

PROPERTY INSURANCE REPORT

The Authority on Insuring Homes and Commercial Property

Vol. 29#10/682 **Oct. 24, 2022**

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Florida insurers appear to have enough reinsurance for current claims. **Page 3**

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California Pulls the Trigger, Mandates Mitigation Discount

California Insurance Commissioner **Ricardo Lara** last week enacted [regulations](#) requiring insurers to offer discounts for wildfire mitigation. (See [PIR 9/26/22](#))

The regulation requires insurers to submit new rate filings within 180 days. In addition to requiring the discounts for specific mitigation measures and community mitigation, the regulation requires insurers to provide consumers with their property’s “wildfire risk score” and a right to appeal that score.

In hearings on the regulations, insurers complained that California’s ratemaking restrictions – such as prohibiting the use of catastrophe models – creates inadequate rates. They said mandatory discounts on top of inadequate prices could exacerbate the availability crisis in wildfire areas. [PIR](#)

Florida Lawsuits Raining Down On Storm-Battered Marketplace

A wave of property claims lawsuits following Hurricane Ian could deal a final blow to reinsurers’ deteriorating confidence in the **Florida** insurance market, a bigger threat to many carriers than the storm’s actual wind, rain and storm surge damage.

Ian, which is projected to be the second-costliest hurricane in U.S. history and Florida’s worst, has thrust the state’s fragile homeowners market into perhaps its most dire moment yet, leading to calls for reforms that go further than those signed into law by **Gov. Ron DeSantis** on May 26.

DeSantis announced Friday that he and legislative leaders – incoming House Speaker **Paul Renner** and Senate President **Kathleen Passidomo** – agreed to hold another special session this year after the Nov. 8 election to consider additional reforms to stabilize the homeowners insurance market as well as property tax rebates for those whose

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West Virginia Uses Cash to Lure New Residents to Mountain State

With its population shrinking, **West Virginia** is using a combination of cold hard cash and natural beauty to recruit remote workers to the Mountain State.

Now in its second year, the [Ascend WV](#) program has selected about 85 candidates from more than 10,000 applicants to receive incentives to move to West Virginia. They receive \$10,000 paid out over the first year and \$2,000 at the end of the second year. They also receive a free year of outdoor recreation valued at \$2,500 and free coworking space. Applicants who don’t win a spot are eligible for an average \$3,500 in mortgage assistance if they buy a house in West Virginia.

Funded with \$25 million from former **Intuit** CEO **Brad Smith**, a West Virginia native and president of **Marshall University**, the program is ramping up recruitment efforts

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homes and businesses were made uninhabitable.

“There were some positive reforms that were done [in May] but there were also things we wanted to do but that the Legislature at that time was not willing to do,” DeSantis said. “I think we will be able to do that in this special session, and I think both of those leaders are ready willing and able to get this on a steady footing.”

The holy grail for reform proponents has been elimination of the well-intentioned but widely abused “one-way attorney’s fee” statute. The law requires insurers to pay the legal fees of claimants who prevail in court, but not the other way around. While intended to level the playing field for policyholders, the law unleashed a flood of litigation in recent years as attorneys inundated companies with suits to collect fees.

Gov. Ron DeSantis will call a special legislative session to address property insurance reforms after the election.

“Florida accomplished a lot in the special session that we had this spring, but I do think extra reforms are necessary in order to get the market healthy, including but not limited to a repeal of the one-way attorney’s fees statute,” said **Fred Karlinsky**, co-chair of the insurance regulatory practice at **Greenberg Traurig**.



Fred Karlinsky
Greenberg Traurig

Ian made landfall on Sept. 28 with 150 mph winds, killing more than 100 people with insured damage estimates approaching \$70 billion. The hurricane’s mammoth storm surge destroyed homes and businesses, and left watermarks on the second floor of structures that

remained standing. The extensive water damage will result in billions of dollars of uninsured flood losses and a potentially fertile ground for “wind versus water” lawsuits.

