



State of Market 2025

Florida Airports Council
Insurance Issues effecting Airports

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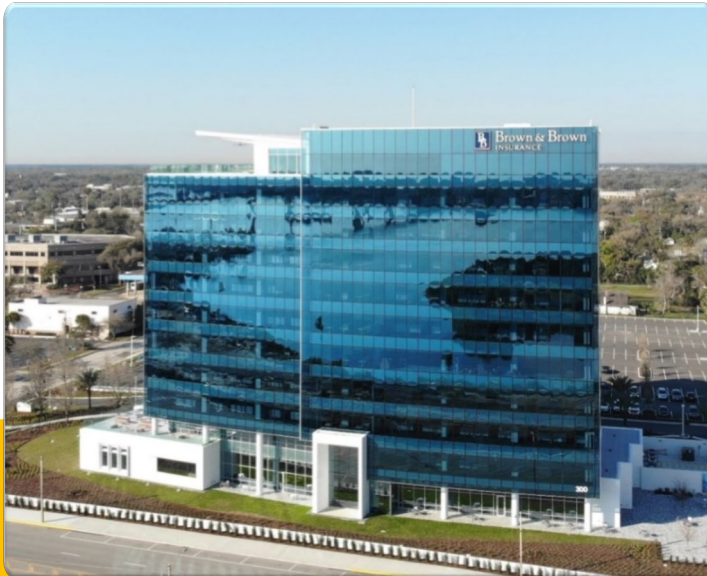
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Introduction

- Brown & Brown, Inc. was founded in 1939 in Daytona Beach and has since grown to be **the largest insurance intermediary in Florida** and the 5th largest in the world.
- In the State of Florida, our more than 50 offices, are comprised of 3,000 teammates responsible for the design, placement and servicing of annual insurance premiums in excess of \$2.6 Billion.





Introduction

- Brown & Brown Public Sector team has been representing Florida public entities for over 30 years.
- Our team provides Property & Casualty, Aviation Liabilities, Workers Compensation Coverages and Employee Benefits advisement and insurance services to over 200 Florida governments, including Cities, Counties, School Boards, Special Districts, and Airports/Authorities

Florida Property Market

A LOOK BACK



Impacts of Storms on Florida Rates Historically

- Property Rates Rise and Coverage Restricts when Reinsurers Pay Claims
- Reinsurance Capacity Retreats and Deductibles Increase
- Insurers Amend Rates, Capacity and Deductibles

Year	Rate Change from Previous Year	Major Storm	Single Storm Insurance Loss (2024 \$)	Total Insurance CAT Losses in Billions
2005		Katrina	\$102B	\$166
2006	100%			\$32B
2007-2010	-14%			\$264
2011	-11%		Global Losses	\$193
2012	6%	Sandy	\$40B	\$105
2013-2016	-4%			\$265
2017	-1.50%	Irma	\$38B	\$193
2018	-1%	Michael	\$7B	\$125
2019	1%			\$94
2020	6%			\$122
2021	10%			\$153
2022	10%	Ian	\$56B	\$151
2023	55%			\$118
2024		Milton, Helene	\$40 B	\$154

