The Florida Commissioner of Insurance announced an investigation into premium pricing and practices in the force-placed insurance market. Force-placed insurance is often purchased by banks when mortgage borrowers stop paying for their own homeowner's insurance. Florida regulators announced that they will look into claims by consumer advocates that banks are overpaying for the policies in exchange for receiving kickbacks and unearned commissions from the insurers.

This announcement by the Florida Insurance Commissioner follows similar investigations by regulators in New York and California. It also came just ahead of a National Association of Insurance Commissioners' hearing on force-placed insurance to have been conducted in Atlanta on August 9. Estimates of total force-placed premiums are as much as $6 billion per year since the housing crisis began. Regulators are pressing banks to explain what they have done to earn the significant payments that go to banks in connection with force-placed insurance.

Consumer advocates charge that banks are receiving kickbacks and commissions for doing nothing but steering their force-placed insurance business to pre-selected insurers. As a result, homeowners are forced to pay premiums of up to 10 times the cost of homeowner's insurance they were able to obtain in the open market. Homeowners who were charged for force-placed (also known as "lender-placed") homeowner's or hazard insurance may have viable legal claims which can be asserted against their lender.

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