The threat of litigation is so great that Hurricane Ian marked the first time catastrophe modeler **Karen Clark & Co.** included excess litigation costs its loss projection.

In claims where there is not a clear delineation whether damage was due to flood or wind, “it’s going to go into litigation,” **Barry Gilway**, the CEO of the state’s insurer of last resort, **Citizens Property Insurance Corp.**, said during a call with analysts from **Keefe, Bruyette & Woods** (KBW).

Only about 40% of homeowners in the three hardest hit counties – Lee, Charlotte and Sarasota – have flood insurance, he said, and Citizens is anticipating the number of lawsuits to grow substantially in the next few months.

While lauding the recent changes that set standards for the use of attorney fee multipliers and that limited assignment of legal fees to deter contractor fraud, Florida State Sen. **Jeff Brandes** and other advocates for property insurance reform say past efforts failed to eliminate the chief culprit behind the market’s disarray.

“It all really boils down to the one-way attorney fee statute,” said insurance consultant **Werner Kruck**, president of **Kruck Consulting** and former COO of Florida home insurer **Security First Insurance Co.** “They’ve tried to do everything they can think of to solve the problem but not touch that.”

Florida State Sen. **Jim Boyd**, who chairs the Senate Banking and Insurance Committee, believes eliminating the statute would encourage more investment and more favorable rates for



Werner Kruck
Kruck Consulting

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Florida carriers that are heavily dependent on reinsurance. It could even make Florida more attractive to national carriers that have long refused to write in the state, he said.

Karlinsky, who has lobbied on the behalf of the insurance industry to shape the direction of previous reform bills, said the governor and Legislature are “interested in tackling this issue prior to the next session,” which begins in March.

DeSantis said the session will take place after the Nov. 8 election. His opponent, former governor and Democratic U.S. Rep. **Charlie Crist**, has blamed DeSantis for the insurance crisis and is promising that he will lower rates.

The big question is whether threats to insurance company solvency posed by Hurricane Ian will force the hand of legislators who thwarted past efforts to eliminate one-way attorney fees as the market fell into crisis. Six carriers have become insolvent in the last year, and nearly a dozen have stopped writing new business in Florida since January, with much of the blame placed on the deluge of litigation.

“I think they have kicked the can so far down the road that they’re out of road,” Brandes said. “If they do not call a special session, there will be multiple market failures or multiple companies will withdraw.”

The trial bar lobbies heavily to retain the one-way attorney fee statute, and legislators fighting to preserve it have called it necessary to level the playing field between deep-pocketed insurance companies and homeowners who may not otherwise be able to afford to challenge claims in court.



Joseph Petrelli
Demotech

Insurers say that one-way attorney fees are the reason property insurance carriers in Florida face exponentially more law-

suits than those in other states: About 7% of all U.S. homeowners’ claims were opened in Florida last year, but more than 76% of homeowners insurance lawsuits were filed in the state, according to [a report](#) by the **Florida Office of Insurance Regulation**.



Melissa Burt DeVriese
Security First Insurance

Security First President **Melissa Burt DeVriese** believes fears of mass insolvencies following Ian are overblown, though she supports litigation reforms. Her company’s reinsurance program was more than capable of handling the storm’s losses, as were those of competitors she has spoken to.

‘I think they’ve kicked the can so far down the road that they’re out of road.’

– Sen. Jeff Brandes

“What plagues Florida and what’s causing problems is not the wind, it’s not Hurricane Ian, it’s the litigation,” DeVriese said. “That is what is driving up rates.”

For now, Florida insurance companies do appear to have enough reinsurance to cover claims from the storm, said **Demotech** President **Joseph Petrelli**. The rating agency will have a clearer view of companies’ solvency when they submit third-quarter financial statements in November, he said.

