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AUTO INSURANCE REPORT

The Authority on Insuring Personal and Commercial Vehicles

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Registration Now Open For 2026 Auto Insurance Report National Conference

We're thrilled to open registration today for our 2026 Auto Insurance Report National Conference, to be held April 12-14 at The Ritz-Carlton, Laguna Niguel in Dana Point, **California**. As always, the conference will feature close examinations of the newest trends in auto insurance marketing, underwriting, pricing, claims, regulation and more. To register, visit *www.riskinformation.com*.

Our website also includes programs and attendee lists from prior

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Florida Auto Insurers, Regulator Kvell Over Tort Reform Success

Insurers have beat the drum for tort reform over many years and in many states, but even the strongest advocates seem startled by the dramatic turnaround in **Florida's** auto insurance market this year, as regulators approved a litany of rate cuts from insurers like **State Farm** and **AAA**, and a nearly $1 billion premium giveback from **Progressive**.

While confident in the potential of the reforms to continue delivering positive results, insurers are keeping careful watch for threats that would undermine them, including legislative efforts to unwind some of the provisions, to repeal the current no-fault system, and to limit use of a rate-filing fast lane.

Beyond that, insurers face legislation (Senate Bill 202 and House Bill 527) in the 2026 session that would limit their use of artificial intelligence by requiring that decisions to deny a claim or any portion of a claim be made by qualified humans.

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Deception Is Louder Than Words For Fraud-Detection Startup

Voice analysis technology first used by the U.S. military to vet the trustworthiness of allied fighters is gaining momentum as a tool for insurance underwriters and claims adjusters to detect fraud.

Former Marine infantry and reconnaissance officer **Alex Martin** co-founded **Clearspeed** after several deployments to Iraq, where the challenge of quickly screening local partner forces was an omnipresent worry. The problem haunted him for years until he linked with special operations engineers developing a voice analysis solution that now has potential for wider applications.

The company is growing and gaining higher-profile investments as it attracts insurers in the United States and the United Kingdom as customers, adding to its defense contracts and clients in private security and other industries that need risk assessments. In October, **David Petraeus**, the

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years, which illustrate the quality of our conference and the impressive credentials of those who attend. We're proud of the sessions we are developing, and we value the quality of the audience so much that we ensure plenty of networking time throughout the event.

Last year's meeting sold out early, so we encourage you to move quickly to sign up or to select representatives to attend.

There are other reasons to act now: Early registration brings a $100 discount through Jan. 31.

The Ritz-Carlton, Laguna Niguel, is among the finest hotels in one of the most beautiful places in the country. The hotel has just undergone a complete $50 million renovation, making an already fantastic resort even better. We have negotiated a significantly reduced room rate at the Ritz-Carlton, and those rooms will sell out before the meeting. Southern California in April will be in full bloom. If you wish to arrive early or stay after the conference for additional meetings or fun and relaxation – which we heartily recommend – those additional nights with our discounted rate are always the first to be reserved.

We are forever grateful to our conference sponsors, who make this meeting possible. Exhibiting sponsors are **LexisNexis Risk Solutions**, **Insurance Auto Auctions**, **TransUnion**, **Verisk**, **Agero**, **Cambridge Mobile Telematics**, **CCC** and **Arity**. Contributing sponsors are **Guidewire** and our newest sponsor, **Tranzpay**, the payments-processing innovator that will be facilitating our conference registrations.

We very much hope you will join us. For more information, please contact Conference Co-Director **Dana Horst Sullivan** at *dana@riskinformation.com*. AIR

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retired U.S. Army general who served as director of the **Central Intelligence Agency**, was part of a $60 million funding round that brought the company's total backing to $110 million. Petraeus joined several private capital groups, including national security and defense sector investors **IronGate Capital Advisers** and **Bravo Victor Venture Capital**.

Several property/casualty and life insurance companies use Clearspeed technology to screen claimants and policy applicants. The technology analyzes their voice during a brief online or phone questionnaire and flags changes in vocal characteristics that it defines as risky.

Clearspeed emphasizes that its technology is not a binary lie-detector test; it scores the vocal characteristics on a range from low risk to high risk, and it does not attempt to determine the intent of the caller or why the characteristics were present. That is up to the adjuster or underwriter to investigate during follow-up questions, Martin said.

"Instead of finding lies, they're looking for the absence or presence of risk on a spectrum," he said.



Alex Martin
Clearspeed

Martin said the technology should be used to fast-track claimants or applicants who did not present the characteristics, but it should not be used as the lone determining factor for denying a claim or coverage for those who present the characteristics.

The issue of trust became centrally important to Martin in Iraq, where Marines regularly fought alongside local partners to battle insurgents. On Martin's third deployment, a friend was killed in an attack by ostensibly friendly local partners.

"He was working with Iraqi partners and soldiers, and it was not safe," Martin said in an interview. "There was no way to vet them at scale. The legacy lie detectors don't work, … so you

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really relied on humans – on counterintelligence people – to assess risk in humans. And the problem is they are experts, but they don't scale, and they require a linguist."

The problem lingered with Martin as he left the Mideast for a deployment with a specialized unit hunting Somali marauders in 2010. At the height of the piracy crisis in the Indian Ocean, Martin's unit mounted a maritime raid to retake a German shipping vessel, apprehending the pirates without firing a single shot in a mission that attracted international news coverage. His experience at sea led to his first entrepreneurial venture after leaving active duty in 2011, when he founded a private maritime security company in Muscat, Oman. A member of his team introduced him to a counter-intelligence expert and voice engineering specialists who had developed

> ***Claimants or applicants without high-risk voice markers can be fast-tracked, with more scrutiny of those with markers.***

voice-based analytics that use digital signal processing to measure characteristics associated with risk.

