

## **FLORIDA PROPERTY INSURANCE FACTS—JANUARY 2008**

### **⇒ Hurricanes are More Likely to Hit Florida than any Other U.S. State**

- 8 of the 10 most expensive hurricanes ever to make landfall in U.S. history hit Florida, causing more than \$60 billion in insured losses (1992's Hurricane Andrew, 2004's Hurricanes Charley, Frances, Ivan and Jeanne, and 2005's Hurricanes Katrina, Rita and Wilma).
- The value of insured coastal property in Florida ranks first in the US and now exceeds \$2 *trillion*.
- 37% of all hurricane landfalls occur in Florida; 38% of those are Category 3 or higher.
- At least one hurricane strikes Florida every two years, on average, since 1900; A Category 3 or stronger storm strikes the state every 4 years, on average
- Two Category 5 hurricanes made landfall in North America in 2007, they just didn't strike the U.S. A Category 5 storm striking Florida in 2008 could easily produce losses exceeding \$50 billion.
- 22 percent of all U.S. catastrophe losses since 1980 occurred in Florida.

### **⇒ Hurricanes Caused 46% of All U.S. Catastrophe Losses (1987—2006)**

- Insurers paid out \$138 billion for catastrophe losses incurred because of U.S. hurricanes and tropical storms between 1987 and 2006.
- Tornadoes (26%) and terrorism (7.5%) came in 2<sup>nd</sup> and 3<sup>rd</sup>, respectively, accounting for \$77 billion and \$23 billion in insured losses.

### **⇒ Dollars and Cents: Florida Home Insurers Have Lost Billions**

- Florida homeowner's insurers' underwriting losses in 2004 (-\$9.3 billion) and 2005 (-\$3.8 billion) resulted in a four-year cumulative loss of \$6.7 billion, even after including the profitable years of 2006 (+3 billion) and 2007 (+3.4 billion, according to the I.I.I.), when there were no hurricanes. Since 1992 the deficit is -\$6.2 billion. On a per household basis, the 2007 underwriting deficit 2007 was approximately \$730 based on 8.53 million households in the state.
- Florida's homeowner's insurance premium rates are based on past/anticipated losses in Florida alone. By law, profits from other lines of business in other states CANNOT be used to subsidize losses an insurer may incur in Florida. Each type of insurance in each must stand on its own.