Hard vs. Soft Market Elements

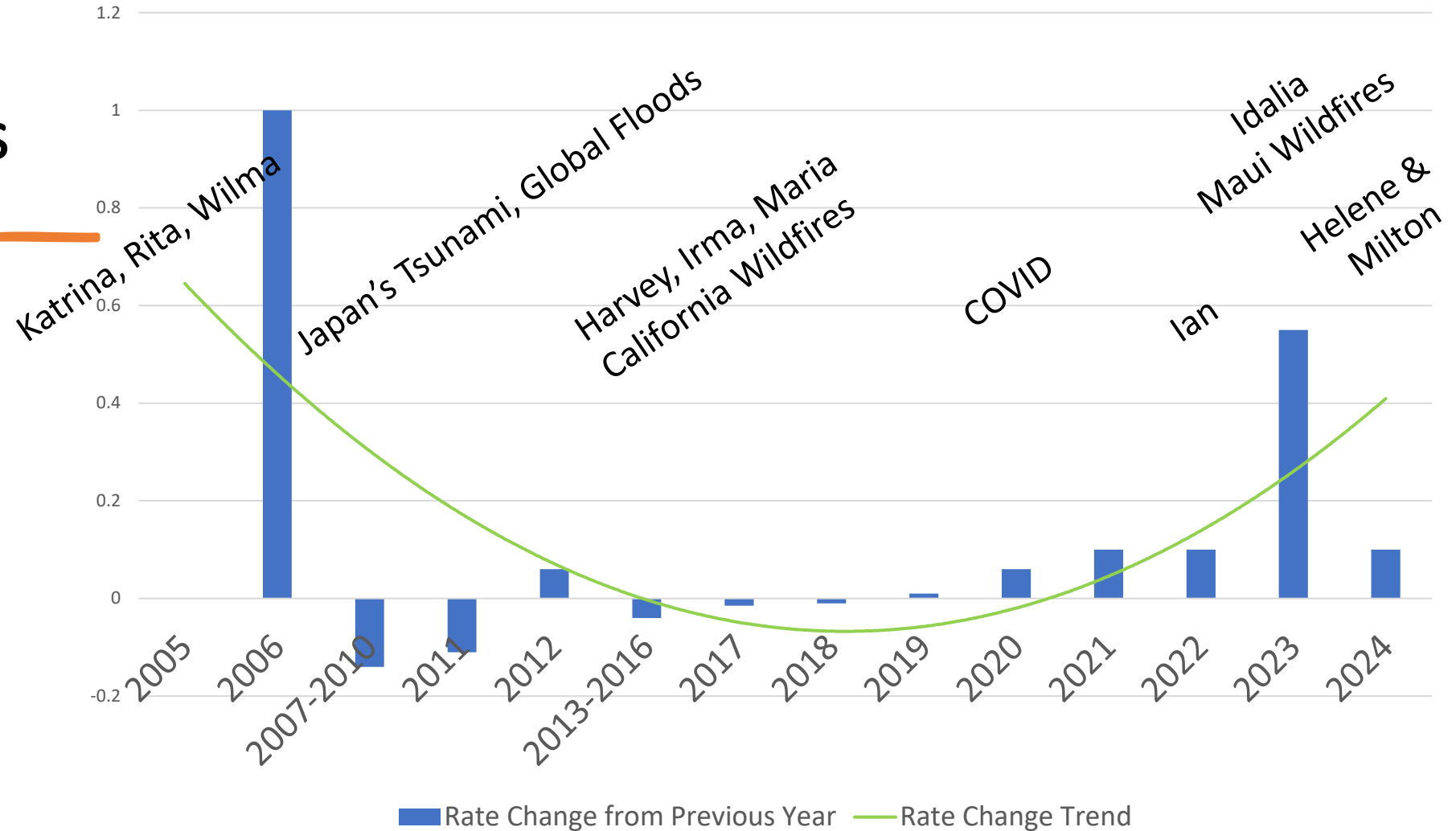
- **Hard Market**

- Stricter Underwriting
- Reduced Capacity
- Higher Premiums
- Fewer Competitors

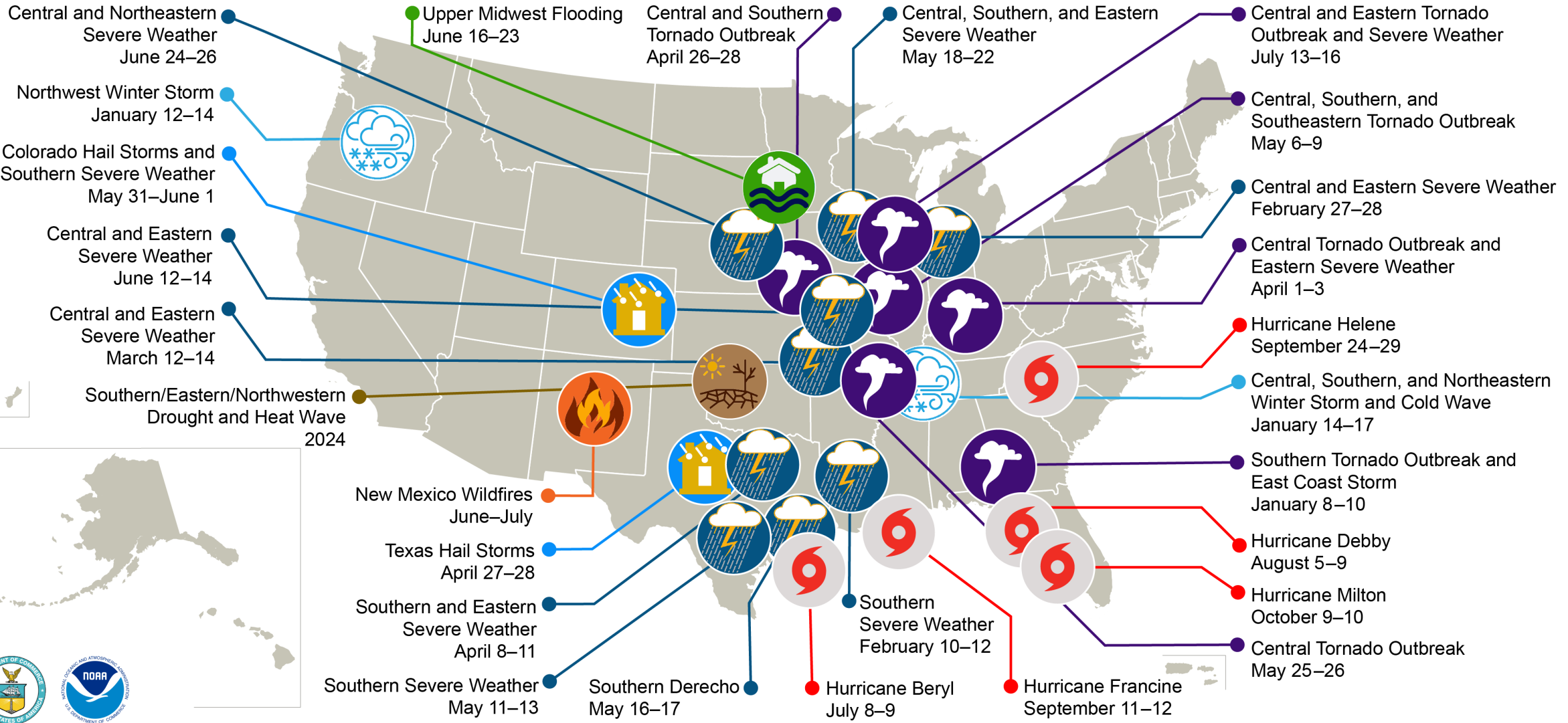
- **Soft Market**

- Easier Underwriting
- Increased Capacity
- Lower Premiums
- More Competitors

Effects on Florida Property Rates



U.S. 2024 Billion-Dollar Weather and Climate Disasters



This map denotes the approximate location for each of the 27 separate billion-dollar weather and climate disasters that impacted the United States in 2024.



Market Conditions



2023-24 Property Market Conditions



Supply Chain, Demand Surge, and Inflation have pushed construction costs, created under valued property schedules



20-25% increase in property value



Undervalued by 30% entire Florida Market



Trending Values, Appraisals, and Valuation Changes are underway

Recent Flood Events in Florida

- Broward County, Fort Lauderdale – April 2023
- up to 33 inches reported in just over 7 hours
- Leon County and Surrounding Counties – April 2024 –
experienced over 10 inches in some areas



Property Market 2024 into 2025



The unexpected speed of market softening, with declining rates and competition among insurers, showed signs of the beginning a buyers's market



Secondary CAT Events (Convective Storms, tornadoes, excessive rainfall = flooding)



Current market is fragile, with potential for major storms or catastrophic events to reverse downward trend.