Excess litigation remains a “wild card,” and it’s uncertain if carriers will be able to acquire enough reinsurance in June to avoid downgrades.

In the meantime, Hurricane Ian is expected to worsen the already miserable dynamics of the Florida market: Companies with a healthy surplus may be able to weather the storm and find

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reinsurance next year, but those already on the brink could face insolvency, according to industry sources.

“There is a very high degree of uncertainty regarding the long-term economic implications of this event for our company, and the entire industry,” **United Insurance Holdings** President and Chief Financial Officer **Brad Martz** said in an Oct. 12 statement after reporting more than \$1 billion in gross catastrophe losses, with incurred losses of approximately \$36.4 million after expected reinsurance recoveries.

With insolvent carriers and skyrocketing rates, policies have been pouring into Citizens. The state-backed insurer is now growing by about 10,000 policies a week, Gilway said

With insolvent carriers and skyrocketing rates, policies have been pouring into Citizens Property Insurance.

during the call with KBW, up from the rate of 6,000 per week in the spring.

Gilway said he expects Citizens’ policyholder count, which stands at about 1 million now, to reach 1.2 million by year end, on its way to more than 1.5 million next year. Citizens peaked in late 2011 with nearly 1.5 million policies, before falling to a low of about 420,000 in 2019.

Citizens expects between 100,000 to 150,000 claims from Hurricane Ian, down from original estimates of about 200,000. **RMS** and **AIR** models project the insurer’s losses at between \$2.3 billion and \$2.6 billion, he said.

As of Oct. 20, Florida regulators reported 564,399 private insurance claims, including 394,951 residential property claims.

Karen Clark said recent reforms that intended to reduce litigation will be counterbalanced by the large number of expected lawsuits challenging insurer determinations of whether dam-

age was caused by flood rather than wind. Her firm expects that \$13 billion of the projected \$63 billion in total insured losses will come from excess litigation. KCC analyzed loss data from previous hurricanes in Florida and nearby states to identify exactly how much “excess” litigation occurs in Florida and included it in a loss projection for the first time. Clark said data shows that litigated claims in Florida cost more than four times more than claims without lawsuits.

Pandemic-related supply shortages that continue to impact rebuilding costs will also drive claims higher, she said, along with infrastructure damage in the Fort Myers area. KCC estimates that the replacement cost of a single-family home is 25% higher than it was in January 2020.

CoreLogic estimated total losses at between \$41 billion and \$70 billion, and **RMS** estimated losses at between \$53 billion and \$74 billion.

Reinsurance provides crucial underwriting capacity to the domestic carriers that have come to dominate the Florida property insurance market in the 30 years since the devastation wrought by Hurricane Andrew in 1992 laid bare the industry’s exposure to hurricane losses. While most carriers were able to complete their reinsurance programs during the previous renewal in June – in some cases paying rates 30% higher than last year, according to **Dowling & Partners Securities** – others could not, threatening their ability to write new business or even keep what they have. ([PIR 6/20/22](#))

Even before Hurricane Ian, June reinsurance capacity was expected to fall about 20% short of Florida insurance company demand, Kruck said. The storm has already led to a pullback in the retrocessional reinsurance market, he said, which



Florida
Sen. Jim Boyd

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State Market Focus: WEST VIRGINIA

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with plans to fund the relocation of 1,000 remote workers over five years.

Anything that helps improve West Virginia’s growth prospects is good news for the state’s home insurers, who have had to contend with a shrinking customer base and low-value housing stock.

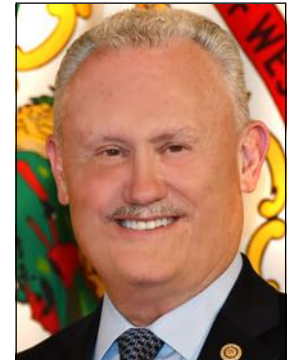
From 2010 to 2020, West Virginia’s population declined 3.2% to 1.8 million, and the number of housing units fell 3.0%, according to census data. Only nine of West Virginia’s 55 counties experienced housing growth over the decade.

