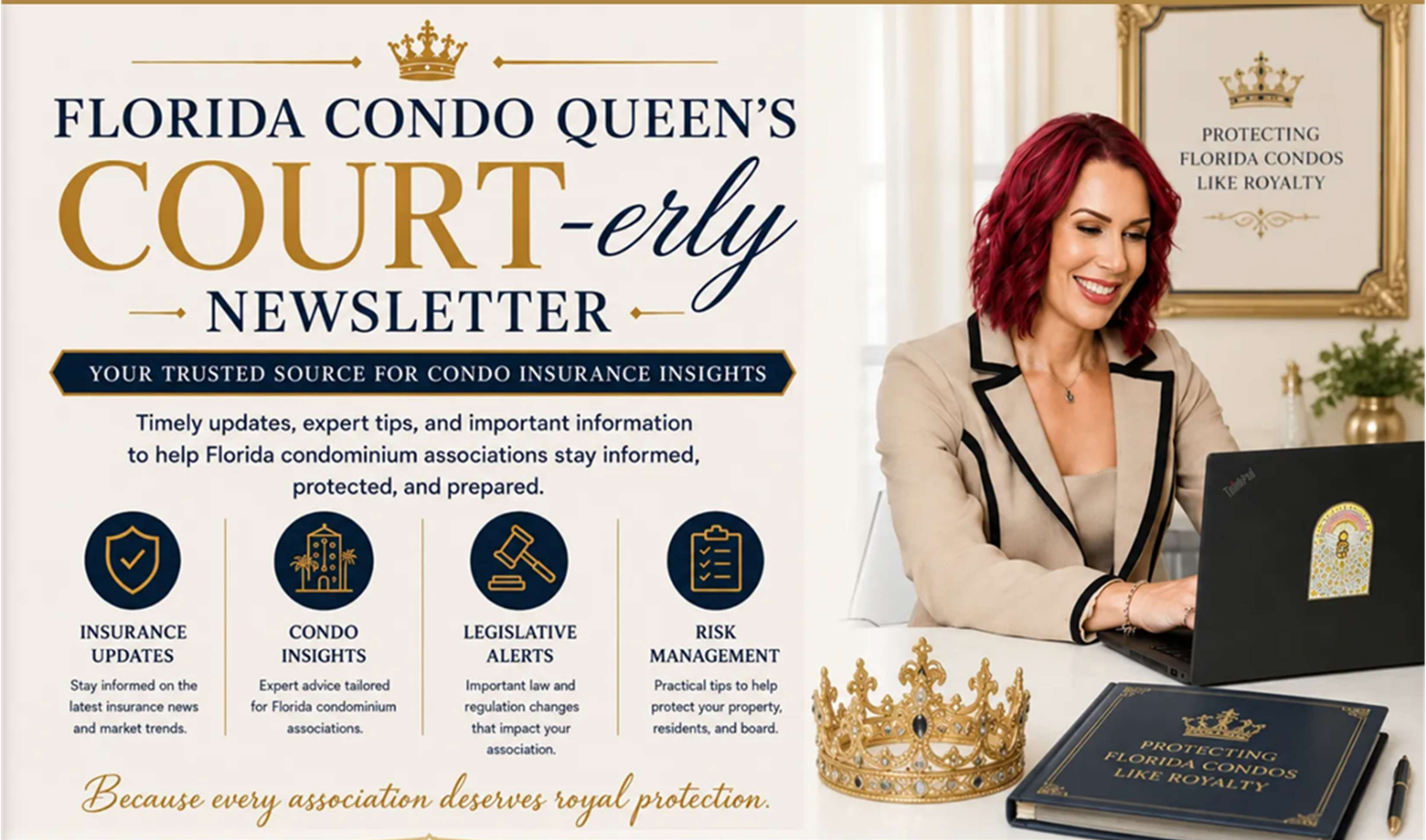


Q3 2026 Edition

Contents

Florida's Condo Insurance Market: Choppy Waters, But Calmer Skies Are Forming

1

Premiums have surged for many Florida condo and HOA associations over the past three years — but stabilization signals are beginning to emerge.

2

Several major Property carriers have re-entered the Florida market following legislative reforms in 2022–2023, increasing competition and easing some renewal pressures.

3

After several years of dramatic increases following major hurricane losses, reinsurance costs are now declining sharply. This softening in reinsurance is now flowing through to lower premiums for associations, though the full effect will be phased across renewal cycles.

