

CitizensAdvisor



Citizens Working with Stakeholders to Stem Water Loss, Strengthen AOB

TALLAHASSEE, FL – Prompted by a recent spike in claims and losses, Citizens is working internally to improve its water claims response by setting up a program to pre-screen qualified extraction contractors.

Citizens also has begun working with industry stakeholders to clarify gaps in Florida's assignment of benefit (AOB) laws to ensure that customers get the services they need without losing control of their claim.

On the water loss front, Citizens is ramping up efforts to educate and protect consumers by assembling a group of qualified contractors to perform emergency water removal, cleanup and repairs. Similar in scope to Citizens' successful sinkhole managed repair program, the water repair effort is expected to improve customer satisfaction, speed up the claims process and reduce costs by ensuring that initial repairs are done right.

Citizens has also been working with stakeholders to strengthen laws regarding the assignment of benefits process, which allows customers to authorize the direct payment of repairs to contractors servicing a claim. Recent court rulings have upheld the right of consumers to assign benefits to third parties to expedite repairs and payment. Many industry observers, however, believe the court decisions were too broad and have left opportunities for abuses in the assignment of benefits and direct payment processes.

Florida lawmakers earlier this year began discussing AOB, with a pair of bills that received attention at the committee level. The AOB issue is expected to receive additional attention during the 2016 legislative session.

"Now that the courts have spoken, it's critical that we work together to address the assignment of benefits issue head-on to protect consumers and the improving market," said Barry Gilway, Citizens President, CEO and Executive Director. "The bottom line is the Legislature needs to step in during the next session to ensure that AOB does not become the next sinkhole free-for-all."

September 10, 2015

Events

September 10 @ 10 a.m.
[Claims Committee](#)

September 15 @ 2 p.m.
[Information Systems Advisory Committee](#)

September 24 @ 11 a.m.
[Consumer Services Committee](#)

September 29 @ 9:30 a.m.
[Depopulation Committee](#)

September 29 @ 11 a.m.
[Market Accountability Advisory Committee](#)

September 29 @ 12:30 p.m.
[Finance and Investment Committee](#)

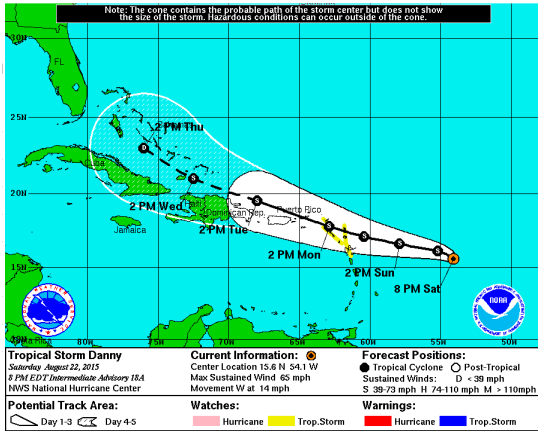
September 29 @ 2 p.m.
[Audit Committee](#)

September 29 @ 4 p.m.
[Actuarial and Underwriting Committee](#)

September 30 @ 9 a.m.
[Board of Governors](#)

Citizens Is Ready: Tropical Storms Provide Dry Run for Response

TALLAHASSEE, FL – A pair of tropical storms that eventually petered out before causing any significant damage in Florida provided the perfect dry run for Citizens' emergency response procedures as the state's insurer of last resort ramped up response efforts in anticipation of the storms.

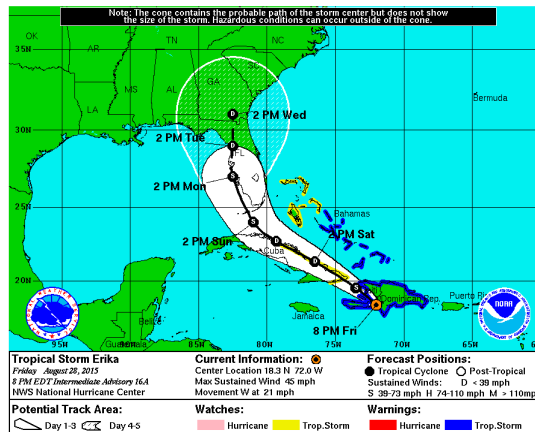


Hurricane Danny and Tropical Storm Erika were the first named storms of the 2015 hurricane season to threaten Florida. Following nearly a decade without a major storm hitting Florida, the twin storms provided excellent opportunities for Citizens to practice its emergency response procedures in a real world classroom.

Citizens initially went on alert when TS Danny became a potential threat. Initiating its graduated response plan, Citizens notified independent adjusting firms that are contracted with Citizens to respond in a storm.