"They had been working on developing a technology over the preceding years that was an automated voice questionnaire," he said. "They had essentially discovered the keys to understanding what subset of characteristics present themselves when the fight-or-flight instinct kicks in. The tech needed some more work, but it was definitely beyond prototype, but certainly not at product."

Another Clearspeed co-founder, who also came from the special operations community, contributed field command expertise from having led tours in Afghanistan. Clearspeed does not name the company's second and third co-founders "in alignment with standard protocol associated with their prior counterintelligence and special operations roles," it said in an email. The company says they continue to contribute directly – one in ongoing technology development, and another in government and defense engagement, while Martin serves as the face of the company.

The group launched the company in 2016 after attracting startup funding at the **Stanford Graduate School for Business** Ignite incubation program. Its first major validation came soon after in partnership with U.S. Special Operations Command in 2018, where the technology helped vet Afghan commando recruits with an accuracy rate Clearspeed said was better than 97%.

"We were in and out of Afghanistan for nearly two years; we were getting active feedback on how our tool was performing," Martin said. "And what that allowed us to do is really tune the scoring algorithm."

The **U.S. Department of Defense** has used Clearspeed for several other applications since the first run in Afghanistan, including screening international military students receiving training from the U.S. government. (A reference letter written by a U.S. Army colonel confirmed Clearspeed's defense work.)

Clearspeed's technology paces subjects through three to four tailored, automated "yes" or "no" questions during a questionnaire that the company says can be delivered in any language. Carriers like **Zurich**, which started using the technology to screen personal and commercial claims in the U.K. in 2023, send claimants a link to the questionnaire with instructions to complete it in a quiet room.

Zurich initially took a cautious approach, using Clearspeed to screen low-value claims for stolen or damaged personal property, and later expanded to third-party auto claims filed by drivers against municipal councils insured by the company, said **Scott Clayton**, head of claims fraud at Zurich and the incoming chairman of the **Insurance Fraud Bureau** in the U.K.

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Skeptical at first, Clayton said the results proved convincing. In the first 100 personal property claims vetted by Clearspeed, Zurich's pre-existing processes would commonly detect fraud in 3% to 5%. Ultimately, Zurich did not pay 14 of the claims.

"That, to us, was game changing. That was the metric that started to get people really interested," Clayton said, because identifying 14% of claims as fraudulent instead of 3% to 5%, "is clearly significant."

When Zurich deployed it on another 300 cases, he added, "we saw similar results."

From there the company expanded the tool to third-party auto claims filed against municipalities, where it helped reduce the number of claims paid by about 20%. Clayton said he views Clearspeed as a validation tool, rather than a fraud-detection tool.



Scott Clayton
Zurich

"This allows us to make quicker, better, more accurate, more informed decisions very early on in the claims process," he said.

As Zurich incrementally adds the tool to its claims process in more U.K. business lines, it is working with Clearspeed for a global agreement to use it in more countries, Clayton said. He did not know if Zurich subsidiary **Farmers Insurance** is pursuing Clearspeed for use in the United States.

Clayton said Clearspeed reduces claims in two ways. It identifies risky claimants that through investigations were found to be fraudulent. But more often, it eliminates claims because potential fraudsters walk away after being faced with the questionnaire. He is not aware of any false positives flagged by the software.

"It provides a psychological hurdle for someone who's dishonest to overcome, and that often is enough for them to decide, I don't want to pursue this anymore, because the risk of being caught is high and the penalties for being caught are equally high," he said.

Clearspeed collaborated with Zurich to craft the questions, he said, which are important to trigger the right response in fraudsters.

"If you've lost your Rolex watch, the questions might be, 'Are you still in possession of the item?'" he said. "'Do you know where the item is? Have you told us anything in connection with this claim is false or fraudulent?'

"They're very direct questions, but there's no hiding away from it," Clayton added. "That's exactly what we're trying to find out answers to. They're typically not questions that a claims handler would ask, because they can be considered as too accusatory, but because it's done on software, it's far more acceptable."

When claimants take the test, the software analyzes their voice to measure characteristics that commonly emerge when a speaker's subconscious fight-or-flight instinct activates, or when the person is tasked with an increased cognitive load in response to questions the brain may find threatening, like specifics about a fraudulent claim, Martin said.

The additional thinking required to fabricate events, rather than simply recalling real memories, affects speech in ways that are mostly undetectable to the human ear, but measurable by computer modeling, according to **Dr. Rita Singh**, a speech scientist at **Carnegie Mellon University's Language Technologies Institute** who reviewed Clearspeed's technology for investors.

"When you're lying, you're fabricating," Singh said. "Recollection and creating a hypothetical situation are two different processes in the brain. And this actually affects the motor planning and the motor execution, and, eventually, the way we form the sounds that we speak."

Clearspeed says the specific characteristics

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that it measures are proprietary. But Singh provided general examples that are scientifically possible: changes in how quickly a vowel sound follows a consonant sound within a single word, or how quickly a person vocalizes an answer, or breathes, among others.

In **Texas**, one of several states that require carriers to file underwriting criteria, an insurance department spokesperson said that as long as insurers use the tool to triage applications for further review, companies wouldn't need to file its use with the department.

"If underwriters are using it to accept or reject applications, insurance companies would need to file to use it," the spokesperson said.