4

Citizens Property Insurance depopulation efforts continue: many associations previously placed with Citizens are being transitioned to private carriers.

5

Juries are increasingly awarding extremely large damages in liability cases. These 'nuclear verdicts' are driving up the cost of general liability and umbrella coverage. Regular inspections, proper maintenance and prompt incident reporting can help mitigate your exposure.

6

Bottom line: the market is shifting, not settling — proactive engagement with your insurance advisor before renewal is more critical than ever.

What's Driving Your Premiums — And What You Can Control

Property Premiums — Moving in the Right Direction

Roof Age Matters

Keep roofs 15 years or newer to qualify for the best carrier rates.

Wind Mitigation Inspections

Like an insurance coupon — a simple inspection can lower your association & unit owners' insurance premiums.

Building Updates & Maintenance

Regular maintenance helps keep property premiums down and demonstrates lower risk.

Newer Construction

Updated infrastructure and newer construction qualify for better carrier rates.

Liability Premiums — The Growing Concern

Nuclear Verdicts

Nuclear verdicts and lawsuit abuse are driving costs up across the industry.

General Liability & Umbrella

General liability and umbrella coverage are seeing significant increases year-over-year.

D&O Claims Rising

D&O claims are rising due to increased board accountability and regulatory scrutiny.

The good news: Property market is softening. The challenge: Liability remains a pressure point. Both require active management.

Budgeting for Insurance Renewals: Build in a Buffer Before the Bill Arrives

Step 1 — Start Early

Contact your insurance advisor at least 4 months before your policy renews; early submissions get better underwriter attention and more carrier options

Step 2 — Update Your Replacement Cost Valuation

Whether you're a Condo Assn or HOA, obtain an updated appraisal <u>at least</u> once every 3 years; outdated values can leave your association dangerously underinsured

Step 3 — Don't Fall Short

Plan for premium increases of 10–15% even in a stabilizing market — surprises go down easier when reserves have cushion

Step 4 — Review All Coverage Lines Together

Property, general liability, D&O, flood, and umbrella should be reviewed as a whole; some lines may be expected to increase while others decrease

Step 5 — Document Everything

Roof age, recent upgrades, inspection reports, and maintenance logs all influence underwriter pricing

NOAA 2026 Atlantic Hurricane Season Outlook: Below-Normal Activity Predicted

NOAA 2026 Atlantic Hurricane Season Outlook: Below-Normal Activity Predicted — 55% chance of below-normal season

8–14

Named Storms

Total storms forecast to form in the Atlantic basin during the 2026 season

3–6

Hurricane Strength

Storms predicted to reach hurricane intensity (74+ mph winds)

1–3

Major Hurricanes

Forecast to become Category 3–5 (111+ mph winds)

Aug 10 –...

