

# CitizensAdvisor



## Barry Gilway: Consumers/Agents Communication Critical

TALLAHASSEE, FL — With so many property insurance choices now available to Florida consumers, it is more important than ever that homeowners work closely with their agents to determine their best insurance options. Your agent is the most valuable resource when making decisions about how best to protect your home and family.

With guidance from the legislature and Florida regulators, Citizens has made important strides to help bring expanded choices to our customers. Private-market alternatives help our customers by offering them better, more comprehensive coverage that does not carry the risk of large Citizens policyholder assessments. For example, a typical Broward County homeowner with \$300,000 in private-market coverage could save more than \$700 over a Citizens policyholder if a 1-100 year storm hits.

Citizens has two programs that help homeowners find coverage with Office of Insurance Regulation (OIR) approved private-market companies; the Property Insurance Clearinghouse and the Depopulation program. The clearinghouse helps match new policyholders with companies willing to cover their homes for prices not more than 15 percent higher than a Citizens premium. Existing customers will be ineligible for Citizens coverage only if the private offer premium is equal to or less than their renewal policy.

The Depopulation program allows companies to offer coverage to a large number of Citizens policyholders at the same time. This year alone, more than 125,000 policyholders have chosen to accept coverage from private-market companies through the program, a number expected to more than double by January.

Both programs ask our customers to make important choices. To assist, Citizens has made a concerted effort to provide policyholders and their agents with the information they need to make informed decisions about any offers they receive. We've done this through extensive direct contact with our policyholders and their agents. Additional information is available at [www.citizensfla.com](http://www.citizensfla.com).

Most people only pull out their insurance policy when something bad happens, rightfully expecting their insurance company will be there for them when the unthinkable occurs. Citizens and state regulators must ensure consumers have the information to make informed decisions, including whether the companies they rely upon are financially sound.

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**October 6, 2014**

### Events

**October 7 @ 1 p.m. – 2:30 p.m.**

[Insurance Workshop with Sen.](#)

[Maria Sachs](#)

5000 N. Ocean Blvd  
Briny Breezes

**October 7 @ 6 p.m. – 7:30 p.m.**

[Insurance Workshop with Sen.](#)

[Maria Sachs](#)

Emma Lou Olson Civic Center  
1801 NE 6<sup>th</sup> Street  
Pompano Beach

**October 8 @ 1:30 p.m. – 3:30 p.m.**

[Office Hours with Rep. Katie](#)

[Edwards](#)

777 Sawgrass Corporate Parkway  
Sunrise

### Spotlight



**Randy Wipf**

Vice President of  
Underwriting

[Bio](#)

Here is what I can tell you. All participating clearinghouse and depopulation companies have been vetted by OIR and Demotech, Inc., Florida's leading property and casualty rating agency. As admitted Florida companies, private market insurers also are backed by the Florida Insurance Guaranty Association and the Florida Hurricane Catastrophe Fund. More information is available at [www.floir.com](http://www.floir.com).

After eight years with no hurricanes, Florida's property insurance market is flush with well-capitalized companies that have passed regulatory and rating agency muster. These companies are ready to do business in Florida and that means Florida homeowners and their agents have some important choices to make.

We know we are asking a lot, but we are confident that given the information they need to make informed decisions, our customers can make the right choice for themselves and their families.

Barry Gilway  
President, CEO and Executive Director, Citizens Property Insurance Corporation

## Citizens to End Emergency Assessments Two Years Early

TALLAHASSEE, FL – Assessments on Florida property insurance policyholders to repay bonds issued following the devastating 2004-2005 hurricane seasons will end two years early under a recommendation approved by Citizens Board of Governors.

By unanimous vote at its September meeting, the board called upon Citizens to stop collecting a 1 percent Emergency Assessment that began in 2007 to pay off a 10-year, post-event bond with a total cost of \$1.38 billion.