Allianz is among the other insurers using Clearspeed to vet claimants in the U.K. The company said its first personal property/casualty client in the United States was a **Florida**-based carrier that started using the technology for claims in Gulf and East Coast states in July 2024.

> ***After use in the U.K., property/casualty insurers have started to deploy Clearspeed to vet claims in the U.S.***

"Focused mostly on roofing and storm damage claims, our client uses Clearspeed to quickly triage CAT claims immediately post-event for fraud risks," a spokesperson said in an email. After hurricanes Helene and Milton, the technology allowed the insurer "to fast track low-risk claims for payment for those in need, or route those with indicators of risk for additional scrutiny," the spokesperson said.

Clearspeed said a regional personal lines auto carrier plans to launch the technology for underwriting soon, with plans to use it to detect risk related to reinstatements, driver removal and mid-term coverage changes. Clearspeed said it is also in active conversations with seven of the 10 largest P&C carriers.



Dr. Rita Singh
Carnegie Mellon University

Clearspeed's expansion from defense contracts to tightly regulated, consumer-facing private industries like insurance will force the company to confront public uneasiness in ways it did not while operating in the cloaked world of special-ops. The company will need to work hard to convince consumers and regulators that it is measuring universal traits, and not those coded by race or other protected characteristics. Because the company does not use voice analysis to identify or verify a person's identity, its technology is not considered biometrics. But the close proximity to that technology could also invite additional queasiness from consumer advocates or lawmakers in states like **Illinois**, where the collection or storage of personally identifiable information is tightly regulated.

The use of artificial intelligence in insurance underwriting, pricing and claims is also under scrutiny. More than two dozen states have issued some version of the AI model bulletin adopted by the **National Association of Insurance Commissioners** (NAIC), which requires additional transparency from insurers using vendor AI solutions. Consumer advocates are skeptical of any technology used to fast-track certain applicants over others.

"Algorithms that promise to fast-track some people and investigate others are likely to reinforce and amplify problems that exist in the analog decision making that provides the training data," said **Douglas Heller**, insurance director with the **Consumer Federation of America**. "How do we ensure that the tool is solving the problem they claim it solves and not just spitting out results that some of the time correlates with

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the problem but actually reflects some other thing – like the income of the caller whose voice is being analyzed? We simply do not have the controls in place or the oversight necessary to give insurance companies more ways to refuse to sell insurance or deny claims to people based on algorithms that promise to convert individuals' personal characteristics into objective risk analysis."

Clearspeed asserts that its technology, which it says does not store biometric information or collect personally identifiable information, is more fair than existing fraud detection or underwriting rules that may carry racial or other biases. It also says it does not use AI intelligence in its core voice analysis technology.

"The use of AI has only recently aided in delivering rapid results to clients," a spokesperson said. "Clearspeed utilizes AI for a very specific task – to accelerate the analysis of each response by pattern-matching against the known risk patterns. Essentially, what was once a manual evaluation by analysts is now faster to allow near real-time results because of AI, but the job could be done without it."

Because Clearspeed does not make a determinative recommendation, Martin said the ultimate claims or underwriting decision is made by humans. Once the results are delivered to the adjuster or underwriter, follow-up conversations can provide an off-ramp for deliberate fraudsters or otherwise honest policyholders who began to stretch a claim without thinking through the consequences. Perhaps, for example, the policyholder who reported **Callaway** golf clubs stolen from the trunk of their car might remember while talking to the adjuster that the clubs were at their uncle's house all along.

"AI can't do that," he said. "Humans need to do that, and we see that all the time." AIR

State Market Focus: FLORIDA

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For now, however, insurers and regulators are reveling in their tort reform successes, which have rippled broadly through the insurance market, attracting new property insurance capacity and lowering home and auto costs.

This summer, the **Florida Office of the Insurance Commissioner** (OIR) reported that rate indications for the state's top five auto insurance groups dropped an average 6.5%, compared to increases of 4.3% last year and an astonishing 31.7% in 2023. State Farm, the state's third-largest personal auto group, filed three rate reductions totaling more than 20% since 2024, amounting to more than $1 billion in savings, according to an op-ed by Senior Vice President **Allyson Watts**.

Since January, **Auto Group Club** has received regulatory approval for three rate decreases that lowered auto insurance premiums more than 15%, It also filed for a fourth auto rate cut expected to take effect in March for renewals.



Allyson Watts
State Farm

In every case, company executives and regulators cited the impact of Florida's litigation reforms in 2023 (HB 837 and SB 1002), which broadened property reforms (SB2-A) that passed in 2022. The legislation significantly restricted assignment of benefits (AOB) and eliminated the state's unique system of one-way attorney fees, which had turned first-party medical and auto glass claims into a gold mine for personal injury law firms. Other provisions banned inducements for windshield claims; gave insurers a safe harbor from third-party bad faith; replaced the pure comparative negligence standard to modified comparative fault, so that claimants more than 50% at fault for their injuries generally cannot re-

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cover damages from the defendant; and provided for uniform standards to help juries calculate the accurate value of medical damages in personal injury or wrongful death actions. (AIR 8/19/24)

"The reality is that the reforms exceeded all expectations and continue to do so, so we'll see more good news like this," Insurance Commissioner **Michael Yaworsky** said in a recent interview. "This is a very dynamic and challenging marketplace. There have been challenges, and there will be challenges. We need to keep continuing to refine the system and make it better for our consumers. But this was a major victory, there's no doubt about it, for consumers in Florida."