Peak Window

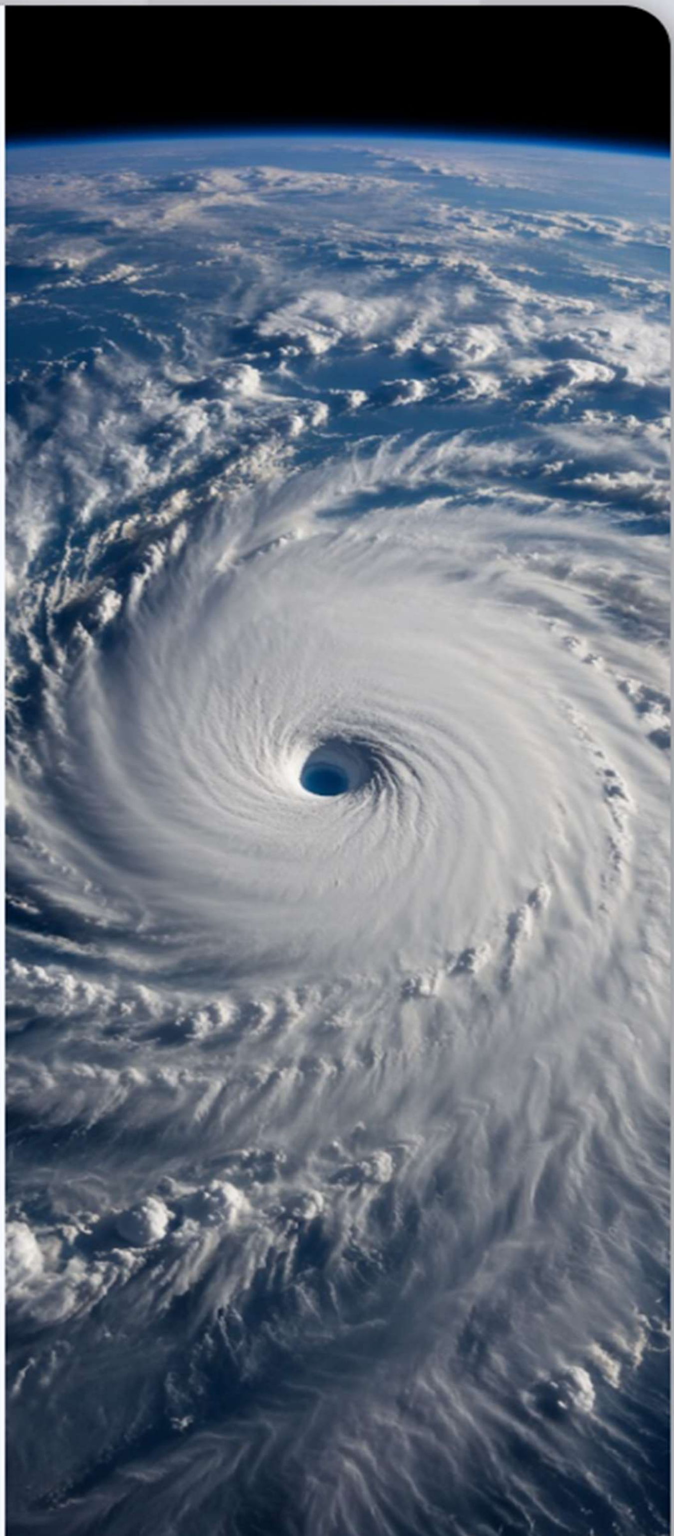
Accounts for roughly 90% of all major hurricane activity

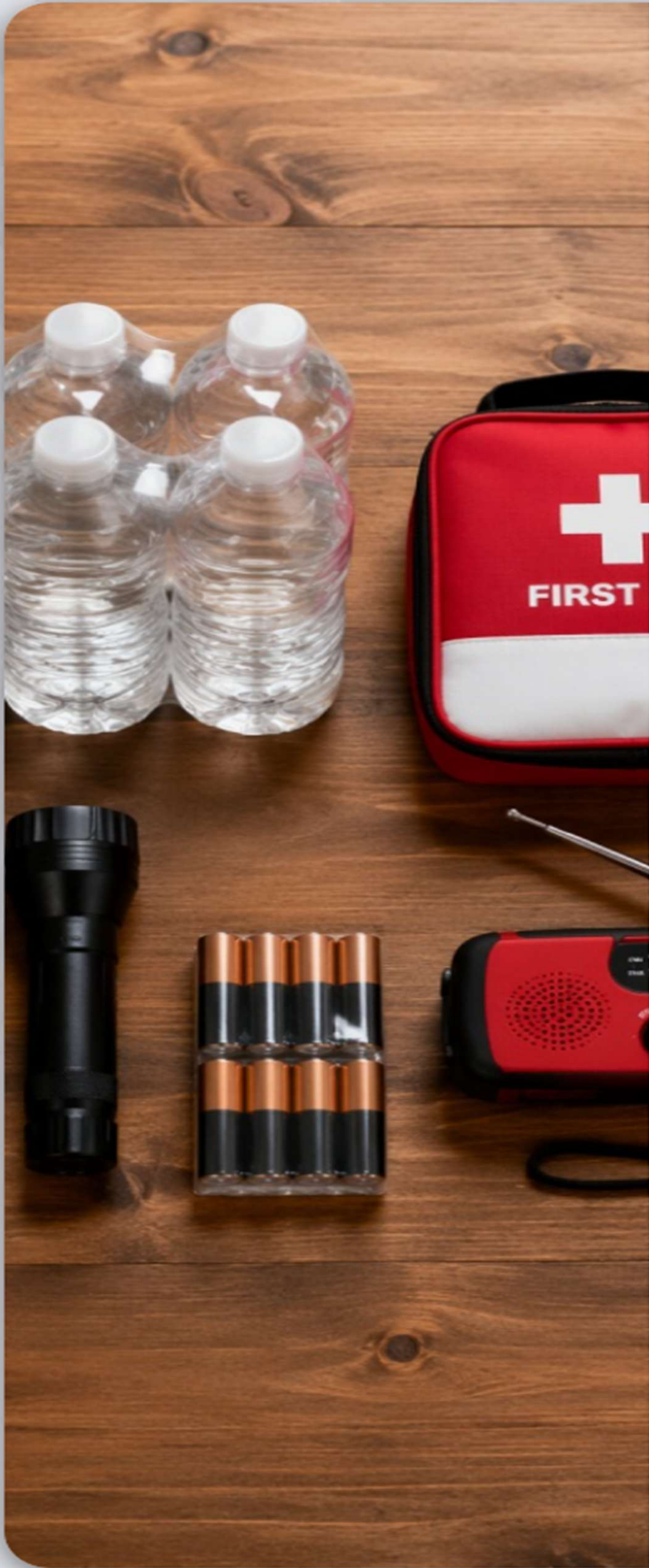
> **Important Reminder:** A below-normal hurricane season forecast or an El Nino pattern does NOT mean your association is safe. Remember: Hurricane Andrew — one of the most catastrophic hurricanes in U.S. history — struck during an El Nino year, when forecasters predicted a quieter season. El Nino conditions typically suppress hurricane activity, yet Andrew devastated South Florida anyway.