The insured value of properties in the state is also low. Based on 2019 data from the **National Association of Insurance Commissioners** (NAIC), 4.7% of West Virginia homes were insured for under \$100,000, compared with just 1.4% nationwide. Homes insured for between \$100,000 and \$200,000 represented 43.3% of the housing stock, compared with 23.5% nationally.

Not surprisingly, West Virginia ranks as the most affordable housing market, with a median list price of \$199,000, according to April data from [Realtor.com](https://www.realtor.com).

Home insurers looking for opportunities in West Virginia should look to two of the three areas for which Ascend WV is recruiting transplants. In the Morgantown area – home to **West Virginia University** – the number of housing units grew 15.4% over the decade, and in the Martinsburg area, in the Eastern Panhandle, housing units grew 13.6%.

For 2022, the program’s second year, 33 remote workers and their families moved to the Greenbrier Valley, which while abundant in nat-



Allan McVey
West Virginia
Insurance Commissioner

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West Virginia											
Property Insurance Profit Margins											
10-Year Summary, % of Direct Premiums Earned, With National Averages											
Line of Business	2020 Total Profit	2019 Total Profit	2018 Total Profit	2017 Total Profit	2016 Total Profit	2015 Total Profit	2014 Total Profit	2013 Total Profit	2012 Total Profit	2011 Total Profit	Avg Total Profit
State Homeowner	12.7	11.1	3.7	18.2	7.4	14.0	7.1	15.2	-11.3	6.1	8.4
Nat'l Homeowner	2.7	10.3	-2.0	-2.6	11.8	14.0	13.9	16.5	8.1	-3.8	6.9
State Fire	27.7	31.6	20.8	28.0	23.1	28.5	32.3	22.1	27.9	31.4	27.3
Nat'l Fire	9.3	5.8	4.8	4.7	11.0	24.2	21.4	26.9	24.7	24.8	16.5
State Comm MP	25.5	12.4	5.1	18.7	6.1	16.9	12.5	15.4	2.4	11.6	12.7
Nat'l Comm MP	3.2	8.2	4.1	0.6	9.8	14.5	12.4	14.9	9.0	4.1	8.1
State Allied	36.4	48.4	2.2	14.2	-44.2	11.2	33.7	25.8	5.1	26.0	15.9
Nat'l Allied	-0.3	7.6	2.2	-37.6	10.6	19.2	15.7	6.3	-19.4	5.7	10.0

Note: Profit calculations are by *Property Insurance Report* using data from the National Association of Insurance Commissioners. Calculations are estimates, some based on national averages.

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ural beauty, needs all the help it can get after a 6.2% decline in housing units and a 7.1% drop in population over the decade.

For insurers, West Virginia has been a small but modestly profitable market, ranked 27th for profits over time. For the decade ended 2020, West Virginia home insurers generated an average annual profit margin of 8.4%, better than the 6.9% countrywide average.

West Virginia home insurers are still facing inflationary pressures familiar in other states,

trends reflected in requests for rate increases.

Unlike more catastrophe prone states, however, the homeowners rate requests are modest, averaging 1.9% this year and 2.4% since the start of 2021 for the top 10 home insurers, according to RateWatch from **S&P Global Market Intelligence**.

