

# CitizensAdvisor



## Citizens Board of Governors addresses increased policy count, seeks to identify solutions

MIAMI, FL – Citizens Property Insurance Corporation’s policy count will surpass 1 million next year as private market insurers continue to experience losses expected to reach nearly \$1 billion by the end of 2021.

Speaking to the Citizens Board of Governors last month, Citizens President, CEO and Executive Director Barry Gilway warned that as Citizens’ policy count grows, so does the risk of assessments on Florida insurance consumers if a major storm or series of storms hits and Citizens exhausts its \$6.4 billion surplus.

Created by the Legislature as Florida’s insurer of last resort, Citizens is taking on more than 5,000 policies a week as private companies continue to shed policies in response to losses brought on by litigation, damage from Hurricane Irma and Hurricane Michael, more expensive reinsurance, and other factors.

“Citizens is considering all ideas to reduce exposure, and to continue to operate as efficiently as possible during this unprecedented growth period,” Gilway said.

In response, Citizens is actively seeking ways to reduce exposure, stem growth and return Citizens to its role as the insurer of last resort. Citizens’ efforts have included:

- Increased marketing and technology upgrades to the Florida Market Assistance Plan, which was created by the Florida Legislature to refer potential policyholders to private market coverage
- Increasing inspections for new residential and commercial business
- Exploring potential changes to Citizens Depopulation Choices and Property Insurance Clearinghouse programs to increase the assumption rates of private insurance companies

Citizens Board of Governors Chairman Carlos Beruff also directed Citizens staff to explore the concept of changing Citizens’ business model by selling policies directly to policyholders instead of working through independent agents. Beruff suggested reaching out to companies that have made the switch to direct sales to see if such efforts reduces costs.

Citizens currently works with approximately 8,400 independent agents, who are paid a 7% commission, much lower than the industry average of 11% to 12%. As such, Gilway said agents already have a financial incentive to steer customers to private insurance carriers while providing invaluable knowledge of local market conditions to better serve customers.

Since October 2019, Citizens has seen its policy count jump from 420,000 to more than 700,000. At this pace, company officials expect the policy count to exceed 760,000 by the end of 2021. Initial estimates call for Citizens’ policy count to reach 1.1 million to 1.3 million by year end of 2022.

**October 18, 2021**

### Events

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**October 18-22**  
Interim Committee Week

**November 1-5**  
Interim Committee Week

**December 15 @ 9 a.m.**  
[Board of Governors](#)

### Spotlight

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**Barry Gilway**  
President, CEO and  
Executive Director

### Policies in Force

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**708,410**  
as of October 8, 2021

# Citizens requesting proof of repairs for Hurricane Sally claims

JACKSONVILLE, FL – Citizens is reminding nearly 2,500 policyholders who filed claims from Hurricane Sally to file proof of repairs before their policies come up for renewal. Sally made landfall along the Florida panhandle in September 2020.

Under Citizens' underwriting rules, properties with existing damage - even for damage that did not exceed the hurricane deductible - are not eligible for continued coverage unless the agent submits proof that repairs have been completed in PolicyCenter®.

If repairs have been completed, policyholders should submit proof-of-repair documentation to their agent. Examples of acceptable documentation include photographs of the repairs along with:

- Supporting receipts and/or invoices indicating that the services/materials were paid in full
- Inspection report or regulatory permit indicating work was completed
- Final roof permit (if the roof was replaced)

If repairs have not been completed, policyholders should:

- Notify their agent that repairs will be delayed, the reason why and the anticipated completion date for the repair
- Supply their agent with any supporting documentation for the delay (for example, a roofing or construction contract or construction permit)

Beginning in February 2022, Citizens will begin processing nonrenewals for policies that are set for renewal in July 2022 or later but have closed Hurricane Sally and Tropical Storm Sally claims for which we have not received proof of repairs. Policyholders may also contact Citizens Customer Care Center at 866.411.2742 for more information.

## News Links

[Eyebrows Raised After Universal Drops Complaint About Florida Adjusters](#)  
Insurance Journal

[Florida Citizens growth could near previous highs. Depopulation in focus](#)  
Artemis

[Barry Gilway: Now is not the time to raise taxes on reinsurance](#)  
Florida Politics

[Judge approves \\$120 million sale of Surfside collapse site but bidding may not be over](#)  
Miami Herald

[Becker & Poliakoff law firm the 'nemesis' of condo safety reformers](#)  
Sun Sentinel (subscription)

[As property insurance rates skyrocket, Florida 'insurer of last resort' seeks to become less attractive](#)  
The Center Square

[Citizens Insurance may push you toward more expensive insurers](#)  
Sun Sentinel (subscription)

[Insurance agents could be cut out of Citizens Insurance deals](#)  
Sun Sentinel (subscription)

## Quick Links

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[The Florida Channel](#)

[Board of Governors  
Materials](#)



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# Citizens renews focus on state program to find private insurance options

TALLAHASSEE, FL – Facing a surge in policy count, Citizens is refocusing attention on a legislative program established nearly 40 years ago to provide critical information to customers seeking property insurance in Florida.

The Florida Market Assistance Plan (FMAP) is a free and convenient online property insurance referral service that matches home, rental and vacation property owners with agents able to secure coverage from Florida-authorized insurance companies writing policies in their area.

Established by the Florida Legislature in 1985 and administered by Citizens, FMAP's goal is to find private market coverage for consumers before they become Citizens policyholders. For consumers, FMAP's online matching service can help find insurance coverage by matching customer information with local agents writing coverage with Florida-authorized insurance companies.

Agents participating in FMAP can search FMAP's database in real time and set up nightly alerts from FMAP's automated search feature to receive notifications when a request for coverage matches specific search criteria.

In December 2020, Citizens redesigned the FMAP website to make it easier to access:

- [Consumers](#): includes information for people looking for property insurance and a registration link for new consumers
- [Agents](#): includes information about how agents can use FMAP to find new customers, a registration link for new agents and a link to the [Agent Referral Form](#)
- [Companies](#): includes information about how insurance companies can use FMAP to grow their business and a link to the [Company Registration Form](#)

The website also includes a [Contact Us](#) page for general inquiries, contact information, and links to the [Agent Referral Form](#) and [Company Registration Form](#).

Going forward, Citizens plans to promote FMAP on digital, social media and traditional fronts while working with state agencies and industry groups to get the word out. Work is also being done to further redesign the website to make it more user friendly and efficient.

Stay tuned for more updates in 2022.

## Assessments at a Glance

[Assessments](#) are charges that Citizens and non-Citizens policyholders can be required to pay, in addition to their regular policy premiums. Assessments are charged in three tiers, beginning with the Citizens Policyholder Surcharge. Each additional tier is charged only if the level before is insufficient to eliminate Citizens' deficit.

### Assessment Tiers\*

\* \$2,000 annual premium

#### 1. Citizens' Policyholder Surcharge

- One-time assessment
- Citizens' policyholders only
- Up to 45% of premium

#### 2. Regular Assessment

- One-time assessment
- Private-market policyholders, including but not limited to homeowners, auto and specialty and surplus lines policies
- Up to 2% of the remaining shortfall (for the Coastal Account only)

#### 3. Emergency Assessment

- Single- or multiyear assessment
- Citizens' and private-market policyholders
- Up to 30% of premium per year until any remaining deficit is eliminated

