

Insurance & Banking Subcommittee

Tuesday, November 18, 2025
8:00 AM - 10:00 AM
Morris Hall (17 HOB)

Meeting Packet

Daniel Perez
Speaker

Bradford Yeager
Chair

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Insurance & Banking Subcommittee

Start Date and Time: Tuesday, November 18, 2025 08:00 AM

End Date and Time: Tuesday, November 18, 2025 10:00 AM

Location: Morris Hall (17 HOB)

Duration: 2.00 hrs

Presentations on the Current State of Florida’s Property and Casualty Insurance and Reinsurance Markets

NOTICE FINALIZED on 11/07/2025 3:31PM by Marks.Amie

Office of Insurance Regulation

FLORIDA OFFICE OF
Insurance
Regulation

Property & Casualty Insurance Market Update

FLORIDA HOUSE INSURANCE & BANKING SUBCOMMITTEE

FLORIDA OFFICE OF INSURANCE REGULATION

COMMISSIONER MICHAEL YAWORSKY

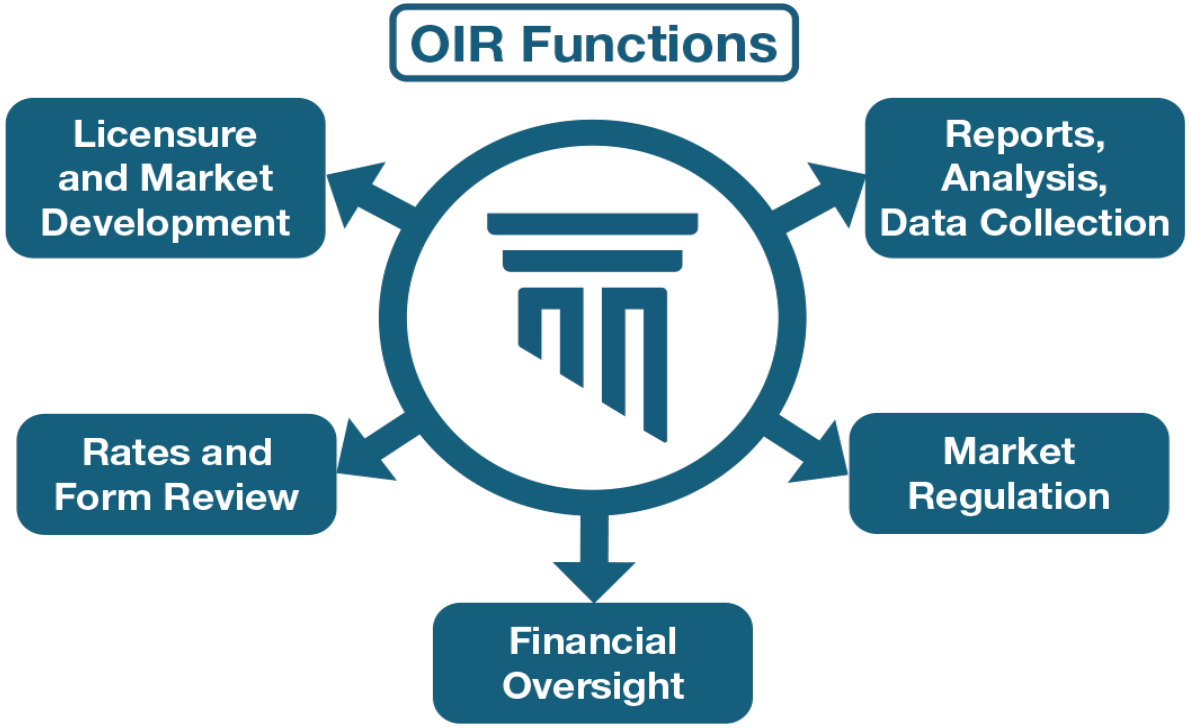
NOVEMBER 2025

OIR Overview:

314 full time employee positions

$50 million budget through the Insurance Regulatory Trust Fund

Reports to the Financial Services Commission (FSC): the Governor, Attorney General, Chief Financial Officer and Agriculture Commissioner



Department of Financial Services	Office of Insurance Regulation
• Insurance agents and agencies • Insurance consumer services • Insurance fraud • Workers' compensation administration • Rehabilitation and liquidation	• Certificates of authority • Product review to include policy forms and rates • Market regulation • Financial oversight

Property Insurance Market Highlights

7.61 M

Residential Insurance Policies in Force

$2,755

Admitted Market Average Homeowners Premium

1,584,567

Policies Approved for Citizens Takeouts in 2025

17 New Companies

30-Day Average Request for Homeowners Rate: -6.6%

1 year ago: 1.5%

180-Day Average Request for Homeowners Rate: -1.5%

1 year ago: 8.2%

Data as of November 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

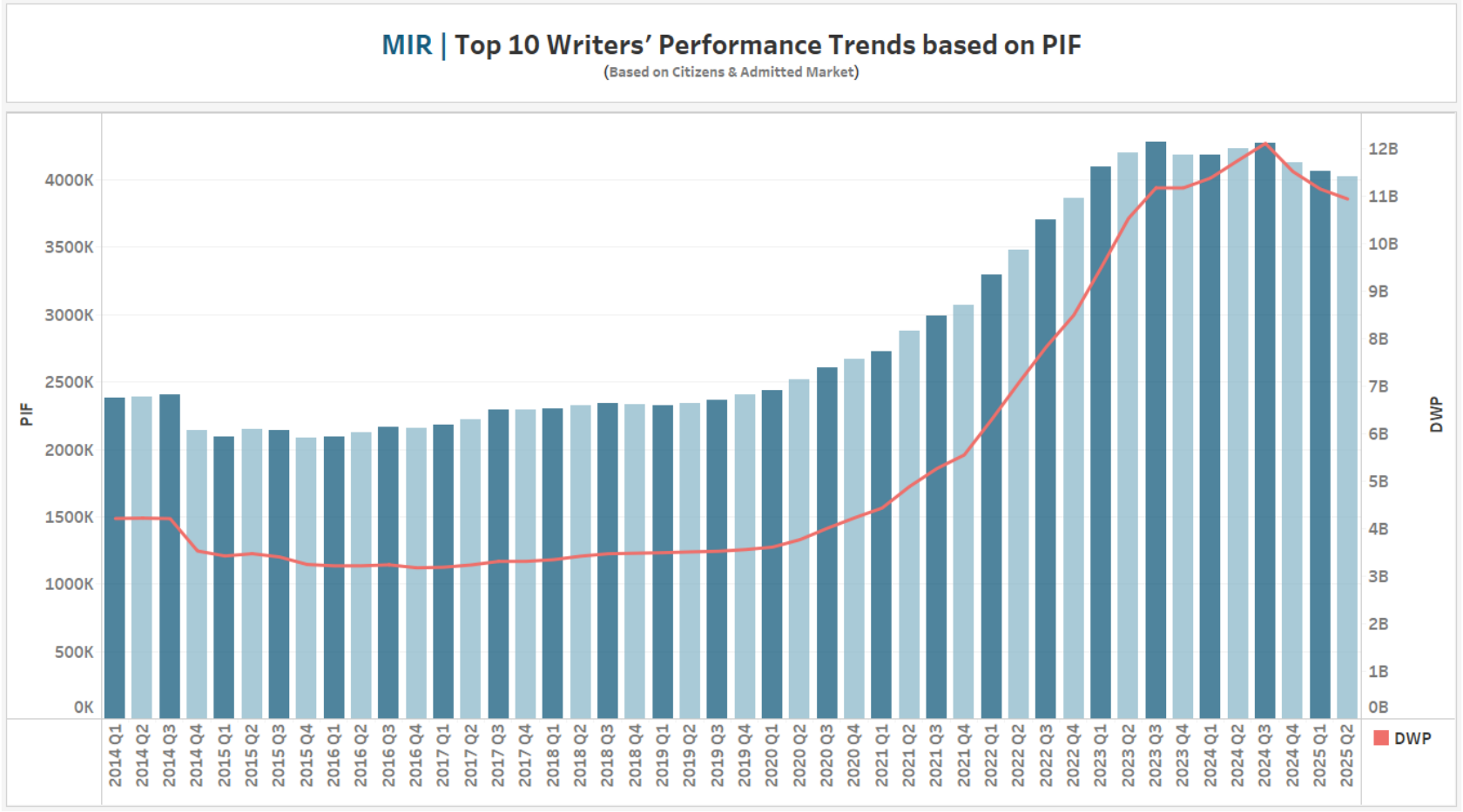
OIR monitors the conduct of insurers in the Florida marketplace by reviewing claim payment practices, appropriate form and rate data, and overall market activity to determine whether insurers are acting fairly and in compliance with Florida law.

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. OIR's Market Conduct Unit has initiated over 100 examinations, completed more than 340 investigations and secured $14.5 million in consumer restitution.

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.

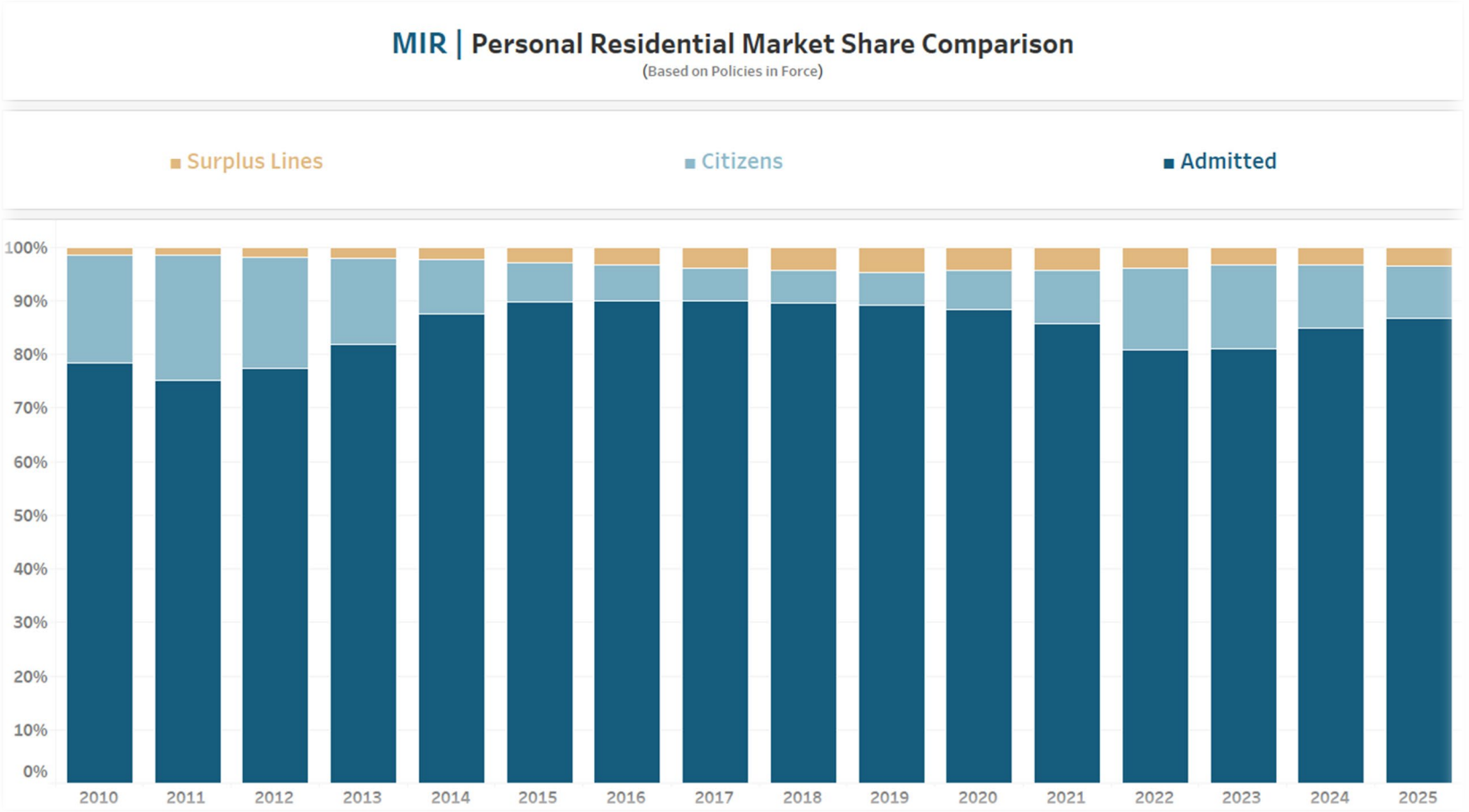
> "I have said it before, and will say it again, the Office of Insurance Regulation takes consumer protection very seriously. I implore all insurers to review their practices and perform at the high caliber we expect. I am also very proud of our team's efforts in holding insurers accountable and want to commend their efforts—OIR's Market Conduct Unit has initiated over 100 examinations, completed more than 340 investigations and secured $14.5 million in consumer restitution," said Commissioner Mike Yaworsky.

