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COMMISSIONER

October 29, 2024

Weiss Ratings, LLC
c/o Jeffrey Rano, Registered Agent
11780 US Highway 1, Suite 201
Palm Beach Gardens, FL 33408-3080

Dr. Martin Weiss:

The Florida Office of Insurance Regulation is responsible for regulating insurance companies operating in the State of Florida. This includes examining the financial stability of all carriers and their ability to pay out claims owed to their customers.

You have recently penned articles with dire predictions about the financial stability of Florida's insurance carriers. You have stated that: (1) "Florida and other states are on the brink of a collapse in homeowners insurance."¹; (2) "[H]omeowners in Florida filing legitimate damage claims in the aftermath of hurricanes Helene or Milton are at high risk of receiving no payment whatsoever from their insurance company."²; and (3) "Many Florida insurers are short on reserves because they've diverted funds to shareholders or to parent companies outside the state. Thus, some are abusing their power to deny damage claims as a deliberate tactic to conserve cash and avoid bankruptcy."³

We take our responsibility to protect consumers very seriously, and we will not ignore any potential warning signs. We have extensive powers to collect documentation from the insurance industry, examine particular companies, and enforce compliance with Florida law. *See* §§ 624.307, .321, .324 Fla. Stat. (2024). Accordingly, we have enclosed two subpoenas, one for you and one for Weiss Ratings, LLC, requesting all documentation used to develop and support your conclusions in the articles cited above. Given the urgency of your warning to consumers, you must provide these documents no later than November 30, 2024.

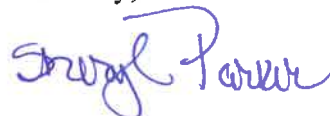
¹ Martin D. Weiss, *Must Read Before Milton Hits Tonight*, Weiss Ratings: Weiss Ratings Daily (Oct. 9, 2024, 11:25 AM) <https://weissratings.com/en/weiss-ratings-daily/must-read-before-milton-hits-tonight>.

² Martin D. Weiss, *Florida Victims of Hurricanes Helene and Milton at High Risk of Getting Stiffed by Property Insurers*, Weiss Ratings (Oct. 8, 2024, 8:33 AM), <https://weissratings.com/en/weiss-news/florida-victims-of-hurricanes-helene-and-milton-at-high-risk-of-getting-stiffed-by-property-insurers>.

³ *Id.*

If you have any questions about how to facilitate delivery of the requested documents, please email me at Sheryl.Parker@flor.com or call me at (850) 413-5086.

Sincerely,

A handwritten signature in blue ink that reads "Sheryl Parker". The signature is written in a cursive style with a large, stylized "P" at the end.

Sheryl Parker
Deputy Commissioner
Market Regulation



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CHIEF FINANCIAL OFFICER

ASHLEY MOODY
ATTORNEY GENERAL

WILTON SIMPSON
COMMISSIONER OF
AGRICULTURE

OFFICE OF INSURANCE REGULATION

MICHAEL YAWORSKY
COMMISSIONER

To: Dr. Martin Weiss
Weiss Ratings, LLC
11780 US Highway 1
Suite 201
Palm Beach Gardens, FL 33408-3080
[via PERSONAL SERVICE]

Re: Investigation of Insurance Carriers'
Financial Stability Following
Hurricanes Helene and Milton
Case No. 400525-24

SUBPOENA DUCES TECUM

Pursuant to the investigatory powers under sections 624.307, 624.317, 624.318, 624.321, and 624.324, Florida Statutes, the Florida Office of Insurance Regulation (the "Office") issues this subpoena duces tecum to Dr. Martin Weiss. **YOU ARE HEREBY COMMANDED** to produce the documents set forth in Attachment A. Failure to comply with this subpoena may result in an enforcement action pursuant to section 624.321, Florida Statutes.

By November 30, 2024, Weiss Ratings, LLC, is required to produce copies of the documents set forth in Attachment A to the Office at 200 East Gaines Street, Tallahassee, FL 32399-4206. Questions regarding transmission and compliance should be directed to Joe Hart, General Counsel, at Joe.Hart@flor.com or (850) 413-2623.

