III

119TH CONGRESS
1ST SESSION

S. RES. 556

Recognizing that Florida's insurance market is gravely stressed by climate risks.

IN THE SENATE OF THE UNITED STATES

DECEMBER 17, 2025

Mr. WHITEHOUSE (for himself, Mr. MERKLEY, Mr. MARKEY, Mr. VAN HOLLEN, Ms. DUCKWORTH, Mr. PADILLA, Mr. WELCH, and Ms. BLUNT ROCHESTER) submitted the following resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs

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RESOLUTION

Recognizing that Florida's insurance market is gravely stressed by climate risks.

Whereas, as reported by Columbia Business School, because climate change is a ''major risk'' in Florida, many home insurers are at a high risk of insolvency;

Whereas, following catastrophic hurricane losses, major insurers left the Florida market entirely, leaving small, local, and less stable insurers behind, many of which have already gone insolvent;

Whereas only mortgages protected by home insurance from insurers with a high financial strength rating are eligible for the government mortgage-backed security program, which maintains liquidity in the mortgage market, and as a result of this, the United States housing market increasingly depends on the credibility of these ratings;

Whereas an insurance rating agency called Demotech has become increasingly utilized by smaller home insurers in Florida;

Whereas Demotech rates 98 percent of insurers ‘‘A’’ or above;

Whereas insurers rated by Demotech are 30 times as likely to become insolvent as those graded by rival rating companies;

Whereas, even when Florida homeowners are able to find a stable insurer, they are still forced to pay increasingly high home insurance premiums, now averaging $14,000 annually;

Whereas the Florida Office of Insurance Regulation reports that home insurance rates in Florida have risen 34 percent since late 2022;

Whereas Florida State law allows Citizens Property Insurance, the State-backed insurer of last resort, to levy a surcharge on all policyholders to recoup losses if its reserves fall short, levies that may be uncollectable in real life; and

Whereas there are credible scenarios in which the losses of Citizens Property Insurance exceed its ability to pay claims: Now, therefore, be it

Resolved, That the Senate calls on Fannie Mae and Freddie Mac to scrutinize Demotech’s rating practices and calls on the Treasury Department’s insurance office to examine the probability that State-backed insurers of last resort, including Florida's, ask for a Federal bailout.

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