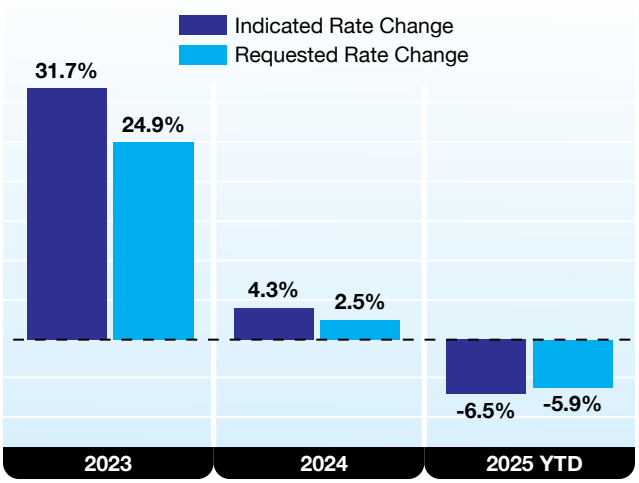
Litigation over personal injury protection (PIP) medical bills had declined since the peak of nearly 276,000 in 2021 before surging again to a little over 254,000 in 2023, before the reforms took effect, according to an analysis performed by **Ashley Kalifeh** of **Capital City Consulting**, who has conducted civil justice research on behalf of the **Florida Justice Reform Institute**. Using the **Florida Department of Financial Services'** service-of-process database, she found that in the third quarter of 2025, high-volume PIP litigators filed just over 21,000 lawsuits, down from just under 39,000 in the same period of 2023.



Ashley Kalifeh
Capital City Consulting

PIP policies have a five-year statute of limitations under Florida law. "While pre-reform claims can still be brought for several more years, the universe of assignee PIP providers with non-litigated or non-settled bills continues to shrink, putting downward pressure on litigation, but even more importantly, on loss costs and, correspondingly, consumer premiums," Kalifeh said in an email.

Rate Change History for Top 5 Florida Auto Writers



Source: Florida Office of Insurance Regulation news release, July 29.2025

The number of auto glass AOB lawsuits likewise dropped from a peak of about 60,000 in 2023 to an annualized estimate of less than 7,000 by year end. Florida prohibits insurers from charging a deductible for windshield damage under comprehensive coverage. The combination of a zero deductible, AOB and one-way attorney fees fueled a cottage industry of auto glass repair companies that would inundate insurers with inflated bills and then sue them for small settlements that generated large attorney fee awards. Often, the policyholders didn't even know they were suing their own insurer, Yaworsky said.

"We had countless examples where vendors were in **Wal-mart** parking lots saying, 'we think you have a cracked window or just get a new window, and also, here's a $50 steak [dinner] coupon," Yaworsky said. "We saw that abuse and that inflation of claims, and that has virtually disappeared with the auto glass specific reforms that were enacted, along with just the elimination of the one-way attorney fees."

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While the reforms have coincided with a broader softening of the market after post-pandemic inflationary turmoil, Yaworsky emphasized the importance of Florida's reforms in reducing the state's auto insurance costs by stripping away uncertainty and encouraging greater investments of insurance capital.

At the core of Florida's various crises over the years – including mold, sinkholes, nonweather water claims and auto glass – were one-way attorney fees, which incentivized litigation for low-cost claims. State law required insurers to pay the plaintiff's attorney fees if a settlement or court award were even a small amount above the amount offered. Plaintiffs did not have to pay attorney fees when the insurance company prevailed.

"Florida was an outlier with our one-way attorney fee statute, and we're not a market where we can be an outlier. We have a lot of natural disasters; we have a lot of challenges within our marketplace," Yaworsky said. "So, cleaning that up and moving to the same legal framework that has existed in 49 other states, by and large, has put us in a different light. We can handle with actuarial science uncertainty in the auto space, certainly around the frequency and severity likelihood of automobile collisions and other covered perils, but we can't afford that human element of rampant social inflation. Getting that under control has been good."



Tricia Griffith
Progressive

In Progressive's third-quarter earnings call, CEO **Tricia Griffith** emphasized the extraordinary impact of the tort reforms.

"It really has had a profound and a momentous effect on the state of Florida's insurance market," she said. "I've been in this business about 38 years. I would never have imagined these changes and how great they are for the

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Florida
Auto Insurance Profit Margins
Ten-Year Summary, Percent of Direct Premiums Earned

Line of Business	2023 Total Profit	2022 Total Profit	2021 Total Profit	2020 Total Profit	2019 Total Profit	2018 Total Profit	2017 Total Profit	2016 Total Profit	2015 Total Profit	2014 Total Profit	Avg Total Profit
Personal Auto Liab	4.8	-4.4	-1.2	1.5	-2.3	3.3	2.4	0.8	0.6	1.8	0.7
Personal Auto Phys	7.0	-31.0	-1.4	9.7	11.6	9.5	2.0	1.6	1.9	3.5	1.4
Personal Auto Total	5.5	-12.2	-1.3	4.0	1.8	5.1	2.3	1.1	0.9	2.2	0.9
Comm. Auto Liab	-6.2	-6.5	-5.4	-11.0	-8.1	-5.0	-5.4	-7.4	-5.8	-2.2	-6.3
Comm. Auto Phys	12.8	-3.6	13.6	17.5	14.7	7.2	4.0	3.7	4.3	6.8	8.1
Comm. Auto Total	-3.7	-6.2	-2.8	-6.9	-4.8	-3.3	-3.8	-5.6	-4.1	-0.7	-4.2
Total All Lines*	17.5	-18.0	10.4	4.5	4.3	-1.8	-4.6	11.3	15.4	18.0	5.7

*Auto; Home, Farm & Commercial Multiperil; Fire; Allied; Inland Marine; Med Malpractice; Other Liability; Workers Comp; All Other

Note: Profit calculations are by *Auto Insurance Report* using data from the National Association of Insurance Commissioners. Calculations are estimates, some based on national averages.

