

Florida's Legislature should avoid additional reforms and allow the insurance marketplace to keep moving in the right direction.

MARKET STABILIZATION

When Florida lawmakers enacted sweeping tort and insurance reforms in 2022 and 2023, the goal was simple: fix a system that had become one of the most expensive and litigious in the nation. At the time, critics questioned whether consumers would ever see real benefits. Nearly three years later, the results are clear—Florida's reforms are working, not just in property insurance, but across every major line of coverage.

The results are measurable:

Auto insurance, once one of Florida's most troubled lines, is leading the recovery. The state's five largest auto insurers—nearly 80 percent of the market—have filed average **rate decreases of 6.5 percent** for 2025. Progressive alone returned nearly \$1 billion in credits to Florida drivers, citing the 2023 tort reforms as the reason loss costs fell.

Homeowners insurance is following the same trend. Seventeen new insurers have entered Florida's market, bringing more than \$500 million in new capital. Thirty-three companies have filed for rate decreases, and many others requested no change. Florida's average homeowners rate increase in 2024 was just one percent—the lowest in the nation—while litigation has dropped roughly 25 percent. The reemergence of Florida's private residential insurance marketplace has also had a profound impact on Florida's insurer of last resort, Citizens Property Insurance. Between September 2023 and January 2026, Citizens' policy count has reduced from 1.4 million policies/\$617 billion in exposure to 395,000 policies/\$127 billion in exposure.

The benefits extend beyond personal lines (property and auto). Commercial property, commercial residential, and workers' compensation markets are stabilizing, with declining legal costs and improved loss experience. Recently, the OIR approved a 6.9 percent rate decrease for workers' compensation policies effective on or after January 1, 2026, reinforcing Florida's reputation as a national model.

The 2022–2023 reforms strengthened bad-faith standards, eliminated one-way attorney fees, curtailed assignment-of-benefits abuse, shortened statutes of limitation, and rebalanced how damages are calculated in court. These changes restored balance to the legal system, reduced frivolous lawsuits, and gave insurers the predictability needed to compete and invest.

Florida did not try to make insurance “affordable” through price caps or political rate controls. Instead, lawmakers tackled the true drivers of rising premiums: excessive litigation, inflated claims, and legal abuse. While states like Illinois, Louisiana, Michigan, and California are now experimenting with rate caps and regulator veto power—often driving insurers out of the market—Florida chose a different path. That choice is paying off.

Florida's experience shows that true affordability comes from fixing incentives, not suppressing prices. Three years after reform, the verdict is clear: fewer lawsuits, more competition, lower costs—and real relief for consumers.



Oppose Any Legislation That Will Unwind Recent Property Insurance Reforms