

# CitizensAdvisor



## Citizens Efforts Benefit Customers, Floridians

TALLAHASSEE, FL – A historic reinsurance package and successful depopulation efforts have directly benefited Citizens Property Insurance Corporation customers and Florida policyholders by lowering rates and reducing risk in the event of a major storm.

As Florida enters the peak of the 2014 hurricane season, these efforts have reduced potential assessments by more than 80 percent since 2011, making it possible to offer rate decreases to nearly seven out of 10 Citizens policyholders starting next year.

“It’s important for all stakeholders and the public to know that Citizens’ successes over the past few years are paying tangible dividends now and better positioning the state’s insurer of last resort for the long haul,” said Chris Gardner, chairman of Citizens Board of Governors.

Last week, the Office of Insurance Regulation approved a slate of proposed rates for 2015 that reflect an average decrease of 6.1 percent for residential multiperil policies across the state. The filing represented the first statewide decrease in homeowners rates since state lawmakers froze rates in 2006.

The rate decreases have been made possible by a combination of factors, including a drop in policy count from nearly 1.5 million in 2012 to 930,000 today, which has reduced potential exposure from more than \$500 billion to \$289 billion in just over three years. The drop translates into a reduction of potential assessments in the event of a 1-in-100 storm from \$11.6 billion in 2011 to \$2.3 billion today.

Citizens further benefited from global demand, purchasing more than \$3.2 billion in reinsurance coverage for the same price it spent on \$1.85 billion last year. Better pricing allowed Citizens to save policyholders \$224 million on the expanded coverage.

*Continued on Page 2*

**September 8, 2014**

### Events

**September 8 @ 1 p.m.**  
[Claims Committee Meeting](#)

**September 9 @ 4 p.m. – 7 p.m.**  
[Office Hours with Rep. Matt Gaetz](#)  
Fort Walton Beach Chamber of Commerce  
34 Miracle Strip Parkway SE  
Fort Walton Beach

**September 10 @ 11 a.m.**  
[Consumer Services Committee Meeting](#)

**September 12 @ 10:30 a.m.**  
[Information Systems Advisory Committee Meeting](#)

**September 23 @ 9 a.m.**  
[Market Accountability Advisory Committee Meeting](#)

**September 23 @ 10:30 a.m.**  
[Audit Committee Meeting](#)

**September 23 @ 1 p.m.**  
[Depopulation Committee Meeting](#)

**September 23 @ 2:30 p.m.**  
[Finance and Investment Committee Meeting](#)

**September 23 @ 4 p.m.**  
[Actuarial and Underwriting Committee Meeting](#)

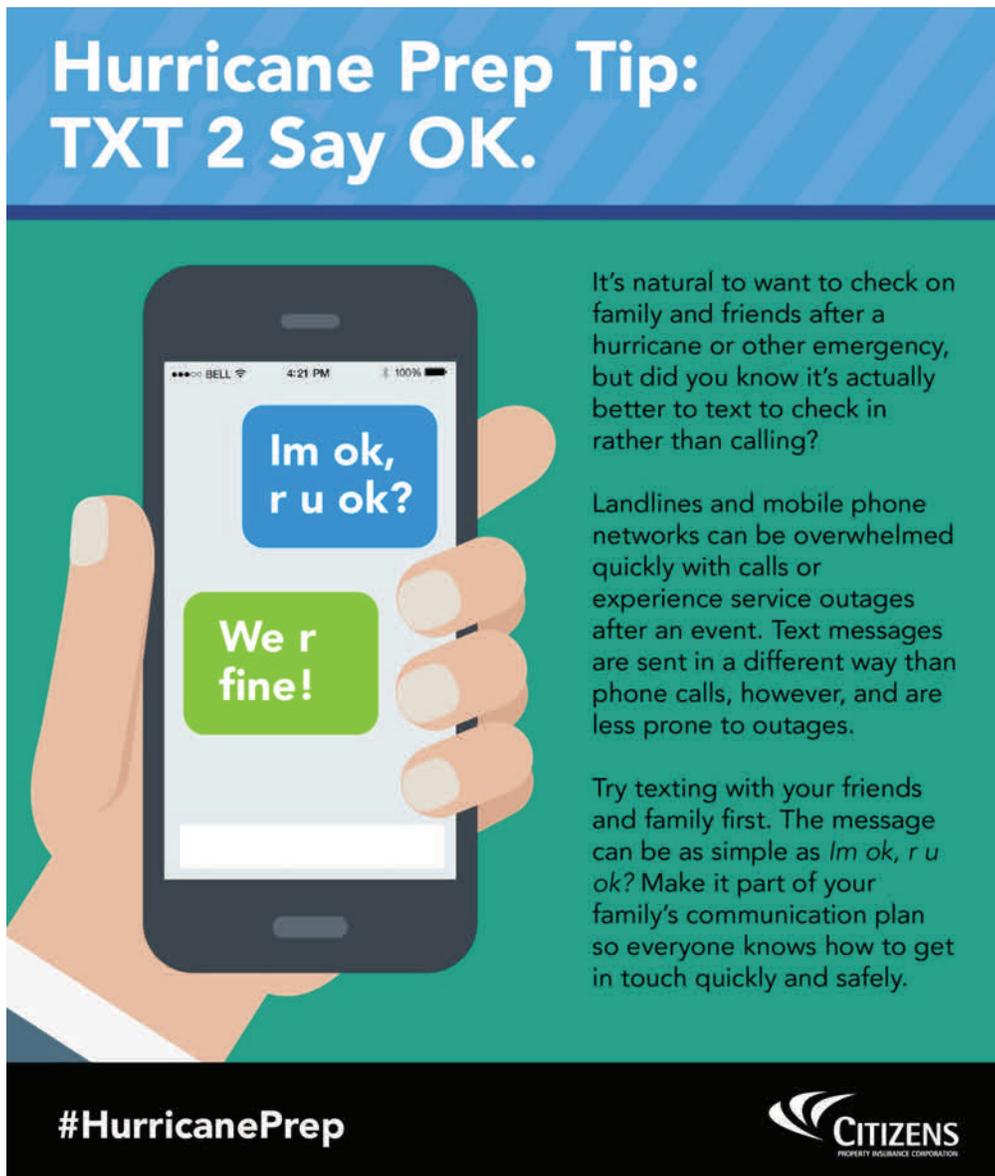
**September 24 @ 9 a.m.**  
[Board of Governors Meeting](#)

