

Hurricanes are over; insurance rip-off isn't

Plain Talk by Al Neuharth, USA TODAY founder

The hurricane season officially ends today. Despite [dire predictions](#) from forecasters last spring, the USA was [virtually unhit](#) for the second straight year, with only one minor Category 1 hit in Texas.

But millions of coastal homeowners from Florida to New York continue to get heavy hits from insurance companies.

Rocky Scott, public information officer for Florida's Citizens Property Insurance Corp., provides this perspective:

* Since Hurricane Katrina in 2005, some private hurricane insurers have raised rates in coastal states by as much as 300%.

* Even state-sponsored Citizens Property Insurance, based in Florida, has increased premiums by up to 150%.

Insurance company rip-offs aren't limited to hurricanes. Homeowners hit by other weather catastrophes — blizzards, earthquakes, floods, tornadoes — often get similar shocks. In hurricane-prone areas, many owners whose homes are paid for have opted to take the risk of no windstorm insurance because of the outrageous rate increases. But those with mortgages are required to carry that coverage no matter the cost.

Former Florida insurance commissioner Tom Gallagher advocated a federal catastrophe insurance program financed by premiums nationwide to help pay for weather-related disasters anywhere across the USA.

In New York state, regulators [recently proposed](#) that insurance companies set aside some of their huge profits as contingencies for major weather disasters. Of course, insurers resisted.

I'm all for free enterprise. Usually when politicians step in with things like price-wage controls, it's a mistake. But as a longtime beachfront homeowner, I'm reluctantly convinced the federal government must intervene to rein in insurance gougers. Skyrocketing premiums are a bigger threat to more homeowners than the variable-rate mortgage foreclosures.

We in the media could help if we put in proper perspective long-range hurricane forecasts that often are exaggerated and play into insurers' hands.

Feedback: Other views on hurricanes and insurance

"Say for three days people were predicting 2 feet of snow, and you got 20 inches. You don't say, 'They blew it, we'll never listen to another forecast.' There is a strong scientific basis for the seasonal hurricane forecast."

— *Gerry Bell, lead seasonal hurricane forecaster, National Oceanic and Atmospheric Administration*

"Price controls ignore the long-term cost of hurricane risk. A quiet hurricane year — thus a stronger industry — benefits all coastal homeowners when disaster inevitably strikes."

— *Marc Racicot, president, American Insurance Association*