Policies in Force

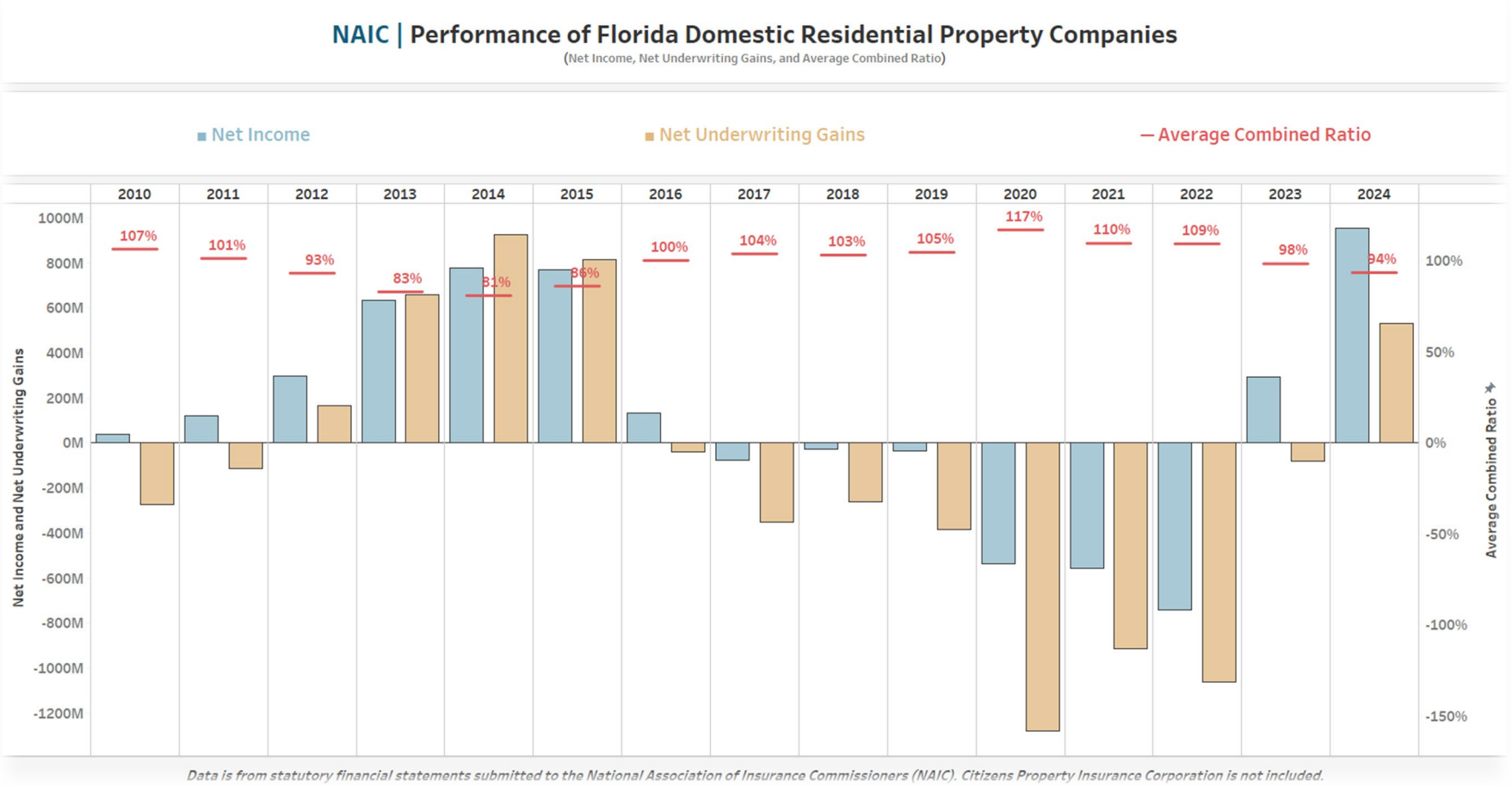


Key:
PIF – Policies in Force
DWP – Direct Written Premium
MIR – Market Intelligence Report

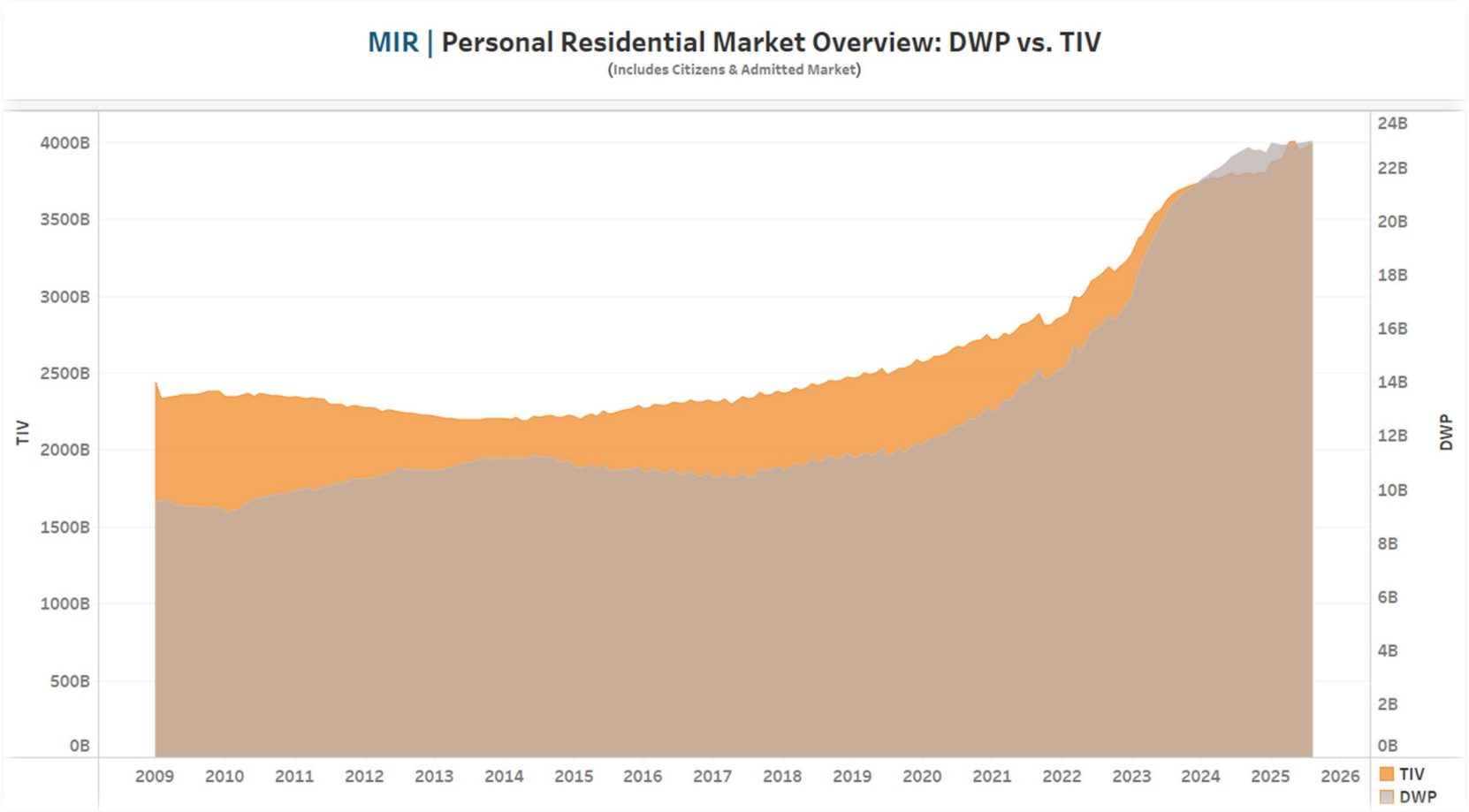
Admitted vs. Non-Admitted Property Market