Active Hurricane Season 2024

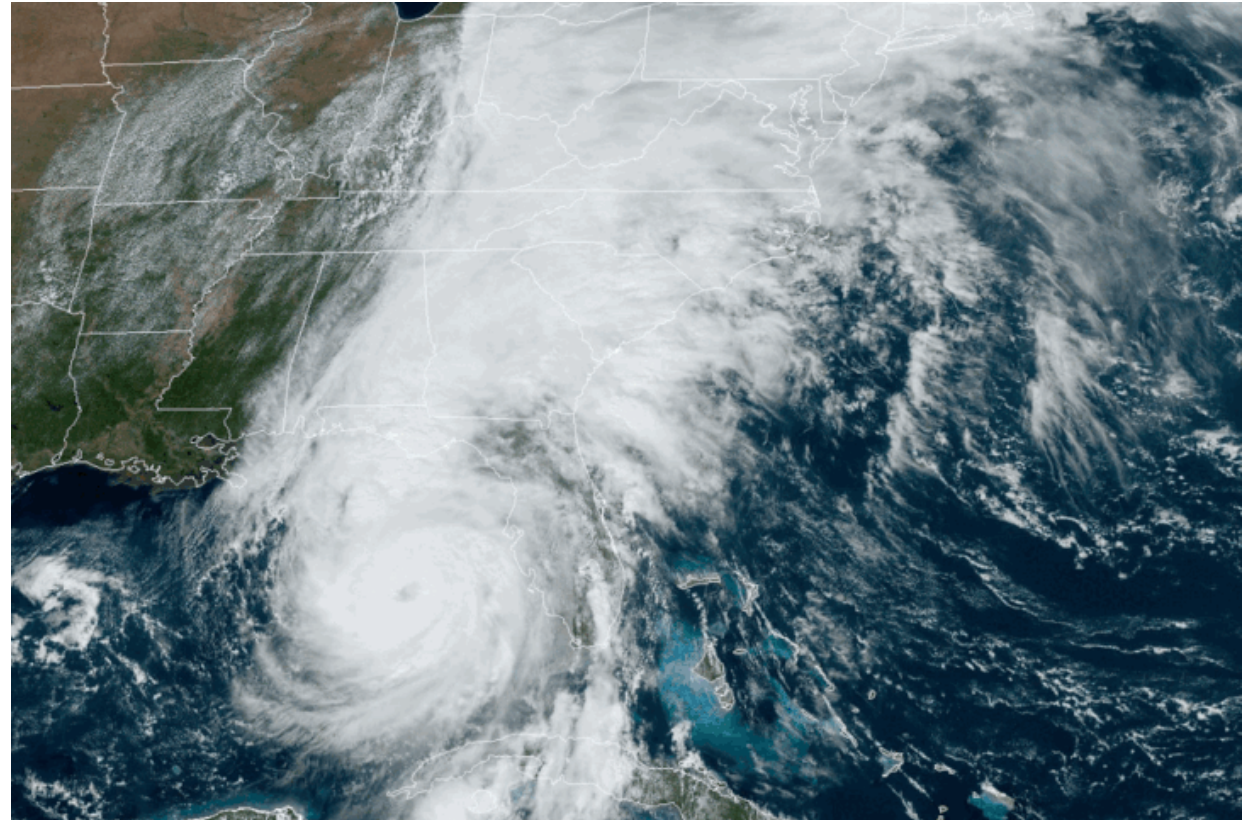
- Five Hurricanes have made US Landfall in a Year
- Hurricane Beryl and Debby (CAT 1)
- Hurricane Francine (CAT 2)
- Hurricane Milton (CAT 3)
- Hurricane Helene (CAT 4)