Regulators are generally accepting of rate requests that don't exceed inflation, said Insurance Commissioner **Allan McVey**. Given the economic difficulties of his state's citizens, however,

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West Virginia Homeowners Multiperil Insurers

Groups Ranked by Total 2021 Direct Premium Written (000)

Group Name	2021 Premium	Mkt share 2021	Loss Ratio 2021	2020 Premium	Mkt share 2020	Loss Ratio 2020	2019 Premium	Mkt share 2018	Loss Ratio 2019
State Farm Mutual	\$132,830	26.8%	48.7%	\$122,002	25.9%	62.9%	\$117,365	25.4%	56.4%
Erie Insurance Group	\$90,147	18.2%	55.9%	\$86,372	18.3%	51.8%	\$87,507	18.9%	60.0%
Nationwide Mutual Group	\$42,854	8.7%	45.3%	\$43,452	9.2%	53.4%	\$45,085	9.7%	54.6%
Liberty Mutual	\$42,661	8.6%	46.2%	\$38,900	8.3%	55.1%	\$36,251	7.8%	57.0%
Allstate Corp.	\$38,189	7.7%	33.0%	\$36,484	7.7%	38.5%	\$35,570	7.7%	46.1%
USAA Insurance Group	\$26,563	5.4%	44.1%	\$25,233	5.4%	46.9%	\$24,408	5.3%	39.9%
Westfield Insurance	\$17,999	3.6%	45.6%	\$17,858	3.8%	43.5%	\$17,933	3.9%	71.0%
Farmers and Mechanics	\$14,799	3.0%	44.5%	\$14,538	3.1%	51.5%	\$14,554	3.1%	44.2%
Municipal Mutual Ins Co. of West Virginia	\$12,634	2.5%	55.9%	\$11,683	2.5%	95.7%	\$9,892	2.1%	76.6%
Farmers Insurance	\$10,043	2.0%	29.9%	\$10,084	2.1%	36.0%	\$10,187	2.2%	34.0%
West Virginia Insurance Co.	\$8,935	1.8%	48.0%	\$8,160	1.7%	67.8%	\$8,369	1.8%	65.3%
American Family Insurance Group	\$7,552	1.5%	16.9%	\$5,416	1.1%	61.0%	\$4,672	1.0%	49.0%
Hartford Financial Services	\$7,170	1.5%	39.6%	\$7,796	1.7%	10.7%	\$8,332	1.8%	51.5%
American National Insurance	\$6,645	1.3%	51.4%	\$6,188	1.3%	60.7%	\$5,741	1.2%	49.0%
Munich Re/American Modern Ins Group	\$6,211	1.3%	31.9%	\$6,336	1.3%	34.8%	\$6,263	1.4%	36.6%
Assurant	\$4,661	0.9%	38.3%	\$4,570	1.0%	28.4%	\$3,956	0.9%	37.0%
Progressive Corp.	\$4,111	0.8%	70.1%	\$2,896	0.6%	51.4%	\$1,999	0.4%	57.4%
Horace Mann Educators Corp.	\$3,215	0.7%	57.2%	\$3,323	0.7%	29.9%	\$3,312	0.7%	107.3%
Panhandle Farmers Mutual Ins Co.	\$2,401	0.5%	37.5%	\$2,420	0.5%	43.1%	\$2,415	0.5%	63.6%
Encova Insurance	\$2,328	0.5%	66.8%	\$2,057	0.4%	19.6%	\$2,222	0.5%	43.5%
Chubb Ltd.	\$2,136	0.4%	26.2%	\$2,168	0.5%	9.7%	\$2,128	0.5%	18.9%
Farmers Mutual Ins Co. (West Virginia)	\$2,115	0.4%	32.7%	\$2,145	0.5%	37.2%	\$2,119	0.5%	27.5%
Amica Mutual Insurance	\$1,397	0.3%	91.9%	\$1,326	0.3%	80.9%	\$1,292	0.3%	109.8%
Safe Insurance Co.	\$1,258	0.3%	33.4%	\$1,277	0.3%	20.5%	\$1,295	0.3%	16.0%
Statewide Totals	\$495,220		47.6%	\$471,774		52.4%	\$462,844		54.8%

Source: S&P Global Market Intelligence and the *Property Insurance Report* database.

Loss ratio = incurred losses/direct premium earned and does not include dividends or loss adjustment expense.

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he keeps a careful eye on their use of credit in rating and underwriting.