Following the eight named storms of the 2004-2005 hurricane seasons, Citizens faced a deficit of more than \$1.7 billion. State lawmakers responded by appropriating funds to eliminate some of the deficit while setting up requirements for the repayment of post-event bonds.

In 2007, Citizens began collecting a 1.4 percent Emergency Assessment from all Florida property insurance policyholders. Citizens reduced the assessment to 1 percent in 2011 in response to growth in the base from which the assessment is collected.

Citing growth in its assessment base, which is comprised of all Florida property insurance policyholders, Citizens Chief Financial Officer Jennifer Montero told board members Citizens is expected to have sufficient resources in place by June 2015 to satisfy the bond's balance. The assessments originally were scheduled to be collected through June 2017.

"When we came before the Board last year, we recommended continuation of the 1.0 percent rate for another year in anticipation of the large reduction in the future, or even early elimination of the assessment," Montero said. "We recommend the emergency assessment be eliminated two years early, effective July 1, 2015."

### Policies in Force

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**930,852**

as of September 19, 2014.

### Quick Links

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[Newsroom](#)

[Legislative Resources](#)

[Outreach Form](#)

[Online Sunshine](#)

[The Florida Channel](#)

[Board of Governors Materials](#)



[Unsubscribe](#)

# Citizens Readies for Large Takeouts in November/December

TALLAHASSEE, FL – Efforts to offer policyholders more private-market options and decrease Citizens Property Insurance Corporation's exposure continue as the insurer of last resort prepares for the next round of policies to be transferred to the private market in November and December.

The Office of Insurance Regulation has approved private-market companies' requests to offer coverage to up to 425,357 personal residential policies in November and another 215,488 in December. Based on historical trends, approximately 39 percent of these policies will be transferred to the private market.

Based on past acceptance rates, Citizens estimates that approximately 150,000 policyholders will accept offers of coverage extended by companies participating in the November and December takeouts. This would reduce Citizens policy count to less than 800,000.

Citizens President, CEO and Executive Director Barry Gilway said the Depopulation program has been extremely successful in transferring Citizens policyholders to companies that have been vetted by the Office of Insurance Regulation and meet standards set by Demotech Inc., a leading insurance company rating agency.

"The success of our Depopulation program only enhances Citizens' ability to carry out its mission and provide great customer service to our policyholders," Gilway said.

Private companies interested in participating in Citizens' Depopulation program must submit an application to OIR. Upon ensuring the company has the capacity to handle the additional policies, the state regulator issues a consent order, informing Citizens of the maximum number of policies the company may offer coverage to during the requested takeout period.