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State Market Focus: FLORIDA

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benefit of Florida consumers."

Since HB 837 took effect, Progressive's average loss costs for Florida injury claims dropped between 10% and 20%, and the percentage of PIP claims for which the insurer received lawsuits fell about 60%, said Chief Financial Officer **John Sauerland**. "While we have been responsive in reflecting these changes in the loss costs through two rate reductions for Florida consumers in the past year and another planned for December, the drop in loss costs was more pronounced than we expected. Additionally, obviously there is significant risk of very costly storms in Florida, and we have seen virtually none in 2025."

Allstate CEO **Thomas Wilson** was equally effusive. "We really applaud the political leader-

> ***In Florida, Progressive's PIP lawsuits fell 60% after reforms, and average loss costs for injury claims declined 10% to 20%.***

ship in Florida for taking on an important issue that's a difficult issue, which is how do you lower suits against our customers for fender bender accidents," he said during a Nov. 6 earnings call.

The reform's effects seem most apparent in bodily injury. Rolling four-quarter pure premium fell from $412 in the first quarter of 2023, before reform, to $401 in the first quarter of 2024 and $387 in the first quarter of 2025, according to **Verisk's** *2025 Executive Insights Personal Auto Report*. By contrast, countrywide premiums for BI continue to rise steeply, though figures remain considerably lower than in Florida.

Verisk also found substantial improvements in observed BI loss costs in commercial auto for Florida through the first quarter of 2025, though it noted that the data was still early and insurers should carefully monitor settlement patterns. The drop in Florida pure premiums contrasts with the remainder of the country, where average pure premiums have generally appeared flat in the same time frame, Verisk said.

Improvements in auto insurance claims trends prompted Progressive's move to give back about $950 million – mostly in the form of renewal credits – to about 2.7 million Florida policyholders early next year. The giveback is the result of the company's proactive effort to comply with the state's excess profits law, which requires insurers to return premiums when underwriting profits over three years are at least 5% higher than expected in company rate filings. Progressive has kept rates essentially flat since its massive 30.1% increase in 2023, which followed a 15.2% hike in 2022, according to RateWatch from **S&P Global Market Intelligence**.

Policyholders with an active policy as of Dec. 31, 2025, will be eligible to receive a credit in early 2026 based upon their policy's proportional amount of earned premium during 2025. "While there may be some checks issued, most will be in the form of a credit," a Progressive spokesman said.

The moves by No. 1 Progressive and No. 3 State Farm have the largest and broadest financial impact, Yaworsky also highlighted other rate decreases, including the 5.7% average rate cut that **Direct General Insurance Co.** implemented for renewals on July 4. A unit of Allstate's **National General** subsidiary, Direct General focuses on nonstandard drivers.

"What we're seeing is those rate reductions coming in are really across the spectrum," Yaworsky said. "I think that will continue to benefit most, if not all, drivers in Florida, because everybody knows the dirty secret about insurance is when you have a problem – like excessive litigation, excessive waste, fraud, abuse, whatever it might be – all consumers pay for that."

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Florida
Personal Auto Insurers

Groups Ranked by Total 2024 Direct Premium Written (000)