For consumers, the results are more direct: lower rates for a majority of our policyholders.

Homeowners in Hillsborough County, for example, will see an average premium decrease of \$163 a year for multiperil coverage. Pinellas County homeowners with multiperil coverage will see an \$187 average reduction in premium.

While reducing rates for nearly 70 percent of policyholders, Citizens continues to work toward actuarially sound rates in areas of the state where current rates remain significantly inadequate. In most cases, however, Citizens rate increases are well below the 10-percent cap put in place by lawmakers under the glide path.

The OIR determined to keep sinkhole rates level for 2015 as it examines recent legislative changes that have helped reduce sinkhole claims over the past few years.



## Hurricane Prep Tip: TXT 2 Say OK.

It's natural to want to check on family and friends after a hurricane or other emergency, but did you know it's actually better to text to check in rather than calling?

Landlines and mobile phone networks can be overwhelmed quickly with calls or experience service outages after an event. Text messages are sent in a different way than phone calls, however, and are less prone to outages.

Try texting with your friends and family first. The message can be as simple as *Im ok, r u ok?* Make it part of your family's communication plan so everyone knows how to get in touch quickly and safely.

#HurricanePrep



## Spotlight



### Steve Bitar

Vice President of Consumer and Agent Services

[Bio](#)

### Policies in Force

931,967

as of September 5, 2014.

## Quick Links

[Newsroom](#)

[Legislative Resources](#)

[Outreach Form](#)

[Online Sunshine](#)

[The Florida Channel](#)

[Board of Governors Materials](#)



[Unsubscribe](#)

# Clearinghouse Effort Underway for Renewal Policies

TALLAHASSEE, FL – Citizens Property Insurance Corporation last week began routing existing customers through the Property Insurance Clearinghouse in an effort to help them find comparable private-market coverage at rates equal to or less than their Citizens renewal policies.

The clearinghouse renewal program initially will impact only multiperil homeowners (HO-3) renewal policies renewing on or after November 1, 2014, of which there currently are approximately 287,000 policies. These Citizens renewal customers will have their policies sent to the computer-based clearinghouse at least 60 days before their policy renewal dates.

The clearinghouse will seek offers of coverage from six private companies participating in the renewal portion of the program. Additional companies will be added over time. As required by Florida law, customers who receive private-market offers for comparable coverage with premiums less than or equal to their Citizens renewal premium will be ineligible to renew their policies with Citizens.

The first set of impacted policyholders, whose policies are due to renew on November 1, 2014, will begin receiving nonrenewal notices in mid-September. These notices will include information about any available private-market offers and will direct the homeowners to contact their agents. Their agent will be able to help them select and purchase coverage from the private-market company that best meets their insurance needs.

As private-market policyholders, homeowners may receive more comprehensive coverage than is available through Citizens. They also no longer will be subject to Citizens policyholder surcharges that could equal as much as 45 percent of their policy premium in the event of a major storm. Private market policyholders can be assessed at the much lower rate of 2 percent of policy premium.

“Making the clearinghouse available for renewal customers is the latest step in Citizens’ effort to help our customers enjoy the benefits of private-market coverage and return Citizens to its role as the state’s insurer of last resort,” said Barry Gilway, Citizens President/CEO and Executive Director. “Many customers will benefit from more-comprehensive coverage, lower pricing and vastly reduced assessment risk in the event of a major storm.”

Citizens renewal policyholders who accept private-market coverage through the clearinghouse can return to Citizens under the eligibility requirements for renewing policyholders if the company from which they purchase coverage increases rates by more than 10 percent a year during the first three years.

The clearinghouse renewal program is an extension of the Property Insurance Clearinghouse, which was successfully launched for Citizens new business in January. The clearinghouse was created by the legislature in 2013 to help homeowners who believe Citizens might be their only insurance option find coverage in the private market, when available.

## News Links

[Florida’s Citizens No Longer ‘Out of Control,’ Says CEO Defending Rate Cut](#)  
*Insurance Journal*

[Most Citizens customers could see rates go down next year](#)  
*Tampa Tribune*

[Florida regulators approve biggest-ever removal of policies from Citizens Property Insurance](#)  
*Tampa Bay Times*

[‘Never ... better’ Citizens targets ‘stunning’ rate decreases for 2015](#)  
*SNL Financial*