

CITIZENS PROPERTY INSURANCE CORPORATION
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FOR IMMEDIATE RELEASE
DATE May 27, 2016

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Citizens' CEO: Policy contract policy changes, Citizens commitment does not

TALLAHASSEE – With the 2016 hurricane season set to begin Wednesday (June 1), it's a good time for all Florida property owners to review their insurance coverage to make sure it continues to adequately protect themselves, their families and their most valuable investment.

There are some important policy contract changes coming up for Citizens multi-peril residential policyholders starting July 1. These changes will not diminish Citizens' commitment to policyholders following an insured loss, but do require policyholders to engage us early in the process to ensure their claims are quickly and completely handled.

The new policy contract will affect policyholders most directly in regard to emergency services and the timing of permanent repairs.

In case of a loss to covered property, the revised policy contract requires policyholders to take emergency measures to protect insured property from further damage. Emergency measures only include what is reasonable and necessary to secure the home and prevent further damage, and may not exceed the greater of \$3,000 or 1 percent of the dwelling's insured value, unless Citizens approves additional measures.

Secondly, to ensure that Citizens has the opportunity to inspect the damage and confirm coverage, the revised policy restricts when most permanent repairs can begin. There may be no coverage for permanent repairs that begin before one of the following occurs: 72 hours after the loss is reported to Citizens, the loss is inspected by Citizens, or verbal or written approval is provided by Citizens.

Chris Gardner, Chairman, Orange County • Gary Aubuchon, Lee County
Bette Brown, Monroe County • Juan Cocuy, Palm Beach County • Don Glisson, Jr., St. Johns County
Jim Henderson, Seminole County • James Holton, Pinellas County • Freddie Schinz, Okaloosa County
Barry Gilway, President/CEO and Executive Director

Rest assured, protecting policyholders after a loss remains our top priority. Citizens is in the best financial shape since its creation in 2002. We can handle a 1-100 year hurricane and then some. The contract changes, we hope, will help us better control non-hurricane related losses, now the single biggest driver in determining rates.

The bottom line is that recent spikes in water loss claims in South Florida and increased abuse of assignment of benefits will require that Citizens seek higher rates for most South Florida policyholders even though there has been no hurricane activity there in more than a decade. Rate reductions we had planned on offering policyholders in other parts of the state may have to be put on hold as the problem spreads.

The only way we can significantly reduce the need for higher rates is to make sure that we pay legitimate claims quickly while preventing unnecessary repairs and reducing litigation costs.

We're trying to do our part. The [Call Citizens First](#) campaign is getting the word out to policyholders through its [website](#), policy ID cards, brochures, and direct mail pieces – even refrigerator magnets. Those efforts will continue but we need your help. Have a claim? Call Citizens First.

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

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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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