

Storm protection to pay off as homeowner discounts double under new state rules
By David Royse
The Associated Press

TALLAHASSEE · Many Florida homeowners will get larger property insurance discounts -- about double what they now receive -- for house improvements aimed at avoiding hurricane damage under a rule approved Tuesday by Gov. Jeb Bush and the Cabinet.

Currently, state insurance regulators have a list of "suggested" discounts for how large of a break homeowners should receive when they make improvements such as adding hurricane shutters, stronger shingles or clips or straps that secure the roof to the walls.

Under the rule approved Tuesday, insurers will have to give homeowners a discount that in most cases will double what they now offer.

Insurers could offer higher or lower discounts, but if they are lower than the percentage spelled out in the rule, the company would have to justify it to the Office of Insurance Regulation. The discounts vary by company, and account for factors such as where the house is built and how old it is.

The state's large insurers all offer mitigation discounts on the portion of the hurricane insurance premium that covers wind damage.

For example, if you are an Allstate Floridian customer, you get about a 12 percent discount on the wind portion of your premium for having shutters, if you are in a one-story house built before 2002. If you are a Citizens Property Insurance Corp. customer, shutters will get you a 19 percent break on that part of your premium, according to figures compiled by the Florida Insurance Council, an industry group.

Under the new rule, many companies will have to offer discounts that are twice what they now give for each type of improvement, although some -- State Farm, for example -- are already offering larger discounts than suggested and won't have to make as large an increase.

The rule is part of a push by state officials to reduce the total dollar amount of damage in hurricanes as a way of reducing the amount of money insurance companies must pay out each year. Huge payouts in recent years have forced some insurers to flee and others to dramatically raise rates.

The insurance industry generally is supportive of the plan, having argued for years that one of the biggest ways to put a dent in spiraling costs is for people to make their homes more able to stand up to storms.

Florida Insurance Council spokesman Sam Miller said that while the discounts are an incentive to make the improvements, it's not the only reason.

"You mitigate because it's a life safety issue," Miller said.

Bush and the Cabinet also approved on Tuesday another rule that will require insurance companies to more clearly spell out to customers the exact percentage of the discounts they can expect for various improvements.

Each company will send out the form with the expected discounts with the customer's new bill after March 1 of next year.