YOU SHALL RESPOND to this subpoena as directed unless excused by the party who issued the subpoena or by Order of the Office.

IN TESTIMONY WHEREOF, the Seal of the State of Florida is affixed hereto, and the undersigned, as designee pursuant to section 624.321, Florida Statutes, has hereunto set his hand at Tallahassee, FL this 29 day of October, 2024.


Joseph Hart, General Counsel
Florida Office of Insurance Regulation

ATTACHMENT A

I. GENERAL

A. DEFINITION

"Document" or "documents" means all written or graphic matter, however produced, of every kind and description in your actual or constructive possession, including but not limited to, all writings, account letters, account recommendations, advertisements, appointment books, books of accounts, calendars, CD-ROMs, charts, checks and check registers, computer files, computer printouts, contracts, cost sheets, data compilation from which information can be obtained or can be translated through detection devices into a usable form, diaries, drafts, drawings, DVDs, e-mail, faxes, graphs, hard drives, invoices, ledgers, letters, magnetic storage devices, memoranda, microfiche, microfilm, minutes, notes, optical storage devices, papers, photographs, punched cards, receipts, reports, social media postings or communications, solid state storage media, sound recordings, statements, statistical records, stenographer notebooks, SMS or MMS communication, studies, telegraphs, texts, time sheets, video recordings, website materials, working papers, or any tangible thing.

B. GENERAL INSTRUCTIONS

The response to this demand shall be submitted in the following manner:

1. Where possible, documents shall be produced electronically (*e.g.*, physical documents should be scanned and converted to an Adobe PDF file). Where physical documents are converted to an electronic format, you should state this fact and specify the relevant paragraph, subparagraph, or category of documents under part II for which you have converted documents.
2. Documents provided shall be complete and unredacted, submitted as found in the company's files. You may submit photocopies (with color photocopies where necessary to interpret

the document) in lieu of original documents, provided that such copies are true, correct, and complete copies of the original documents.

3. Documents stored electronically shall be produced electronically in their original format, and they shall not be encrypted.

4. Data maintained in a spreadsheet format shall be produced electronically in a spreadsheet file format compatible with Microsoft Excel.

5. For any database into which any information related to any entity was added, amended, or integrated, provide documents sufficient to name the database, describe the database, and categorize and define the data. This request does not require that you produce the database itself, unless production of the database is required to view the information. It includes, but is not limited to:

- a. The schema or record layouts of every file or database table as it is maintained;
- b. Any data dictionary or other document defining or describing the fields or other terms used in the schema or record layouts; and,
- c. Any listing, description, and exemplar of pre-defined or "canned" reports associated with the database or database tables.

6. This demand for production of documents calls for the production of all responsive documents in your possession, custody, or control without regard to the physical location of such documents.

7. This demand for production of documents is a continuing request.

8. The documents produced shall clearly identify the particular paragraph (or subparagraph or category within a paragraph or subparagraph, if applicable) of part II of this attachment in response to which they are being produced.

9. If you possess no documents responsive to any particular request in part II, state this fact and specify the relevant paragraph, sub-paragraph, or category of documents under part II for which you have no documents. In the event that you should withhold any document under claim of any constitutional or other legal right or privilege, please state the following as to each such document:

- a. The name of each author, writer, sender, or initiator of such document or thing, if any;
- b. The name of each recipient, addressee, or party for whom such document was intended, if any;
- c. The date of such document, if any, or an estimate thereof and so indicated as an estimate if no date appears on said document;
- d. The general subject matter of the document; and,
- e. The claimed constitutional or other legal right or privilege that you contend applies with respect to the document (*e.g.*, "attorney-client privilege").

II. DOCUMENT REQUESTS

1. Any document that evidences that "Florida and other states are on the brink of a collapse in homeowners insurance." Exhibit 1.

2. Any document that evidences "a man-made financial mess created by insurance companies and their regulators." Exhibit 1.

3. Any document that evidences "that homeowners in Florida filing legitimate damage claims in the aftermath of hurricanes Helene or Milton are at high risk of receiving no payment whatsoever from their insurance company." Exhibit 2.

