

# CitizensAdvisor



## Citizens Cuts Contingency Staff as Footprint Shrinks

MAITLAND, FL – Citizens Property Insurance Corporation is responding to its shrinking footprint by reducing the size of its contingency workforce while maintaining core staffing levels needed to provide quality customer service to Citizens policyholders, Citizens top executive told board members during a recent quarterly update last week.

Citizens President, CEO and Executive Director Barry Gilway said cuts to contingency and contract staff are part of ongoing efforts to control costs at the state's insurer of last resort following overwhelmingly successful depopulation efforts over the past few years to match Citizens policyholders with financial secure private companies.

As the company returns to its role as a residual insurer, Citizens has cut its contingency staffing levels by nearly 900, or 67 percent, since 2012 in response to the reduction of policy count brought about by an improving private market.

As such, Citizens has reduced its spending for contingency staff from \$23.5 million in 2012 to \$6.8 million in 2014, a figure that is expected to fall further in 2015. Gilway said Citizens continues to maintain an in-house staff of approximately 1,200 employees to provide core services whether Citizens insures 1.5 million or 500,000 policyholders.



"The 2016 Budget will continue to focus on further reductions in contingency staff while maintaining current in-house staffing levels and achieving some moderate additional reductions through attrition," Gilway said. "Citizens will continue to evaluate staffing levels as a result of process improvements and efficiencies. In those limited instances where this does occur, employees will be advised well in advance of any change."

Historically, Citizens has relied upon contingency staff to provide services that fluctuate as the company's policy count rises and falls based on private market conditions

In 2012, a management overview conducted by KPMG recommended that Citizens replace certain contingency staff with in-house employees for core duties to improve customer service and reduce costs. Since then, Citizens has transitioned about 90 positions from contingency to in-house staff, an increase of about 8 percent.

Staffing is part of an overall strategic response to Citizens shrinking footprint and subsequent reduced revenue stream. Additional activities include a companywide project review, a streamlined management structure and the consolidation of Citizens' operations in Jacksonville, Tallahassee and Tampa.

"Staffing is just one part of the equation," Gilway said. "We plan to focus on all planned initiatives to determine their relevance and cost effectiveness for a smaller Citizens."

October 8, 2015

### Events

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

### Spotlight



**Chris Gardner**  
Chairman,  
Citizens Board of  
Governors

# Citizens Board Updated on Depopulation, Water Loss Efforts

MAITLAND, FL – Citizens Property Insurance Corporation will continue to shrink as customers take advantage of private market options in the months ahead, but Citizens top executive warned last week that water loss claims continue to hamper efforts to reduce rates for many policyholders.



Speaking to members of Citizens Board of Governors, President, CEO and Executive Director Barry Gilway said the legislatively created depopulation program has helped Citizens return to its role as the state’s insurer of last resort.

Since January, 141,680 Citizens customers have found coverage from financially solid private companies, which has allowed Citizens to shrink to under 586,000 policies from a peak of nearly 1.5 million in 2012. Additionally, Citizens is providing customers with more information regarding the takeout process, including estimates on renewal rates, to help them make more informed decisions.

Coupled with Citizens’ reinsurance program, which has transferred \$3.9 billion in risk from policyholders to global investors, depopulation efforts have helped Citizens eliminate the risk of assessments on Florida policyholders following a 1-in-100 year storm while continuing to protect policyholders who cannot find coverage in the private market.

Water loss remains a challenge for Citizens, especially in Miami-Dade County where water loss claims now account for more than half of every premium dollar collected. If water claims there mirrored trends in other parts of the state, more than nine out of 10 Miami-Dade policyholders would see rate reductions for 2016. Instead, the Office of Insurance Regulation last month approved rates that call for an average 8.1 percent increase for Miami-Dade customers.

“With all this success, leading Citizens is almost like playing whack-a-mole,” Gilway said. “When you knock down one issue another one takes its place. In claims, the critical issue that has surfaced in the past two years is water damage.”

Citizens is ramping up efforts to educate policyholders on how to effectively identify and report legitimate water claims while bolstering efforts to ferret out fraudulent claims that are preventing Citizens from reducing rates in South Florida.

Among the efforts is a voluntary program to link customers with qualified remediation and repair companies to provide fast, fair and guaranteed repairs while reducing costs for all policyholders.

“The people who benefit most from this are consumers,” Gilway said.”

## Policies in Force

**574,370**

as of October 2, 2015

## Quick Links

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[Legislative Resources](#)

[Outreach Form](#)

[Online Sunshine](#)

[The Florida Channel](#)

[Board of Governors Materials](#)



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## Miami-Dade: Where does my premium dollar go?



# Citizens Is Ready: Customer Care is Citizens' Top Priority

TALLAHASSEE, FL – When a policyholder has a concern amid a disaster, Citizens' Customer Care Center and Customer Correspondence teams take action – answering questions about policies, pending claims, and practically any problem customers might face.



Much of the work occurs behind the scenes, and before a disaster strikes. These teams establish connections with Citizens adjusters, Claims employees, and other internal and external stakeholders so they can be ready to answer policyholder concerns before those concerns occur. The teams train year-round for a worst-case scenario.

The Customer Correspondence Team, which typically handles written inquiries that arrive via letter, email or social media, coordinates on-site exercises with the Citizens Claims Complaint Unit and the Florida Department of Financial Services.

"The Customer Correspondence representatives provide a wealth of knowledge," said Mary Mobley, Customer Correspondence Team Supervisor. "We're ready to allocate staff, add contingency staff and respond to any dramatic increases in volume – should the need arise. We consider it a privilege to serve."

They stress test Citizens' Correspondence Handling and Tracking System (CHATS) and the state's eStorm system, a mechanism for receiving claims-related complaints from insureds, public adjusters, contractors and attorneys.

When a catastrophe strikes, Customer Care employees, who usually handle verbal requests that arrive via phone or in person, make themselves available 24/7. They handle first notices of loss and assign a severity code to each so Citizens can process all claims in the most efficient manner possible.

Each team works with subject-matter experts across the organization to research and resolve issues for the customer so that Citizens provides a complete and accurate response in what may be our policyholders' greatest time of need.

"Many policyholders have never filed a claim before and experience all kinds of emotions when catastrophe strikes," said Jeremy Pope, Director of Citizens' Consumer Services. "It's important we not only educate policyholders on next steps but convey a sense of empathy and answer any questions they may have."

## News Links

[Citizens Could Shed at least 130,000 Policies Through 2016](#)

Sun Sentinel

[Citizens Property Insurance seeing 'unprecedented' surge in shedding policies](#)

Tampa Bay Times

[Citizens: Maybe it's time for a new law forcing use of approved contractors](#)

Sun Sentinel

[Citizens Property Insurance aims to be more consumer-friendly in shedding policies](#)

Tampa Bay Times

[Democrats push Gov. Rick Scott to change position on Citizens veto](#)

Associated Press