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Insurance Consumer Advocate Carter Stands Ready to Assist Consumers Following Company Downgrades

~Consumer Educational Tools and Assistance Available~

TALLAHASSEE, Fla. – Florida's Insurance Consumer Advocate (ICA) Tasha Carter today announced educational tools and assistance available for policyholders whose insurance company's rating has been downgraded or withdrawn. Demotech, Inc., an insurance company ratings agency, recently downgraded the Financial Stability Ratings of one insurance company and withdrew the ratings for two companies that insure properties in Florida. Financial Stability Ratings indicate a company's financial strength and its ability to meet its financial obligations. Mortgage lenders such as Fannie Mae and Freddie Mac require homeowners to insure their homes with insurance companies that have an A or better Financial Stability Rating with Demotech. If an insurance company's rating does not meet the requirement, it may impact the homeowner's ability to maintain insurance coverage.

"My utmost priority is protecting and educating Florida's insurance consumers. These ratings downgrades and withdrawals can have significant consequences for consumers, especially as we approach the height of hurricane season. I stand ready and available to assist by providing the education and tools consumers need to make informed, timely decisions regarding their homeowners insurance," **said Insurance Consumer Advocate Tasha Carter.**

ICA Carter launched a dedicated [webpage](#) that includes:

- An overview of Financial Stability Ratings and what downgrades mean for policyholders
- An explanation of how the situation is being addressed by key insurance stakeholders
- Frequently Asked Questions to help guide policyholders on next steps

ICA Carter will continue to update the webpage as more information becomes available.

Consumers should be aware that a downgrade or withdrawal of a rating does not necessarily mean that the insurance company will go out of business or no longer be able to provide coverage for a home with a Fannie Mae- or Freddie Mac-backed mortgage. Under Governor DeSantis' leadership, Chief Financial Officer Jimmy Patronis and the Office of Insurance Regulation have presented an innovative [temporary reinsurance arrangement](#) through Citizens Property Insurance Corporation for those insurance companies that no longer meet the financial rating requirements. Affected insurance companies will meet an exception offered by Fannie Mae and Freddie Mac, which will ensure Florida's homeowners are able to maintain their insurance coverage. With the implementation of this arrangement, policyholders do not need to take any action. There should be no reason for mortgage lenders to require a new policy or apply force-placed coverage based solely on the downgrade or withdrawal of their company's Financial Stability Rating. Consumers will maintain coverage with their existing homeowners' insurance company and there will be no change to the policy or premium.

“OIR’s reinsurance arrangement is an unprecedented tool that puts consumers first by ensuring homeowners insurance coverage remains intact for the vast majority of policyholders, requiring no action on their part,” **said Insurance Consumer Advocate Tasha Carter.**

Consumers should visit www.MyFloridaCFO.com/Division/ICA/CompanyInformation for updates and additional information regarding the downgrades. For questions, contact the Department of Financial Services’ toll-free Insurance Consumer Helpline @ 1.877.693.5236.

Follow ICA Carter on [Twitter](#) and [Facebook](#): @YourFLVoice for the latest on the topic.

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Tasha Carter was appointed by CFO Jimmy Patronis as Florida’s Insurance Consumer Advocate in August 2019. The ICA is an independent leader with an effective and powerful voice for all Floridians. In this role, Carter is committed to increasing consumer awareness and education; assisting consumers with insurance-related matters; and engaging legislatively to represent Florida’s insurance consumers. The ICA serves the interests of Florida’s insurance consumers by representing the general public before the Department of Financial Services (DFS) and the Office of Insurance Regulation (OIR); examining rate and form filings submitted to OIR; recommending actions to DFS and OIR; and representing the general public on appointed boards and public forums.

Florida's Insurance Consumer Advocate
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