Group Name	2024			2023			2022		
	Premium	Market Share	Loss Ratio	Premium	Market Share	Loss Ratio	Premium	Market Share	Loss Ratio
Progressive Corp.	$8,233,387	24.5%	51.3%	$6,954,759	22.9%	69.0%	$5,417,181	21.4%	77.0%
Berkshire Hathaway/Geico	$6,669,469	19.8%	64.6%	$6,428,572	21.1%	71.7%	$6,080,716	24.0%	90.9%
State Farm Mutual	$5,910,760	17.6%	55.3%	$5,025,328	16.5%	89.0%	$3,760,311	14.8%	108.3%
Allstate Corp.	$3,547,918	10.5%	57.6%	$3,127,502	10.3%	67.2%	$2,652,014	10.5%	81.3%
USAA Insurance Group	$2,093,653	6.2%	51.9%	$2,114,361	7.0%	67.8%	$1,658,598	6.5%	109.8%
Farmers Insurance Group	$713,524	2.1%	48.1%	$720,437	2.4%	60.7%	$671,807	2.7%	84.5%
Travelers Companies Inc.	$676,881	2.0%	65.5%	$639,994	2.1%	70.6%	$545,502	2.2%	99.8%
Auto-Owners Insurance	$617,410	1.8%	68.8%	$515,451	1.7%	84.8%	$383,245	1.5%	94.8%
Sentry Insurance Mutual	$584,364	1.7%	48.3%	$500,387	1.6%	53.1%	$418,912	1.7%	61.8%
Kemper Corp.	$484,524	1.4%	53.2%	$531,607	1.8%	73.6%	$616,026	2.4%	74.4%
United Automobile Insurance Co.	$469,045	1.4%	63.9%	$354,163	1.2%	62.0%	$295,603	1.2%	67.4%
Auto Club Insurance Assn. (Michigan)	$468,682	1.4%	67.0%	$394,315	1.3%	82.1%	$304,155	1.2%	91.5%
Liberty Mutual	$453,228	1.4%	64.0%	$688,265	2.3%	90.7%	$725,263	2.9%	93.9%
Ocean Harbor Insurance	$378,367	1.1%	65.1%	$406,185	1.3%	73.8%	$291,073	1.2%	73.0%
Hartford Financial Services	$305,291	0.9%	65.2%	$278,974	0.9%	83.0%	$220,283	0.9%	102.4%
Southern Farm Bureau Casualty	$272,509	0.8%	59.8%	$229,265	0.8%	77.3%	$184,792	0.7%	83.7%
Chubb Ltd.	$165,921	0.5%	75.0%	$139,939	0.5%	65.4%	$122,494	0.5%	125.3%
First Acceptance Corp.	$139,971	0.4%	56.3%	$116,363	0.4%	57.0%	$49,921	0.2%	59.4%
Mercury General Corp.	$136,410	0.4%	66.6%	$140,353	0.5%	62.9%	$129,406	0.5%	97.7%
Amica Mutual Insurance Co.	$130,084	0.4%	68.3%	$115,416	0.4%	82.8%	$101,806	0.4%	98.0%
AssuranceAmerica	$123,643	0.4%	51.8%	$112,145	0.4%	60.3%	$77,403	0.3%	69.5%
Root Insurance Co.	$107,451	0.3%	49.1%	$16,900	0.1%	53.2%	$2,444	0.0%	63.5%
People's Trust Insurance Co.	$105,118	0.3%	43.1%	$63,123	0.2%	59.4%	$22,503	0.1%	69.8%
Home State Insurance Group	$95,748	0.3%	91.7%	$105,352	0.4%	80.9%	$73,068	0.3%	81.3%
Markel Corp.	$89,001	0.3%	75.8%	$78,550	0.3%	41.5%	$58,179	0.2%	86.5%
Nationwide Mutual Group	$85,027	0.3%	63.0%	$102,222	0.3%	85.3%	$86,994	0.3%	79.8%
Responsive Auto Insurance Co.	$77,395	0.2%	40.4%	$52,397	0.2%	53.7%	$38,969	0.2%	63.4%
Tokio Marine Group/PURE	$76,190	0.2%	87.8%	$66,372	0.2%	70.6%	$60,830	0.2%	135.3%
Star Casualty Insurance Co.	$69,253	0.2%	63.2%	$61,056	0.2%	81.1%	$57,232	0.2%	90.6%
American Family Insurance Group	$66,699	0.2%	82.3%	$58,038	0.2%	102.0%	$33,563	0.1%	148.8%
Premier Holdings/Mendota Insurance	$58,397	0.2%	63.3%	$50,328	0.2%	69.2%	$20,185	0.1%	61.2%
American International Group	$56,932	0.2%	50.9%	$51,740	0.2%	47.1%	$48,356	0.2%	91.4%
Old American Capital Corp.	$41,581	0.1%	53.8%	$32,833	0.1%	72.6%	na	na	na
Merfax Financial Group LLC	$39,536	0.1%	69.7%	$42,387	0.1%	80.6%	$5,738	0.0%	112.0%
Tiptree Inc.	$31,169	0.1%	13.9%	$25,315	0.1%	20.0%	$27,956	0.1%	43.0%
Munich Re/American Modern	$24,981	0.1%	126.9%	$19,721	0.1%	50.8%	$16,180	0.1%	74.9%
Cincinnati Financial Corp.	$10,911	0.0%	65.1%	$11,490	0.0%	51.7%	$12,110	0.1%	178.1%
Cimarron Insurance Co.	$9,271	0.0%	56.4%	$907	0.0%	73.6%	na	na	na
W. R. Berkley Corp.	$8,423	0.0%	45.3%	$6,320	0.0%	47.7%	$4,833	0.0%	113.6%
Statewide Totals	$33,648,054		57.5%	$30,437,401		73.2%	$25,359,878		89.7%

Source: S&P Global Market Intelligence and *Auto Insurance Report*.
Loss ratio = incurred losses/direct premium earned and does not include dividends or loss adjustment expense.

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While policyholders were driven to shop for auto insurance in response to dramatic rate hikes in the last few years, this year's premium decreases have also spurred them to look for bigger savings, according to **Ryan Hupp**, senior director of market intelligence for **LexisNexis Risk Solutions**. Some 54.3% of the insured population in Florida shopped for a new policy in the last year, a figure similar to 2024 but significantly higher than prior years, Hupp said.

While shopping in Florida this year is not outpacing national growth in the way it did last year, the increase is still notable, with shopping volume up 9.6% in September 2025 compared with a year earlier and up 12.6% year-over year in October.



Michael Yaworsky Florida Insurance Commissioner

"It could be that last year it was all the rate increases driving shopping activity to higher levels, and now the decreases are prompting new … reasons to shop, because consumers are thinking that they may be deserving more of a decrease," he said.

Independent agents are feeling the pressure to manage expectations.

"This Progressive announcement has obviously created an awful lot of buzz in the market, but what I have universally heard from members that I've talked to around the state is that what they're seeing in both availability and premium for their policyholders is largely dependent on the carrier and geographic location," said **Kyle Ulrich**, CEO of the **Florida Association of Insurance Agents**. "I think there might be a perception amongst a lot of policyholders when they see public announcements like these that all auto carriers are going to be lowering their rates, but probably not, because it's all company specific and [based on] decisions that companies made about whether they were going to take [large] rate increases or not three or four years ago."