West Virginia had the fifth-lowest [median household income](#) last year and the lowest average [credit score](#) after **Mississippi**. West Virginia allows insurers to use credit, but McVey invites consumers to file complaints if they think they've been treated unfairly.

"We try to point out to all the insurance carriers when they do make those rate filings that you need to understand why people's credit rating might be lower than normal, particularly with what we've gone through the last few years with the pandemic," he said.

"We want you to be fair about it and only use

that credit rating for a small part of your final decision."

West Virginia Gov. **Jim Justice** appointed McVey to the insurance commissioner role in September 2021 after **James Dodrill** [stepped down](#). McVey previously served as insurance commissioner from April 2017 to January 2019, when Justice asked him to join his Cabinet as secretary for the state **Department of Administration**, overseeing 16 government agencies through the pandemic.

While West Virginia has its share of natural disasters, including some hail and windstorms, the biggest problem is from flooding.

"We try to educate our population into pur-

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West Virginia

Commercial Multiperil Nonliability Insurers Groups Ranked by 2021 Premiums Written (000)

Group Name	2021 Premiums	Mkt share	Loss Ratio
Erie Insurance Group	\$28,939	19.4%	50.9%
Travelers Companies Inc.	\$15,052	10.1%	14.5%
Nationwide Mutual Group	\$12,915	8.6%	51.2%
Westfield Insurance	\$12,100	8.1%	50.4%
Chubb Ltd.	\$9,087	6.1%	208.6%
Liberty Mutual	\$7,412	5.0%	46.3%
The Cincinnati Insurance Cos.	\$7,252	4.8%	24.2%
American International Group	\$5,764	3.9%	69.5%
Farmers and Mechanics	\$5,220	3.5%	60.7%
Encova Insurance	\$5,117	3.4%	96.5%
Brotherhood Mutual Insurance Co.	\$4,676	3.1%	31.4%
Hartford Financial Services	\$4,377	2.9%	25.7%
Church Mutual	\$3,627	2.4%	46.6%
Tokio Marine Group/PURE	\$3,211	2.2%	-11.5%
American National Insurance	\$2,937	2.0%	52.4%
State Farm Mutual	\$2,719	1.8%	25.1%
GuideOne Insurance	\$2,393	1.6%	37.4%
Allstate Corp.	\$2,190	1.5%	53.2%
Berkshire Hathaway Inc.	\$1,499	1.0%	99.8%
Zurich Insurance Group	\$1,380	0.9%	129.9%
Farmers Mutual Ins Co. (West Virginia)	\$1,216	0.8%	12.2%
Statewide Totals	\$149,464		55.3%

Source: S&P Global Market Intelligence and the *Property Insurance Report* database.

Loss ratio = incurred losses/direct premium earned and does not include dividends or loss adjustment expense.

West Virginia

Fire Insurers Groups Ranked by 2021 Premiums Written (000)

Group Name	2021 Premiums	Mkt share	Loss Ratio
Liberty Mutual	\$6,622	9.2%	47.7%
Travelers Companies Inc.	\$4,168	5.8%	-2.7%
Municipal Mutual Ins Co. of West Virginia	\$3,667	5.1%	39.4%
FM Global	\$3,565	5.0%	na
American National	\$3,463	4.8%	26.2%
Zurich Insurance Group	\$3,166	4.4%	20.0%
West Virginia Insurance Co.	\$3,025	4.2%	27.2%
HDI V.a.G	\$2,957	4.1%	2.8%
Allianz Group	\$2,690	3.8%	48.2%
Cincinnati Financial Corp.	\$2,282	3.2%	33.4%
Munich Re	\$2,268	3.2%	36.0%
Alleghany Corp.	\$2,168	3.0%	4.0%
Swiss Re	\$2,119	3.0%	-16.4%
Nationwide Mutual Group	\$1,915	2.7%	27.9%
American International Group	\$1,833	2.6%	na
SCOR	\$1,440	2.0%	20.7%
Farmers Insurance Group	\$1,401	2.0%	14.0%
STARR Companies	\$1,382	1.9%	7.6%
Farmers Mutual Ins Co. (West Virginia)	\$1,356	1.9%	13.5%
Westfield Insurance	\$1,248	1.7%	83.5%
Pennsylvania Lumbermens Mutual	\$1,238	1.7%	0.0%
Statewide Totals	\$71,686		32.6%

Source: S&P Global Market Intelligence and the *Property Insurance Report* database.