Industry Performance

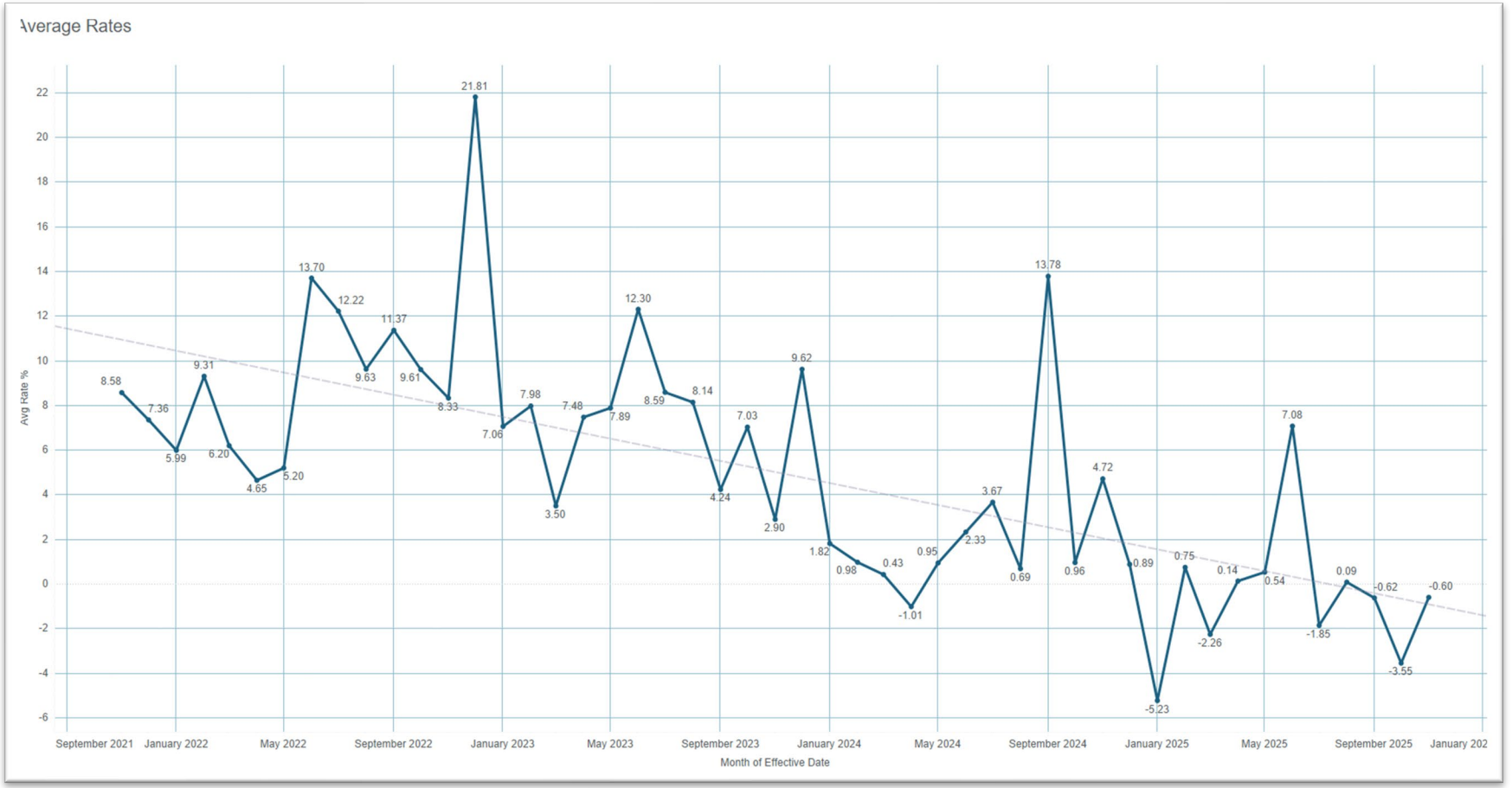


Total Insured Value & Direct Written Premium



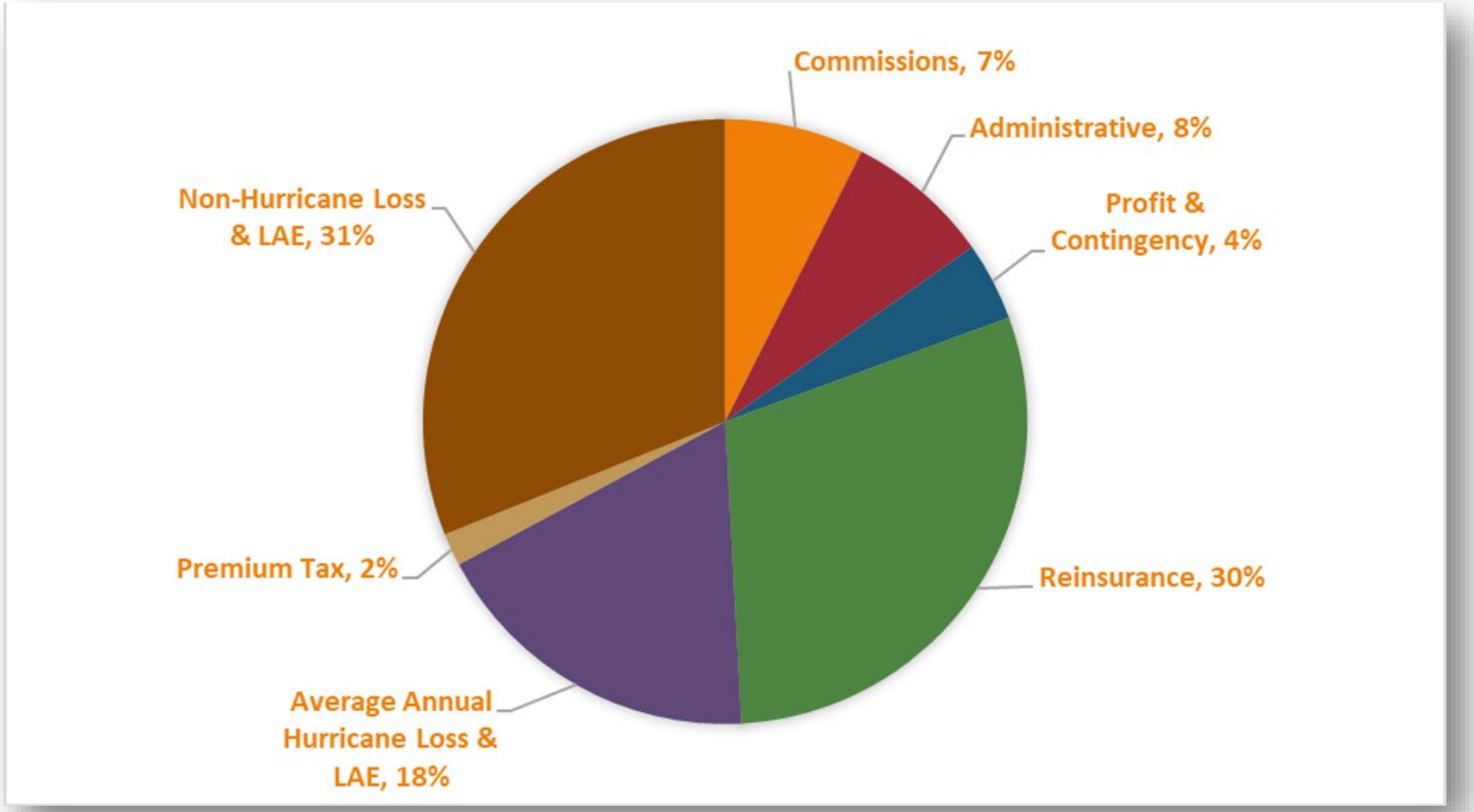
Key:
TIV – Total Insured Value
DWP – Direct Written Premium
MIR – Market Intelligence Report

Personal Residential Property Average Rates



Data is from rate filings submitted by insurers through the Insurance Regulation Filing System. Data includes Citizens Property Insurance Corporation.

Rate Calculation Breakdown



Property Insurance Market

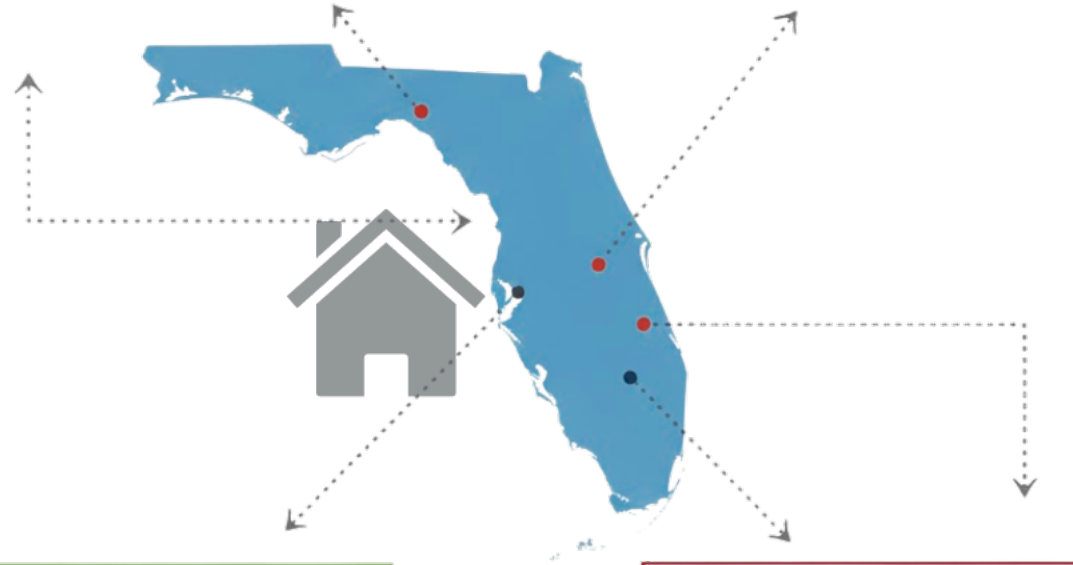
> Florida's insurance market is stabilizing with decreasing auto and home insurance rates, and frivolous litigation is declining," said Governor Ron DeSantis

> "We would not be where we are today if it was not for our historic legislative reforms. Our state's insurance market is thriving—with 17 new companies since reforms and sustained rate requests from dozens of companies for rate decreases or 0% increases," said Florida Insurance Commissioner Mike Yaworsky

> When new companies enter the insurance market, they create more competition in the marketplace for the business of Florida homeowners and, therefore, help to drive down insurance rates. I am proud to see the list of companies doing business in Florida continue to grow," said Chief Financial Officer Blaise Ingoglia

Florida Chamber cheers on additional homeowner insurance companies coming to state
Florida Politics

Florida Peninsula Insurance seeks largest premium decrease in company's history
WESH



DeSantis says Florida legal reforms are paying off as insurance rates, lawsuits fall
Insurance Business America

Florida's Insurance reforms are paying off
South Florida Sun Sentinel

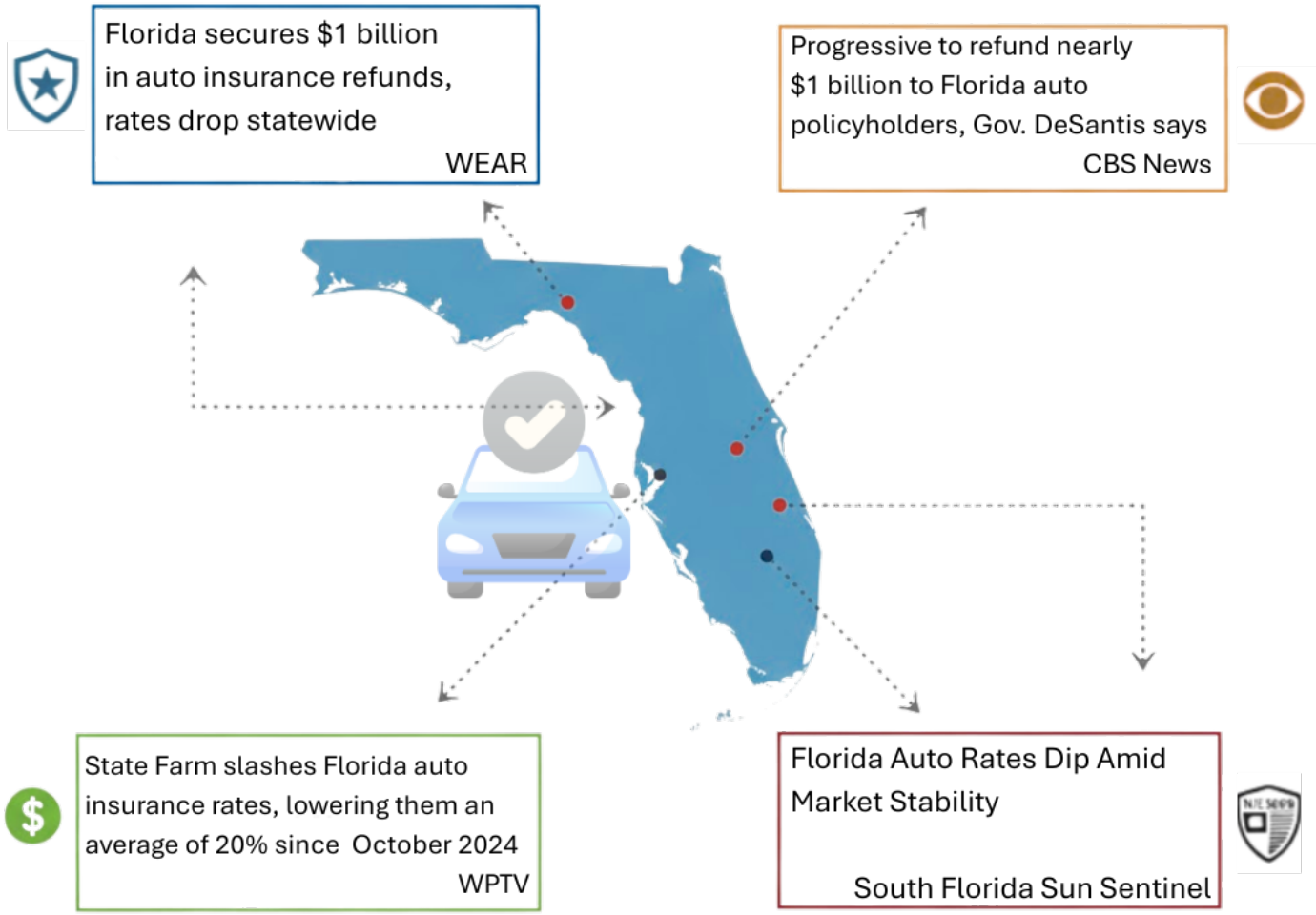
Since reforms, OIR has received over 160 residential filing requests for rate decreases or 0% increases. Of these filings, 37 companies have filed for a rate decrease and 46 companies have requested zero percent.