The El Nino Warning: Hurricane Andrew Proved Complacency Kills — Don't Repeat That Mistake

- **THEN — Hurricane Andrew (August 24, 1992)**
  - Struck during an El Nino year, when most seasonal forecasters predicted a quieter-than-normal Atlantic hurricane season
  - El Nino conditions typically suppress Atlantic hurricane development — Andrew was the exception that devastated South Florida
  - Andrew caused $27 billion in damage (over $60 billion in today's dollars) and destroyed 125,000+ homes
  - It remains one of the most destructive hurricanes in U.S. history and triggered the near-collapse of Florida's private insurance market

- **NOW — The Key Lesson for Your Association**
  - El Nino or La Nina, a favorable forecast or an unfavorable one, your association's preparedness must never be conditional on a seasonal prediction
  - One storm. One direct hit. That's all it takes.





Before the Storm: The Hurricane Preparedness Checklist Every Board Needs

Documents & Insurance

Ensure your insurance policy information, and claims contact are accessible to at least two board members; store digital copies offsite or in a secure cloud platform.

Property Hardening

Inspect and document roof condition, hurricane shutters, impact windows, and entry doors before season begins; verify elevators are serviced and generators are tested.

S.O.S.

Establish a pre-approved emergency communication protocol for residents — know who sends messages, through what platform, and in what timeframe.

Financial Readiness

Confirm your association has sufficient reserves for a post-storm deductible — Florida hurricane deductibles are typically 2–5% of insured building value, not a flat dollar amount.

Utility & Vendor Contacts

Maintain a current list of critical contacts: utility outage lines, water/sewer authority, your property management company's emergency line, and your vetted vendor roster.

Community Clean-Up Committee

Most insurance policies limit or exclude debris removal. Establish a pre-determined clean-up committee & ensure your association has a workers comp policy that covers volunteers

Your Vendor Bench: Build the Roster Now — Before You Desperately Need It

1

TIER 1 — CRITICAL / PRE-QUALIFY IMMEDIATELY

Licensed roofing contractor with documented CAT-event capacity and prior HOA/condo experience; Water extraction and mold remediation company with 24/7 emergency response capability; Structural engineer or building inspector

2

TIER 2 — IMPORTANT / VET AND ROSTER BEFORE SEASON

Licensed electrician familiar with multi-unit residential buildings; Tree removal and debris hauling company — these book up within hours after a major storm; Temporary board-up and tarping service.

3

TIER 3 — SUPPORT / IDENTIFY AND FILE CONTACTS

Temporary property management or emergency operations support firm; Local attorney familiar with community association claims; Public adjuster

KEY PRINCIPLE: Post-storm vendor fraud is rampant in Florida. Most reputable vendors will be secured before a storm hits — they stock up on supplies and prepare their crews in advance to meet their clients' needs. Waiting until after the storm means waiting in line for materials, repairs, and quality contractors. The vendors you want will already be committed. Be one of their clients before the storm arrives.

