

CitizensAdvisor



Product changes, managed repair to fight AOB abuse, water losses

TALLAHASSEE, FL – A key deadline approaches February 1, 2020, as Citizens Property Insurance Corporation adopts new policy language required by legislative reforms passed last year to rein in unnecessary litigation and assignment of benefit abuse.

Coupled with Citizens Managed Repair Program, the AOB-related policy changes are part of a multi-faceted effort by Citizens to control costs and ensure policyholders are better protected following nonweather related water losses.

Beginning February 1, 2020, all Citizens personal lines policies will contain revisions required by HB 7065 to better protect consumers and clarify the responsibilities of vendors during the AOB process.

Major updates include changes based on [assignment of benefits reform legislation](#) announced on June 19, 2019. The revisions will be outlined in a notice sent to policyholders during the renewal process. Major revisions include the following:

- The terms assignee, assignment agreement and assignor are defined, and duties are updated for assignees and assignors.
- A provision was added stating that an assignment agreement does not change obligations of the policyholder to perform duties required under a policy.
 - o Clarify the duties AOB vendors must perform after accepting and AOB for examination under oath and recorded statements
 - o Further specify the information that must be included with proof of loss provided by the policyholder
- The *Suit Against Us* condition has been amended to clearly identify a policyholder's and an assignee's duties prior to filing suit.
- The *Loss Payment* condition has been amended to specifically inform the policyholder that Citizens will not make duplicate payments for the same element of loss when they do not notify Citizens of the termination of an assignment agreement.

Managed Repair Program

Citizens Managed Repair Program (MRP) represents another tool to fight against nonweather water claims abuse that has sent litigation costs skyrocketing and driven up rates for policyholders.

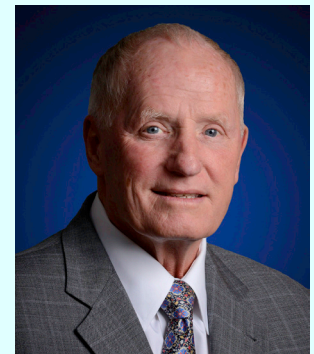
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January 23, 2020

Events

March 25 @ 9 a.m.
[Citizens Board of Governors](#)
Sheraton Tampa/Brandon

Spotlight



Barry Gilway
President, CEO and
Executive Director

Policies in Force

442,663
as of January 10, 2020

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Citizens claims, legal and product development staff spent more than a year to develop Citizens MRP. Much of that time was spent observing other MRP programs and answering tough questions like: What if the policyholder doesn't like their contractor? What if repairs go wrong? What to do if a policyholder wishes to opt out of the program?

Citizens launched the MRP in 2017 and relaunched it in 2018 with the addition of a \$10,000 limit on nonweather water repair services if the policyholder declines use of the program.

"These very significant product changes come as the result of years of research and focused collaboration with departments throughout Citizens and entities outside of the company," said Steve Bitar, Chief of Underwriting and Agency Services.

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