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## **INFORMATIONAL MEMORANDUM NOTIFICATION TO ALL AUTHORIZED RESIDENTIAL PROPERTY INSURERS**

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NOTICE TO INDUSTRY

February 20, 2025

**INFORMATIONAL MEMORANDUM:**  
**Notification to All Authorized Residential  
Property Insurers**  
**~Guidance for Coverage Determination of  
Wind versus Water Claims~**  
**~Required Information to Report~**

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## Guidance

As residential property insurers evaluate claims filed by Florida policyholders for damages sustained during the 2024 Atlantic hurricane season, the Florida Office of Insurance Regulation (OIR) is issuing this Informational Memorandum to remind insurers of the need to properly evaluate claims when damages are caused by the peril of water and the peril of wind, commonly referred to as concurrent causation. While the office recognizes case law surrounding concurrent causation and anti-concurrent causation policy language, it is not a mechanism to handle claims poorly. Claims that trigger concurrent causation must be well documented and determined in accordance with Florida law. As in all cases, violations of the law, improperly handled claims involving concurrent causation will result in administrative action and restitution to the consumer. Insurers are directed to ensure they follow Florida law and are not inappropriately denying coverage due to concurrent causation.

During the 2024 Atlantic hurricane season, three hurricanes made landfall in Florida, all of which caused significant and, in certain areas, repeated damage by both wind and storm surge. OIR expects insurers, before denying a total loss claim for wind damage when flood or storm surge damage may have also damaged the building, structure, mobile home, or manufactured building, to be mindful of and apply the language contained in section 627.702(1)(a), Florida Statutes, restated as follows:

**627.702 Valued policy law.—**

(1)(a) In the event of the total loss of any building, structure, mobile home as defined in s. [320.01\(2\)](#), or manufactured building as defined in s. [553.36\(13\)](#), located in this state and insured by any insurer as to a covered peril, in the absence of any change increasing the risk without the insurer's consent and in the absence of fraudulent or criminal fault on the part of the insured or one acting in her or his behalf, the insurer's liability under the policy for such total loss, if caused by a covered peril, shall be in the amount of money for which such property was so insured as specified in the policy and for which a premium has been charged and paid.

material misrepresentations made to an insured or any other person having an interest in the proceeds payable under a contract of policy, for the purpose and with the intent of effecting settlement of the claim, loss, or damage on less favorable terms than those provided in, and contemplated by, the contract or policy is an Unfair Trade Practice as defined by section 626.9541(1)(i)2., Florida Statutes. This may include instances where the apportionment of cause cannot be readily determined.

Insurers failing to comply with Florida law and inappropriately denying coverage due to concurrent causation will be subject to additional regulatory action.

OIR's Market Regulation business unit is statutorily required to conduct market conduct exams based on criteria established in section 624.3161(7), Florida Statutes. Examinations for the 2024 Atlantic hurricane season will include a review of all three storms' claims and the accuracy of the insurers' claim determinations related to claim denials, including information stemming from concurrent causation doctrine and anti-concurrent causation policy language.

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## Required Reporting of Information

In addition to the guidance provided in this Informational Memoranda, residential property insurers are required to report certain information to OIR, as follows:

The National Flood Insurance Program (NFIP) established the Write Your Own (WYO) Program as a cooperative undertaking between private insurers and the Federal Emergency Management Agency (FEMA) that allows private residential property insurers to write and service Standard Flood Insurance Policies in the insurers' own name. These insurers receive expense allowances for writing flood policies and processing flood claims and are subject to federal rules and regulations as established by FEMA.

According to FEMA, the goals of the WYO Program are to:

- Increase the NFIP policy base and the geographic distribution of flood insurance policies;
- Improve service to NFIP policyholders through the infusion of insurance industry knowledge; and
- Provide the insurance industry with direct operating experience with flood insurance.

During the 2024 Atlantic hurricane season:

- Hurricane Debby made landfall on August 5, 2024: 1,428 reported FEMA flood claims;

- Hurricane Helene made landfall on September 26, 2024: 54,068 reported FEMA flood claims;
- Hurricane Milton made landfall on October 9, 2024: 21,095 reported FEMA flood claims; and
- Total number of reported FEMA flood claims in Florida: 76,591.

A significant number of consumer complaints have been reported to the Florida Department of Financial Services relating to timely payment of claims, inaccurate claims payments, and post-claims underwriting.

In the interest of protecting Florida consumers and in accordance with sections 624.316, and 624.3161, Florida Statutes, the following information is required to be reported to OIR from all residential Property and Casualty Insurance Companies in Florida by **March 6, 2025**.

1. Written confirmation if the insurer has any existing contractual arrangements to write and provide claims-handling services for NFIP WYO policies. If the insurer does not write NFIP WYO policies, written confirmation is sufficient, and the remaining items described below may be disregarded.
2. Names of all entities with which the insurer has an active contract to provide claims-handling services on behalf of the insurer for NFIP WYO policies. Responses must also include the inception date of the contractual arrangement.
3. A copy of any claims-handling manual created for use by the insurer in addition to the NFIP Claims Manual, if applicable.
4. Written statement that explains weaknesses and set-backs the insurer and claims-handling entity(ies) have identified in the NFIP's claims handling process.

Written responses must be emailed to [FL\\_WYO\\_Flood\\_Response@FLOIR.com](mailto:FL_WYO_Flood_Response@FLOIR.com) by close of business **March 6, 2025**.

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### **About the OIR**

The Florida Office of Insurance Regulation (OIR) has primary responsibility for regulation, compliance, and enforcement of statutes related to the business of insurance and the monitoring of industry markets. For more information about OIR, please visit [floir.com](http://floir.com) or follow on X [@FLOIR\\_comm](https://twitter.com/FLOIR_comm).

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