



CONTACT

To learn more about how Amwins can help you place coverage for your clients, reach out to your local Amwins broker.

LEGAL DISCLAIMER

Views expressed here do not constitute legal advice. The information contained herein is for general guidance of matter only and not for the purpose of providing legal advice. Discussion of insurance policy language is descriptive only. Every policy has different policy language. Coverage afforded under any insurance policy issued is subject to individual policy terms and conditions. Please refer to your policy for the actual language.

Courtesy of Amwins Group, Inc.

The Florida condominium marketplace has tightened substantially over the past four to eight weeks and may tighten further in the near future as a result of several developments happening simultaneously. These developments include but are not limited to the following.

- **Everest:** Everest is in the process of completely exiting the admitted and non-admitted condo marketplace in Florida. This process began a couple years ago with their exit from joisted masonry construction condo business in Florida. Then approximately two months ago, they began their exit from the fire-resistive condo space in Florida. Everest’s book of fire resistive condos in Florida was substantial and leaves a significant void to fill. They frequently provided ground-up coverage for fire-resistive condos with TIVs below \$100M, and \$100M loss limits specific to condos that had TIVs in excess of \$100M.
- **Weston:** Weston is in the midst of non-renewing hundreds of condominium policies.
- **NSM (Champ Coastal Condo Insurance):** It is our understanding CHAMP’s current focus is on condominiums with TIVs less than \$25M (utilizing their RenRe capacity), where in the past they had also focused on TIVs in excess of \$25M (utilizing Lexington capacity). This change is likely to impact hundreds of condominium accounts. Also, rate increases of at least 25% are being quoted by NSM for their condominium renewals with TIVs less than \$25M. NSM is increasing their Tri-county named storm deductible for condominium accounts with 2% expiring to 3% or 5% named storm for the renewal.
- **ICAT:** ICAT is in the midst of reducing their line size for larger TIV, Tri-county and Panhandle accounts to manage PML across their portfolio. More specifically, they are now offering \$5M to \$10M primary layers in many cases, as compared to ground-up or more substantial primary layer limits last year – sometimes at rate increases in conjunction with the limit reduction. These situations then require layering on top of the limits provided by ICAT, adding incremental – and sometimes substantial – cost to such programs. Their focus continues to primarily be on 2006 and newer construction, with each account being underwritten based on its own merits.
- **ACA (AmCap):** According to [Insurance Journal](#), “As of March 4, 2021, American Capital Assurance Corp. is no longer followed or rated by Demotech.” The article also noted, “On March 8, 2021, AM Best said it had downgraded the company’s financial strength rating to ‘C’ (weak) from ‘A-’ (excellent) and the long-term issuer credit rating to ‘CCC+’ from ‘A-’.” In addition, AM Best placed the company’s credit ratings under review with negative implications.”
- **Tower Hill Prime Insurance Company:** AM Best downgraded the company from “A-” to “B++” on December 11, 2020.

In response to these notable changes and sudden shift in demand for replacement or supplemental Florida condominium capacity, many of the carriers that remain active and viable in the Florida condominium space have upwardly adjusted their pricing, deductible requirements and/or underwriting guidelines, while sometimes simultaneously limiting the line size they are comfortable dedicating to any single placement. This same phenomenon was initially discussed in [Amwins’ Q1 2021 State of the Market report](#) released on March 3.

(continued on next page)



(continued from previous page)

While each upcoming Florida condo renewal result will stand on its own based on the individual characteristics of the account, the details of the expiring placement and the extent of the marketing effort performed by the retailer and wholesaler, rate increases in the 15%-25%+ range are now commonplace in situations where the expiring program structure remains consistent. Older condo construction accounts, those that are being non-renewed and those placed ground-up last year with no available ground-up solution this year are three examples of accounts which may see rate increases well in excess of 25%, with 50%-75%+ rate increases sometimes in play in such situations for a variety of reasons.

Solutions in this Difficult Marketplace

Even amidst significant constraints, opportunities still exist. **Amwins Special Risk Underwriters (SRU)** represents **exclusive Florida condominium capacity** available only through Amwins brokers, serving as a power tool in Amwins brokers' toolkits and providing clients much needed property capacity in this quickly tightening condominium marketplace. The entire SRU underwriting team specializes in CAT-exposed property and products that are backed by top-rated London and domestic carriers. SRU and our full arsenal of Property carriers are well equipped to manage the changing tide of Florida condominium coverage.

Amwins brokers continue to be 100% committed to identifying the very best available combination of pricing, terms and conditions for each of your Florida condominium accounts, utilizing a single carrier, ground-up quota-share, layered, layered & shared, or wind/ex-wind approach to optimize each placement in these very recent and challenging market conditions. Amwins' position as the largest wholesaler in the U.S. grants you and your insureds the broadest available market access and leverage in a time where those attributes couldn't be more important.

About the Authors

This article was written by Bob Black, EVP with Amwins Brokerage in Atlanta, GA and National Real Estate Practice Leader (Property). Contributions also made by Harry Tucker, Johnny Tolland, Patrick Tolland, Matt Janicki, Andy Ford, Jennifer Klassen and Melissa Mears.

