

We put an end to the litigation abuse that drove rates ever higher. Now the market is stabilizing.



CROSS COUNTRY

Why Trial Lawyers Hate Florida's Insurance-Market Reforms

Palm Coast, Fla.

Floridians have faced major increases in their homeowners and automobile insurance premiums in recent years. At the same time, Florida ranked as one of the worst states in the country for lawsuit abuse, with our courts flooded by frivolous claims. This was no coincidence. Our Wild West litigation rules were a major reason that Floridians' premiums were among the most expensive in the country and— for those already struggling with inflation— simply unaffordable.

To illustrate the connection between litigation abuse and affordability, in 2019 about 8% of all homeowners' claims filed in the U.S. were filed in Florida. But according to the National Association of Insurance Commissioners, Florida accounted for 76% of all claims that turned into lawsuits that year. Politicians overuse the word "crisis," but this was a real one. Many predicted the collapse of our property insurance market. Meanwhile, every time a billboard attorney won another jackpot, we all paid higher premiums.

When I was speaker of the Florida House of Representatives, the Legislature acted to end frivolous lawsuits and abusive tactics by lawyers while protecting people with legitimate legal claims. We also enhanced regulatory authority and raised penalties imposed on any insurer that failed to pay customers' claims properly and promptly. These two major reforms ignored the special-interest fights among attorneys and insurance companies and put the focus where it belongs: on making litigation and insurance rules fair and premiums more affordable for all consumers.

The benefits of those reforms are now kicking in. Florida's Office of Insurance Regulation announced in February that nearly two-thirds of automobile premiums are declining between 6% and 10.5% this year, depending on the insurer, with more decreases expected as filings continue. If we stay the course, we should see even more-affordable rates in the years ahead.

Floridians are also seeing improvements with homeowners insurance. While 2024 rates continued to increase by double digits nationally, according to S&P Global, Florida premiums only increased 1% on average. This was the lowest rate of increase in the nation and well below the rate of inflation. Forty-three companies, representing 79% of policies on the market, filed either a decrease in 2024 or didn't file increases. Our reforms ended the billboard-lawyer gravy

train and eliminated the big increases in homeowners premiums we faced before those reforms became effective. Together with funding for home-hardening programs like My Safe Florida Home, the Sunshine State's property insurance market will continue to stabilize and become more affordable in the years ahead.

Florida is known for its best-in-the-country freedom agenda, robust economy, and No. 1 ranking in education. Yet litigation abuse was one area in which our state ranked at the very bottom. Critics claim reform enriches insurance companies, but Florida's recent rate reductions and market stabilization prove these arguments are baseless. While premiums remain too high and require continued attention, there is no question that ending litigation abuse has made a positive difference.

Recently, some in the Florida Legislature— at the behest of trial lawyers— have sought to undo these reforms. Gov. Ron DeSantis has led the fight to push back and has vowed to veto any efforts to undo our success.

Other states are following Florida's lead. In March, Georgia passed landmark lawsuit-abuse reforms that will protect consumers, reduce costs and lower the hidden " litigation tax." Texas lawmakers are considering a bill that will stop lawyers from padding jury awards with inflated and unreasonable charges. Louisiana, Oklahoma and even California are considering legislation this year to reform their broken legal systems. My advice is simple: Make litigation and insurance rules fair, and watch as premiums come down.

Mr. Renner, a Republican, served as speaker of the Florida House, 2022-24.

By Paul Renner

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