

Mr. Chairman, Members of the Committee, it is a pleasure to present to the committee today. I would like to commend the committee and committee staff on the triumphant achievements made during Special Session that will soon bring relief to the homeowners of Florida by reducing their property insurance bills.

Emergency Rule Clarification:

On January 30th, the Financial Services Commission (Governor and Cabinet) approved an emergency rule to halt rate increases and prevent nonrenewals and cancellations of insurance policies until insurers file their presumed factor rate filings with the Office.

Clarification:

- The rule applies to rate increases, cancellations and non-renewals taking effect from January 31st to no later than March 15th.
- If a policyholder is cancelled or non-renewed during this time, the notification must be rescinded until the presumed factor rate filing is made. After the insurer files the presumed factor filing, the 100 day notice still applies. Companies such as: State Farm..., voluntarily elected to either not cancel or non-renew policies until next year or reissued a 100 notice of cancellation or non-renewal.

Presumed Factor

On March 1st, the Office presented the results of the presumed factor report as prescribed in House Bill 1 A. The presumed factor report takes into account the modifications made to the retention levels of the Florida Hurricane Catastrophe Fund, and applies a factor to each rating territory of the state to estimate the rate savings for insurers that purchase reinsurance from the CAT fund.

By March 15th, insurers are required to file new rates taking into account the presumed factor. Companies may deviate from or ignore the presumed factor in their new rate filings; however, such rate filings are subject to full review by the

Office and must be accompanied with the prescribed affidavit form signed by the CEO or CFO and Chief Actuary.

On average, across the state, policyholders will save 24.3%.

Homeowners - 23.9%

Condo Unit Owners - 25%

Mobile Homes – 26.9%

Condo and Apartment Buildings – 28.7%

Renters – 20.3%

This information is only an average, territories in Dade County will see saving of approximately 50%.