



# Best's Market Segment Report: Florida's Property Insurance Market Showing Stabilization; Turns First Underwriting Profit in Eight Years

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//BestWire// - Florida's personal property insurance market reported an underwriting profit following eight consecutive years of related losses, as well as a significant jump in pre-tax operating income in 2024, according to a new **AM Best** report.

The Best's Market Segment Report, "Florida's Property Insurance Market Showing Stabilization Following Volatility and Sharp Premium Increases," states that a softening property/casualty landscape is emerging in the state, driven by an increase in competition, new participants, stabilizing premiums and improving profitability. This comes following a prolonged period of hardened market conditions characterized by steep premium hikes and reduced capacity, as well as rapid growth for Citizens Property Insurance Corporation, the state-run insurer of last resort. Legislative reforms introduced in 2022 have played a critical role in the market rebound, helping to improve the legal environment and address persistent litigation challenges that have severely impacted insurer performance.

"Florida's legislative reforms acted as a material tailwind for longstanding participants but also improved the environment to attract new entrants, effectively increasing capacity," said Josie Novak, senior financial analyst, AM Best. "Additionally, the retreat of certain carriers—whether through reduced market participation or the suspension of new business—has created space for new companies to establish a foothold, further reshaping the competitive landscape."

The 2024 legislative session continued to support the insurance market, with one piece of legislation passed that allows excess & surplus (E&S) lines' carriers to offer coverage on seasonal homes, provided they have an AM Best rating of A- (Excellent) or higher and the homes lack homestead exemptions. The 2025 legislative session so far includes passage of crucial legislation that will ease access to E&S lines coverage for agents and consumers.

AM Best's Florida personal property composite is made up of 45 Florida specialist insurers that predominantly underwrite personal property within the state. It excludes companies that have ties to larger national carriers, as well as Citizens Property Insurance Corporation; it also includes insurers that have become financially impaired or merged in recent years to appropriately reflect back-year data.

Active Florida property insurers (i.e., excluding Citizens and any companies now insolvent) reported a combined ratio of 93.1 for 2024 with an underwriting gain of \$206.7 million,

compared with a \$174.4 million loss in 2023. Pre-tax operating income of \$492.3 million compared with a result just above breakeven in the previous year. The reports notes that many of these insurers still hold considerable direct exposure relative to their premiums, with companies reporting a 3.2x direct premiums written-to-surplus ratio, compared with the U.S. personal property composite average of 1.7x. Dependence on reinsurance also remains high, with ceded reinsurance leverage among active insurers at 519.4% in 2024, compared with 62.2% for the U.S. personal property composite. These materially higher positions reflect the state's unique exposure to catastrophic weather events, reinsurance dependence, and greater direct risk borne by Florida specialists.

“Looking ahead to midyear renewals, the balance of power appears to be shifting toward primary carriers,” said Chris Draghi, director, AM Best. “Given that loss activity has been more moderate in recent years and profitability has stabilized, Florida composite companies are now in a better position to manage risk accumulation and potentially negotiate more favorable terms with reinsurers.”

To access the full copy of this special report, please visit [http://www3.ambest.com/bestweek/purchase.asp?record\\_code=354206](http://www3.ambest.com/bestweek/purchase.asp?record_code=354206).

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