

## **Florida home insurer asks to boost rates**

- **Posted by Julie Patel, South Florida Sun-Sentinel**
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United Property & Casualty Insurance has asked the Office of Insurance Regulation to allow it to increase its average statewide homeowner insurance rates by about 12 percent.

With about 74,500 policies, United is among the top 20 largest private insurers in Florida. The requested increase in Palm Beach County is 16.3 percent on average but it's minimal in Broward County -- about 1.1 percent.

United is based in St. Petersburg and received a \$20 million low interest loan in 2006 from the state to grow its policies. The company submitted the proposal Friday for rates it would like to put into effect Dec. 25 for new policies and those up for renewal.

A company spokeswoman did not return a call today but in its proposal, the company says it needs the increase to help pay for higher costs of reinsurance – or catastrophic insurance for insurers -- both because private coverage costs are rising and because there is less backup coverage available from the Florida Hurricane Catastrophe Fund, a state reinsurer that will shrink each year for the next few years under a law passed this year.

Citizens Property Insurance Corp., the state-backed property insurer that is Florida's largest, plans to increase average statewide rates by up to 10 percent on Jan. 1 under a state law passed this year. And State Farm, the second largest insurer, plans to leave the state, though Insurance Commissioner Kevin McCarty recently said he's trying to negotiate with the insurer to keep it in Florida even if it's much smaller. State Farm and McCarty's office postponed to Nov. 17 an administrative hearing they planned to have in October to resolve their disputes over the company's exit plan.

McCarty -- along with representatives from Citizens and the catastrophe fund -- will field questions on the state of Florida's insurance industry from the Senate banking and insurance committee on Tuesday.

McCarty told the Florida Cabinet recently that 84 companies writing policies in the state had underwriting gains in the first six months of the year compared with 102 that had losses. McCarty said insurers may need to increase rates or the state may need to evaluate how to address the issues central to the problem of escalating reinsurance costs.

In United's proposal, it included an analysis showing it actually needs a 19.7 percent boost in statewide rates but it is asking for a smaller increase.