

CitizensAdvisor



Gilway Briefs House Lawmakers on Citizens Success

TALLAHASSEE, FL — Citizens Property Insurance Corporation will reduce overall exposure by 60 percent from its 2011 peak to under \$200 billion in the weeks ahead as efforts continue to return policyholders to financially secure private market companies, Citizens top executive told House lawmakers gearing up for the 2015 legislative session.

Speaking to members of the House Insurance and Banking Subcommittee on January 7, 2015, Citizens President, CEO and Executive Director Barry Gilway said Citizens policy count has been cut by more than half over the past two years and now sits at under 660,000 policies, its lowest level since 2005.

“If the interest in the market continues at this pace, I think we’re talking about shrinking further to somewhere between 525,000 to 550,000 policies over the next two years,” Gilway told committee members. “Obviously, that’s assuming that we don’t have any hurricanes.”

Meanwhile, Florida’s domestic insurance market has never been more robust, benefitting from nine years without a hurricane, strengthened financial regulatory requirements and a favorable reinsurance market that has transferred risk from Florida policyholders to investors around the globe. Such trends are expected to continue in 2015.

Among the highlights:

- Policies in force have been reduced to 660,000 from 1.5 million in 2012. Exposure has dropped from \$515 billion to \$200 billion.
- Citizens has reached tentative agreements with 1,600 of 2,400 policyholders to end litigation surrounding sinkhole repairs.
- Nearly 417,000 policyholders have transferred to private companies under a series of takeout initiatives in 2014.
- Citizens Property Insurance Clearinghouse has diverted more than 14,000 new and renewal customers to private carriers.

January 12, 2015

Events

March 18 @ 9 a.m.

[Board of Governors Meeting](#)

Spotlight



Adam Marmelstein
Director, Market Services

Policies in Force

674,222

as of January 9, 2015.

- Citizens is poised to enter the 2015 hurricane season with enough reinsurance to pay all claims in a 1-100 year storm without having to levy assessments on all Florida policyholders.

Going forward, Gilway said Citizens will expand efforts to coordinate litigation surrounding non-sinkhole claims following the success of sinkhole litigation efforts in 2014 that resulted in settlement agreements in place with more than 1,600 policyholders. The state's insurer of last resort will also continue to pursue options in the global reinsurance market to further reduce the risk of assessments on Florida policyholders.

To view Gilway's presentation, please visit our Legislative Resources page at <https://www.citizensfla.com/about/legislativeresources.cfm>. This site provides a comprehensive library of legislative documents including Citizens governing statute, plan of operation, legislation impacting Citizens, and reports submitted to the Legislature.

Sinkhole Settlement Agreements Succeed in Ending Litigation

TALLAHASSEE, FL – More than 1,650 homeowners are moving forward with necessary repairs thanks to settlement agreements reached with Citizens to end litigation that had delayed critical repairs to protect themselves, their families and their homes.

As of December 15, 2014, Citizens had reached agreements with 1,669 policyholders to end litigation and begin work to safeguard homes, protect neighborhoods and restore property values that help communities pay for schools, roads and other critical services.

Over the past several months, Citizens has taken aggressive steps to end litigation on sinkhole repair cases. Since the first settlement agreements were signed in April 2014, such efforts have reduced a backlog of more than 2,400 litigated sinkhole claims by nearly 70 percent.

Under the settlement agreements, Citizens has agreed to abide by a neutral evaluator's decision in situations in which there is disagreement over the best method of repair. Citizens covers all recommended underground repairs and additional above ground work for any damage caused by the underground remediation. Law firms receive a set fee for expenses.

Citizens has extended the settlement terms to any policyholder who chooses to end litigation and begin repairs.

Participating policyholders choose a contractor from a long list of qualified businesses. The qualified sinkhole contractors complete the underground repairs critical to stabilizing the property. Citizens pays the claim as the repairs are being completed. Policyholders can choose from any contractor listed in the agreement to complete sinkhole-related, above ground repairs.

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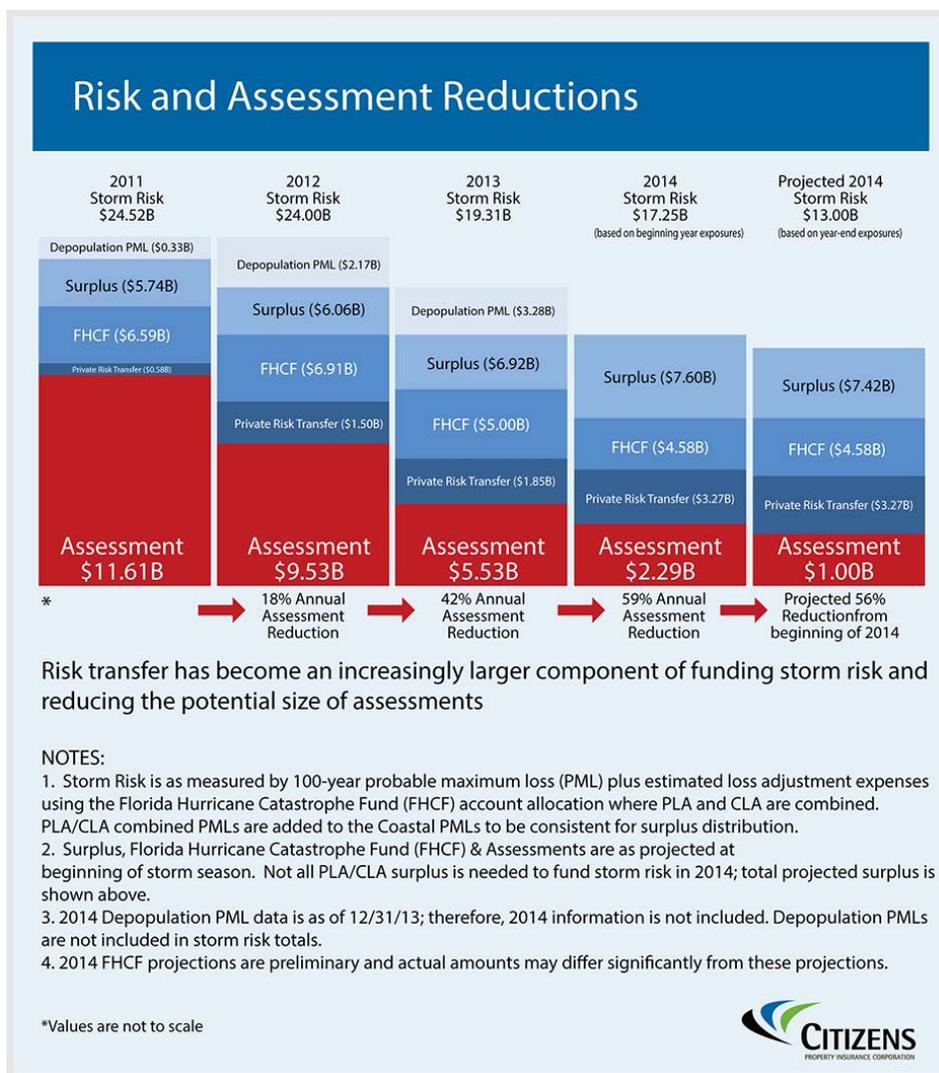
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