

Orlando Sentinel

4/23: Letters to the Editor

April 23, 2009

Property insurance: Allow free market

Although it offers a few good ideas, including its endorsement of gradual insurance-rate increases, the *Sentinel's* Saturday editorial, "Don't Forsake Homeowners," also makes flawed suggestions.

The state's efforts to keep property-insurance rates down have failed. Rates might rise a little under some pending bills, but Floridians will have to pay more for insurance whatever happens. Under the existing system, which the *Sentinel* defends, a single major storm could easily result in special "hurricane taxes" that could exceed \$1,000 per household.

Trying to impose price controls on reinsurance transactions, another *Sentinel* suggestion, will not contain prices but will almost certainly force all private insurers to flee the state, leaving [Citizens Property Insurance Corp.](#) as the only option. Likewise, allowing free markets rather than politicians to play the predominant role in setting rates will increase insurance availability without increasing rates. Competition, not regulation, is the best way to keep prices affordable.

Insurance will never be cheap in Florida, but a vibrant, free marketplace can make it available. Many lawmakers want to restore the free market, and they deserve support.

Christian Camara, Director, Florida Insurance Project, Competitive Enterprise Institute