Private Passenger Auto (PPA) Insurance Market

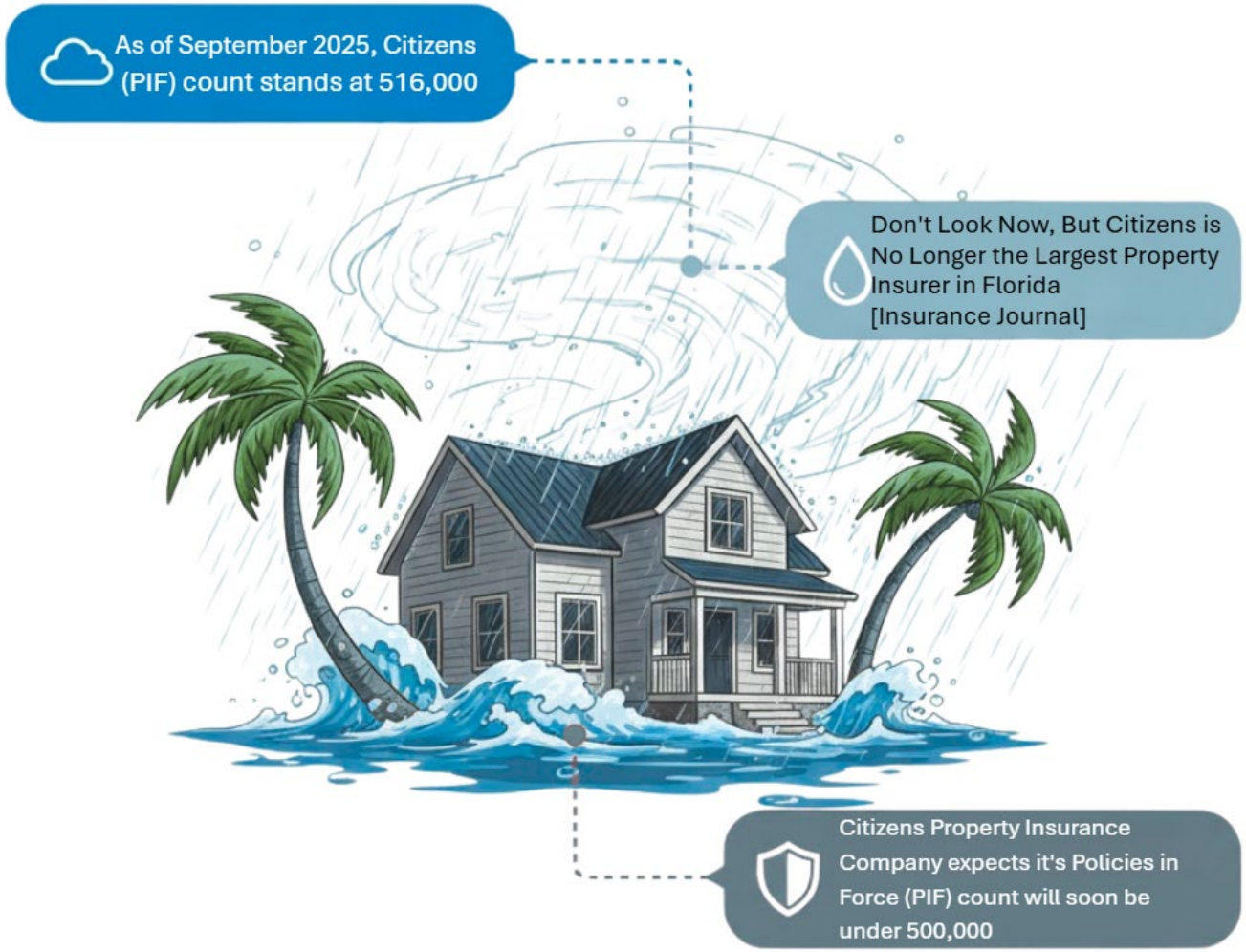
> This year, Florida's top five auto insurers are averaging over a 6% rate reduction, and we've secured nearly $1 billion in credits for Progressive auto policyholders – and the other carriers are expected to follow suit soon," **said Governor Ron DeSantis**

> "Florida's insurance market continues to see great stability and the strong underwriting gains in the auto market is just the latest sign of success since Florida's historic tort reforms," **said Florida Insurance Commissioner Mike Yaworsky**

> Florida's historic insurance reforms laid the groundwork necessary for our insurance market to strengthen. Auto insurance rates have dropped so much that policyholders are now starting to receive refunds from their insurance company," **said Chief Financial Officer Blaise Ingoglia**



Florida is seeing a significant number of rate decreases being filed in the PPA market. In 2025 to date, 40 insurers have submitted 69 rate decrease filings, ranging from -0.2% to -17.6%. Of these filings, 37 have been approved and 32 are currently under review.



Citizens Property Insurance Takeouts

What are we focusing on?

- Home Resiliency and Code Plus Adoption
- Strengthening OIR
- Policyholder Protection and Education
- Stable, Predictable, and Reliable Marketplace

Contact Information

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Reinsurance Market
by Guy Carpenter

GuyCarpenter

REINSURANCE MARKET UPDATE



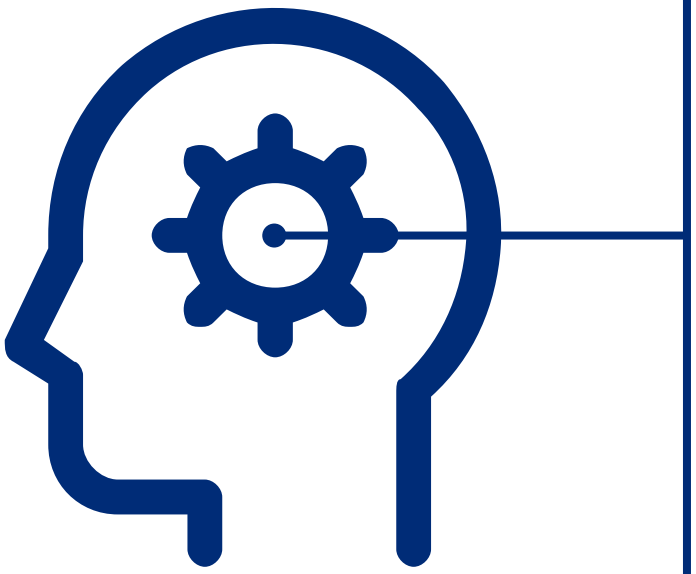
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Reinsurance Market
Key Finding and Takeaways

Reinsurers' Strong Results Continue

Strong Results Continue Despite Uncertainty Around Wildfire Losses and Trade Disputes



Return on Equity (ROE) Remains Strong

- Record earnings in 2023 and 2024 exceed the underperformance during 2017 to 2022 – ROE for 2024 was 16.4%, compared to 21.9% in 2023 and 5.7% in 2022

Continued Strong Underwriting and Investment Income

- The GC Reinsurance Composite's combined ratio remained favorable (89.6% for 2024 vs. 86.9% for 2023). The investment yield rose to 3.6%.

Insured Losses Exceeded $100B for the Fifth Consecutive Year

- Total insured industry losses of $144B in 2024 are driven by US Hurricanes and Severe Convective Storms (SCSs). Insurers bear the brunt, as attachment points remained high.
- 2025 is shaping up to be another high Catastrophe (Cat) year

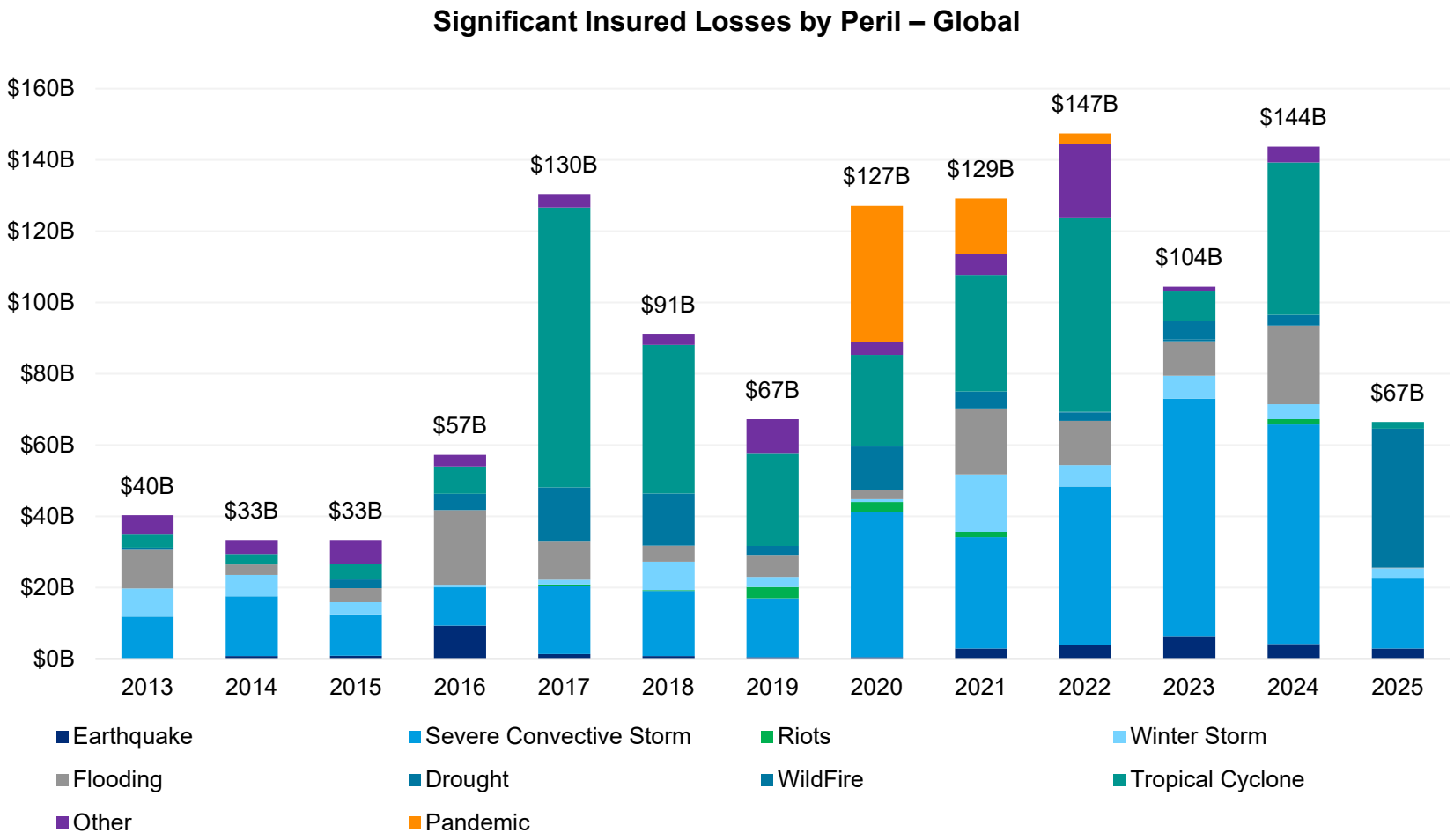
Overall Reserves Adequate, But a Few Shore Up Liability Reserves

- Concerns over loss cost trends have caused reserve reviews
- Property and short-tail lines reserve releases offset unfavorable development in Liability lines

Reinsurer Capital Continues to Grow

- Composite reinsurers' capital continued to grow, creating greater available capacity and competition. Dedicated reinsurance capital grew by 7% in 2024.

H1 2025 Losses Reach Record Levels Due to LA Wildfires



Source: PCS, PERILS, ICA, GC, Floodsmart.org, and other news sources. Russia-Ukraine conflict losses estimated by S&P Global. | *Significant Insured Losses (Insured Loss estimates >$100M), includes NFIP estimate. Figures are not adjusted for inflation | Data updated as of June 18, 2025

Commentary

- The total insured industry losses for H1 2025 **exceeded $6B**, significantly exceeding the five-year inflation-adjusted average for the period
- The **CA wildfires losses of ~$40B represented 59%** of the industry losses for the first half. Additional losses included SCS in the US, Cyclone Alfred in Australia, and the Myanmar/Thailand earthquake.
- **SCS in the US continued to impact the losses** in 2025, accounting for ~30% of the total losses
- The **CA wildfire losses in 1Q 2025 are the largest insured wildfire losses on record**

Global Property Renewal Overview

Global Property Cat reinsurance risk-adjusted rates at mid-year were generally -5% to -15% for non-loss impacted programs. In some cases, individual layers saw even greater risk-adjusted decreases, typically for layers at higher attachment points. While the range of outcomes was like January, average rates continued to soften through the mid-year renewal season.

Appetite for Property Cat Renewals Continued to Outpace Demand

Reinsurer capacity exceeded demand by 20%.

Trend in Providing Across-the-Board Support Continued to Broaden

Reinsurer risk appetites continue to expand to lower attachment points, and retentions relative to pre-January 2023 remain elevated.