Floridians spent more on auto insurance than residents of any other state in 2023, according to the most recent data from the **National Association of Insurance Commissioners** (NAIC). And because of its low average household income, Florida ranked as the second-least affordable market in the country on our PAIN Index, which uses a ratio of premium to income to gauge the burden of paying for auto insurance. (AIR 9/1/25)

About a fifth of Florida drivers are uninsured, according to data from the **Insurance Research Council**, and 38.3% are underinsured – which is not entirely surprising given the state's high rate of litigated claims and low coverage requirements. Florida mandates $10,000 of PIP coverage and $25,000 in property damage liability coverage, and while most people buy it, the state does not require BI liability insurance to cover the injuries a negligent driver causes in a crash.

Lawmakers frequently introduce legislation to replace the no-fault system with a tort system that would require drivers to purchase bodily injury coverage. In 2021, Gov, **Ron DeSantis** vetoed a PIP repeal measure that passed both chambers, and last session's bill (HB 1181) died in the House. A new PIP repeal measure is likely for 2026, but Yaworsky said he'd prefer for lawmakers to take a wait-and-see approach.

"I would continue to encourage them to let the new reforms play out before we do another round of massive systemic changes, because it's just hard to determine what change is causing what result," he said. "I'm happy with the results of the reforms that we're seeing and that we seem to be out of crisis mode, which, I hope, will move us towards more thoughtful, long-term, deliberative thinking about what to do about other

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challenges that remain."

Insurers were prepared for trial lawyer efforts to reverse some of the reforms, though none passed. In this year's session, HB 1551 would have restored one-way attorney fees for all insurance claims, and HB 1437 would have done so just for PIP claims. HB 947 would have "unwound the accuracy in damages provision," which would increase claim severity by allowing damages to be based on amounts medical providers bill as opposed to the amounts actually paid to them.

Trial lawyers have also sought loopholes around the safe harbor provision that aimed to limit the abusive use of third-party bad faith liti-

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Florida
Commercial Auto Insurers

Groups Ranked by Total 2024 Direct Premium Written (000)

Group Name	2024			2023			2022		
	Premium	Market Share	Loss Ratio	Premium	Market Share	Loss Ratio	Premium	Market Share	Loss Ratio
Progressive Corp.	$1,489,508	22.6%	49.2%	$1,444,556	24.6%	73.8%	$1,144,930	22.9%	82.7%
Auto-Owners Insurance	$591,779	9.0%	65.6%	$522,382	8.9%	110.1%	$438,937	8.8%	80.1%
State Farm Mutual	$533,262	8.1%	66.7%	$437,626	7.5%	74.7%	$220,331	4.4%	106.4%
Berkshire Hathaway Inc.	$336,248	5.1%	61.9%	$243,932	4.2%	84.3%	$222,781	4.5%	71.8%
Travelers Companies Inc.	$308,059	4.7%	78.0%	$261,410	4.5%	83.4%	$236,626	4.7%	81.4%
Kemper Corp.	$227,651	3.5%	43.8%	$158,479	2.7%	64.4%	$153,509	3.1%	65.9%
Zurich Insurance Group	$215,241	3.3%	93.0%	$189,929	3.2%	101.5%	$159,813	3.2%	91.4%
FCCI Mutual Insurance Holding Co.	$199,601	3.0%	61.9%	$172,099	2.9%	72.0%	$147,468	3.0%	67.3%
Old Republic International Corp.	$153,254	2.3%	129.6%	$100,879	1.7%	111.7%	$95,907	1.9%	110.9%
Clear Blue Insurance	$147,300	2.2%	92.4%	$123,421	2.1%	75.1%	$102,717	2.1%	81.8%
CNA Financial Corp.	$130,641	2.0%	93.1%	$105,568	1.8%	77.0%	$75,130	1.5%	101.2%
Ascendant Commercial Insurance Inc.	$110,917	1.7%	66.6%	$82,654	1.4%	74.0%	$68,287	1.4%	68.8%
Chubb Ltd.	$108,949	1.7%	103.9%	$102,382	1.8%	123.9%	$97,266	2.0%	73.9%
Hartford Financial Services	$99,025	1.5%	78.4%	$81,557	1.4%	76.4%	$76,501	1.5%	95.2%
Prime Insurance	$78,346	1.2%	89.8%	$51,764	0.9%	35.4%	$72,891	1.5%	50.2%
Fairfax Financial	$77,698	1.2%	89.2%	$69,833	1.2%	72.0%	$64,970	1.3%	63.6%
American International Group	$74,580	1.1%	71.2%	$59,439	1.0%	60.0%	$54,246	1.1%	91.3%
Federated Mutual Group	$65,851	1.0%	60.7%	$56,411	1.0%	70.0%	$40,197	0.8%	80.4%
Liberty Mutual	$65,436	1.0%	94.4%	$71,312	1.2%	95.5%	$75,542	1.5%	99.4%
Great American Insurance	$64,922	1.0%	73.4%	$66,256	1.1%	86.3%	$58,858	1.2%	74.3%
Tokio Marine	$64,325	1.0%	98.3%	$53,999	0.9%	101.5%	$53,809	1.1%	79.3%
Trisura Group Ltd.	$63,514	1.0%	85.9%	$52,853	0.9%	51.1%	$51,312	1.0%	59.6%
W. R. Berkley Corp.	$61,564	0.9%	70.9%	$48,348	0.8%	90.2%	$51,825	1.0%	96.7%
Amerisure Mutual Insurance Co.	$54,156	0.8%	74.2%	$48,742	0.8%	85.5%	$39,741	0.8%	80.2%
Westfield Insurance	$51,616	0.8%	52.7%	$51,028	0.9%	63.5%	$47,961	1.0%	81.4%
Canal Insurance Co.	$51,616	0.8%	55.5%	$46,755	0.8%	58.4%	$33,122	0.7%	61.9%
Sentry Insurance Mutual	$51,244	0.8%	91.1%	$47,921	0.8%	87.6%	$47,065	0.9%	77.6%
Statewide Totals	$6,586,172		69.5%	$5,865,137		83.1%	$4,993,937		83.1%

Source: S&P Global Market Intelligence and *Auto Insurance Report*.
Loss ratio = incurred losses/direct premium earned and does not include dividends or loss adjustment expense.

