


Your Turn

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 Guest columnist

Florida's policyholders will require more help

It cannot be denied that more and more people are moving to Florida each year to take advantage of its year-round sunshine and business-friendly climate. However, even paradise has its price – and this is nowhere more evident than in the very high cost of property insurance in the Sunshine State.

Horror stories abound.

There have been reports of residents who, despite never having filed a claim, are spending nearly \$15,000 or more each year on property insurance. This anecdotal evidence is in line with findings from experts at the Insurance Information Institute – they have determined that Florida homeowners' out-of-pocket costs for property insurance are up an astonishing 40% in 2023, a steep financial burden compared to other states.

Meanwhile, condominium associations are also feeling the impact of increasing rates as they work to set aside needed dollars for repairs while also paying increased insurance rates. In fact, some associations are facing premium increases of up to 10 times their current rate.

Much of this insurance hike in price is unsurprising: With more frequent and powerful hurricanes becoming the new normal, insurers have passed along the significant cost of rebuilding and recovery from these storms to their customers. That's to say nothing of inflation, interest rate increases and ongoing supply chain snafus.

Nonetheless, politicians are taking notice: Late last year, Gov. Ron DeSantis signed two pieces of legislation that addressed some of the issues by providing more state money for disaster recovery and reinsurance programs and reducing the amount of time that insurers have to consider a claim before paying out.

However, the legislation is a mixed bag for homeowners.

The most significant problem is the ending of one-way attorney's fees. Previously, when a policyholder prevailed in a lawsuit against an insurer, the insurer had to pay the policyholder's attorney's fees. This rule leveled the playing field between property owners and their insurers, and it was especially beneficial to homeowners with smaller claims who might otherwise have difficulty obtaining legal representation. In theory, the elimination of one-way fees may result in lower premiums because the insurer's risk will be reduced, but lower premiums are of little value to a homeowner if their insurer wrongly denies a claim and the policyholder cannot be made whole by legal action.

Though the recent legislation includes some positive developments, homeowners need more help. With hurricane season dawning earlier each successive year, the number of claims will continue to increase, the costs of policies will continue to climb and homeowners will be left without adequate protection.

While the weather is largely beyond our control, Florida's decision makers must act quickly and do more to keep the fiscal tidal wave from sweeping our state's millions of homeowners out to sea.

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