4. Any document that evidences that "many Florida insurers are short on reserves because they've diverted funds to shareholders or to parent companies outside the state." Exhibit 2.

5. Any document that evidences that Florida insurers are “abusing their power to deny damage claims as a deliberate tactic to conserve cash and avoid bankruptcy.” Exhibit 2.

6. Any document that evidences that Florida insurers are “denying legitimate claims [to send] the implicit message, ‘If you don’t like it, sue us.’” Exhibit 2.

7. Any document that evidences that “instead of maintaining adequate reserves to cover the likely potential damage from storms, floods and forest fires, many insurers distribute the funds to shareholders or move them to other subsidiaries.” Exhibit 3.

8. Any document that evidences that any Florida insurer has committed a violation of the Florida Insurance Code.

9. Any document that evidences the financial instability or the risk of insolvency of a Florida insurer.



Weiss Ratings Daily

Must Read Before Milton Hits Tonight

By [Martin D. Weiss, Ph.D.](#) On October 9, 2024 © 11:25 AM

☰ My Lists



📧 Weiss Ratings Daily



By Martin Weiss

I urge you to read this before hurricane Milton makes landfall tonight.

That's because Florida and other states are on the brink of a collapse in homeowners insurance ...

A natural disaster of historic dimensions ...

Colliding with ...

A man-made financial mess created by insurance companies and their regulators.

For all the details and what do about it, be sure not to miss our urgent press releases:

- [Florida Victims of Hurricanes Helene and Milton at High Risk of Getting Stiffed by Property Insurers](#) and ...
- [Large Property Insurers Respond to Climate Change by Denying Homeowner Claims](#)

Plus, I also urge you to check out [this landmark article by Bankrate.com.](#)

They make it crystal clear that Weiss Ratings is the only rating agency which meets Florida's proposed definition of an independent rating agency.

As stipulated in Florida House Bill 1661, to be independent, issuers of financial safety ratings must

- Base their ratings on objective analysis
- Issue their ratings without the consent of the insurer
- Not receive any payment of any kind from the insurer, and
- Not allow the insurer to influence the rating

Other than Weiss, no other insurance company rating agency in the nation meets these requirements.

And as a member, you get access to all our Weiss Safety Ratings for free — not only for property insurers, but also for those providing life, health and annuity policies ...

Not only for insurers but also for banks and credit unions.

Plus, beyond the Weiss Safety Ratings, you also get full access to Weiss Investment Ratings, covering stocks, ETFs, mutual funds and digital assets.

Take full advantage of them. There's no time to waste.

Good luck and God bless!

Martin

AVAILABLE NOW: Michael Robinson's "THE NEXT NVIDIA: UNCOVERED"

[Go here to watch it before it goes offline.](#)

Watch Now



Martin D. Weiss, Ph.D.
Weiss Ratings Founder

About the Weiss Ratings Founder

Dr. Weiss is the founder of Weiss Ratings, the nation’s leading provider of 100% independent grades on stocks, mutual funds and financial institutions, as well as the world’s only ratings agency that grades cryptocurrencies. He founded his company in 1971, and thanks largely to his strict independence, has established a 50-year record of accuracy. Forbes called him “Mr. Independence.” The U.S. Government Accountability Office (GAO) [reported](#) that his insurance company ratings outperformed those of A.M. Best, S&P and Moody’s by at least three to one. And The Wall Street Journal reported that investors using the Weiss stock ratings could have made more money than those following the grades issued by Merrill Lynch, J.P. Morgan, Goldman Sachs, Standard & Poor’s and every other firm reviewed.

