

Insurance payments taking over family budgets

Florida struggles to hold line on costs

By: Maria Mallory White and Donna Gehrke, Sun Sentinel

Like many American families, the highest expense on the Iglesias family budget was the mortgage on their Pembroke Pines home.

Not any more.

Insurance costs now top their monthly payments: More than \$15,000 a year after the family gets through paying premiums for home, auto, medical and life insurance. "We haven't taken a vacation in four years," said Alberto Iglesias, a postal employee and father of six.

Floridians like Iglesias are feeling squeezed on all sides when it comes to maintaining insurance to protect their homes, cars and health.

Consider: The state has "the nation's highest insured losses and most vulnerable landscape," according to the Insurance Information Institute. A recent report ranks Florida in the top 10 states with the most expensive auto insurance and it is third in the nation in the percentage of those under 65 without health insurance, according to the Kaiser Family Foundation.

So why is Florida struggling to lower rates or hold the line on insurance?

Consumer advocates, insurers, and lawmakers point to four factors that continue to impact rates:

- The risk from hurricanes
- A growing and challenging population
- Fraud
- Political volatility

The first two no one can eliminate or fully control. But rampant fraud in all three insurance arenas and disagreement among lawmakers have stalled reforms or made them tough to enact.

"Every year there appears to be a compromise on the important insurance issues — but it is not a compromise for some," said Lynne McChristian, the Florida representative of the nonprofit Insurance Information Institute. "The rules keep changing. That's why it seems so unsettling.

Consumers want stability and so do the insurers." **Property**

The tug-of-war to reform property insurance comes down to risk and rates. No one debates the risk. But the rates — will they go up or down — are a different story, one that continues to trip up efforts to make changes to Citizens Property Insurance Corp., the state-funded property insurer.

It was created to be the insurer of last resort, but along the way Citizens' grew, and private companies either went of business, left the state or refused to write new policies to compete with

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**Coalition Against
Insurance Fraud**

Citizens' rates, which are discounted an average 30 percent statewide.

Citizens is now the ninth-largest home insurance company in the nation with 1.3 million policies, and a large chunk of those policies are in South Florida.

"Essentially, Florida has been lying to its residents five or six years now. We have led them to believe their [Citizens'] policies offer adequate coverage" and they do not, said Florida Chamber of Commerce President Mark Wilson.

Looking to Louisiana, which created its own Citizens, Sen. David Simmons, D-Altamonte Springs, for one, included a provision to force Citizens to price its policies above the top-20 carriers offering coverage in markets where it sells insurance. By shrinking Citizens and its influence on pricing, private companies will return to Florida and that new competition will drive down prices, according to Simmons.

The **Coalition Against Insurance Fraud** expressed disappointment over the judge's ruling last week: "The opinion ignores the irreparable harm that crooked medical providers inflict on honest drivers and the no-fault system's integrity," said Dennis Jay, executive director of the anti-fraud coalition.