Hurricane Helene

September 24-29th, 2024

- Hits Florida Gulf Coast as a CAT 4.
- Severe Storm Surge – 15 Feet in the Big Bend to 6 Feet Surge in St. Pete.
- Multiple Florida Airport Closed – Hundreds of Flights Cancelled
- Even Greater Damage in the Carolina's
- Certain areas of North Carolina were impacted by over 25 inches of rain in less than 3 days
- Damages for insurers currently estimated around \$17.5 to \$20 Billion

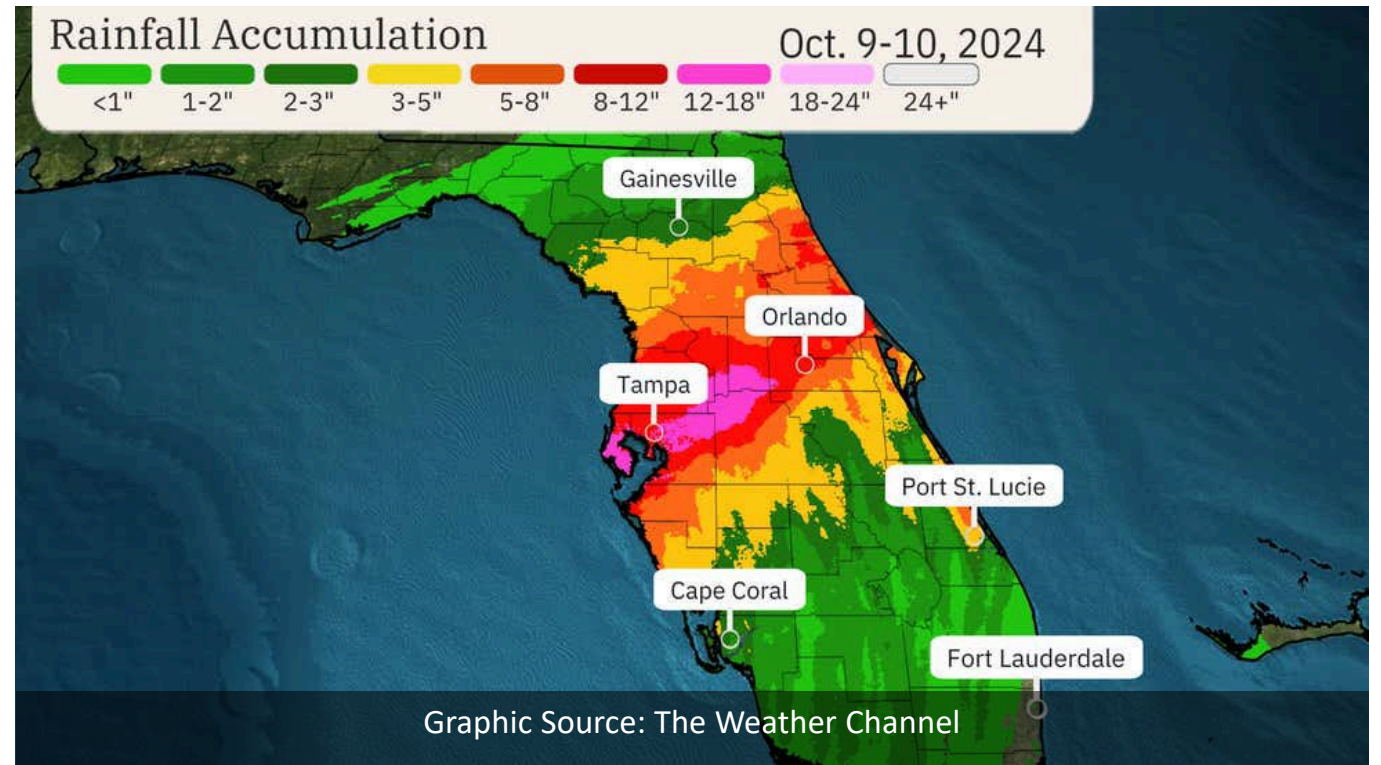


Graphic Source: The National Weather Service

Hurricane Milton

October 9-10, 2024

- Hits Florida Gulf Coast as a CAT 3 (was a CAT 5 in Gulf)
- Rapid Intensification
- A least 7 Florida Airports Closed and 3000 Flights Cancelled
- Over 100 reported Tornadoes Warnings – 45 Tornadoes Confirmed Touchdown
- Damages for insurers currently estimated between \$20 to \$50 Billion



