

CitizensAdvisor



Citizens Board Approves 2015 Rates

ORLANDO, FL – Citizens Property Insurance Corporation’s Board of Governors last week approved a 2015 rate package that reflects an overall average 2.9 percent statewide decrease for personal residential policyholders across the state.

Single family homeowners will see an average drop of 3.2 percent for the coming year under a slate of rate recommendations that must be approved by the Office of Insurance Regulation. Overall, personal and commercial rates will decrease 1 percent.

“The 2015 rates reflect our best actuarial estimate on Citizens’ rate needs for the coming year,” said Chris Gardner, chairman of Citizens’ Board of Governors. “Following five years of prudent rate filings under the glide path, actuarial estimates now indicate rate reductions are in order for a significant number of our policyholders.”

Following eight hurricane seasons with no major storms, five years of rate adjustments under the glide path and historically low reinsurance costs, nearly seven in 10 Citizens personal lines policyholders will see rate reductions in 2015, with 58 percent of customers receiving reductions of more than 5 percent.

“The rates approved today by the board indicate that Citizens is moving in the right direction,” said Citizens President and CEO Barry Gilway. “They also are a clear sign that Citizens and all Florida property owners will see clear benefits from improving financial stability in the private insurance market.”

The statewide average homeowners multi-peril premium proposed for 2015 is \$2,379, down from an average of \$2,538 in 2014.

Sinkhole rates in Pasco, Hillsborough and Pinellas Counties will remain the same for 2015. Sinkhole policyholders in Hernando County, which continues to have the highest sinkhole-loss ratio in the state, will see a 10 percent increase on their sinkhole premiums.

The recommended 2015 rates will be submitted to the Office of Insurance Regulation, which must approve Citizens’ rates before they take effect.

The [Citizens 2015 Rate Kit](#) is available under *Press Kits* on the [Media Resources](#) page of www.citizensfla.com.

July 1, 2014

Events

July 23 from 1 p.m. – 4p.m.
Office Hours with [Sen. Jeff Clemens](#)

508 Lake Avenue, Unit C
Lake Worth

July 24 from 9:30 a.m. – 12:00 p.m.
Office Hours with [Sen. Anitere Flores](#)

10691 N. Kendall Dr, Suite 309
Miami

Spotlight



Karen Holt
Senior Director, Product Development

Citizens to Mobile Home Residents: Show Us What Ya' Got

TALLAHASSEE, FL – Citizens is encouraging mobile-home owners to work with their property insurance agents to make sure Citizens knows about all recent upgrades and improvements that could increase the value of their homes.

Following a June meeting with mobile-home owners and Rep. Lori Berman (D-Lantana) in Boynton Beach, Citizens is embarking on a campaign to increase customer awareness about how upgrades like new roofs, wood flooring and other improvements can enhance a home's insurable value, but only if Citizens is informed about the upgrades.

Since 2006, Citizens has required that all Personal Residential manufactured/mobile-home policies be written for actual cash value (ACV) rather than replacement cost. A mobile home's ACV is its depreciated value, which reflects the amount necessary to replace the home with a similar model of the same age, condition and features if the home is totally destroyed. This change was made to comply with industry standards and legislative requirements.

Despite the coverage change, Citizens has not been able to make regular adjustments to mobile home policies to ensure they continue to reflect current ACVs. Mobile homes decrease in value over time, which has contributed to a widening gap between ACV amounts that were appropriate when the policies were written and their current ACVs.

To address this issue, Citizens began a mobile-home re-underwriting project in 2012 to update ACVs for all insured mobile homes. As of May 9, 2014, Citizens has processed 53,905 such policies. The re-evaluation is expected to be completed by the end of the year.

To ensure that our customers' ACV estimates accurately reflect the true value of their homes, it is important that homeowners work with their agents to make sure their policies include all home upgrades, as well as any improvements made to their homes since purchasing their policies. Such improvements can have a significant impact on home values. In one recent case, a homeowner saw her coverage increase from \$27,000 to \$50,000 simply by adding more information about her home to her policy.

Policies in Force

933,213

as of June 27, 2014.

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ISLAMORADA, FL — State Rep. Holly Raschein (R- Key Largo) and Sen. Jeff Clemens (D- Lake Worth) inspect hurricane resistant construction techniques during a recent tour of the Florida Keys. The legislators led an entourage that included local building officials, Citizens Property Insurance Corporation representatives, Florida authorized insurers and reinsurers. Raschein began the tour last year to bring industry leaders together to see first-hand how homes in Monroe County are built above and beyond the Florida Building Code.

Did You Know...

Florida Lightning Facts

- The area between Tampa Bay and Cape Canaveral has the highest lightning concentration in the U.S.
- More than 90% of the lightning in Central Florida occurs between May and October.
- The majority of lightning fatalities occur when people are participating in outdoor leisure activities.
- Florida averages about 1.4 million lightning strikes per year.

Source: NOAA



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[Citizens Property Insurance to reduce rates](#)

(Sarasota) Herald-Tribune

[Four sites bid for Citizens Property lease](#)

Daily Business Journal

[Reinsurers pricing woes mean big bargains for P&C insurers](#)

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