



FINANCIAL SERVICES  
COMMISSION

RON DESANTIS  
GOVERNOR

JIMMY PATRONIS  
CHIEF FINANCIAL OFFICER

ASHLEY MOODY  
ATTORNEY GENERAL

WILTON SIMPSON  
COMMISSIONER OF  
AGRICULTURE

## OFFICE OF INSURANCE REGULATION

**MICHAEL YAWORSKY**  
COMMISSIONER

**July 11, 2023**

Victoria McCarthy  
Head of Regulatory Strategy and Analytics  
Farmers Insurance Group  
6303 Owensmouth Avenue  
Woodland Hills, CA 91367

Re: Discontinuance of Farmers-Branded Homeowner and Auto Lines of Business

Dear Victoria McCarthy:

This letter is in response to the market reduction notice Farmers Insurance Group (Farmers) submitted to the Florida Office of Insurance Regulation (OIR) on July 10, 2023. We've reviewed the initial notification and wanted to discuss our concerns regarding Farmers' decision to reduce their presence in Florida's property insurance market and the impacts it will have on policyholders.

As communicated earlier today, Florida's leaders have stepped up to the plate by delivering historic reforms to Florida's property insurance market to ensure competitiveness and increase consumer choice. Based on the discussions we have had with your company today; we understand that this decision was made independently of these reforms going into effect as part of a broader series of actions Farmers is making across the country and not solely focused on Florida.

As the impacts of these reforms continue to take effect, there are positive signs emerging in the market. For instance, following these legislative reforms we've seen reports of increased reinsurer capacity, a reduction in reinsurance cost, greater interest from companies wanting to participate in the Citizens Depopulation Program, and additional companies expressing their desire to expand their businesses in Florida's insurance market.

We also want to directly express our disappointment regarding how this decision was communicated. While the office recognizes companies need to make operational changes to books of business, OIR always appreciates the opportunity to discuss these complex issues prior to receiving notifications of this nature.

We are disappointed by the hastiness in this decision and troubled by how this decision may have cascading impacts to policyholders. Farmers has noted this decision only impacts about 26.6% percent of their Florida policyholders, but any impact which impacts policyholders should not be taken lightly. OIR's primary concern is ensuring a stable and competitive market and we believe policyholders deserve reliable service from their insurance company.

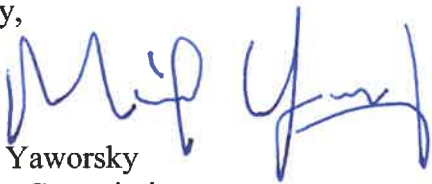
• • •

Moving forward, we hope Farmers takes these concerns into consideration and understands the need to better serve Florida's policyholders.

Finally, on a phone call with Farmers representatives this morning, Farmers committed to facilitating a seamless and efficient assumption of affected policyholders to other companies who may have interest in growing their presence in Florida and that Farmers will give due regard to policyholders during this transition. I appreciate those commitments and will hold you to them.

We expect continuous communication going forward as we review the market reduction notice and welcome any other considerations you may have to best protect or transition policyholders who may be affected.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Yaworsky", with a stylized flourish at the end.

Michael Yaworsky  
Insurance Commissioner