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Florida to Borrow Billions to Backstop Insurers After Hurricanes.

- **Plans to sell as much as \$3.8 billion of municipal bonds**
- **Reflects latest effort by the state amid claim surge, lawsuits**

Florida is planning to borrow as much as \$3.8 billion to infuse a state fund that reimburses property insurers for losses when homes are damaged or destroyed by hurricanes.

The Florida State Board of Administration Finance Corporation expects to sell at least \$1.5 billion of municipal bonds to raise money for the Florida Hurricane Catastrophe Fund, according to a securities filing dated Jan. 19. It marks the state's latest effort to ensure that it can backstop its increasingly fragile insurance industry, which has been grappling with a surge of claims and lawsuits in recent years.

In June, the Florida Insurance Guaranty Association, which handles the claims of insolvent insurers, sold debt for the first time in three decades to help support insurance claims. The state agency faced higher costs after Hurricane Ian in 2022 and a deluge of lawsuits forced property insurers to close.

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By Nic Querolo

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