A Look Ahead in Florida



A Look Ahead: 2025 and Beyond

- Property rates were showing a downward trend for the first time in almost 7 years
- The combination of Hurricane Helene and Hurricane Milton have not seemed to change that direction
- Flood Insurance and Named Wind Storm Deductibles will be in play





Variables Effecting Rates

- Storms & Losses
- Costs of Goods/Construction
- Competition in the Markets
- Active Season vs. Quiet Season
- 2025 Atlantic Hurricane Season Outlook



How the
Markets are
affecting
Airports

Property & Flood

- Flat to reduced premium rates on property for certain placements already made in 2025
- Reduced flood capacity, higher flood deductibles
- Enhanced Terms and Conditions are possible



A high-angle photograph of a large industrial yard, likely a port or shipping terminal. The foreground is dominated by stacks of shipping containers in various colors, including blue, orange, and green. In the middle ground, a red truck is parked on a paved area. Three workers wearing hard hats and safety vests are walking away from the camera in the lower center. In the background, there are large white cylindrical structures, possibly storage tanks, and industrial buildings under a clear sky.

Aviation Liability

- Aviation market is holding steady with increases primary tied to inflation which is driven by increased repair costs.
- While current capacity is strong, changing market dynamics suggest obstacles as the year progresses.
- Challenges include increased repair cost, costly claims, weather issues, technical issues and the ongoing geopolitical climate.

Auto Liability

- Auto Liability and Physical Damage Coverage face higher claims costs
- Driven by increased accident severity, medical costs inflation and rising repair costs.
- Rates have increased in this area range from 7.5-15%
- Nuclear verdict concerns