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gation, according to **Michael Carlson**, CEO of the **Personal Insurance Federation of Florida**.

"These bad faith claims were unlimited in the past, the dollar amounts were pretty significant, and these were all the product of kind of a very clever business model by a handful of bad faith plaintiff lawyers to turn relatively low policy limits into multimillion-dollar judgments," Carlson said. "The risk is definitely there as the trial bar does want to unwind, frankly, everything that was passed in House Bill 837, so we are expecting to see bills or amendments."

Insurers can expect Yaworsky to renew his effort to limit how often insurers can choose to put rates into effect before filing them with the OIR. Florida allows insurers to choose either "file-and-use" or "use-and-file" for rate filings. With use-and-file, insurers will have to potentially issue refunds if regulators, after reviewing the filing, find the rate excessive. Auto insurers commonly take that risk to quickly respond to loss trends in Florida's dynamic loss environment, given the state's long review times under file-and-use, Carlson said.



Michael Carlson
Personal Insurance Federation of Florida

Yaworsky's bill sought to limit use-and-file submissions to one per policy period, which is usually six months for auto and 12 months for homeowners, though the commissioner said he is open to compromising with the industry.

"In either case, they get the same level of scrutiny … but the basic idea is to allow companies, especially in the auto space, to respond to the market trends they're seeing and remain competitive," Yaworsky said. However, regula-

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Florida Snapshot

Regulator: Insurance Commissioner Michael Yaworsky
Rate regulation: file and use; use and file
Average rate approval time (4-quarter rolling avg 6/30/25): 76 days; U.S. average: 67 days

Size of personal auto market: $33.65 billion (2024 DPW) Rank: 3rd
Average policy expenditure: $1,864 (2023) **Rank:** 1st
Auto Insurance Report PAIN Index rank: 2nd (2023)
Property Insurance Report HURT Index rank: 3rd (2022)
Auto registrations: 7.4 million (2023)
Truck registrations: 11.4 million (2023)
Vehicle miles traveled (VMT): 239.19 billion (2023)
Traffic fatalities: 1.42 per 100 million VMT; U.S.: 1.26 (2023)
Vehicle thefts: 131.8 per 100,000 residents; Region: 234.2 (2023)

Liability defense: modified comparative negligence, 51% bar
Minimum Insurance Requirements: PIP: $10,000 • PD: $10,000

Safety Laws
Texting ban; hand-held call ban in work/school zones
Red-light cameras statewide, speed cameras in school zones
Primary enforcement seat belt law
Motorcycle helmets required for riders under 21

Demographics
Population: 23.4 million (2024)
Change 2010-2020: +14.6%, U.S.: +7.4%
Median household income (2024): $75,630; U.S.: $83,730
Population density: 401.4 per square mile; U.S.: 93.8 per square mile (2020)

Sources: S&P Global Market Intelligence; NAIC; Milliman; U.S. Dept. of Transportation; NAMIC; U.S. Census; FRED; Insurance Institute for Highway Safety; FBI; Matthiesen, Wickert & Lehrer

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tors faced a problem when insurers submitted a second or third rate change under use-and-file before the review of the first one had been completed. "You basically have to start over from the get-go, because the second use-and-file is based off assumptions that were made in the first use-and-file. … It's really just a person-power and a resource issue for us. We're not trying to limit the dynamics in the marketplace. We're just trying to make sure that filings are done correctly."

While the tort reforms made it more difficult for consumers to litigate claims against their insurers, Yaworsky has focused on consumer protection by increasing regulatory scrutiny of insurance company practices with more frequent market conduct exams and larger penalties. He highlighted the importance of the Insurer Accountability Act (SB 7052), which passed alongside the tort reforms in 2023, in giving the OIR "the tools we needed to properly regulate this marketplace."

In a recent news release trumpeting $2.58 billion in penalties against carriers for claims violations during hurricanes Ian and Idalia, Yaworsky noted that the OIR's Market Conduct Unit had initiated over 100 examinations, completed more than 340 investigations and secured $14.5 million in consumer restitution.

"We want a thriving, vibrant marketplace where capital is deployed here, but that is ultimately going to protect consumers, so we are walking that line," he said.

As he looks ahead, Yaworsky sees a challenging future for the auto insurance market, given systemic increases in the cost of vehicles and replacement parts that are embedded with ever-more sophisticated technology. However, these challenges are not unique to Florida, and Yaworsky seems to relish thinking about potential solutions without the cudgel of a crisis.

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"We think these cars are so advanced now, and I can only imagine where we're going to be in five or 10 years," he said. "I think we need to be gathering real data about the benefit of some of these advancements and really start honing in on which ones work in increasing safety and reducing collisions, and which ones are just cost drivers with no discernible benefit."

Yaworsky expects that kind of data to inform the rates insurers charge for specific vehicles based on the success of safety features in reducing the frequency and severity of collisions.

"If the consumer is paying more for that product on the front end, they're kind of getting that commensurate benefit through their insurance rates," he said. "I think that there's a lot to unpack there … but I think over time, if we can gather that data, then we'll have a healthier marketplace for everybody and a safer marketplace for everybody." AIR

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