Top Tech Stocks

[See All »](#)

	Apple Inc. AAPL- NASDAQ	\$231.54
	NVIDIA Corporation NVDA- NASDAQ	\$142.27
	Microsoft Corporation MSFT- NASDAQ	\$428.13

Top Consumer Staple Stocks

[See All »](#)

	Walmart Inc. WMT- NYSE	\$82.75
	The Procter & Gamble Company PG- NYSE	\$168.78
	Costco Wholesale Corporation COST- NASDAQ	\$894.25

Top Financial Stocks

[See All »](#)

	Berkshire Hathaway Inc. BRKB- NYSE	\$454.19
	JPMorgan Chase & Co. JPM- NYSE	\$221.58
	Visa Inc. V- NYSE	\$281.08


Top Energy Stocks

[See All »](#)

	Exxon Mobil Corporation XOM- NYSE	\$119.44
	ConocoPhillips COP- NYSE	\$104.42

Top Health Care Stocks

[See All »](#)

  UnitedHealth Group Incorporated UNH- NYSE	\$566.01
  Merck & Co., Inc. MRK- NYSE	\$104.71
  Stryker Corporation SYK- NYSE	\$351.80

Top Real Estate Stocks

[See All »](#)

  Welltower Inc. WELL- NYSE	\$130.68
  Public Storage PSA- NYSE	\$335.66
  Simon Property Group, Inc. SPG- NYSE	\$171.17



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Florida Victims of Hurricanes Helene and Milton at High Risk of Getting Stuffed by Property Insurers

By [Insurance Ratings Team](#) On October 8, 2024 © 08:33 AM

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🔔 Weiss News

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900 (34) 1X

PALM BEACH GARDENS, Fla., October 8, 2024 — Weiss Ratings, the nation's only independent rating agency covering insurance companies, warned today that homeowners in Florida filing legitimate damage claims in the aftermath of hurricanes Helene or Milton are at high risk of receiving no payment whatsoever from their insurance company.

Based on an analysis of the insurance company's official filings, Weiss found that six large Florida carriers flatly denied nearly half of homeowner claims closed in 2023, including Castle Key Indemnity Company (denying 47.1%), State Farm Florida Insurance Company (46.4%), Castle Key Insurance Company (46%), and others.

Weiss Ratings founder, Dr. Martin D. Weiss, commented, "Many Florida insurers are short on reserves because they've diverted funds to shareholders or to parent companies outside the state. Thus, some are abusing their power to deny damage claims as a deliberate tactic to conserve cash and avoid bankruptcy." Over the last two decades, more property insurers have filed for bankruptcy in Florida than in all other states combined.

In 2023, Florida insurers closed 76,428 homeowner claims with no payment to policyholders. And these homeowners, slapped with denials, filed lawsuits against their insurers at a rate that was 18 times higher than the national average outside of Florida, according to data provided by the National Association of Insurance Commissioners.

Weiss explained, "Property insurers who deny legitimate claims are sending the implicit message, 'If you don't like it, sue us.' And that's exactly what thousands of their customers did."

However, that avenue of redress has now been closed for Florida homeowners: After intense lobbying by the insurance companies, the state government passed new legislation, which became effective in 2023, making it far more difficult for policyholders to sue their carriers.






Weiss also warns that a similar crisis is spreading to other states with high property damage. To help prepare, homeowners are advised to take the following steps:

Step 1. Among those who own their home outright and have the means, some may want to self-insure their property, saving the money spent on premiums in secure instruments earning interest.

Step 2. Homeowners who must buy property insurance can [go here to see how many claims their carrier denied nationally in 2023](#). If it's 30% of claims or more, switching to another company may be an option.







Step 3. For additional comfort, homeowners can also [check their insurer's Weiss Safety Rating on this page](#). Weiss recommends favoring companies with a grade of "B-" or better, while avoiding those with "D+" or lower.

About Weiss Ratings: Weiss issues grades on 53,000 institutions and investments, including safety ratings on insurers, banks and credit unions as well as investment ratings on stocks, ETFs, and mutual funds. Since its founding in 1971, Weiss Ratings has never accepted any form of payment from rated entities for its ratings. The U.S. Government Accountability Office (GAO) reported that the Weiss ratings of U.S. life and health insurers outperformed those of A.M. Best by 3-to-1 in warning of future financial difficulties, while also greatly outperforming those of Moody's and Standard & Poor's.