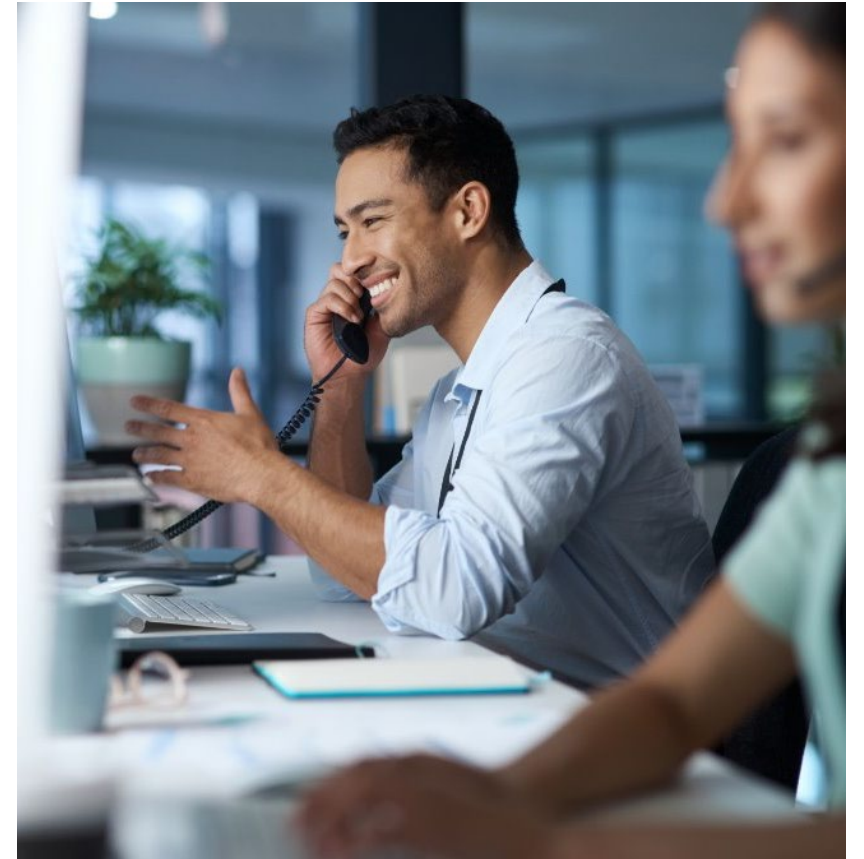


Cyber Liability

- Due to refreshed capacity and carrier growth strategies, competition has increased in 2025, primarily for risks exhibiting best-in-class controls.
- Rates are raising on primary policies, currently averaging flat to between 15-25% on renewal.
- Social Engineering and Ransomware claims continue to dominate the public entity sector.
- Employee training and enhanced controls are crucial to prevent these claims.
- HB 7055 – Government Cybersecurity Act (2022)
- Example: Seattle-Tacoma International Airport
- Example: Crowd Strike worldwide outage

Workers Compensation

- Workers Compensation rates in Florida continue to drop despite increased cost of medical care and labor shortages. However, there is an expected shift in the current soft market due to medical inflation and higher indemnity costs.
- State of Florida raised WC rates for the first time in a number of years.
- Florida Legislature - SB 362 (2024) allows physicians to charge up to 175% of Medicare (up from 110%) and surgery rates are 210% up from 140%.
- There continues to be limited markets willing to write Florida public entity exposures.



Vendor Contracts and Insurance Requirements




Importance of Vendor Contract Compliance & Annual Updates

- Don't retain unnecessary risk via incomplete risk transfer
 - ✓ Hangars
 - ✓ Auto exposure
 - ✓ Private Operations – Fuel, Maintenance, Aviation



Insurance Requirements: Balancing Vendor Risk & Relationship

- Balance probable risk with appropriate transfer of risk
 - ✓ Limits
 - ✓ Types of Insurance
 - ✓ Proper Indemnification Language
 - ✓ Obtain certificates
- 

Florida Recovery Obligation Calculation (F-ROC)



Image Trademark: Floridadisaster.gov – Florida
Division of Emergency Management

Key Pillars of F-ROC

Standardization

Form standardization simplifies the process, making it easier to submit documentation for Public Assistance.

Procurement

Understanding the procurement process and having contracts and vendors in place is critical in successful submission for Public Assistance.

Procedures

We help our Applicants prepare for events by ensuring they have a plan in place that includes policies and procedures.

Assessment

Our Disaster Readiness Assessment provides Applicants the insights needed for them to be successful in the F-ROC program.

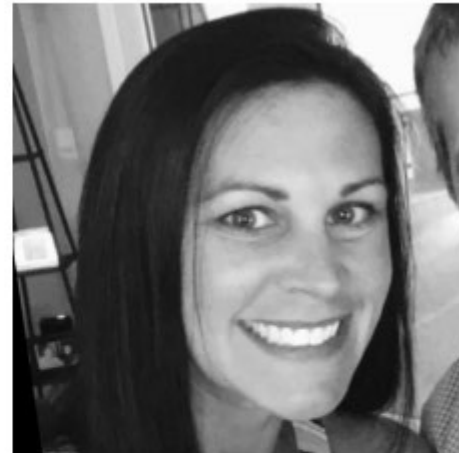


FloridaDisaster.ORG
DIVISION OF EMERGENCY MANAGEMENT

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Legislative Impacts

- In 2024, the Legislature signed a comprehensive tort reform bill, HB 837.
- The law aims to decrease lawsuits and prevent predatory practices in limiting personal injury cases, insurance litigation and attorney's fees.
- In 2025, legislation is moving requesting an increased sovereign immunity tort cap in Florida.
- CS/HB 301 proposes and increase to \$500k per person/\$1M per occurrence caps.
- Current limits are \$200,000 per person / \$300,000 per occurrence caps.



Questions

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