

CitizensAdvisor



Insurance Office Oks Early End to Assessments

TALLAHASSEE, FL – Citizens Property Insurance Corporation will stop collecting assessments levied to repay bonds issued following the devastating 2004-2005 hurricane seasons after state insurance regulators last week approved a proposal to end collections two years early.

The Florida Office of Insurance Regulation issued an order ending the emergency assessments for new and renewing policies on July 1. The office's order follows a decision made in September by Citizens Board of Governors to stop collecting a 1-percent Emergency Assessment that began in 2007 to pay off a 10-year, post-event bond with a total cost of \$1.38 billion.

The assessments originally were scheduled to be collected through June 2017.

Citizens expects to enter the 2015 hurricane season with the ability to pay claims in the event of a 1-100 year storm without assessments. By June 1, the state's insurer of last resort is expected to have more than \$4 billion in reinsurance coverage and about \$7.5 billion in surplus available to pay future claims – the highest in its history.

"That's important, because Citizens can assess surcharges on all property insurance policies in Florida to cover any shortfalls that may occur in future hurricanes," said Kevin McCarty, Florida Insurance Commissioner. "A higher surplus, too, means that more claims can be paid from cash rather than relying as heavily on assessments."

Following the eight named storms of the 2004-2005 hurricane seasons, Citizens faced a deficit of more than \$1.7 billion. State lawmakers responded by appropriating funds to eliminate some of the deficit while setting up requirements for the repayment of post-event bonds.

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March 17, 2015

Events

March 17 @ 9 a.m.
[Market Accountability Advisory Committee](#)

March 17 @ 11 a.m.
[Audit Committee](#)

March 17 @ 12:30 p.m.
[Consumer Services Committee](#)

March 17 @ 2:30 p.m.
[Finance and Investment Committee](#)

March 17 @ 4 p.m.
[Actuarial and Underwriting Committee](#)

March 18 @ 9 a.m.
[Board of Governors](#)

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In 2007, Citizens began collecting a 1.4 percent Emergency Assessment from all Florida property insurance policyholders. Citizens reduced the assessment to 1 percent in 2011 in response to growth in the base from which the assessment is collected. Citizens' Board of Governors in September 2014 unanimously approved a recommendation to end the assessments two years early.

Earlier this year, the Florida Hurricane Catastrophe Fund completed collections to pay off a \$2.9 billion bond sold following the 2004-2005 seasons.

Citizens to mobile home owners, alternative valuations welcome

TALLAHASSEE, FL – Responding to concerns from mobile home owners, Citizens Property Insurance Corporation has begun accepting alternative valuation methods from policyholders to ensure their homes are properly covered.

On March 2, Citizens began sending out the first of 100,000 postcards to mobile and manufactured home owners encouraging them to talk to their insurance agents to make sure that improvements and upgrades to their homes are adequately factored into their coverage.

Citizens now accepts MSB® cost estimator and e2Value® cost estimator along with its standard 360Value® cost estimator. Changes in valuation will be applied immediately and may affect premium.

“We want customers to be assured that they are receiving the right amount of coverage for their homes,” said Christine Ashburn, Citizens Vice President of Legislative and External Affairs and Communications. “We urge customers to connect with their agents, who are in the best position to determine what’s right for their customers.”

The postcards also remind policyholders that they can insure their home for 25 percent more than its estimated value. The mailings will be sent in phases over the next several weeks with a final mailing scheduled to for May 1. Spanish language versions are available on the Citizens website

In addition, Citizens has sent multiple notices to agents informing them that alternative valuations are acceptable and providing additional information on how to processes coverage changes.

Spotlight



Charles Johnson
Chief of Human Resources

[Bio](#)

Policies in Force

598,408
as of February 13, 2015.

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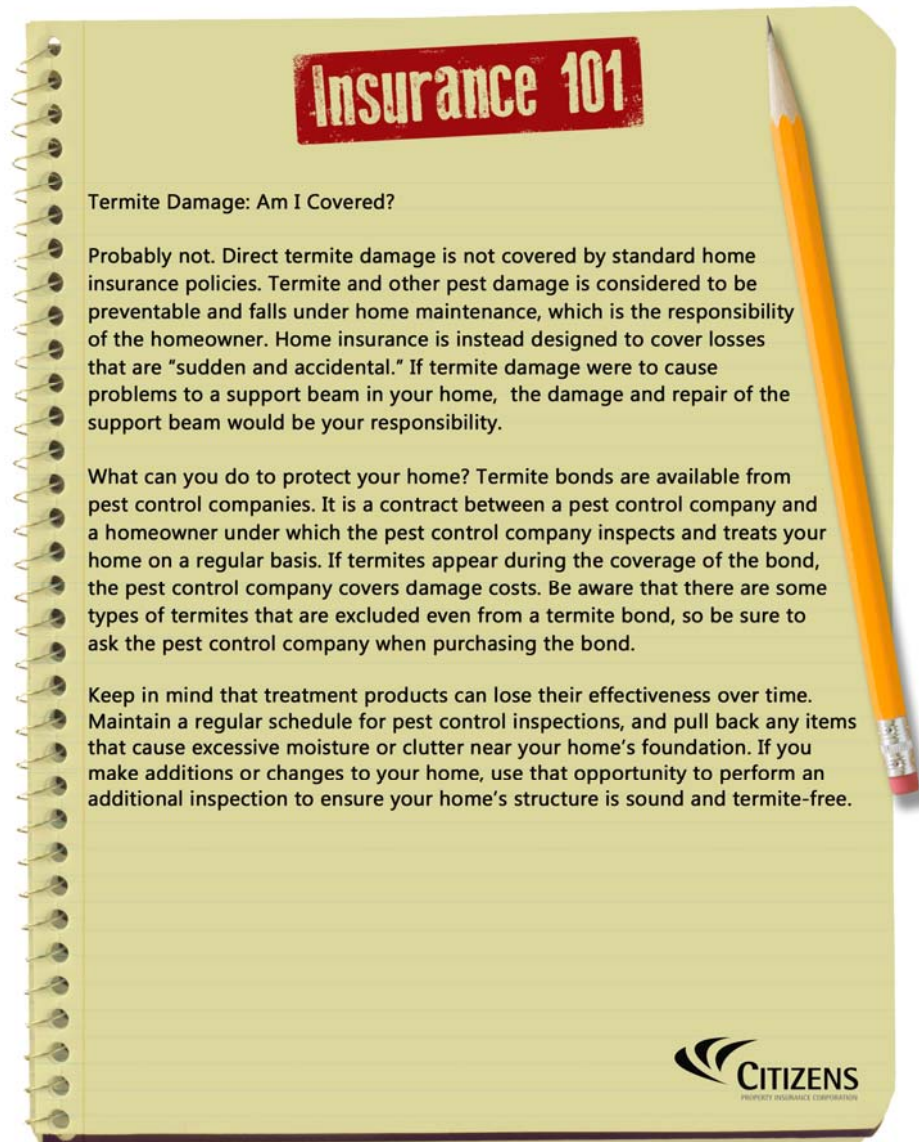
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