

## Market Choices: The “Depop” Season is Coming



As Florida’s insurer of last resort, Citizens is committed to helping our policyholders find private-market offers of coverage when available. One way we fulfill this mission is through Citizens’ [Depopulation Program](#).

Dubbed “Depop” for short, the program matches Citizens’ policyholders with authorized private-market insurance companies interested in acquiring an existing policy from Citizens and providing coverage that, in many cases, may be more comprehensive.

Since 2009, the program has transferred more than 1.7 million Citizens policies to authorized insurance companies. These transfers historically come toward the end of hurricane season and until early spring when catastrophic storm activity is at its lowest.

The program for [Personal Policies](#) works [like this](#): If one or more insurance companies select your policy for depopulation, you will receive a Policyholder Choice Offer letter from Citizens informing you of the company(ies) that would like to remove your policy from Citizens and take over coverage of your property.

Participating insurance companies must first be approved by the Office of Insurance Regulation to make an offer. As a Citizens policyholder, you have the right to remain with Citizens or accept the private insurance company offer.

### What to Consider

To assist you in making your decision, the letter includes coverage worksheet(s) that provide details and estimated renewal premiums of all available private insurance company offers and your renewing Citizens policy. The letter also provides information on how to accept a private offer or remain with Citizens. This decision can be made [online](#) or through your agent.

Be aware that if you do not respond, Citizens will assign your policy to one of the private market companies that selected it. If your policy is assumed, you will receive a *Notice of Assumption and Nonrenewal and Certificate of Assumption*.

There are a few things to consider when deciding whether you want to stay with Citizens or accept the private insurance company offer:

- A private insurance company may provide more comprehensive coverage.
- Citizens policyholders are also subject to much higher [assessments](#) (up to 45% of your premium) than private insurance policyholders if needed to pay Citizens’ claims.

We encourage you to talk to your agent, who is best equipped to provide guidance on your insurance needs. Citizens also provides a wealth of information on the Depopulation Program page on our website.

# Welcome to your Dec Page



It's likely one of the most important documents you've never read. Yes, we're talking about your policy Declarations page, or "Dec Page" for short.

Part of your policy packet, the Dec Page provides a one-stop overview about your policy, including property characteristics, deductibles, coverage limits and credits applied to your policy.

For most homeowners multiperil policies, it outlines [coverage](#) amounts for the following categories:

- Coverage A – Dwelling covers your home and attached structures. Your coverage amount is determined based on the estimated cost of completely rebuilding your home and attached structures following a total loss.

- Coverage B – Other Structures covers permanent structures not connected to your home such as detached garages, decks, fences and storage sheds.
- Coverage C – Personal Property covers the depreciated value (Actual Cash Value) of your home's contents and personal items such as clothes, electronics, furniture and appliances. Replacement Cost coverage is available for an additional cost.
- Coverage D – Loss of Use pays for expenses in excess of the usual cost of living when you temporarily cannot live in your home due to a covered loss.
- Coverage E – Personal Liability covers bodily injury or property damage for which you or other people covered by the policy are deemed legally liable.
- Coverage F – Medical Payments to Others is designed to pay for certain necessary medical expenses of someone injured in an accident on your property or caused by an insured.

## Policy Deductibles

Another item on the Dec Page is your deductible, which represents the amount of a covered claim that is your responsibility to pay. The amount is applied to the total amount of the covered loss to determine Citizens' responsibility. Payments are made only if the amount of the covered loss exceeds your deductible. There are two types:

1. Percentage Deductibles (Hurricane and Sinkhole claims): These deductibles apply only to the perils of hurricane or sinkhole and are determined based on a percentage of your home's insured value.

For example, a 2% hurricane deductible on a home insured for \$200,000 in Coverage A would be \$4,000. The dollar amount of percentage deductibles changes as the insured value of your home changes, either through inflation or if you make improvements to your home that increase its total insured value.

- The Hurricane deductible is applied on a calendar-year basis from January through December. Once the amount of covered hurricane loss in a calendar year exceeds your Hurricane deductible amount, the Hurricane deductible amount is satisfied. Any subsequent hurricane losses in the same year then will be subject to your policy's All Other Perils deductible.

**CITIZENS**  
PROPERTY INSURANCE CORPORATION  
301 W. BAY STREET, SUITE 1200  
JACKSONVILLE, FL 32202-8142

**Homeowners HO-3 Special Form Policy - Declarations**

POLICY NUMBER: [REDACTED] POLICY PERIOD: FROM 03/01/2021 TO 02/28/2022  
at 12:01 a.m. Eastern Time at the Location of the Residence Premises

Transaction: NEW BUSINESS  
Named Insured and Mailing Address: [REDACTED]  
First Named Insured: [REDACTED]  
Location of Residence Premises: [REDACTED]  
County: JACKSONVILLE  
Agent: FL Agent Lic. #: [REDACTED]  
Citizens Agency Ltd.  
Primary Email Address: [REDACTED]  
Additional Named Insured: Please refer to "ADDITIONAL NAMED INSUREDS" section for details.  
Coverage is only provided where a premium and a limit of liability is shown.

