



April 29, 2016

For Immediate Release

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REP. HAZELLE ROGERS, CITIZENS INSURANCE WORK TO FIX FORCED-LENDER COVERAGE DANGER

Florida homeowners now have better and more options to protect their property and avoid the financial consequences of lender-forced property insurance coverage. Rep. Hazelle Rogers, serving on behalf of the Broward County Legislative Delegation and with a host of advocates and stakeholders, worked with the state-created Citizens Property Insurance Corp. to change rules and ease the way to a solution for at-risk consumers.

“This is a big win for Florida consumers,” Rep. Rogers said. “It’s a hidden danger, too often unrecognized. But homeowners and consumers, with the cooperation and work of Citizens Property Insurance, now have good options if they find themselves in this bind.”

It’s a welcome solution to a problem that can ensnare even the most diligent and responsible homeowners. When homeowners who pay for property hazard insurance through escrow payments to a mortgage holder have their policies canceled or non-renewed – most often through no fault of their own, but because of an underwriting business decision by the insurance company – notification can easily get lost and go unnoticed.

When that happens, the cascade of consequences can quickly pile up. Mortgages allow lenders to force coverage on borrowers and homeowners without regard to the cost. Further, that forced coverage can trigger conditions that many insurers use to deny coverage, require burdensome remediation or necessitate long delays in improved, cheaper coverage.

Now state regulators have approved important new rules for Citizens Property Insurance that will ease the fix for those Florida homeowners who find themselves in this bind. With approval from the Citizens Board of Governors and, now, the state’s Office of Insurance Regulation, the public insurance company will now count lender-forced coverage as valid proof of prior insurance. That change means homeowners will not be subject to a 30-day waiting period for coverage to kick in and will also not face punitive surcharges for a lack of previous coverage. The rules were approved by OIR this month and go into effect Aug. 1.

Rep. Rogers, a Lauderdale Lakes Democrat, served as chair of the Broward Legislative Delegations Insurance Subcommittee. Forced-lender coverage and its possible catastrophic consequences were identified as a main issue for constituents. Rep. Rogers worked along with the Realtors Association of Fort Lauderdale, Florida Realtors Association, South Florida Board of Realtors, NCF Insurance Associates, National Association of Realtors, Greater Caribbean American Chamber of Commerce, Lauderdale Regional Chamber of Commerce, South Florida Realist Women’s Council, Inc., and, most critically, Citizens Property Insurance and its Board of Governors.

“New laws are not always the best answer. In this case, Citizens leadership worked diligently to come up with solutions to a real problem for people in Broward County and around the state. I appreciate how everyone worked together,” Rep. Rogers said.

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