-  **Blue Cross of CA Ptnshp Inc**
Woodland Hills, CA
-  **Blue Cross of California**
Woodland Hills, CA
-  **CA Physicians Service**
Oakland, CA
-  **HMO Louisiana Inc**
Baton Rouge, LA
-  **HMO Partners Inc**
Little Rock, AR







Top Life

[See All »](#)

-  **AMERICAN CONTINENTAL INS CO**
Franklin, TN
-  **AMERICAN FAMILY LIFE INS CO**
Madison, WI
-  **CHESAPEAKE LIFE INS CO**
Oklahoma City, OK
-  **COUNTRY LIFE INS CO**
Bloomington, IL
-  **PHYSICIANS MUTUAL INS CO**
Omaha, NE
-  **STATE FARM LIFE & ACCIDENT ASR CO**
Bloomington, IL



Top P&C



[See All »](#)



-  **COPPERPOINT MUTUAL INS CO**
Phoenix, AZ
-  **NUCLEAR ELECTRIC INS LTD**
Wilmington, DE
-  **OGLESBY REINS CO**
Bloomington, IL
-  **SWISS RE (NOT RE) PPTY & CAS A**
Kansas City, MO
-  **ASCOT SURETY & CASUALTY CO**
Houston, CO
-  **PALMS SPECIALTY INSURANCE CO**
Juno Beach, DE

Bank Ratings

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-  **FDS Bank**
Mason, OH
-  **Optum Bank, Inc.**
Draper, UT

  **Alpine Capital Bank**
New York, NY

  **AMG National Trust Bank**
Greenwood Village, CO

  **Applied Bank**
Wilmington, DE



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Large Property Insurers Respond to Climate Change by Denying Homeowner Claims

By [Insurance Ratings Team](#) On September 25, 2024 @ 10:53 AM

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Weiss News

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PALM BEACH GARDENS, Fla., Sept. 25, 2024 — Weiss Ratings, the nation's only independent insurance company rating agency, revealed today that 13 large U.S. property insurers have flatly denied 40% to 70% of the 3.9 million homeowner claims they closed in 2023.

Weiss Ratings Founder Martin D. Weiss said this is probably an effort to offset the surging costs of climate change. "Instead of maintaining adequate reserves to cover the likely potential damage from storms, floods and forest fires, many insurers distribute the funds to shareholders or move them to other subsidiaries," Weiss said. "Now, to make ends meet, these companies are closing about half of homeowner claims with no payment whatsoever."

Homeowners have an urgent need to know how often their insurers deny claims, but it's been virtually impossible for them to acquire this information from either the companies or their regulators.

Large U.S. Providers of Homeowners Insurance That Closed More Than 40% of Policy Claims in 2023 with No Payment Whatsoever

Insurer (State of Domicile)	Claims Received and Closed in 2023 (number)	Claims Closed without Payment (% of 2023 claims closed)
Farm Bureau Ppty & Cas Ins Co (IA)	89,607	70.5%
American Bankers Ins Co of FL (FL)	93,814	51.2%
Allstate Indemnity Co (IL)	86,917	50.5%
Mid-Century Ins Co (CA)	79,517	49.7%
Farmers Ins Exchange (CA)	257,189	49.7%
United Svcs Automobile Assn (TX)	550,099	48.2%
USAA General Indemnity Co (TX)	273,994	48.0%
Garrison P&C Ins Co (TX)	154,121	48.0%
USAA Casualty Ins Co (TX)	428,116	48.0%
Allstate Vehicle & Ppty Ins Co (IL)	545,807	47.1%
Allstate Ins (IL)	893,407	46.4%
Allstate P&C Ins (IL)	56,425	41.5%
Amer Family Mutl Ins Co S.I. (WI)	359,582	40.1%
TOTAL (13 Largest Reporting Insurers):	3,868,595	AVG: 47.5%
ALL Reporting Insurers:	8,789,432	AVG: 37.4%

Source: Weiss Ratings. Data: NAIC, including all homeowners and farmowners claims filed and closed in 2023, per each company's official filings with insurance commissioners.

