

# CitizensAdvisor



## Citizens Board Approves Upcoming Bond Issue

TALLAHASSEE, FL – Citizens Property Insurance Corporation's Board of Governors on Thursday approved a \$3.9 billion risk transfer package for the 2015 hurricane season that completely eliminates the potential assessment risk on Florida policyholders in the event of a 1-in-100 year storm.

By unanimous vote, board members approved a package that includes \$1.855 billion in traditional reinsurance and \$2.05 billion in capital market catastrophe bonds. The combination bolsters Citizens' surplus and existing risk transfer resources to enable it to pay claims in the event of a "storm of the century" without having to levy assessments on Florida policyholders.

The 2015 package represents an increase of \$636.5 million from the \$3.269 billion in reinsurance protections secured for the 2014 hurricane season. The 2015 package includes an additional \$300 million in capital market coverage that can be tapped to pay losses following a named storm.

Thursday's vote allows Citizens to eliminate potential assessments that in 2011 totaled \$11.6 billion. Coupled with an increasingly robust private market that has allowed Citizens to reduce its policy count and exposure, the additional coverage puts Citizens in the best financial shape since its creation in 2002, Citizens Chairman Chris Gardner said following the vote.

"Eliminating the risk of assessments on Citizens customers and Florida policyholders has been the top priority for Citizens over the past several years, and I'm happy to announce that we have reached that goal," Gardner said. "As the private market continues to strengthen, Citizens gets closer and closer to returning to its traditional role as the state's residual carrier."

Along with better pricing, the 2015 risk transfer package increases coverage for multiple events and expands protections for commercial nonresidential policies. Details of the 2015 risk transfer package are available [here](#).

**May 5, 2015**

### Events

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**June 16 @ 10 a.m.**

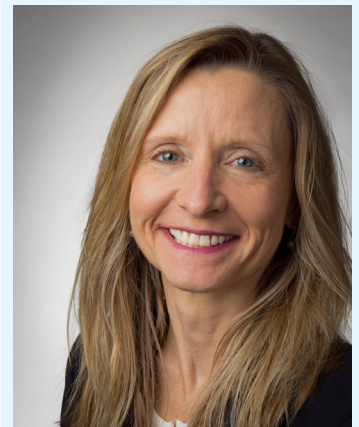
[Consumer Services Committee](#)

**June 24 @ 9 a.m.**

[Board of Governors](#)

### Spotlight

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**Kelly Booten**

Chief of Systems and Operations

[Bio](#)

### Policies in Force

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**591,863**

as of May 1, 2015.

# Citizens Offers Credit Monitoring to Customers Affected by Mailing Error

TALLAHASSEE, FL – Citizens is offering credit monitoring services to up to 15,000 policyholders whose insurance information was sent to incorrect addresses during a four-month period ending in March, a prudent move Citizens hopes will help customers feel confident that their personal information is safe.

Although the misdirected mailings did not constitute a data breach as defined by Florida law, Citizens is proactively offering the service to impacted policyholders in an abundance of caution.

Citizens Board of Governors last week approved spending up to \$634,000 to allow affected policyholders to obtain one year of credit monitoring services at no cost. The average redemption rate for similar offerings made by other companies is typically no greater than 12%, which would result in an estimated \$77,000 expenditure.

In March, Citizens became aware that data entry and conversion errors had resulted in the mailing of Declaration pages to incorrect addresses between December 2014 and March 2015. Most of the misdirected mailings were sent to mortgage companies, while a few were sent to a handful of individual policyholders. The data entry errors have been fixed and tighter restrictions put in place to prevent similar errors in the future.

The Declaration page contains a policyholder's name, address, telephone number, premium amount, coverage limits and mortgage loan number. It does not contain sensitive information, such as social security numbers, credit card information, or account user names or passwords.

Citizens' General Counsel Dan Sumner expressed the hope that offering the credit monitoring service would provide policyholders with yet another level of confidence that their information is secure.

"While the event did not release sensitive information, Citizens owes it to our customers to err on the side of caution," Sumner said. "This offer will arm concerned policyholders with advanced notice and the ability to quickly take proactive action in the unlikely circumstance that their information is misused."

## Quick Links

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[Newsroom](#)

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[Outreach Form](#)

[Online Sunshine](#)

[The Florida Channel](#)

[Board of Governors Materials](#)



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# Insurance 101

Why do I need a home inventory?

After you experience a loss such as a home fire or storm damage, the last things that come easily to mind are answers to questions such as, "How many dinner plates do I have in the cabinet?" This is when a home inventory is invaluable.

A home inventory is a complete documentation of your belongings, including their purchase date and approximate value when possible. There are several ways to compile an inventory. You may choose to complete a video inventory, going through your home or apartment and narrating the items in each room or a photo inventory, where you take photographs of your items including serial numbers creating an album of your home's contents. There also are online inventory templates and even apps available to aid you in the documentation by providing digital storage and checklists to ensure you do not miss anything as you catalog your home.

With whatever method you choose it is important to go room by room, taking note of each item's value, unique design details, when you purchased it and serial number (if applicable and available). Locate receipts if you have them, and keep them with your inventory documentation. A complete inventory will help identify items not easily identified after the damage, especially smaller items, and serve as a starting place when you file a claim with your insurance company.

Once you complete your home inventory, set a reminder to update it quarterly. Your inventory also will prove useful when you perform your annual insurance policy review. A complete inventory will help your agent determine whether your policy coverages are adequate.

Remember to store a copy of your inventory in a safe place outside of your home. You also may want to keep a copy with your other important financial information (home insurance policy, mortgage documents, bank information, etc.). Consider electronic copies of these documents on an external storage device (portable hard drive or thumb drive) so you have one go-to location after a loss.



## News Links

[Citizens puts in place \\$3.9B risk transfer for 2015, cat bonds dominate](#)  
*Artemis*

[Risk Transfer Success Leads to Ratings Upgrades for Florida Citizens](#)  
*Insurance Journal*

[Statement By Stronger Safer Florida on Citizens Risk Transfer Package](#)  
*Stronger Safer Florida*

[Citizens to offer credit monitoring in wake of errors](#)  
*Palm Beach Post*

[Local factors could intensify hurricanes in 2015, despite low forecasts](#)  
*Artemis*

[Moody's upgrades Florida Citizens Property Insurance Corporation's Coastal, Personal Lines and Commercial Lines Accounts](#)  
*Moody's Investors Service*

[Fitch Upgrades Citizens Property Insurance Corp., FL, Coastal Account](#)  
*Business Wire*

[Effort to limit third-party property insurance claims stalls in legislature](#)  
*SunSentinel*