How to Vet a Vendor Before You're Standing in Storm Damage

Verify Licenses

Confirm active Florida state licensing through the DBPR license lookup tool at myfloridalicense.com

Check Insurance Certificates

Request a Certificate of Insurance showing, at a minimum, Workers Comp and $1M in General Liability coverage — an uninsured contractor working on your property exposes your association to liability

Ask for References

A vendor who has worked on single-family homes is not the same as one experienced with multi-unit condominium buildings — ask specifically for multi-unit association references

Review Contracts

Have your association attorney review any master service agreement or preferred vendor contract in advance — panic after a storm is the worst time to read fine print

Annual Vendor Review

Licenses expire, businesses change ownership, and insurance lapses — audit your vendor list at the start of each hurricane season and update as needed

Your 90-Day Pre-Hurricane Season Action Plan for Boards and Property Managers

1 — 90 DAYS OUT (May/June)

Schedule insurance policy review with your advisor; order or updated appraisal (condos are required to have an update every 3yrs); test generator and backup systems; confirm reserve fund balance and hurricane deductible exposure.

2 — 60 DAYS OUT (June/July)

Finalize and distribute vendor roster to all board members and property management staff; inspect roofs, shutters, drains, and common area structures; confirm emergency communication platform is active and resident contact list is current.

3 — 30 DAYS OUT (July/August)

Hold a brief board-level hurricane preparedness meeting — even 30 minutes is enough to align on responsibilities; confirm insurance policy documents & claim contacts are accessible to multiple people; brief on-site staff on emergency protocols.

4 — AT PEAK SEASON (August–October)

Monitor NOAA and National Hurricane Center updates weekly; activate your communication plan when a storm enters the Gulf or Atlantic with Florida in the cone.

IOA
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Condominium Reconstruction Following a Loss: Understanding Florida's Rules

Florida Statute 718 Requires Board Approval

For Florida condominium associations, unit owners cannot proceed with reconstruction work following a property loss without prior written approval from the association's board. Approval may be conditioned upon review and approval of repair methods, verification of contractor qualifications, approval of the reconstruction contract, and obtaining all required permits prior to construction.

Who Covers What

For property and wind claims, unit owners are generally responsible for reconstruction of portions of the condominium property for which they are individually required to carry insurance coverage. However, if the association is filing under a flood insurance policy, much of the unit interior portions are covered, which differs compared to property and wind policies.

Multiple Units Affected? Association Control is Key

When multiple units are affected, the association should maintain control over the reconstruction process to ensure: Repairs are properly completed; Licensed and insured contractors are used; Reconstruction contracts contain proper protections; Repair costs are properly documented.

Understanding Claim Payments

Initial claim payments are often issued on an Actual Cash Value (ACV) basis, which reflects depreciation. Supplemental payments for recoverable depreciation typically require detailed invoices, receipts, and proof of completed repairs.

Allowing claim funds and reconstruction responsibilities to be handled individually by unit owners can create significant administrative challenges, documentation issues, and potential liability concerns for the association.

Meet Your Advocate: Michelle Newton is in Your Corner Every Step of the Way

1

WHO IS MICHELLE NEWTON?

Licensed Commercial Lines Agent, Surplus Lines Agent, and holds a Claims Adjuster license. Based in Tampa, FL — representing more than 100 Florida community associations Statewide.

2

HER BACKGROUND

Specializing exclusively in community association insurance since 2000. Her Claims Adjuster license means she understands how claims actually work and can guide your board through the process when it matters most.

3

EXPERTISE & APPROACH

An approved continuing education instructor with the Florida DBPR, teaching community association managers across the State. Her deep expertise in Florida condo and HOA insurance means she knows the forms, the Florida statutes, the carrier appetites, and the claim traps that affect your specific type of property.

4

THE FLORIDA CONDO QUEEN PROMISE

While insurance premiums and carrier appetite fluctuate from year to year, specialized agents have access to many of the same insurance markets. The true difference lies in Michelle's ability to structure coverage appropriately, identify hidden exposures, and advocate for your association's long-term interests.

Your Association Deserves an Advocate Who Knows Florida Condos Inside and Out

Reach out to Michelle for a no-cost, no-obligation Insurance Portfolio Review before your next renewal — or preferably, before your next claim.

Michelle Newton | Florida Condo Queen | IOA

www.FloridaCondoQueen.com

Tampa, FL | Serving Florida Community Associations Statewide

We Focus on Your Risk, So You Can Focus on Your Dreams