Among insurers that received and closed 50,000 or more homeowners and farm owners claims in 2023, Farm Bureau Property & Casualty Insurance Company (domiciled in Iowa) denied 70.5% of claims with no payment; American Bankers Insurance Company (FL) denied 51.2%; and Allstate Indemnity Company (IL) denied 50.5%.

The nation's largest providers — each with hundreds of thousands of homeowners claims closed in 2023 — made zero payments on nearly half of their claims:

Farmers Insurance Exchange (CA) closed 257,189 homeowners claims in 2023 and denied payment on 49.7%.

United Services Automobile Association (TX) closed 550,099 and denied 48.2%.

USAA General Indemnity Company (TX) closed 273,994 claims and denied 48%.

And Allstate Insurance (IL) closed 893,407, denying 46.4%.

In total, 13 large providers closed 3.9 million homeowners claims in 2023, denying any payment on 47.5%.

Meanwhile, including all reporting companies, 8.8 million homeowner claims were closed in 2023, among which 37.4% were denied payment, up from 24.9% in 2004.

Weiss concluded: "There's nothing normal about these high denial rates. They've been creeping up steadily for nearly two decades and have now reached alarming levels, especially among some of the biggest providers in disaster-prone states like Florida and California.

"The public can't even begin to cope with the property insurance crisis until both the industry and their regulators provide full transparency, a change in standard operating procedure that may not be possible without strong 'Truth in Insurance' legislation."







To check the denial rates of the nation's homeowners insurers, [consumers can go here](#).

About Weiss Ratings: Weiss rates 53,000 institutions and investments, including safety ratings on insurers, banks and credit unions as well as investment ratings on stocks, ETFs, mutual funds and cryptocurrencies. Since its founding in 1971, Weiss Ratings has never accepted any form of payment from rated entities for its ratings. All Weiss ratings are available at <https://weissratings.com>.

The U.S. Government Accountability Office (GAO) reported that the Weiss ratings of U.S. life and health insurers outperformed those of A.M. Best by 3-to-1 in warning of future financial difficulties, while also greatly outperforming those of Moody's and Standard & Poor's. *The New York Times* reported that Weiss "was the first to warn of the dangers and say so unambiguously." *Barron's* called Weiss Ratings "the leader in identifying vulnerable companies."




Top Health

[See All »](#)

-  [Blue Cross Blue Shield of AZ](#)
Phoenix, AZ
-  [Blue Cross of CA Ptnshp Inc](#)
Woodland Hills, CA
-  [Blue Cross of California](#)
Woodland Hills, CA
-  [CA Physicians Service](#)
Oakland, CA
-  [HMO Louisiana Inc](#)
Baton Rouge, LA
-  [HMO Partners Inc](#)
Little Rock, AR

Top Life







[See All »](#)

-  [AMERICAN CONTINENTAL INS CO](#)
Franklin, TN
-  [AMERICAN FAMILY LIFE INS CO](#)
Madison, WI
-  [CHESAPEAKE LIFE INS CO](#)
Oklahoma City, OK

-  **A+** COUNTRY LIFE INS CO
Bloomington, IL
-  **A+** PHYSICIANS MUTUAL INS CO
Omaha, NE
-  **A+** STATE FARM LIFE & ACCIDENT ASR CO
Bloomington, IL







Top P&C

[See All »](#)

-  **A+** COPPERPOINT MUTUAL INS CO
Phoenix, AZ
-  **A+** NUCLEAR ELECTRIC INS LTD
Wilmington, DE
-  **A+** OGLESBY REINS CO
Bloomington, IL
-  **A+** SWISS RE (NOT RE) PPTY & CAS A
Kansas City, MO
-  **A** ASCOT SURETY & CASUALTY CO
Houston, CO
-  **A** PALMS SPECIALTY INSURANCE CO
Juno Beach, DE

Bank Ratings

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-  **A+** FDS Bank
Mason, OH
-  **A+** Optum Bank, Inc.
Draper, UT
-  **A+** Stafford Savings Bank
Stafford Springs, CT
-  **A** Alpine Capital Bank
New York, NY
-  **A** AMG National Trust Bank
Greenwood Village, CO
-  **A** Applied Bank



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