



Contact: *Tanja Clendinen*  
*tanja@jamesmadison.org*  
*(850) 383-4633*

*January 17, 2012*  
FOR IMMEDIATE RELEASE

## **Florida Faces Dual Crises in Insurance Markets**

*JMI releases white paper on homeowners and vehicle insurance reform*

**TALLAHASSEE** – For three years, state leaders have not effectively addressed Florida’s dysfunctional property insurance system despite bipartisan support for reform. Add to that the long term questionable sustainability of Florida’s vehicle insurance system, and the state now faces dual crises in its insurance markets.

“Florida cannot afford a repeat of the 2011 Legislative Session. Nothing has improved in the past year; indeed, many aspects of the insurance environment have gotten worse.” –**Eli Lehrer, JMI Adjunct Scholar and Heartland Institute Vice President and Director of the Center on Finance, Insurance, and Real Estate**

In a newly released Backgrounder, “[Workable Solutions for Florida’s Challenging Insurance Problems](#),” James Madison Institute Adjunct Scholars Eli Lehrer and R. J. Lehmann outline the cases for reform and propose a series of recommendations that could be reasonably implemented in the 2012 Legislative Session.

Regarding **vehicle insurance reform**:

- **Goal 1: Retain and enhance the no-fault nature of Florida’s vehicle insurance system.**
- **Goal 2: Make commonsense reforms to limit legal and medical costs.**
- **Goal 3: Crack down on fraud in all contexts.**

Regarding **property insurance reform**:

- **Goal 1: Retain the Cat Fund as a buffer for Katrina-sized events but shrink it to remove the dangers it poses to the state.**
- **Goal 2: Pursue more aggressive depopulation of Citizens by granting it greater freedom to raise rates and to deny or non-renew policyholders.**
- **Goal 3: Harden Florida’s built environment against hurricanes, and end subsidies for development in hurricane-prone areas.**

“During the 2012 Session, legislators have an opportunity to make reasonable reforms in Florida’s vehicle and property insurance systems that will make an immediate difference in the lives of the people they represent and in the economic health and financial stability of the state they serve.” – **Dr. Robert McClure, JMI President and CEO**

*All JMI publications are available on-line at [www.jamesmadison.org](http://www.jamesmadison.org). To comment or request a copy, contact Tanja Clendinen at 850.383.4633 (toll free 1.866.340.3131) or [Tanja@jamesmadison.org](mailto:Tanja@jamesmadison.org).*