

Your Protection

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2005 HURRICANE SEASON IS HERE

FOLLOWING RECORD CLAIMS IN 2004, NEW STORM SEASON ARRIVES



Nothing that Mother Nature creates in our region causes more risk of devastation than a monster hurricane. Last summer's four major storms again proved that point, doing so in parts of Florida that are not used to such destruction. In light of the massive impact hurricanes have on our lives here in paradise, we've devoted this issue of Your Protection to storm news.

From the condition of the property insurance market to new coverages and discounts for windstorm insurance to even our own storm story from Hurricane Andrew when we took a very direct hit, we've included something here for everyone.

*As was the case in 1992, and since we opened in 1950, when you need us most we will always be here. Please call us at any time that we can be of service and, as always, **thank you** for allowing us to provide your protection.*



THE SUMMER OF STORMS

2004's hurricane season, which we call *The Summer of Storms*, was devastating to Florida. All combined, Charley, Frances, Ivan and Jeanne resulted in over 1,600,000 claims, 130 deaths and losses that will surpass \$ 22 Billion. In fact, last summer's storms far exceeded Hurricane Andrew claim count (675,000) and in combination approach that storm's insured loss total (\$ 30 Billion).

2005 SEASON PREDICTION

Predicting hurricane activity is not (yet) a perfect science but it is getting better. While cities such as Miami, Ft. Lauderdale and West Palm are always at high risk, **this year the odds of hurricane force winds visiting South Florida are well above the average over the last 154 years.** As the article on the last page of this newsletter notes, one study predicts a 29.29% change of a hurricane hitting Miami Beach, Naples or West Palm this year.

THE INSURANCE MARKET

I am pleased to report that the insurers that we represent 'weathered' last year's season remarkably well. They have paid their claims quickly and are even seeking new business. Insurers like **AIG, CHUBB, Fidelity, Mercury, Tower and Travelers** see opportunity for growth and want to earn your business.

Unfortunately, other insurers did not fare as well and are taking action that will hurt many home and business owners. As I write this newsletter **Allstate**, one of the larger insurers in Florida, has announced that it will terminate 100,000 home policies and all of its commercial property clients.

Predictably, many insurers have requested large rate increases from the Department of Insurance. **Nationwide**, for example, seeks an *average* 28% statewide increase in their premiums. Likewise, **State Farm** has continued to increase their rates over the last year and is not seeking new clients in our area when wind coverage is required.

Typically, unfortunately, such increases are much higher in South Florida than the state wide *average.*

The state's home and wind insurer of last resort, **Citizens**, will likely also continue to increase its rates. We strongly suggest that you read the articles about wind coverage, including valuable new coverage, and ways to reduce your wind premiums, that follow inside.

As of April 30th, 2005, Citizens writes 825,548 policies with \$ 200,844,213,386.00 in coverage. Despite efforts by new, untested, "take-out" insurers, to reduce Citizens it, continues to grow, writing 6,351 more policies in April than it had in place in March.

As has been the case since 1950, please count on Morris & Reynolds Insurance to have the competitive, stable, solutions that you need for all of your protection. Please call us at any time. **305.238.1000.**

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