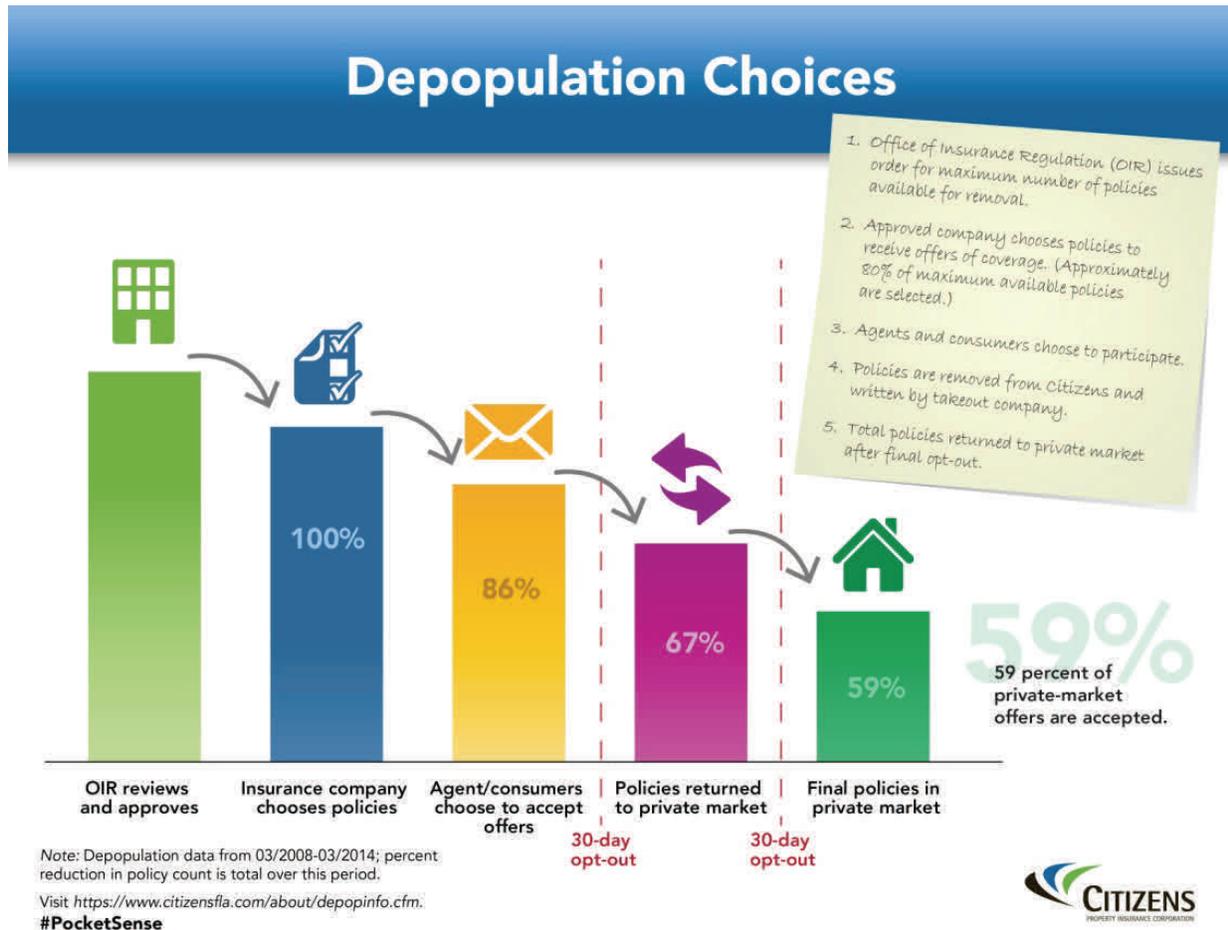
Once approved, the company identifies the Citizens policies that fit its business model. When multiple companies are participating in the same takeout, Citizens must determine if there is overlap in the policies requested to ensure policyholders receive only one offer in any given takeout.

Agents and policyholders then have the opportunity to choose not to participate in the program. First, agents can decline to participate, then policyholders receive multiple notices informing them that they have 60 days to decide whether to accept the private-market offer or stay with Citizens. Policyholders who accept often will receive coverage that is more comprehensive than their current Citizens policies.

When it's all said and done, generally about 54 percent of the policies selected to receive offers will successfully be returned to the private market. Since January 2013, 490,762 policyholders have successfully found private-market coverage through Citizens' Depopulation program.

# Did You Know...

Depopulation Choices make Pocket Sense for Floridians?



(Click image to enlarge)

## News Links

[Citizens Property Insurance approves ending emergency assessments on homeowners two years early](#)  
*Tampa Bay Times*

[Citizens removing special assessment from property insurance bills](#)  
*Sun Sentinel*

[EverBank Center, Regency Square Mall among sites in running for Citizens operations center](#)  
*Jacksonville Daily Record*

[Commercial Rates in Florida's Citizens Going Up 3.3%](#)  
*Insurance Journal*

[Property Insurance: Atwater Is Public's Ace in Hole](#)  
*Winter Haven News Chief*

[Question About Citizens Insurance? State Lawmakers Say Step Into My Office](#)  
*WFSU*