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Citizens applauds Legislature for positive steps forward

TALLAHASSEE – Citizens Property Insurance Corporation on Friday applauded the Florida Legislature for taking meaningful steps to address rising insurance rates caused in large part by unnecessary litigation.

Florida lawmakers on Friday passed [SB 76](#) by [Sen. Jim Boyd, R-Bradenton](#), a compromise measure that included many provisions from [HB 305](#) by [Rep. Bob Rommel, R-Naples](#). The bill now goes to Florida Governor Ron DeSantis for his approval.

Barry Gilway, Citizens President/CEO and Executive Director, thanked the bill sponsors, Senate President Wilton Simpson, R-Spring Hill, and House Speaker Chris Sprowls, R-Palm Harbor, for their efforts to strengthen the Florida domestic insurance market and reduce the flow of customers back to Citizens, the state's insurer of last resort.

“Citizens is growing at an unsustainable rate, putting our customers and Floridians on the financial hook when a big storm hits the state,” Gilway said. “Today’s action is an encouraging sign that the Florida Legislature understands the severity of the situation and is willing to take meaningful steps forward, especially as it relates to litigation.”

The bill makes a number of changes that affect the entire industry, including an attorney fee structure based upon the difference between the initial offer and the final payment. The bill also prohibits public adjusters, contractors, or their representatives from offering financial incentives to policyholders for roofing inspection and repairs.

For Citizens, the bill raises the current 10 percent cap on annual premium increases by 1 percent per year over the next five years. The phased-in expansion of the glidepath to 15 percent will allow Citizens to make its rates more competitive with private insurance coverage.

The bill would steer potential Citizens policyholders to private insurance carriers if a private policy premium were within 20 percent of the comparable Citizens policy premium. The bill

Carlos Beruff, Chairman, Manatee County • Bette Brown, Monroe County • Marc W. Dunbar, Leon County
Lazaro Fields, Leon County • Reynolds Henderson, Walton County • James Holton, Pinellas County
William Kastroll, Collier County • Carlos Lopez-Cantera, Miami-Dade County • M. Scott Thomas, St. Johns County
Barry Gilway, President/CEO and Executive Director

would also require Citizens to factor into its rates the reinsurance costs necessary to protect its surplus from a 1-in-100-year storm.

Since October 2019, Citizens has seen its policy count jump from 420,000 to 584,000 and is now seeing increases of more 5,000 new policies per week. At this pace, company officials expect the policy count to approach 750,000 by the end of 2021.

In 2002, the Florida Legislature created Citizens Property Insurance Corporation (Citizens), a not-for-profit alternative insurer, whose public purpose is to provide insurance to, and serve the needs of, property owners who cannot find coverage in the private insurance market.

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