

Small business unable to find wind coverage

On coast, many can't find coverage; premiums steep for inland companies

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Since March, Jim Coury has gone without windstorm insurance to protect his used-car business, **Integrity Auto Sales Inc.** in Port Orange, from hurricanes.

After his insurance carrier dropped him, Coury estimates he checked with 20 other insurance companies -- all of whom turned him down. And Coury didn't qualify for coverage by **Citizens Property Insurance Corp.**, the state's insurance of last resort.

He isn't alone.

Plenty of other commercial policyholders in Florida's coastal counties can't get hurricane-protection insurance either. And in Central Florida and other inland parts of the state, some can obtain the coverage but are paying two to five times more than before, insurance agents say.

"For existing owners, the budgets and pro formas have been thrown out of whack due to the major increases," says Terry Delahunty, 2006 legislative affairs committee chair for NAIOP's Central Florida chapter and a partner at **Foley & Lardner LLP**. "Condo associations are having to dramatically increase their assessments and are doing special assessments."

Some help for small property owners is on the way, however.

The **Florida Property & Casualty Joint Underwriting Association** soon will offer policies for owners of commercial structures worth \$1 million or less who couldn't obtain coverage elsewhere that limit price escalation.

In the meantime, Kevin O'Connor, an insurance agent with **Insurance Services** of Central Florida in Ocoee, likens finding the wind insurance to a game of chess: "Everything is timing right now and knowing where to go."

The 'ripple' effect

The availability and affordability of windstorm insurance in Florida has become a top concern for executives in the insurance, commercial real estate and banking fields.

This summer, state regulators received a large number of complaints from business owners not covered by Citizens who said their private carriers failed to renew their coverage and they couldn't find replacement coverage. Also, many said so-called surplus lines coverage was unaffordable.