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chasing flood insurance, and if you're in a non-flood prone area, you can purchase coverage for a very reasonable amount," McVey said.

West Virginia is one of the most flood-prone inland states in the country, with more than 100 floods in each of the last four years, according to **Pew Charitable Trusts**. The state is reviewing its 2004 flood protection plan with an updated expected to be released later this year or early 2023, according to [Pew](#).

McVey laments insurers' lack of interest in bringing the still small but growing private flood insurance market to his state.

"I have tried to recruit companies to write it here," he said. "It's a numbers game, though. Unfortunately, we don't have the numbers here that larger states have for them be able to write enough of it to take care of the claims. So I haven't been able to get that initiative going. But I would love to have companies do that here."

It's not just flood insurance.

The West Virginia legislature passed a [bill](#) last year "[laying out the welcome mat](#)" for test-

ing insurance innovations that may not meet statutory or regulatory requirements, yet not one company has submitted an application for the so-called regulatory sandbox.

"It's our numbers that cause companies not to pilot things here," McVey said, citing West Virginia's small population. "We'd love to see them do it."

The effort to improve West Virginia's bad-faith environment, along with reasonable profits and business-friendly regulators, have infused stability in what was once a very uncertain environment, but West Virginia still has its challenges. Litigation is one; arson is another.

An analysis of federal data by the website [24/7 Wall St.](#), West Virginia had 44.4 cases of arson per 100,000 residents from 2017 to 2021, the second-highest rate in the country after **Kansas** with 62.6.

In the 2021 session, lawmakers passed two key pieces of legislation long sought by insurers and the broader business community: One [bill](#) created the [Intermediate Court of Appeals](#) be-

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West Virginia

Allied Lines Insurers

Groups Ranked by 2021 Premiums Written (000)

Group Name	2021 Premiums	Mkt share	Loss Ratio
FM Global	\$8,057	17.1%	0.4%
American National Insurance	\$5,515	11.7%	18.1%
Liberty Mutual	\$3,577	7.6%	40.7%
Zurich Insurance Group	\$2,404	5.1%	75.7%
Travelers Companies Inc.	\$2,198	4.7%	48.8%
Nationwide Mutual Group	\$2,092	4.4%	87.1%
HDI V.a.G	\$1,972	4.2%	190.4%
Cincinnati Financial Corp.	\$1,817	3.9%	76.0%
Assurant	\$1,648	3.5%	15.6%
Munich Re	\$1,547	3.3%	39.2%
Farmers and Mechanics	\$1,218	2.6%	20.1%
Statewide Totals	\$47,107		52.8%

Source: S&P Global Market Intelligence and the *Property Insurance Report* database. Loss ratio = incurred losses/direct premium earned and does not include dividends or loss adjustment expense.

West Virginia 2020 Insured Home Values (HO3 Policy Form)

Home Value	West Virginia	National Average
<\$50K	0.3%	0.2%
\$50-75K	1.2%	0.3%
\$75-100K	3.2%	0.9%
\$100-125K	7.3%	2.6%
\$125-150K	11.1%	5.0%
\$150-175K	12.6%	7.3%
\$175-200K	12.3%	8.6%
\$200-300K	32.0%	32.9%
\$300-400K	11.8%	20.1%
\$400-500K	4.2%	10.1%
>\$500K	3.9%	12.0%
Total exposures	276,856	50,060,919

Source: NAIC, *Property Insurance Report*

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Zesty^{AI} uses artificial intelligence to build a digital twin for every property in North America, accounting for all details that could impact a property's value and associated risks, including the potential impact of natural disasters.

