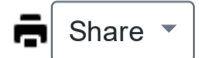


PROPERTY AND CASUALTY INSURERS

Florida's Capacity Insurance Co. in Orderly Runoff

By [Timothy Darragh](#) | April 14, 2023 11:46 AM (EDT)



TALLAHASSEE, Fla. //BestWire// - Commercial property/casualty carrier Capacity Insurance Co. has agreed to administrative supervision by the Florida Office of Insurance Regulation and is in an orderly runoff.

Capacity began sending notices of nonrenewal to policyholders in October 2022 due to “uncertainty in the Florida property insurance marketplace, unacceptable financial results and the substantial increase in the cost of reinsurance,” according to a consent order.

The company notified the OIR it would not be able to meet required surplus levels in 2023 and would be filing an impaired financial statement for 2022.

In a message on its website, the carrier announced last summer it would not be accepting new business due to a number of circumstances, including “tremendous changes” that have occurred in the Florida marketplace over the past year ([BestWire, July 11, 2022](#)).

Like other P/C insurers in Florida, Capacity found the market for reinsurance “extremely difficult,” a spokesman said. At the time, the company had only 2,700 policies in force, he said.

Nearly 75% of the company's business was in commercial multiperil and inland marine lines, according to BestLink. A report on net losses showed Capacity reported a net loss of \$1.3 million in 2020 and \$9.3 million in 2021. For the first three quarters of 2022, it said, Capacity reported a net loss of \$3.3 million.

The company's policyholders' surplus declined from \$10.2 million in 2017 to \$8.4 million in 2021. For the first three quarters of 2022, it's policyholders' surplus was \$5.1 million.

Capacity was acquired by Team Focus Insurance Group in 2009.

Peak6 InsurTech acquired Team Focus in 2021 and said Capacity had been successfully remediating its underwriting portfolio over the past 18 months and had taken measures to strengthen its loss reserve position.

But the company's combined ratio since 2017 showed consistent negative ratios, with it reaching 355 for 2021, according to BestLink.

United Property & Casualty Insurance Co. was the first Florida property insurer to become insolvent in 2023, following the collapse of six companies in 2022 ([BestWire, Feb. 17, 2023](#)).

(By Timothy Darragh, associate editor, BestWire: Timothy.Darragh@ambest.com)



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