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## On the way: higher bills, less help from state

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South Floridians know the drill: Hurricane season is about to start. It's time to check your homeowners' insurance policy to make sure you have sufficient coverage.

This year, homeowners may have to contend with significant changes from legislation passed last month and a policy change for the state-run insurer's windstorm coverage.

State officials, including Gov. Charlie Crist, are pushing mitigation. Unfortunately, lawmakers did not provide funds for the state program that used to pay for home inspections and provide grants to cover some of the costs of protecting homes, such as adding shutters.

One of the new insurance bills, which Crist is expected to sign, will lead to higher insurance rates for all homeowners.

Citizens Property Insurance, the state-run insurer that covers more than a million homes, will raise rates a flat 10 percent next year. The increases will continue until Citizens has reached actuarially sound rates: collecting enough money from premiums to cover the bulk of future losses.

Citizens rates have been frozen since early 2007.

Jeff Grady, president of the Florida Association of Independent Agents, says the Citizens rate freeze traded "short-term savings [on insurance costs] for long-term stability."

In case of a deficit, Citizens policyholders can be assessed up to 45 percent first. If there's still a shortfall, all other policyholders in the state can be surcharged up to 18 percent in one year.

"The only thing worse than expensive insurance is worthless insurance," says Walter Dartland, director of the Consumer Federation of the Southeast, a consumer advocacy group. "In trying to artificially drive down insurance premiums, Florida taxpayers may be set up to face the biggest tax increase in our history."

Michael Letcher, who runs Home Insurance Buyers Guide ([www.homeinsurancebuyers.org](http://www.homeinsurancebuyers.org)), an online subscription service that polls insurers that sell coverage in Florida, says about 40 companies statewide are writing insurance, about 25 in South Florida.

The 350,000 homeowners who have windstorm-only policies from Citizens will have to reapply for coverage as their policies become due.

Citizens won't renew policies on homes with shingle roofs more than 25 years old. All other types of roofs, such as tile, have to be less than 50 years old. Otherwise, homeowners must replace them or have them certified for an additional three years by a licensed contractor.

These inspections cost between \$75 and \$150. If a homeowner has had a wind mitigation inspection in the past year, it can be used to certify the condition of the roof.

This could be the first opportunity Citizens has to review the value of policies it inherited from the old Florida Windstorm Underwriting Association in 2003. The insurer will be verifying the replacement value on the roofs it is covering.

For consumers, that means a higher premium if the insured value is higher.

One downside for homeowners is that the state's My Safe Florida Home program didn't get new funding this year. The program, originally funded with \$250 million in 2006, used to pay for home inspections, suggest possible changes so consumers could make their homes more resistant to hurricanes and provide grants to do the upgrades.