



## Citizens Launches Clearinghouse

TALLAHASSEE –Citizens Property Insurance Corporation last week successfully launched the Property Insurance Clearinghouse, which aims to provide homeowners with more private-market options for protecting what for many is their most valuable investment.

Following months of preparation and quality assurance testing, the clearinghouse went live on Jan. 27, with initial results indicating that the computer-based platform is working properly and providing agents with accurate, timely quotes.

“The infrastructure is in place and it’s working,” said Chris Gardner, chairman of Citizens Board of Governors. “As the program continues to grow, we will see more companies, more agents and more consumers benefiting from the advantages of the clearinghouse. We’re excited with the initial response and even more excited about the prospects going forward.”

Under the clearinghouse, agents seeking new homeowners (HO-3) policies with Citizens must first enter the risk into the clearinghouse. If a private offer with comparable coverage is found that is within 15 percent of the Citizens renewal premium, the homeowner is ineligible for Citizens coverage, but may purchase coverage from any of the companies extending an offer through the clearinghouse.

Current Citizens policyholders will begin having their policies routed through the clearinghouse when the program is expanded to include renewals in mid 2014. Renewal policyholders will only be ineligible for Citizens if a policy is found with a premium equal to or less than their Citizens renewal premium.

Four companies currently are participating in the Property Insurance Clearinghouse, with additional companies scheduled to join over the next several months. By mid-year, Citizens expects nearly 20 private companies to be offering policies through the clearinghouse, providing more and better options for Florida homeowners.

February 3, 2014

### Events

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**February 4, @ 2 p.m.**  
[Senate Banking and Insurance Committee Meeting](#)

### Spotlight

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Citizens BOG member:

**John Wortman**  
St. Johns County

Reappointed to board by Gov. Rick Scott on: January 19, 2014  
Term Expires: July 31, 2016

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# Reinsurance Process in Full Swing

TALLAHASSEE – As Citizens prepares for the 2014 hurricane season, negotiations are underway to transfer risk from Citizens customers and all Florida policyholders through the purchase of traditional reinsurance and the sale of catastrophic bonds in international capital markets.

Citizens President/CEO and Executive Director Barry Gilway led a team to Bermuda in January for talks with reinsurers and CAT bond investors, and will lead additional negotiations in London later this month. Last year, such efforts reduced risk transfer costs by \$60 million from 2012 costs.

Internal Review Service rules prohibit these discussions from taking place within the United States, thus requiring Citizens executives to travel abroad to obtain the financial benefits of global risk transfers. All travel is conducted under the travel expense policies enacted in 2013 by Citizens Board of Governors, which mirror state and federal guidelines.

Gilway recently penned a [letter](#) to the Board of Governors, which explains why international travel is required for reinsurance and CAT bond negotiations.

## Policies in Force

**1,001,052**

as of January 31, 2014  
excluding policies taken out  
but still serviced

## Quick Links

[Newsroom](#)

[Legislative Resources](#)

[Outreach Form](#)

[Online Sunshine](#)

[The Florida Channel](#)

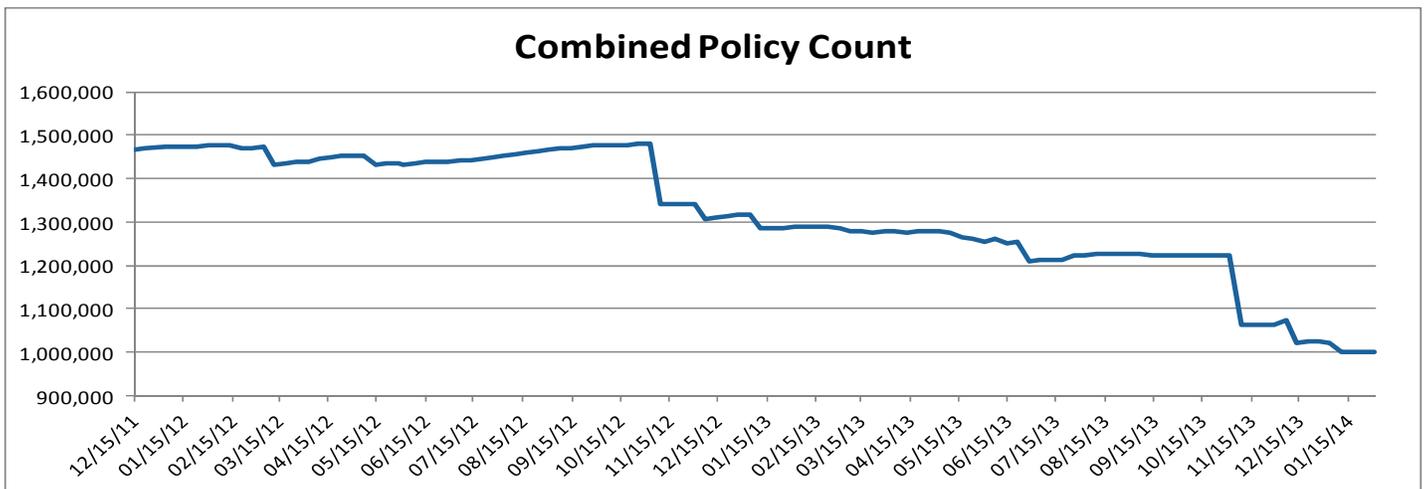
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## Did You Know...

### Our Policy Count is Dropping



Citizens' policy count has dropped 32 percent in the past two years, falling from a high of 1,480,191 in October 2012 to 1,001,052 in January 2014. It is estimated that the policy count will fall below 1 million by February 2014.

## News Links

[Clearinghouse to reduce Citizens insurance policies](#) (Fort Myers) News Press

[Citizens Chairman: Clearinghouse to Benefit All](#)

[Florida Clearinghouse to increase demand for reinsurance: Fitch](#) ARTEMIS

[More Citizens Changes Proposed](#) Sarasota Herald-Tribune