

FLORIDA PROPERTY INSURANCE FACTS

Hurricanes Are More Likely to Hit Florida than Any Other U.S. State

- Eight of the 10 most expensive hurricanes ever to make landfall in U.S. history hit Florida, causing more than \$60 billion in insured losses (Hurricane Andrew in 1992, Hurricanes Charley, Frances, Ivan and Jeanne in 2004, and Hurricanes Katrina, Rita and Wilma in 2005).
- The value of insured coastal property in Florida ranks first in the US and now exceeds \$2 *trillion*.
- 37 percent of all hurricane landfalls occur in Florida; 38 percent 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 four years, on average
- Two Category 5 hurricanes made landfall in North America in 2007, they just did not 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 percent 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 percent) and terrorism (7.5 percent) came in 2nd and 3rd, respectively, accounting for \$77 billion and \$23 billion in insured losses.

Dollars and Cents: Florida Home Insurers Have Lost Billions

- Florida homeowners 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.
- Florida's homeowners 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.