Global Property Cat ROL Index Decreased 8.1%

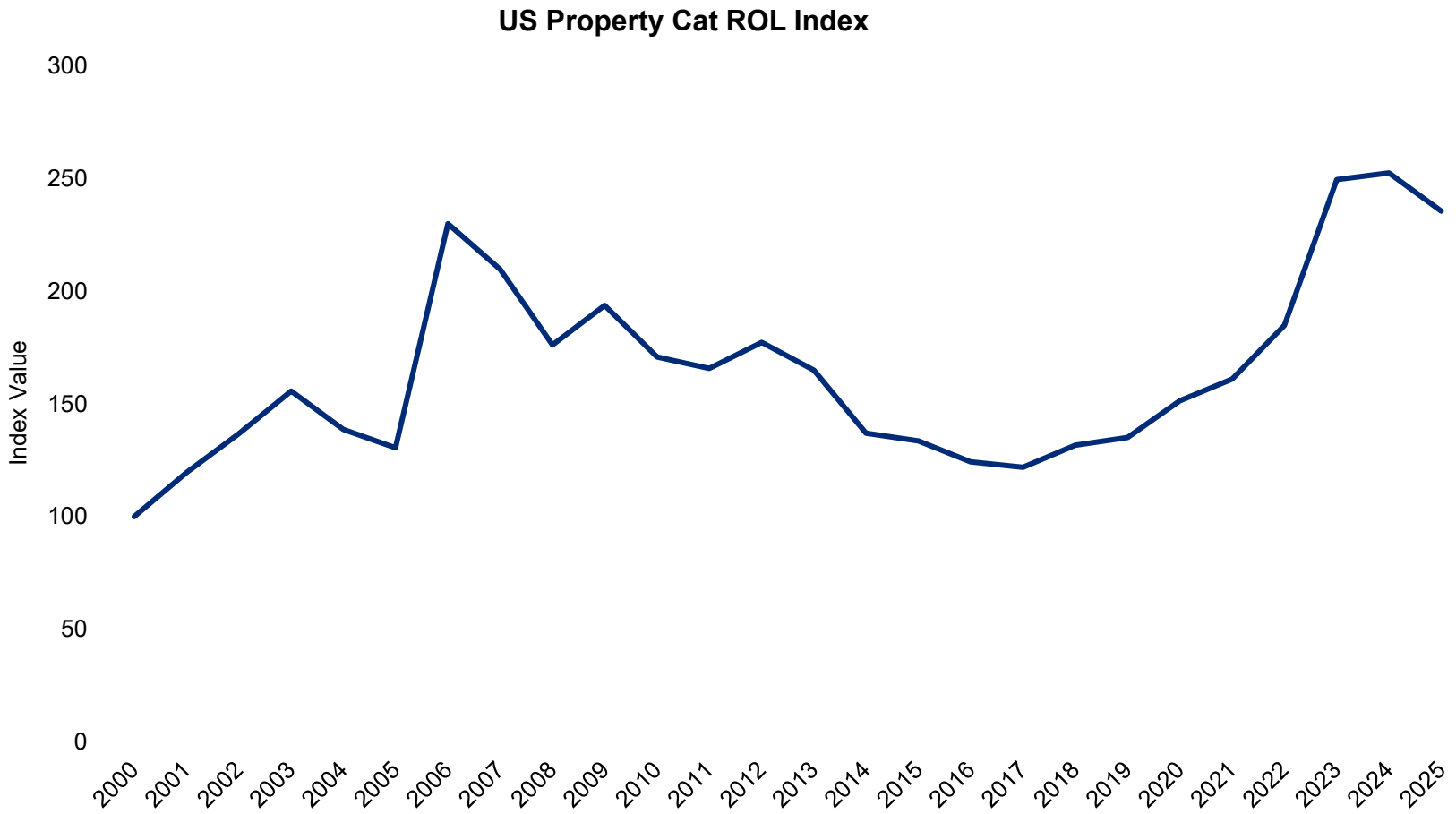
Despite the decrease, the Global Rate on Line (ROL) index remains significantly higher in July 2025, when compared to 2022 (before the 2023 hardening market).

Terms and Conditions Were Stable

Slight improvements were achieved in cases where non-concurrencies continued to exist. Reinsurers have generally prioritized pricing and capacity deployment over minor contract-language modifications.

US Property Cat ROL Index

2025 Year-to-Date (YTD) ROL Index Decreased by 6.7%, the First Decrease Since 2017



Commentary

The Guy Carpenter (GC) US ROL Index decreased by 6.7% year-to-date. Pricing softened further through mid-year. The ROL Index for January renewals decreased by 6.2%, while the ROL Index for subsequent renewals through mid-year decreased by 7.2%.

On a risk-adjusted basis, pricing for non-loss impacted programs was typically in the -5% to -15% range, while loss-impacted programs generally experience flat to +20% risk-adjusted price change.

June 2025 Florida Reinsurance Renewal Overview

Positive Momentum in the Florida Market Continued

Despite multiple landfalling hurricanes in 2024, both cedents and reinsurers were largely profitable, strengthening confidence that legal reform, pricing and underwriting actions taken over the past several years have been effective. Similar to the broader property catastrophe market, **Florida renewals experienced moderate risk-adjusted decreases, and growth in reinsurer appetite that met increased demand for capacity.**

Evolving View of Risk

Hurricane Milton is the first major catastrophe event since the 2022 legal reforms, providing a key indication of their impact**. A preliminary claims study suggests frequency and severity is reduced by >65% compared to Hurricane Irma,** based on exposures with similar wind speeds.

Property Capacity

Reinsurers readily met increased demand from a growing Florida homeowners' market, driven by improved financial stability and a shrinking residual market.

Robust Cat Bond Market

$14.4B
in global catastrophe bond limit placed

$3.4B
in Florida sponsored catastrophe bond limit

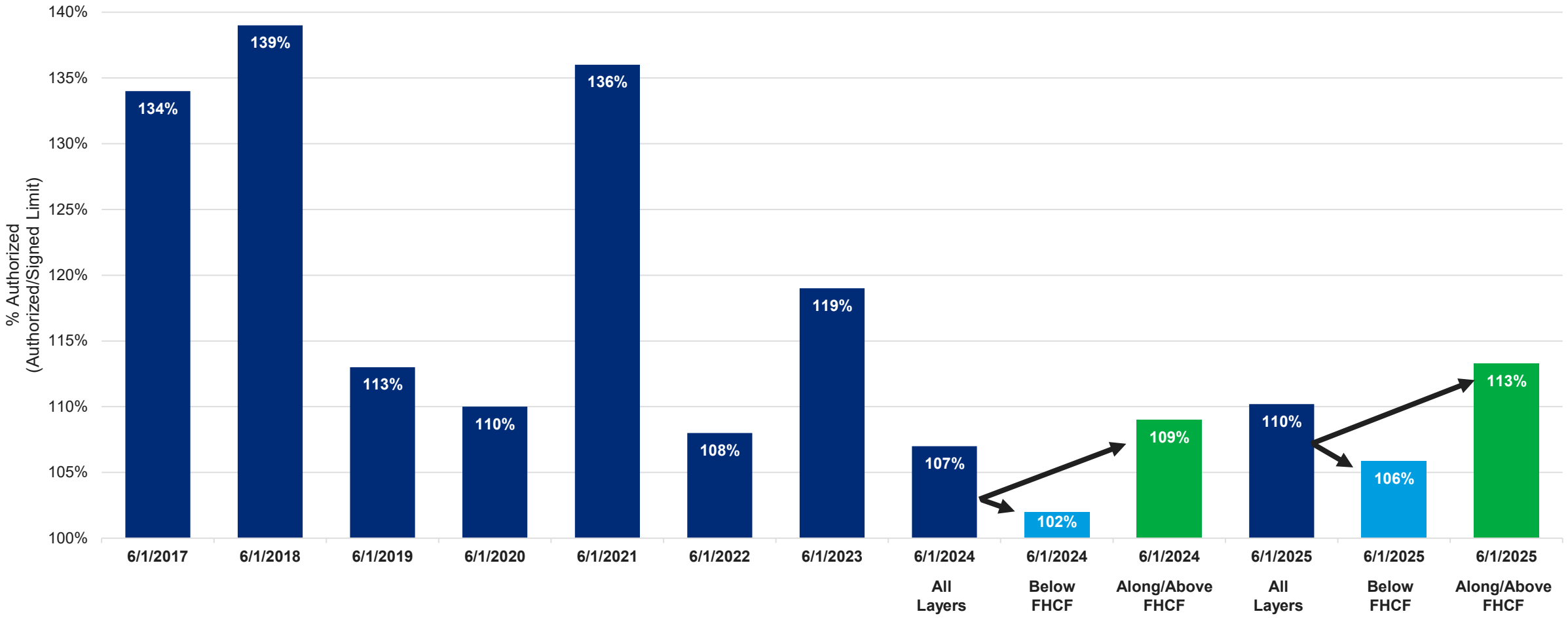
Materializing Benefits of Litigation Reform Measures

70%
decline in litigation from peak levels

2025 Hurricane Outlook for the North Atlantic Basin

Although forecasts for 2025 are not as high as they were for the 2024 season, experts predict another above-average season (relative to the 1995-2024 average reflecting the current period of elevated activity). Weather prediction for any event is generally difficult beyond a 7-10 day forecast lead, making seasonal landfall predictions a challenge.

