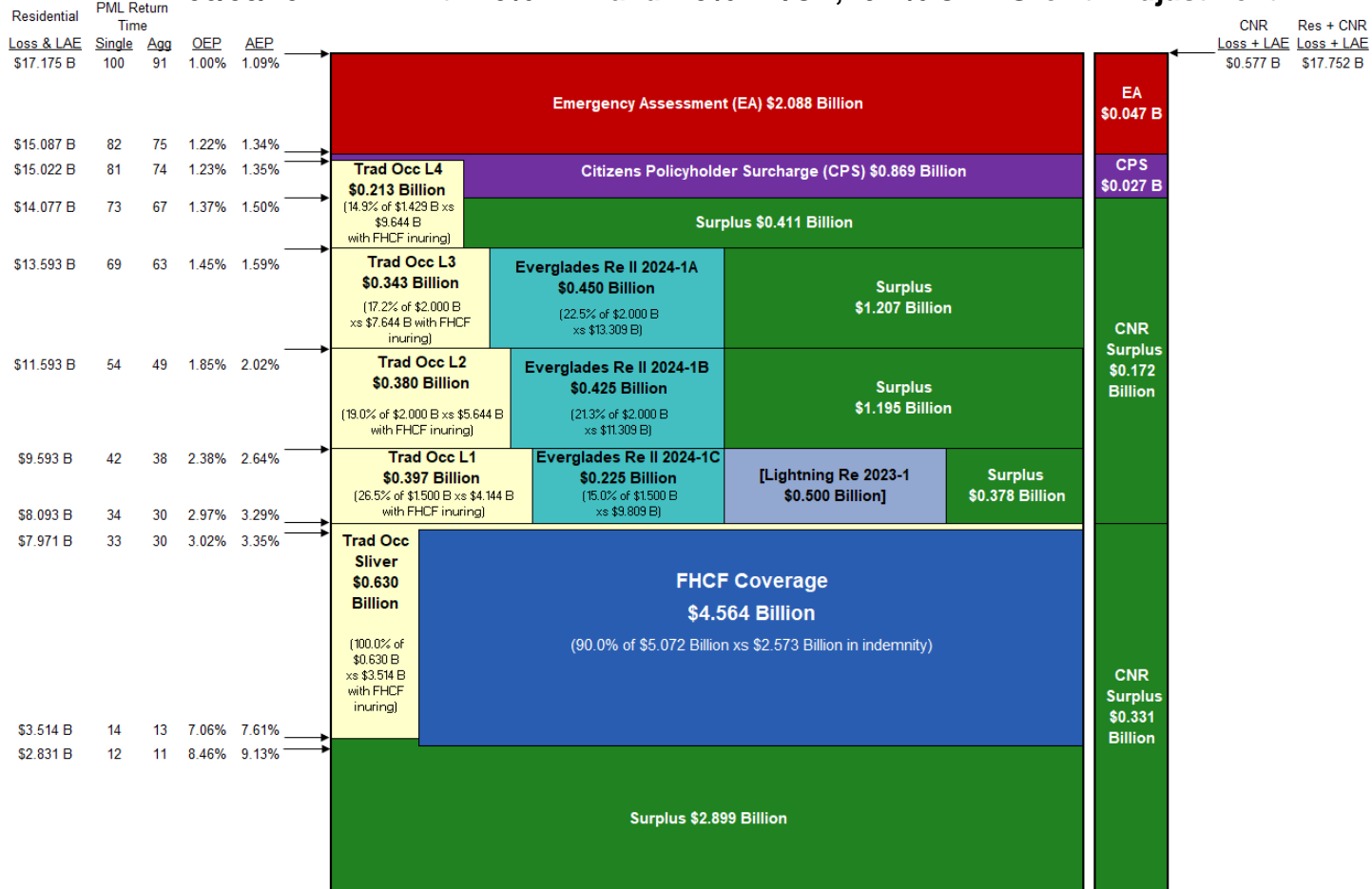
Personal Lines Account



2024 Risk Transfer

Combined Accounts – Prior to Hurricanes Debby, Helene, and Milton

06/30/2024 PML with 10% LAE and 1.9% PR/CR, -0.7% CNR Growth Adjustment



Home Hardening Reduces Financial Risk



2024 Hurricane	Modeled Loss Estimate	Modeled Loss Estimate Wind Mitigation Features Removed	Estimated Effect of Wind Mitigation Features %
Debby CAT 1	\$ 232,204	\$ 252,685	(8%)
Helene CAT 4	\$ 8,522,307	\$ 9,560,762	(11%)
Milton CAT 3	\$ 661,411,451	\$ 868,100,370	(24%)

Note: Losses modeled using only policies with a claim due to Hurricanes Debby, Helene or Milton. These amounts do not reflect total hurricane loss estimates, rather are a subset of the total book of business.



