

FLORIDA HOUSE OF REPRESENTATIVES

FINAL BILL ANALYSIS

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BILL #: [HB 5013](#) [PCB BUC 25-07](#)

TITLE: State-funded Property Reinsurance Programs

SPONSOR(S): McClure

COMPANION BILL: None

LINKED BILLS: None

RELATED BILLS: None

FINAL HOUSE FLOOR ACTION: 108 Y's 0 N's

GOVERNOR'S ACTION: Approved

SUMMARY

Effect of the Bill:

The bill reduces, from \$2 billion to \$900 million, the General Revenue (GR) Fund transfers authorized under the Reinsurance to Assist Policyholders (RAP) Program to reimburse eligible insurers for covered losses. The bill repeals the Florida Optional Reinsurance Assistance (FORA) Program, including \$1 billion of authorized General Revenue Fund transfers that are available under the program to reimburse eligible insurers for covered losses.

Fiscal or Economic Impact:

The bill increases the amount of unallocated General Revenue funding by \$2.1 billion.

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ANALYSIS

EFFECT OF THE BILL:

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The bill was approved by the Governor on June 30, 2025, ch. 2025-206, L.O.F., and became effective on that date.

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The bill increases the amount of unallocated General Revenue funding by \$2.1 billion. Since the Reinsurance to Assist Policyholders Program and the Florida Optional Reinsurance Assistance Program were created in 2022, the General Revenue Fund Financial Outlook statement has reflected a reserve for General Revenue Fund transfers authorized under the two programs.¹ The bill reduces the amounts held in reserve, thereby increasing available General Revenue. Based on data provided by the State Board of Administration, there will be no impact on eligible reimbursements.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

[Reinsurance to Assist Policyholders Program](#)

¹Office of Economic and Demographic Research, https://edr.state.fl.us/Content/revenues/outlook-statements/general-revenue/250314_GRoutl.pdf (last visited Mar. 24, 2025).

During Special Session 2022D, the Florida Legislature created the Reinsurance to Assist Policyholders (RAP) Program² to authorize \$2 billion of reinsurance coverage to qualified property insurers at no cost to the insurers. The legislation required participating insurers to reduce rates to policyholders as a result of this reinsurance coverage.

Specifically the legislation authorized transfers of up to \$2 billion from the state's GR Fund for the RAP Program to be administered by the State Board of Administration (SBA). The funds may only be transferred to the SBA if the RAP Program must reimburse qualified insurers because of hurricane loss. The legislation also allowed for transfers of up to \$5 million from the GR Fund to the SBA for administration of the RAP program and post-event examinations. Any funds not used for the program must be returned to the GR Fund by July 1, 2029.

A total of 146 companies were eligible for RAP coverage. For the 2022-2023 contract year, 69 companies were required to participate, and 77 companies were required to defer coverage to the 2023-2024 contract year.³ There have been three covered events under the RAP Program: Hurricane Ian (Contract Year 2022), Hurricane Nicole (Contract Year 2022), and Hurricane Idalia (Contract Year 2023).

Following Hurricane Ian, \$800 million was transferred from the GR Fund to the SBA for the RAP Program. As of December 31, 2024, a total of 48 RAP insurers have been reimbursed a total of \$740.6 million for losses from Hurricane Ian. Of those 48 insurers, 39 have received their maximum RAP payout. The SBA expects 50 companies to receive their maximum RAP payout which is expected not to exceed \$860 million.⁴ Insurers must request reimbursements no later than June 1, 2028, unless commuted earlier.

Following Hurricane Nicole, no transfers were requested from the GR Fund to the SBA. Actuarial estimates based on losses reported by RAP insurers indicate that RAP reimbursements will not be necessary for this storm.⁵

Following Hurricane Idalia, \$15 million was transferred from the GR Fund to the SBA for the RAP Program. Based on initial actuarial estimates, the SBA requested and received \$15 million from the GR fund for covered losses. As of December 31, 2024, two RAP insurers have been reimbursed a total of \$5.5 million.⁶ The SBA expects four companies to receive reimbursements. Insurers must request reimbursements no later than June 1, 2028, unless commuted earlier.

Florida Optional Reinsurance Program

During Special Session 2022A, the Florida Legislature created the Florida Optional Reinsurance (FORA) Program⁷ to provide optional layers of reinsurance at near market rates for the 2023 hurricane season.

The legislation authorized transfers of up to \$1 billion from the state's GR Fund for the FORA Program to be administered by the SBA. The funds may only be transferred to the SBA if the FORA Program must reimburse participating insurers for losses associated with a covered event. The bill also allows for a transfer of up to \$6 million from GR to the SBA for administration of the program and post-event examinations with \$2 million transferred up front. Any funds not used for the program must be returned to the GR Fund by July 1, 2026.

Five insurers elected coverage under the FORA Program.⁸ Hurricane Idalia is the only covered event for the 2023 hurricane season. As of December 31, 2024, no transfers have been made from the GR Fund to the SBA for the

² [Chapter 2022-268, Laws of Fla.](#)

³ Florida State Board of Administration, <https://www.sbafla.com/media/fweluqgk/20250131-rap-report.pdf>, p. 2 (last visited Mar. 24, 2025).

⁴ *Id.*

⁵ *Id.* at p. 3.

⁶ *Id.* at pp. 3-4.

⁷ [Chapter 2022-271, Laws of Fla.](#)

⁸ Florida State Board of Administration, <https://www.sbafla.com/media/ncdbtoih/2023-fora-layer-selections-20230705.pdf> (last visited Mar. 24, 2025).

FORA Program. Based on minimal projected losses due to this storm, all five participants have commuted their FORA contracts.⁹ There are no further loss reimbursement liabilities under the FORA Program.

RECENT LEGISLATION:

YEAR	BILL #	HOUSE SPONSOR(S)	SENATE SPONSOR	OTHER INFORMATION
2022A	SB 2-A	Leek & Rommel	Boyd	Effective 12/16/2022 except as otherwise expressly provided
2022D	CS/SB 2-D	Trumbull	Boyd	Effective 05/26/2022 except as otherwise provided

⁹ Florida State Board of Administration, <https://www.sbafla.com/about-the-sba/sba-additional-programs/florida-optional-reinsurance-assistance/> (last visited Mar. 24, 2025).