Climate Risk

Wildfire Risk

Hail Risk

Wind Risk

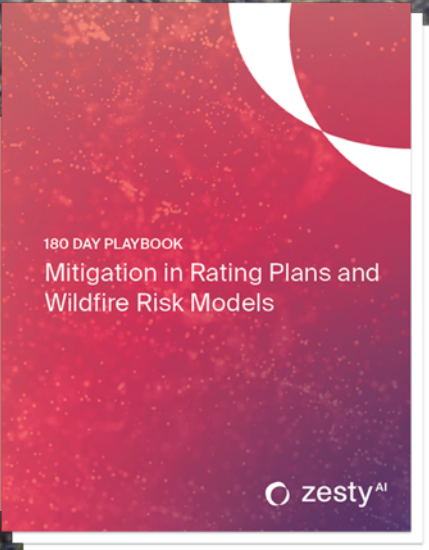
Flood Risk

Property Insights

Digital Roof

Home Intelligence

Commercial Real Estate



California's first-of-its-kind "Mitigation in Rating Plans and Wildfire Risk Models" regulations are here.

The new regulations will require insurers in California to refile their existing rating plans on an aggressive 180-day timeline and consider the structure of a home, its surroundings, and community-level mitigation.



Navigate The New Regulations with Zesty^{AI}'s 180 Day Playbook

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FLORIDA LAWSUITS Continued from Page 4 will further reduce reinsurer capacity.

The storm could also reduce capacity in the catastrophe bond market and investors' appetite for other insurance-linked securities, which function as alternative sources of reinsurance capital.

Reinsurers will likely require Florida carriers to increase retentions. Industry sources estimate that up to one-third of the state's primary carriers would lack sufficient surplus to meet reinsurer demands to double their retentions, Kruck said.



Florida
Sen. Jeff Brandes

"If nothing changes," he added, "we could see half of the companies in Florida lose their Demotech rating or become insolvent."

Industry observers and participants have circled the June 1, 2023, reinsurance renewals as a possibly fateful moment for the property insurance market. "I think this is the storm that, if the Legislature gets it right, it could transform the future of the Florida market into a sustainable market," said Brandes, who represents Tampa Bay. "If the Legislature gets it wrong, or fails to act, we will find ourselves with a collapsed market with Citizens growing exponentially." [PIR](#)

Only a Few Spaces Left for PIRNC22

In addition to a wide range of other topics, the 2022 Property Insurance Report National Conference will feature **Florida CFO Jimmy Patronis**, **Citizens COO Kelly Booten**, regulatory attorney **Fred Karlinsky**, and **Demotech CEO Joe Petrelli**. Visit www.riskinformation.com.



NATIONAL CONFERENCE
THE RITZ-CARLTON, LAGUNA NIGUEL, NOVEMBER 13-15

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Focus: WEST VIRGINIA

Continued from Page 8

tween trial courts and the West Virginia Supreme Court of Appeals. Supporters have said the additional level of appellate review will help create a more consistent, predictable and stable body of law. The court started July 1.

The Legislature may also take another stab at the issue of what insurers refer to as "phantom damages" – the ability of plaintiffs to recover the full amount of medical damages billed as opposed to the discounted amount actually paid. Lawmakers have tried and failed several times to pass bills – most recently [SB 572](#) – invalidating the 2014 Supreme Court of Appeals [decision](#) that found that the collateral source rule protected the amounts discounted or written off from the injured person's medical bills. While the legislation didn't advance, the Senate passed a [resolution](#) asking a joint legislative committee to study the effects of the court decision and to draft legislation based on its recommendations for the 2023 session. [PIR](#)

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