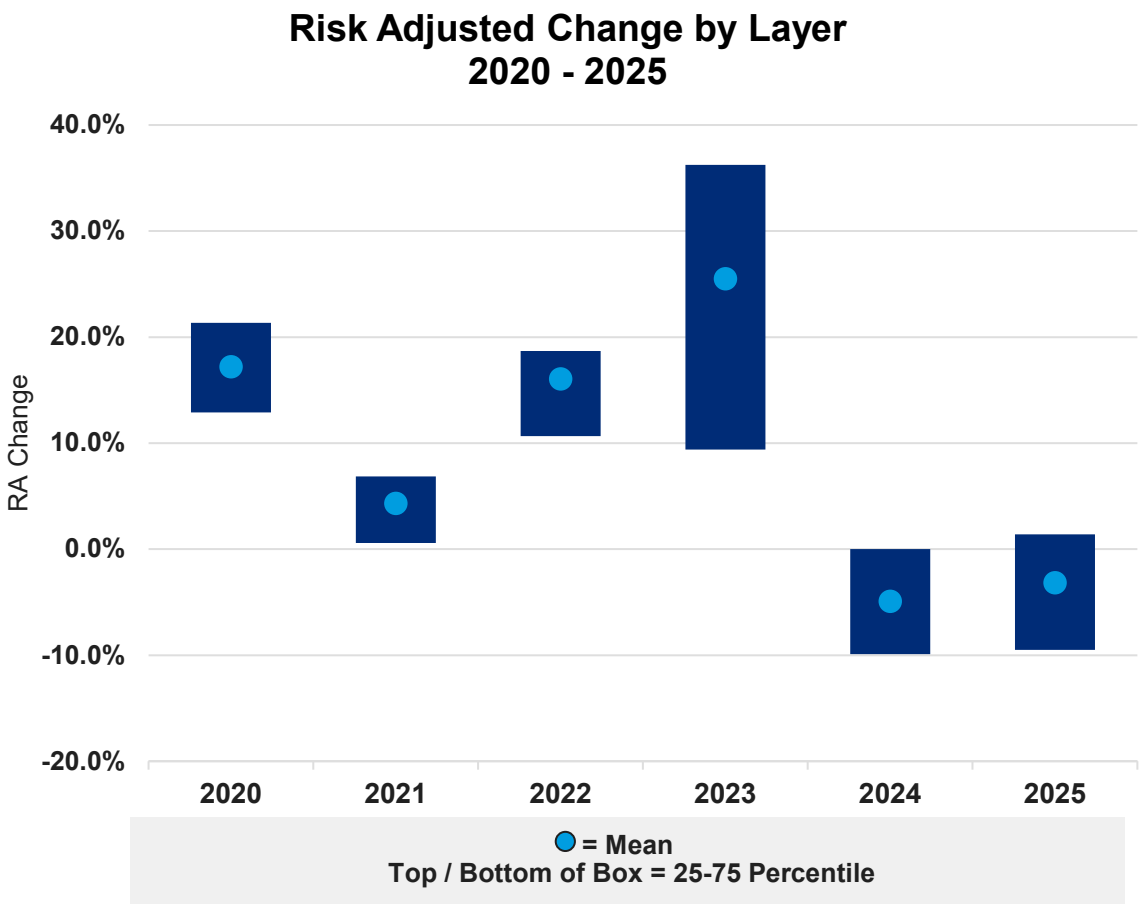
Return of Excess Capacity – FL



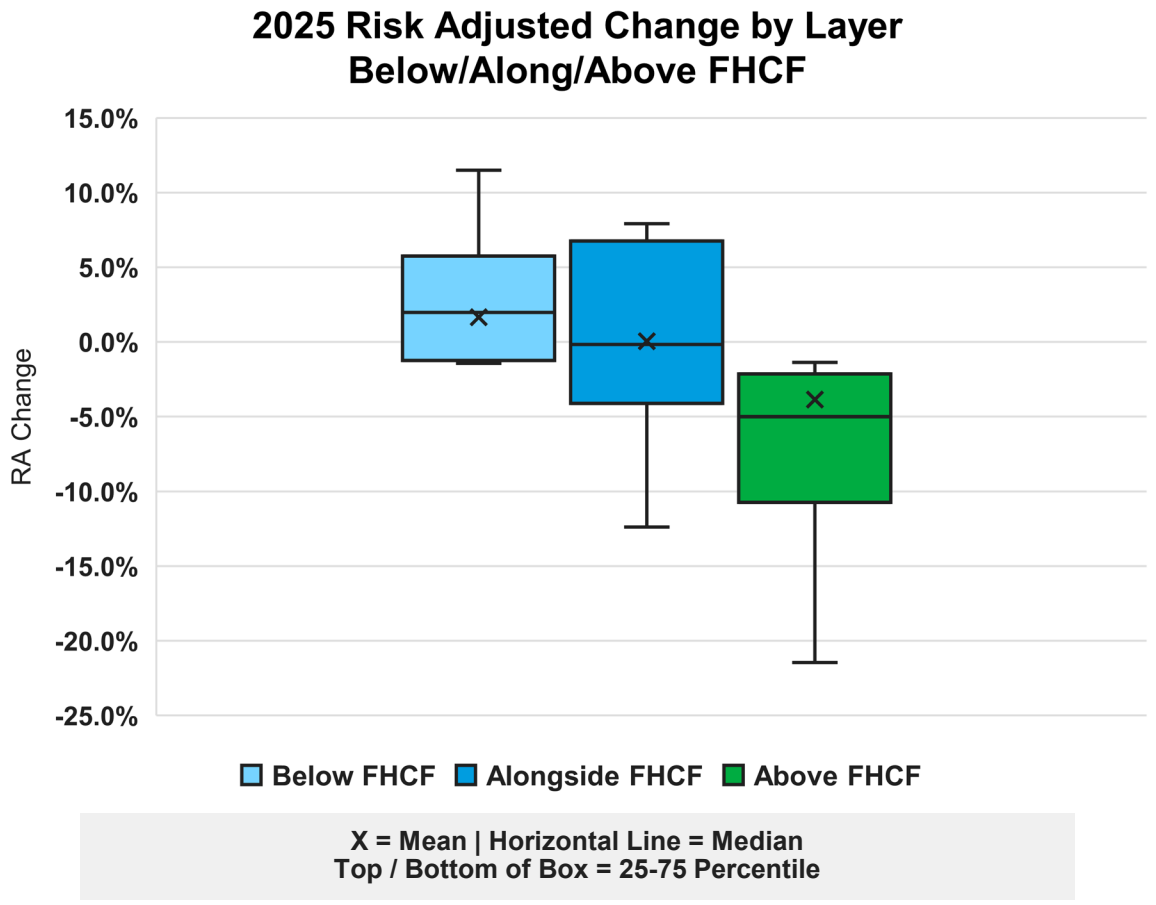
While "Excess Capacity" increased marginally, this total was lessened due to increased demand reflected in a 16% increase in total placed capacity

2025 Florida Property Catastrophe

Risk Adjusted Change by Layer



After years of aggressive increases, we have seen moderate softening in recent years.



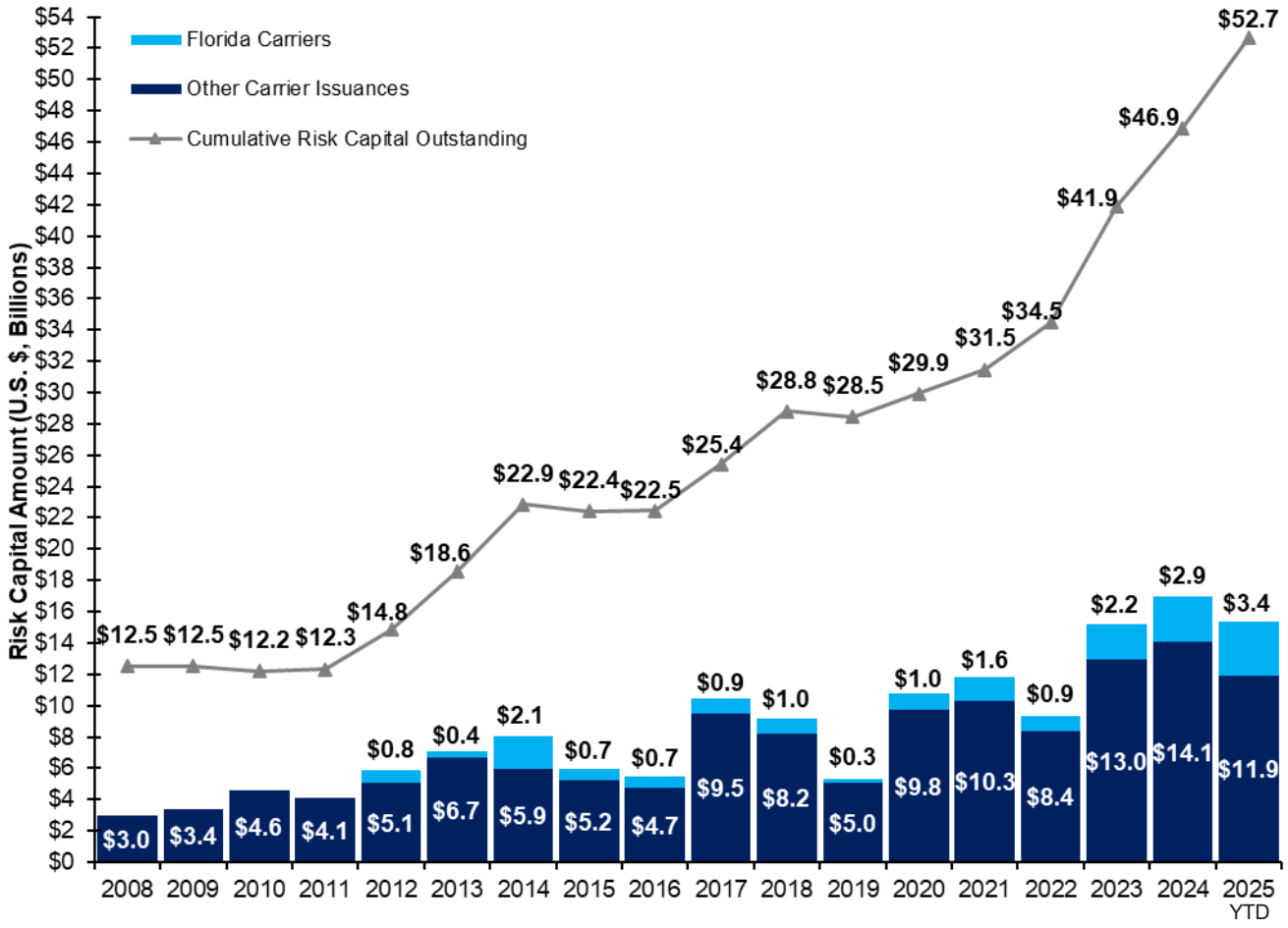
Layers below the FHCF saw minimal increases, while above FHCF saw a wider range of decreases.

Florida Specific Cat Bonds

Florida Centric 144A Cat Bonds

2025 Continues a Trend of Record Florida Cat Bond Issuance

Outstanding and Issued 144A Cat Bond Limit(1)



2025YTD Florida Carrier 144A Deal Board

Sponsor	Issuer	Size $M
Tower Hill	Winston Re 2025-1	175
Security First	First Coast Re IV 2025-1	250
American Integrity	Integrity Re III 2025-1	565
Kin	Hestia Re 2025-1	300
Heritage	Citrus Re 2025-1	100
Florida Penn	Palm Re 2025-1	250
Citizens	Everglades Re II 2025-1	1,525
Slide	Purple Re 2025-1	250

- The first half of 2025 continues the trend set in 2024, by setting the new record for cat bond limit issued in the first half of a calendar year
- There were 52 different property cat bonds brought to the 144A market, totaling more than USD 15.3 billion in limit placed as of June 13, 2025
- There were 8 cat bonds with Florida sponsors, brought to the cat bond market
- The legislative reforms in Florida have continued to help helped reinvigorate interest in Florida from the ILS community
- Over $3.4 billion in Florida sponsored limit has been placed through the cat bond market as of June 13, 2025

GuyCarpenter

Source: GC Securities Proprietary Database (144A catastrophe bonds issued as of June 11, 2025 excluding private transactions).
1) Risk limit outstanding due to full or partial extension is not included.

Florida Centric 144A Cat Bonds

Florida Centric Cat Bonds Maturing 2026

Florida Centric Cat Bonds Maturing (1/1/2026 - 12/31/2026)*							
Deal - Tranche	**Maturity**		**Trigger**	**Limit (USDM)**	**Expected Loss (WSST)**	**Issuance Spread**	**Florida Contribution**
Hestia Re 2023-1 Cl A	4/7/2026	Kin Interinsurance Network	Indemnity, Per Occ.	100	1.18%	9.75%	100.0%
Lightning Re 2023-1 Cl A	3/31/2026	Citizens Property Insurance Corporation	Industry Loss, Annual Agg	500	2.07%	11.00%	100.0%
First Coast Re IV 2023-1 Cl A	4/7/2026	Security First Insurance Company	Indemnity, Per Occ.	100	1.42%	9.00%	100.0%
Purple Re 2023-1 Cl A	4/24/2026	Slide Insurance Company	Indemnity, Per Occ.	100	1.57%	12.25%	100.0%
Sanders Re III 2023-2 Cl A	6/5/2026	Castle Key Insurance Company	Indemnity, Per Occ.	300	1.07%	8.00%	100.0%
Purple Re 2023-2 Cl A	6/5/2026	Slide Insurance Company	Indemnity, Per Occ.	100	1.24%	10.00%	99.0%
Integrity Re 2024-1 Cl A	6/6/2026	American Integrity Insurance Company	Indemnity, Annual Agg	120	0.28%	10.50%	98.3%
Integrity Re 2024-1 Cl B	6/6/2026	American Integrity Insurance Company	Indemnity, Per Occ.	50	2.68%	13.5%	98.3%
Integrity Re 2024-1 Cl C	6/6/2026	American Integrity Insurance Company	Indemnity, Per Occ.	60	2.72%	17.00%	98.3%
Integrity Re 2024-1 Cl D	6/6/2026	American Integrity Insurance Company	Indemnity, Per Occ.	75	4.00%	23.00%	98.3%

** Florida centric refers to cat bonds with a greater than 90% contribution from the State of Florida.*

GuyCarpenter Source: GC Securities Proprietary Database (144A catastrophe bonds issued as of June 13, 2025 excluding private transactions).