Though no deployments were made, the firms were in a position to provide the necessary resources.

As Danny dissipated, Erika followed closely behind. A larger storm, Erika prompted state emergency response officials to activate the state's emergency operation center in preparation. Over several days, Citizens worked with state EOC personnel to coordinate efforts and maintain up-to-the-minute information about Erika's trajectory and strength.



"The primary focus of Citizens is to respond to our customers in the event of a catastrophe," said Craig Sakraida, Citizens' Director of Catastrophe Operations. "Storms like Danny and Erika raise awareness that we have a huge exposure to tropical activity in Florida, and have to be ready to respond at a moment's notice as circumstances change."

Spotlight



Gerry Mowers
Systems
Administrative
Technician

Policies in Force

601,213
as of September 4,
2015

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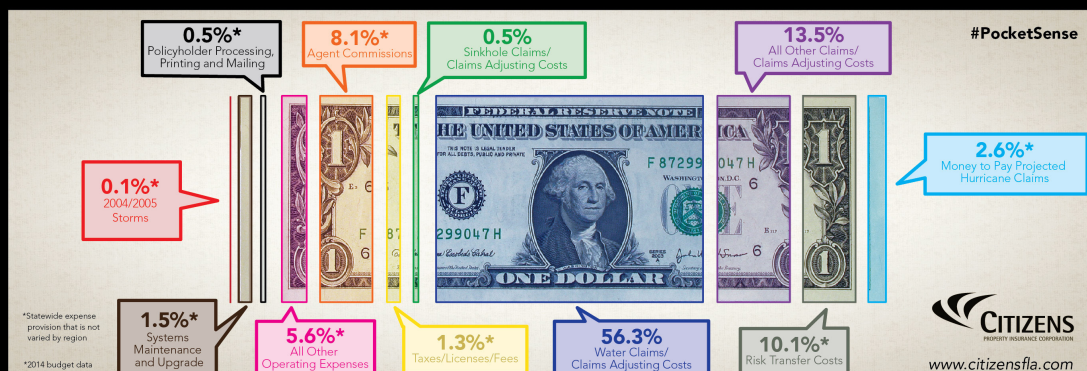
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Miami-Dade: Where does my premium dollar go?



Office of Insurance Regulation Approves Citizens' 2016 Rates

TALLAHASSEE, FL – The Florida Office of Insurance Regulation on Tuesday approved a slate of 2016 property insurance rates for Citizens Property Insurance Corporation that lowers rates for 60 percent of Citizens' customers but reflects an average overall 1.8 percent increase for homeowners' multiperil policyholders across the state.



Two weeks after Citizens presented its proposal at a public hearing in Tallahassee, the state insurance regulator made minor adjustments to Citizens' 2016 rate request, which addressed continued coastal wind risk and a spike in water claims in South Florida. The combination of factors drove up overall rates despite reductions to most policyholders living farther from the coast.

"Today's decision by the Office of Insurance Regulation reflects Citizens' success in reducing exposure and returning to its role as the state's insurer of last resort," said Barry Gilway, Citizens' President, CEO and Executive Director. "While

our footprint is shrinking, we continue to provide critical coverage to those policyholders still unable to find appropriate coverage in the private market."

The statewide average homeowners multiperil (HO-3) premium will rise in 2016 to \$2,381, up 1.8 percent from an average of \$2,339 in 2015. Average homeowners multiperil rates, however, will decrease outside of Miami Dade, Broward, Miami-Dade, Monroe and Palm Beach counties.

The average premium for coastal wind-only homeowners policies will rise to \$2,599, up 8.3 percent from the 2015 average of \$2,400. This reflects continued progress along the statutory glide path, under which no policyholder can experience more than a 10 percent increase per year, excluding coverage adjustments and surcharges.

Mobile-home owners will see a 6.4 percent reduction in multiperil rates while wind-only mobile home coverage, which remains well below market rates, will increase by 10.4 percent. Sinkhole rates in Hernando, Hillsborough, Pasco and Pinellas Counties will remain the same for 2016.

"Citizens remains committed to transparency in working with the Office of Insurance Regulation and complying with the statute by ensuring that rates are actuarially sound, no more and no less," said Chris Gardner, Chairman of Citizens' Board of Governors. "A properly funded Citizens means no surprises in the form of post-storm assessments for all insurance-buying Floridians."



News Links

[Good dry run, but true storm tests ahead](#)
Sun Sentinel

[Why Is Tracking A Hurricane Easier Than Predicting Its Intensity?](#)
Forbes

[With storms, check policies for coverage](#)
Florida Today

[Citizens Rate Hike Approved for 2016](#)
News Service of Florida

[State Regulators OK Higher Rates for Citizens Insurance Customers](#)
Associated Press