

## Web site aids insurance seekers

### For a fee, Florida homeowners can search an Internet guide to find companies that write affordable policies

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Everybody talks about Florida's tight property insurance market.

Michael Letcher says he is doing something about it.

Frustrated by his own difficulty in finding affordable property insurance, the Loxahatchee resident has launched Home Insurance Buyers Guide LLC ([www.homeinsurancebuyers.org](http://www.homeinsurancebuyers.org)), an Internet guide to finding insurance companies that write homeowner policies.

So far, only 1,000 people have paid to use the site, well short of the 5,300 Letcher estimates he needs to break even. But he's not discouraged. "People are starved for this information," Letcher says.

And the stakes are high. "Two identical homes can be on the same block with a \$4,000 difference in premiums because they are insured by different companies," he says.

It was Letcher's dilemma in 2006, when he was paying \$4,400 a year for a policy with Kemper Insurance Co. that compelled him to create the guide. That year, as Kemper was easing out of Florida, Letcher's policy was among those the insurer did not renew.

Initially, the lowest-priced alternative he could find was a \$7,700 policy from Federated National Insurance Co. He then found another insurance agent who offered him a policy from Universal Property & Casualty Co. for \$5,500.

When Letcher told his original agent that he was going to drop the Federated policy and switch to Universal, the agent suddenly announced he had another carrier, First Community Insurance Co., which could write Letcher coverage for \$4,400.

Letcher doesn't fault the agent. Some have been given strict quotas by their companies on how many new policies they can write a month, he says, and the lower-priced carrier might not have been available during his original visit.

Baffled by the lack of easily available information, Letcher subsequently went to work ferreting out data on which property insurance companies were actually writing business. He found some companies would write coverage but did not publicize where to buy a policy, or they limited the number of new policies an agent could submit. A homeowner would be hard-pressed to secure such information, Letcher says.

"Insurance companies are not very transparent," he says.

Further, out of the more than 170 companies licensed with the state to sell homeowners insurance, Letcher contends he found 36 insurers actually writing policies statewide. Locally, he says 21 companies in Palm Beach and St. Lucie counties and 22 in Martin County are selling new policies.

For \$19.99, Letcher's online buying guide site allows a customer access to information on the site for two weeks. For their money, consumers receive a list of insurance companies writing business in their county, the name of one agent in the

county who sells policies for each of the companies and a financial stability rating on a 1-to-10 scale, based on a financial analysis of insurers' books by Letcher, formerly a vice-president of finance for Bank of America.

Insurance companies must already meet minimum financial solvency rules set by the state to operate, but Letcher says the failure of Tampa-based Poe Insurance Cos. in 2006 shows that property insurers can still be financially vulnerable.

Letcher's site doesn't include Citizens Property Insurance Co., the state-sponsored insurer.

"If you have a claim in 2008, do you want to wait until 2010 to be paid?" he says of Citizens, which ran into major claims handling problems after the 2004 and 2005 hurricane seasons.

His criticism of Citizens, the \$19.99 fee for accessing his Web site — the state's own consumer insurance Web site is free — and the implication that state-approved insurers can still collapse have drawn fire.

Citizens Chairman Bruce Douglas says Letcher is doing a disservice to Citizens, which has worked hard to improve its claims handling procedures.

"We're as well-equipped as anyone," he says.

Douglas says Citizens has contracted with 45 adjusting firms representing more than 6,000 adjusters who can respond if a major storm hits Florida. Still, Douglas says he wholeheartedly supports consumers finding private insurers: It lessens Citizens overall financial exposure.

Tom Zutell, deputy communications director for the Florida Office of Insurance Regulation, said consumers should feel confident that any insurer licensed by the state of Florida is sound. Regulators now require new insurers to have a minimum of \$10 million in capital.

Zutell admits that some of the 26 insurance companies listed on the state site are not writing policies now. A property owner could still go through the list and find a suitable insurer. And unlike Letcher's site, "We list the information for free," he says.

Letcher counters that his site arms consumers with information instantly.

There are glitches. Letcher's service won't offer information on how much premiums will cost until mid-year, when he develops a database from consumers using his service. The state site already offers that information. However, Letcher contends the average price of insurance posted on the state site is not useful because so many variables can affect premium pricing, such as the age of the home.

Letcher also plans to list consumer satisfaction ratings for property insurers later this year, and he is collecting "war stories" from the front lines of homeowners' insurance struggles.

Ultimately, he hopes to create similar insurance sites in California, Texas and other Gulf states, where homeowners have had problems securing insurance. In this state, he insists his site is on target to have 30,000 subscribers a year, which would create revenue of about \$599,000.

That's despite some projections that the insurance availability squeeze is easing, making it less likely customers would need to seek out extra information. Not so, Letcher said of the market.

"It's been steadily downward since Hurricane Andrew hit in 1992."