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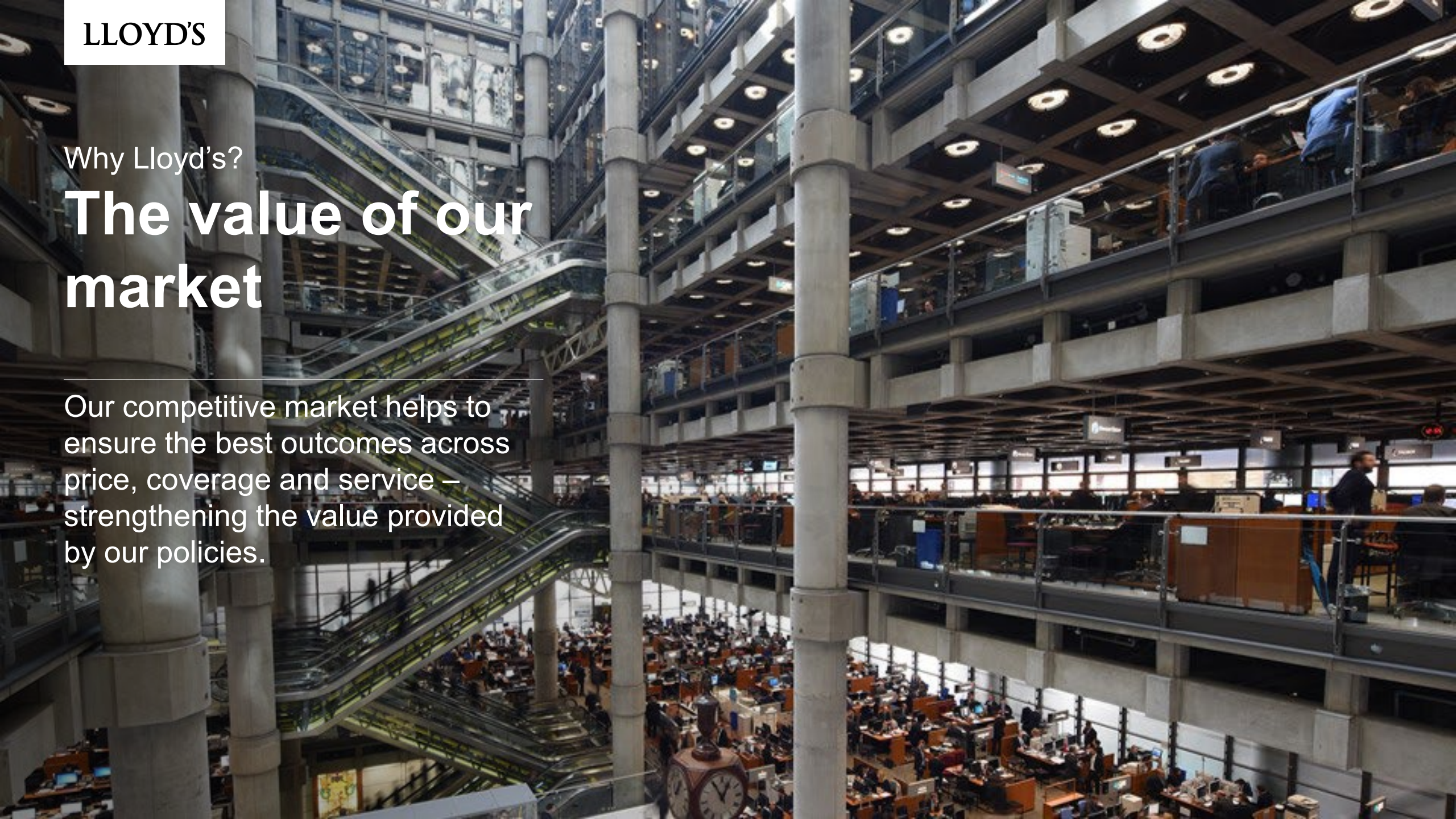
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Reinsurance Market by Lloyd's



LLOYD'S

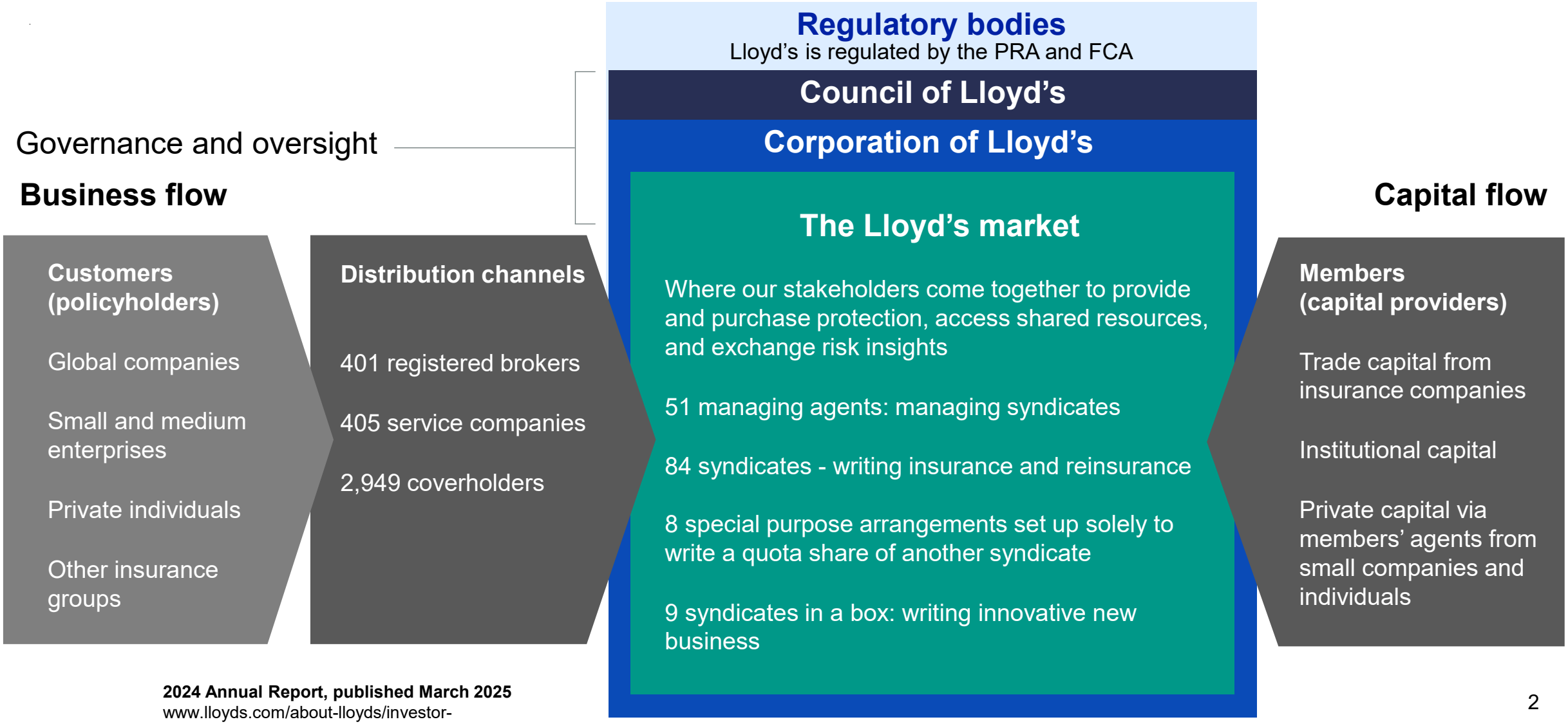
Why Lloyd's?

The value of our market

Our competitive market helps to ensure the best outcomes across price, coverage and service – strengthening the value provided by our policies.

LLOYD'S

How the Lloyd's market works



2024 Annual Report, published March 2025
www.lloyds.com/about-lloyds/investor-relations/financial-results/full-year-results-2024

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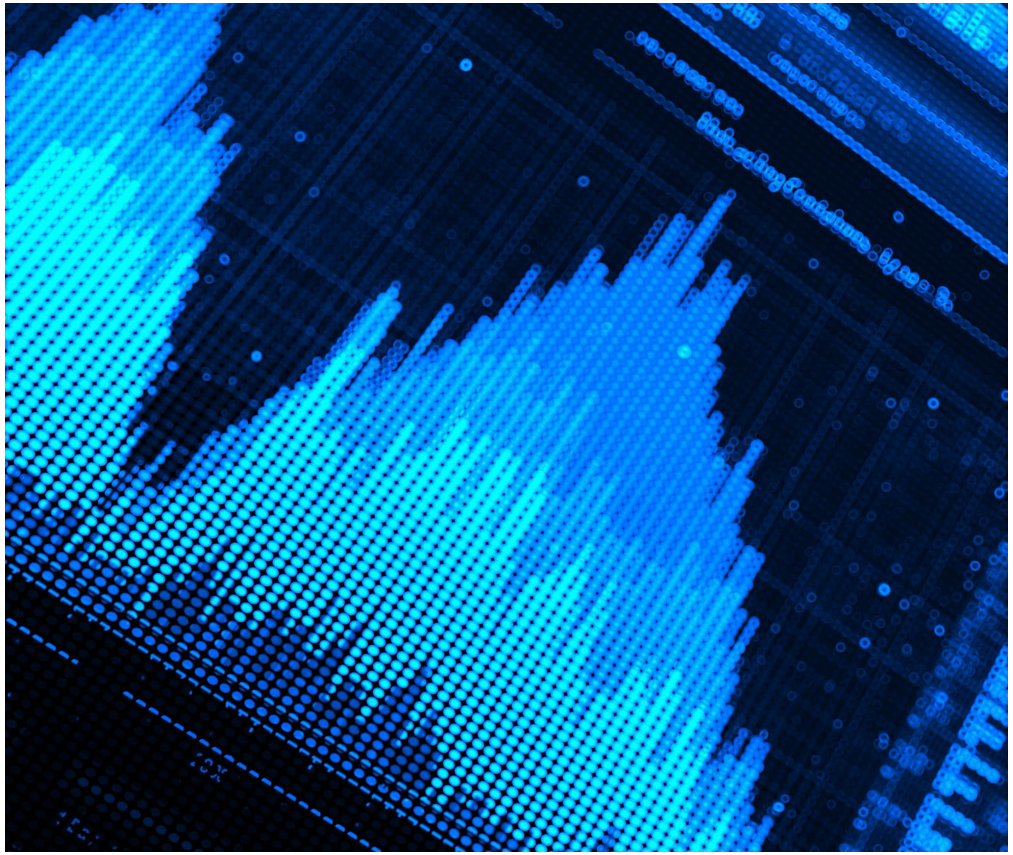
Why Lloyd's?

Lasting partnerships



LLOYD'S

Key Trends in Today's Reinsurance Market



Return on Capital Attracting Investors

Key factor for reinsurance market capacity is that investors view market as providing reliable ROC

Volatility seen in prior years (2018-2023) has reduced so investor interest has returned

Hard Market has Softened

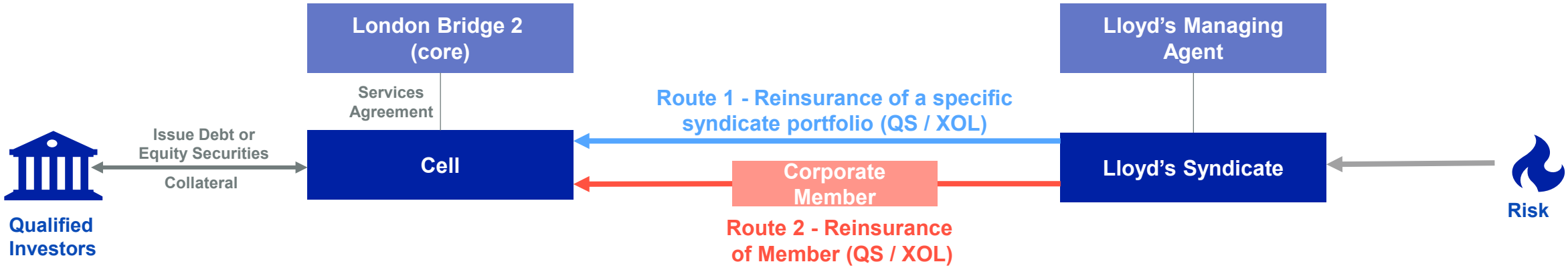
Increased supply of capital coupled with relatively lower catastrophe losses in recent years has put downward pressure on reinsurance rates

Downward rating trend in 2025 seems likely to continue in 2026, unless catastrophe events or other market conditions change