Citizens Puts Policyholders First

Employee, Agent, and Policyholder Outreach

- Preparation emails sent to employees, agents, and policyholders.
- Targeted text messaging sent to policyholders in identified counties.

Legislative Outreach

- Emails to district legislative offices in the projected path of the storm.

Multimedia

- Sponsored radio messaging on the Florida Public Radio Emergency Network changed to storm preparation reminders and Citizens' contact information.
- Continuous social media and website content updates identifying storm-specific resources and info.

Catastrophe Response Center Activity

- 16 total centers opened
- 2,315 employees in the field
- 3,541 policyholders assisted
- 2,366 First Notice of Loss (claims) filings
- 1,419 Additional Living Expense checks paid totaling \$5M



Claims Process Outline

First Notice of Loss

Claim report by policyholder or representative

Desk Adjuster Review

Policyholder contact within 24 hours

Claim Review

Review of inspection and repair estimate

Claim Assignment

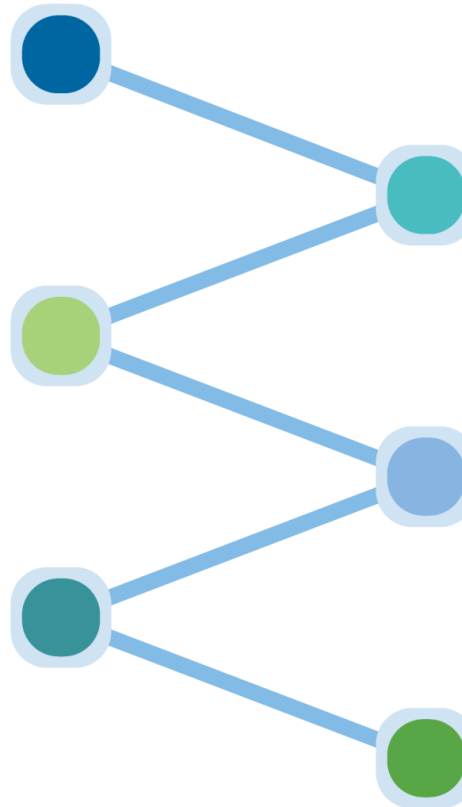
Sent to IA firm based on cause of loss

Field Inspection Determination

Based on loss severity

Initial Claim Payment

Supplemental payments available with documentation and coverage confirmation



2024 Hurricane Claims

Data as of 1/7/2025	Hurricane Debby	Hurricane Helene	Hurricane Milton	TOTAL
Claims Received	3,077	14,777	58,771	76,625
Claims Closed	2,686	13,692	51,719	68,097
Closed with Payment	739	4,202	28,512	33,453
Closed without Payment	1,947	9,490	23,208	34,645
Closed (Below Deductible)	279	2,949	9,700	12,928
Closed (No Coverage)	950	1,554	4,063	6,567
Closed (Claim Withdrawn)	236	924	3,583	4,743
Closed (No Coverage – Flood Loss)	199	2,957	932	4,088
Closed (Invalidated Claim)	125	511	2,189	2,825
Closed (Miscellaneous Reason)	126	401	2,193	2,720
Closed (No Policy Inforce)	25	157	411	593
Closed (Duplicate Claim)	7	35	130	172
Closed (Assumed Policy)	0	2	7	9



Strategic Imperatives

- 1. Depopulation** – Promote depopulation and optimize access to private-market coverage for Citizens’ applicants and policyholders.
- 2. Customer Experience** – Understand and enhance the customer experience by soliciting feedback, gauging satisfaction, and optimizing service capabilities and touchpoints.
- 3. Prevent Emergency Assessments** – Reduce or eliminate the risk of emergency assessments for Citizens’ policyholders and all potentially impacted Florida policyholders.



Questions?

