

Twitter Thread by Judd Legum

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1. While @RonDeSantisFL was fighting the culture wars, banning CRT and shipping migrants to Martha's Vineyard, he failed to meaningfully address Florida's dysfunctional and collapsing property insurance market

And now things are going to get much

@RonDeSantisFL 2. Florida's property insurance system was in crisis even though the state had not been struck by a major hurricane since 2018.

Then Hurricane Ian slammed into Florida's west coast, killing at least 74 people and inflicting tens of billions of dollars in property damage.

3. Florida property faces catastrophic risks from weather events that worsen each year due to climate change.

Floridians pay an average of "\$4,231 a year per [property insurance] policy, compared to a US average of \$1,544."

<https://t.co/el450oM7QI>

4. In the last five years, six Florida insurance companies have gone out of business "without responding to a hurricane, and four more are in the process of liquidation."

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5. The collapsing market has left many Floridians reliant on the Citizens Property Insurance Corp., a state-run agency that is supposed to be the "insurer of last resort." It now provides property insurance for more than 1 million Floridians.

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6. But Citizens has limited resources. It currently has \$13.5 billion available to pay out claims.

If Citizens runs out of money, Florida law "allows [Citizens] to assess non-customers to pay out claims."

A "hurricane tax."

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7. In May, DeSantis called a special session, purportedly to address the property insurance crisis.

The session resulted in lowering the threshold for the industry to access taxpayer-financed reinsurance by \$2 billion.

This didn't meaningfully address the problem.

8. But the law provided "no guarantees" that the savings created by the taxpayer-financed reinsurance program would be passed to consumers.

Advocates warned it was "an industry bail-out that won't result in savings to consumers."

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9. And that's exactly what happened.

Despite the reinsurance fund, many insurers continued to apply for double-digit rate increases.

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REAL ESTATE

Florida insurance firms, not homeowners, reap benefit of \$2 billion taxpayer-financed fund

By Jeffrey Schweers

Orlando Sentinel

Aug 01, 2022 at 4:45 pm

10. Why didn't DeSantis do more to fix the property insurance market in Florida?

Follow the State Farm money.

Strengthening the public reinsurance fund was opposed by "large insurance companies that can buy reinsurance from their own subsidiaries."

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11. That opposition was reportedly led by [@StateFarm](#).

On August 1, 2022, DeSantis collected "nearly 200 separate checks from insurance agents or their firms," totaling about \$150,000.

The effort, according to Politico, was "coordinated by State Farm."

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12. Overall, DeSantis has received at least \$700,000 from the insurance industry this cycle.

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