Florida Litigation Reforms Have Worked

Impact of the reforms is being reflected in reinsurance market trends

Lloyd's London Bridge ILS Platform



- Provides opportunity for catastrophe bonds and collateralized reinsurance arrangements through the Lloyd's platform to support deployment of additional capacity
- Enhances capital efficiency - has been used by US insurance groups to reduce volatility in reinsurance pricing

LLOYD'S

Lloyd's Lab

Lloyd's Lab Accelerator

Traction

14
Accelerator Cohorts

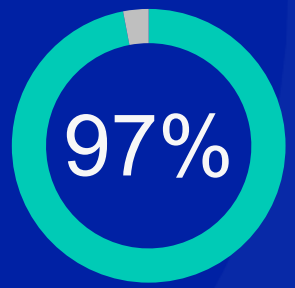
650+
Lloyd's Market Mentors

78
Managing Agents & Broking firms mentoring

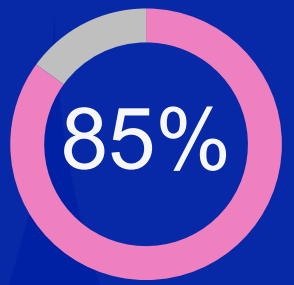
100%
Lab participants recommend the Accelerator

Alumni

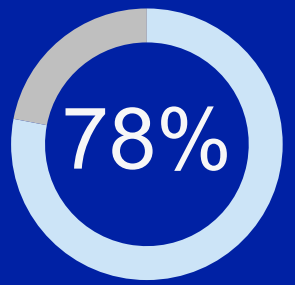
157
Alumni



Success Rate



Working with the market

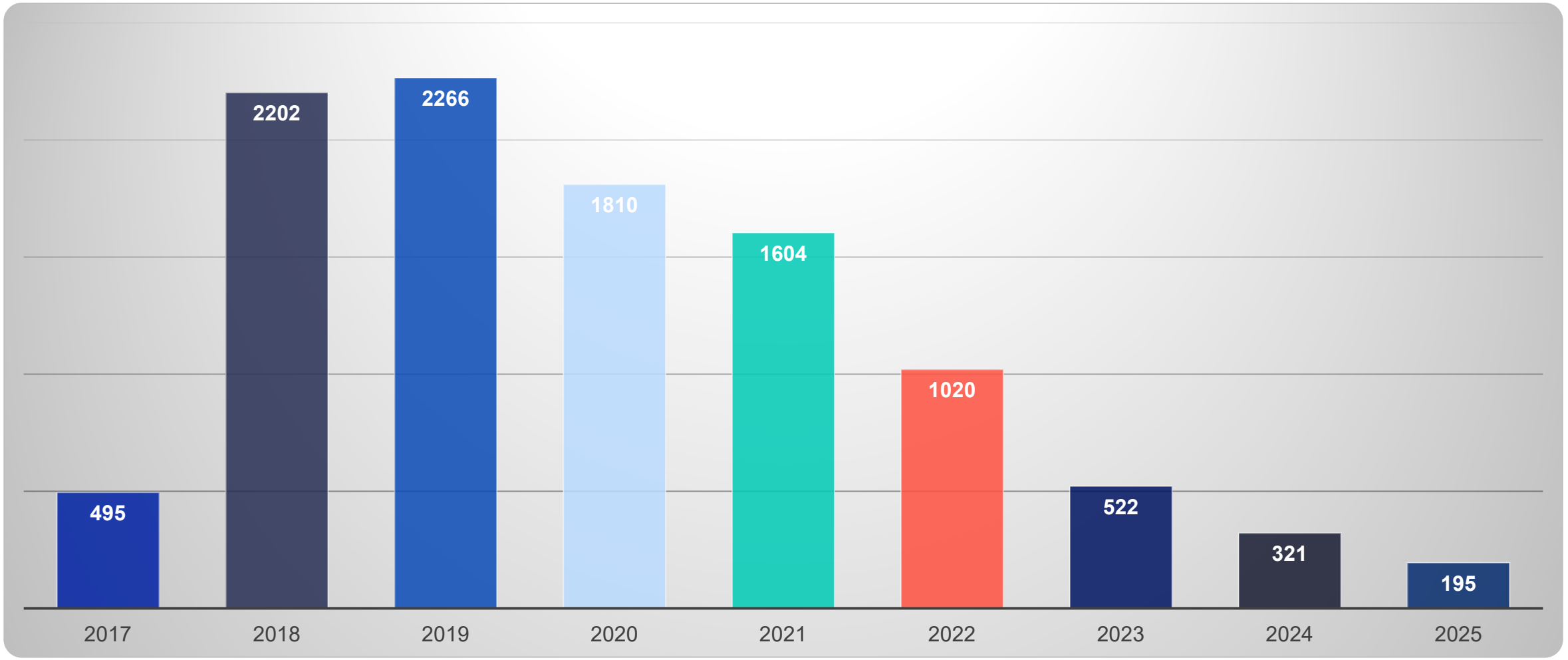


Relationships formed during accelerator

*Figures correct as of July 2025

LLOYD'S

Lloyd's Market Florida Lawsuit Volume (2017 - YTD)

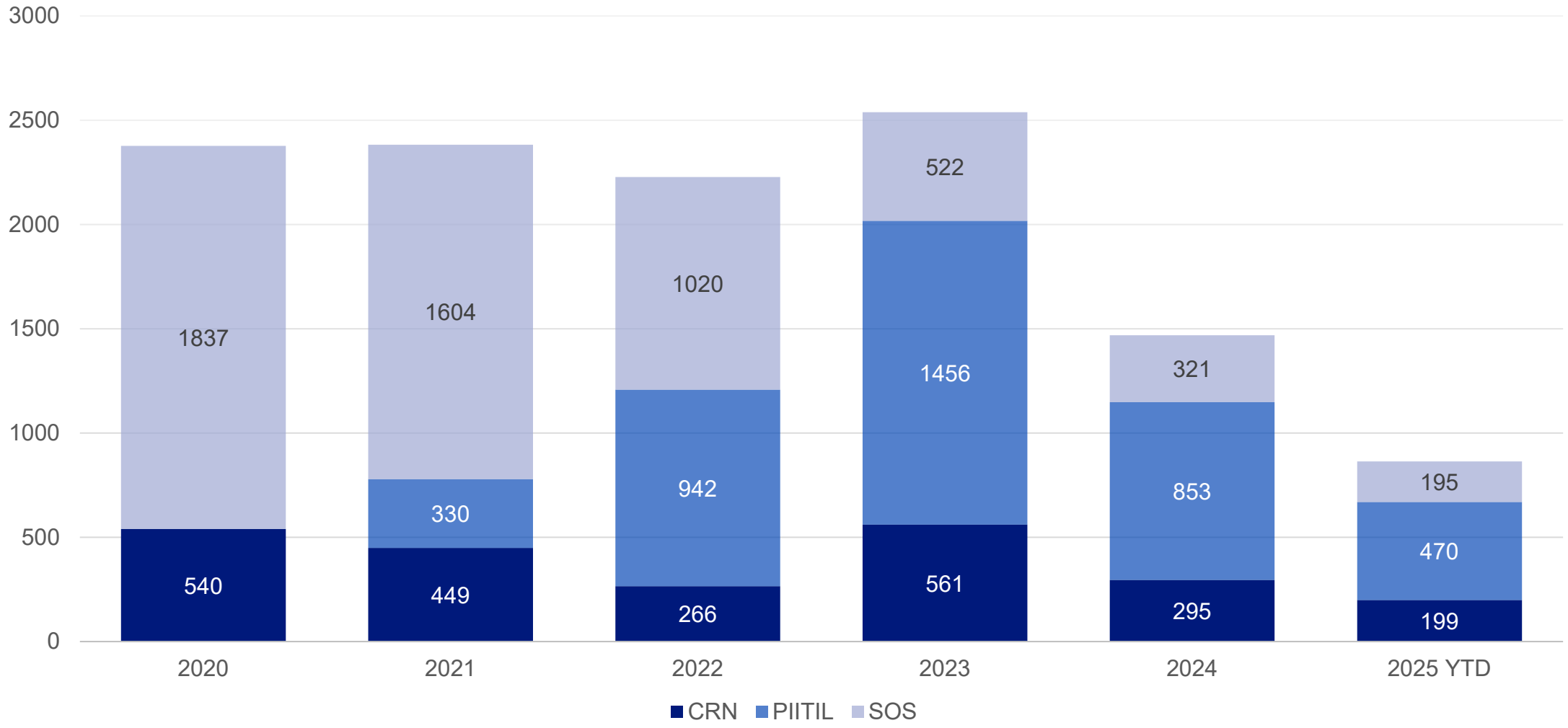


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LLOYD'S

Pre-Litigation Notice Requirement Is Working

As new notice requirement has become embedded volume of litigation has decreased showing notices are resulting in resolution of disputes before litigation (as the legislature intended)



CRN = Civil Remedy Notice under §624.155
PIITIL = Property Insurance Intent to Initiate Litigation under §627.70152
SOS = Lawsuits Filed

LLOYD'S

Lloyd's Top US Markets - Insurance Premiums & Litigation Volumes

2022



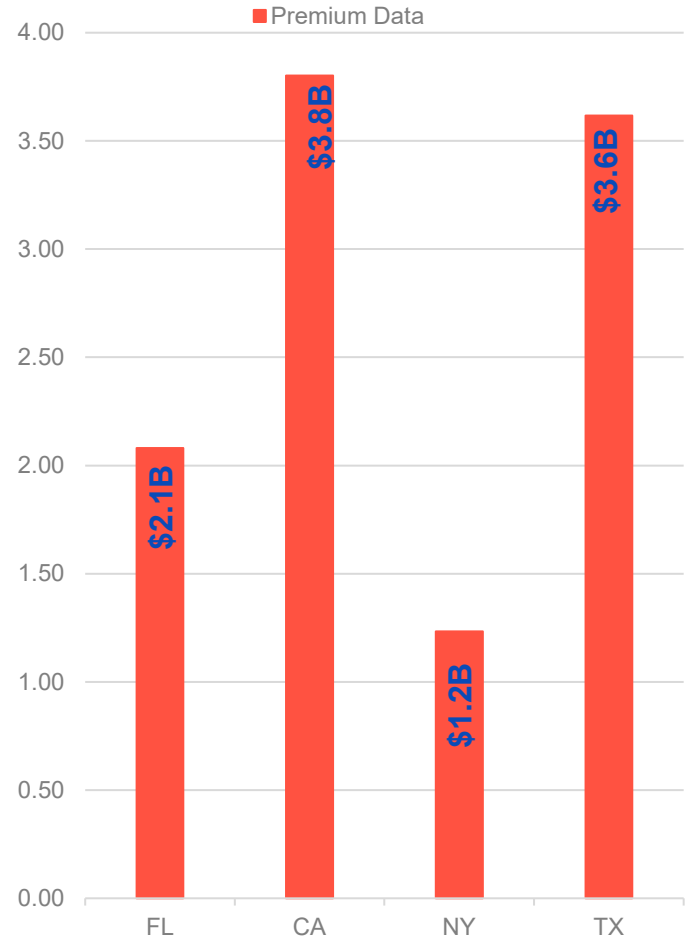
# of Lawsuits	1020	37	46	161

2023



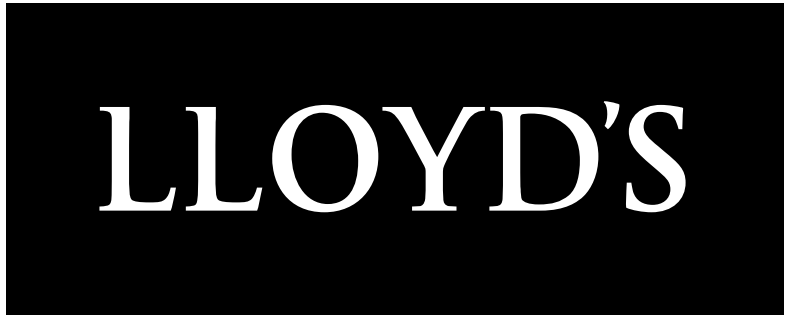
# of Lawsuits	522	32	34	119

2024



# of Lawsuits	321	28	36	79

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