APPEARANCE RECORD

Citizens Market Update Presentation

1.14.25

Meeting Date

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

Bill Number or Topic

Banking and Insurance

Committee

Amendment Barcode (if applicable)

Name **Tim Cerio, CEO - Citizens Property Insurance** Phone **904-487-3590**

Address **2101 Maryland Office** Email _____

Street

Tallahassee **FL** **32317**

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:

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THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Agriculture
Banking and Insurance
Fiscal Policy
Regulated Industries
Rules

JOINT COMMITTEE:

Joint Legislative Budget Commission

SENATOR JIM BOYD

Majority Leader
20th District

January 6, 2025

Senator Blaise Ingoglia
Senate Committee on Banking and Insurance
404 South Monroe Street
320 Knott Building
Tallahassee, FL 32399

Dear Chairman Ingoglia:

I am writing to request approval to be excused from the Committee on Banking and Insurance meeting scheduled for Tuesday, January 14, 2025.

I appreciate your consideration in this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jim Boyd".

Jim Boyd

cc: James Knudson
Amaura Canty
Ronnie Whitaker

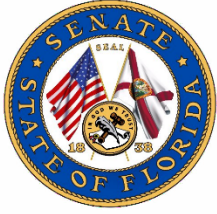
REPLY TO:

- 717 Manatee Avenue West, Bradenton, Florida 34205 (941) 742-6445
- 318 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5020

Senate's Website: www.flsenate.gov

BEN ALBRITTON
President of the Senate

JASON BRODEUR
President Pro Tempore



January 13th, 2025

Chair Ingoglia,

I am writing to respectfully request an absence excusal for January 14th's Banking and Insurance Committee meeting. My wife, Amy, and I will be celebrating our wedding anniversary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Martin".

Senator Jonathan Martin

Senate District 33

CourtSmart Tag Report

Room: KB 412

Case No.: -

Type:

Caption: Banking and Insurance Committee

Judge:

Started: 1/14/2025 8:34:25 AM

Ends: 1/14/2025 10:22:51 AM

Length: 01:48:27

8:34:27 AM Chair Ingoglia calls meeting to order
8:34:33 AM Roll call
8:34:52 AM Quorum present
8:34:57 AM Senator Boyd and Senator Martin are excused
8:35:06 AM Chair Ingoglia makes opening remarks
8:35:41 AM Vice Chair Sharief makes opening comments
8:36:20 AM Chair in comments
8:36:38 AM Presentation on property insurance by Michael Yaworsky, Commissioner, FL Office of Insurance Regulation
8:37:23 AM Commissioner Yaworsky presents
8:58:54 AM Questions:
8:58:59 AM Senator Pizzo
8:59:17 AM Commissioner Yaworsky replies
9:00:21 AM Senator Pizzo
9:00:57 AM Commissioner Yaworsky replies
9:01:11 AM Back and forth in questions
9:15:27 AM Vice Chair Sharief in questions
9:17:45 AM Commissioner Yaworsky replies
9:17:50 AM Chair Ingoglia comments
9:18:37 AM Commissioner Yaworsky replies
9:18:45 AM Chair Ingoglia comments
9:19:03 AM Vice Chair Sharief in questions
9:20:04 AM Commissioner Yaworsky replies
9:20:50 AM Vice Chair Sharief comments
9:20:57 AM Back and forth in questions
9:24:40 AM Senator Osgood in questions
9:25:38 AM Commissioner Yaworsky replies
9:28:35 AM Chair Ingoglia in questions
9:28:52 AM Commissioner Yaworsky replies
9:29:22 AM Chair Ingoglia
9:29:34 AM Commissioner replies
9:29:46 AM Back and forth in questions
9:34:57 AM Presentation by Tim Cerio, President, CEO and ED, on Citizens Property Insurance Corporation
9:35:40 AM Tim Cerio presents
9:55:29 AM Vice Chair Sharief comments
9:55:41 AM Tim Cerio responds and continues presentation
10:02:03 AM Questions:
10:02:06 AM Senator Osgood in questions
10:02:31 AM Tim Cerio replies
10:04:34 AM Senator Osgood
10:04:44 AM Tim Cerio
10:05:22 AM Senator Hooper in questions
10:05:39 AM Tim Cerio
10:06:22 AM Senator Pizzo in questions
10:06:52 AM Tim Cerio
10:07:30 AM Senator Pizzo
10:07:56 AM Tim Cerio
10:08:04 AM Back and forth in questions
10:16:54 AM Chair Ingoglia in questions
10:17:53 AM Tim Cerio replies
10:18:17 AM Back and forth in questions
10:20:48 AM Senator Pizzo

10:21:37 AM Tim Cerio
10:22:21 AM Chair comments
10:22:35 AM Senator Sharief moves to adjourn
10:22:42 AM Meeting adjourned