

Targeted Market Conduct Examination Report

***AMERICAN INTEGRITY INSURANCE
COMPANY OF FLORIDA***

NAIC Company Code: 12841

Issued: March 1, 2024



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Executive Summary

The Florida Office of Insurance Regulation (“OIR”) performed a targeted market conduct examination of American Integrity Insurance Company of Florida (“American Integrity” or “Company”) pursuant to Section 624.3161, Florida Statutes (“F.S.”).

Purpose and Scope of the Examination

OIR has primary responsibility for the regulation, compliance and enforcement of statutes related to the business of insurance and the monitoring of industry markets. Due to this responsibility, OIR conducted a targeted market conduct examination of American Integrity pursuant to Section 624.3161, F.S. The purpose of a market conduct examination is to review an insurer’s operating practices to determine if they comply with the Florida Insurance Code, rules related to the business of insurance, procedures adopted by the Company, the provisions contained within a contract of insurance issued by the Company or orders issued by OIR. A common element of all market conduct examinations is to evaluate an insurer’s business practices promoting the protection of insurance-buying consumers and to hold insurers accountable when issues or violations are identified.

This examination was initiated to review and evaluate American Integrity’s Hurricane Ian claims-handling operations. The examination scope period was from September 28, 2022, to February 28, 2023. The examination was performed by members of the OIR Market Regulation business unit. The examination began March 3, 2023, and ended November 20, 2023. The last market conduct examination of American Integrity was completed on February 2, 2021.

Examination Procedures

The conduct of this examination and the procedures, statistical sampling and examination processes used were consistent with and in accordance with those standards and procedures contained in the *Market Regulation Handbook* promulgated by the National Association of Insurance Commissioners (“NAIC”). The NAIC standards for statistical sampling of claims often results in the review of approximately 100 randomly sampled claims files. Marginal increases or decreases in sample sizes would not be expected to significantly change the results of the Findings contained within this report.

In preparation for the examination, American Integrity was requested to provide the total number, or universe, of Hurricane Ian claims reported with a Florida exposure during the examination’s scope period.

Company Profile

American Integrity Insurance Company of Florida is a domestic property and casualty insurer authorized to conduct business in Florida on September 13, 2006. The Company is authorized to write fire, homeowners multi-peril, inland marine, other liability, private passenger auto, mobile home multi-peril, and other liability lines of business.

Examination Findings

The following Findings are compiled from the examiners' review of American Integrity's Hurricane Ian claims.

Hurricane Ian Claims

To facilitate a thorough review of the American Integrity's claims files, the claims universe was divided into three categories: claims closed with payment, claims closed without payment, and reopened claims. For purposes of this examination, the selection of claims reviewed for each of the categories was defined as follows:

- **Claims Closed With Payment:** The first or initial Hurricane Ian claim filed by the named insured, policyholder, or legal representative due to a loss occurring to a personal residential or commercial residential risk that was closed with payment during the examination's scope period. American Integrity identified a universe of 13,371 residential property claims that were closed with payment during the examination scope period. A random sample of 60 claims was selected and reviewed by the examiners.
- **Claims Closed Without Payment:** The first or initial Hurricane Ian claim filed by the named insured, policyholder, or legal representative due to a loss occurring to a personal residential or commercial residential risk that was closed without payment for any reason during the examination's scope period. American Integrity identified a universe of 7,499 residential property claims that were closed without payment during the examination scope period. A random sample of 60 claims was selected and reviewed by the examiners.
- **Reopened Claims:** The first or initial Hurricane Ian claim filed by the named insured, policyholder, or legal representative due to a loss occurring to a personal residential or commercial residential risk that was closed for any reason and that was reopened upon request for additional costs for loss or damage previously disclosed to the insurer. American Integrity identified a universe of 33 residential property claims that were reopened during the examination scope period. All 33 claims were reviewed by the examiners.

Finding 1: The examiners determined that in one instance out of 153 claims reviewed, an error rate of 0.7%, American Integrity did not acknowledge claims communications within 14 calendar days, as required by Section 627.70131(1)(a), F.S. (2022)¹

Finding 2: The examiners determined that in two instances out of 153 claims reviewed, an error rate of 1.3%, American Integrity did not begin the claims investigation within 14 days of receiving the proof of loss statement, as required by Section 627.70131(3)(a), F.S.

¹ Section 627.70131, Florida Statutes (2023), has reduced 14-day timeframes to 7 days, the 45-day timeframe to 30 days and the 90-day time frame to 60 days. Other additions and deletions were also made to the law.

Conclusion

This targeted market conduct examination of American Integrity Insurance Company of Florida was designed to review and evaluate the Company's Hurricane Ian claims-handling operations. It does not document what regulatory or administrative action may be taken by OIR.

Examination Final Report Submission

OIR hereby issues this final report based upon information from the draft report, additional research conducted by the OIR, and additional information provided by American Integrity Insurance Company of Florida.



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