**All Other Perils Deductible: \$2,500**

**Hurricane Deductible: \$6,640 (2%)**

| SECTION I - PROPERTY COVERAGES  | LIMIT OF LIABILITY | ANNUAL PREMIUM |
|---|--------------------|----------------|
| A. Dwelling   | \$122,000          | \$1,878        |
| B. Other Structures   | \$6,000            |                |
| C. Personal Property  | \$63,000           |                |
| D. Loss of Use  | \$33,000           |                |
| SECTION II - LIABILITY COVERAGES                                      |                    |                |
| E. Personal Liability   | \$100,000          | \$0            |
| F. Medical Payments   | \$2,000            | INCLUDED       |
| OTHER COVERAGES   | (See Policy)       | INCLUDED       |
| Subtotal:   |                    | \$1,878        |
| Florida Hurricane Catastrophe Fund Build-Up Premium:                  |                    | \$47           |
| Premium Adjustment Due To Allowable Rate Change:                      |                    | \$0            |
| MANDATORY ADDITIONAL CHARGES:   |                    |                |
| Emergency Management Preparedness and Assistance Trust Fund (EMPAF)   |                    | \$1,878        |
| Tax Exempt Surcharge  |                    |                |
| <b>TOTAL POLICY PREMIUM INCLUDING ASSESSMENTS AND ALL SURCHARGES:</b> |                    | <b>\$1,878</b> |

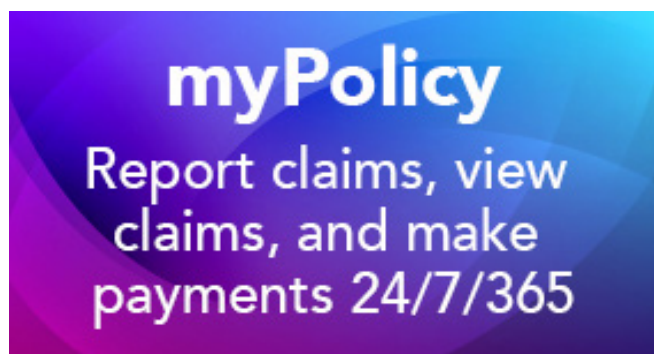
OTHER INFORMATION:  
The portion of your premium for Hurricane Coverage is \$0.00.  
Non-Hurricane Coverage is \$1,104.

*Note:* You may want to report your loss even if you do not believe the loss will exceed your Hurricane deductible because the amount you pay would apply toward your calendar-year Hurricane deductible, reducing your cost for any subsequent hurricane losses that year.

2. **Fixed Dollar Deductibles (All Other Perils):** Under your Homeowners policy, if your home sustains damage from a covered peril other than a hurricane or a sinkhole, the All Other Perils deductible applies. This is set at a fixed dollar amount (\$500; \$1,000; \$2,500; etc.). Generally, these will not change unless you purchase a lower or higher deductible amount.

When shopping for coverage, ask your agent to review deductible amounts as part of your policy comparison. In most cases, selecting a higher deductible will decrease your premium.

Now, that wasn't so bad, was it? You now have a better understanding of your Dec Page, one of the most important documents you have **ever** read.



## Sakraida Says: Be Prepared



As a leader of Citizens' catastrophe response, I'm often asked if planning for the unexpected carries over into my personal life. I learned early on that "prior planning prevents poor performance" – and that has really stayed with me in both my personal and professional life.

We're now at the peak of the 2021 Atlantic hurricane season. Unlike COVID-19, hurricanes are relatively easy to plan for – thanks to advance notice from reliable weather forecasters – and we've had plenty of practice responding to storms the last five years.

### Preparing Home and Family Is Priority No. 1

From my experience, here is what I would recommend for you to remember when a storm approaches. First, analyze where you're located and the construction of your home. This will help you determine whether to evacuate. Access is critical, so think about the surrounding roads and what may happen to them in a windstorm or from flooding.

If you decide to shelter at home, understand the time and processes needed to protect your family and home from damage. Boarding up a house can be a costly, arduous and time-consuming task.

### Plan for Being Without Power

Following any major storm, it may take time for the critical infrastructure resources to regain full functionality. Here's a few things to consider:

- Life without credit or debit cards: The ability to "pay with plastic" may be impacted, and cash may be the only option. Stock up on cash when a storm is coming.



- If you have a generator, it needs to be properly maintained and tested throughout the year to ensure it is in good working order. After a storm, many items – including generators – will likely cost more or may not even be available.
- Maintain a hurricane kit: Cash, medications, batteries for flashlights and lanterns, battery operated weather radio, manual can opener, propane or charcoal grill, fully gassed up vehicles, gas for generators, portable air conditioner or fan and a power bank for charging electronic devices.
- Most experts recommend a seven-day supply of nonperishable food and drinking water (one gallon per person, per day).
- Protect critical personal items or take them with you. Replacing items such as birth certificates, passports, insurance paperwork, titles and deeds takes time and effort.

Being prepared and having a plan can not only save time and money, but it can also protect your personal safety. In addition to great resources on our [website](#), there is information on the [Florida Division of Emergency Management](#) and the [American Red Cross](#) sites.

*Craig Sakraida is the Vice President of Nonlitigated Claims, and he oversees Citizens' catastrophe response efforts.*

## Tough Decisions in Tough Market



Tough times in the Florida insurance market have not left Citizens untouched. While not seeing the same level of rate hikes experienced by policyholders in the private market, Citizens' customers are feeling the effects of challenging times.

Both Citizens and the Florida Legislature are taking steps to improve market conditions and stem the flow of policies to Citizens, the state's nonprofit insurer of last resort. These necessary steps will likely impact you and other Citizens policyholders as we comply with newly enacted laws passed to stabilize the market while making internal changes to better control costs and prepare for improved market conditions.

Beginning February 1, 2022, Citizens will increase rates for new and renewing policies to reflect legislative changes, including the passage of Senate Bill 76 (SB 76). Most policyholders will see increases above or below the 7.6% average. While nobody likes to see their rates rise, these increases are far less than those being sought by many private carriers. We're doing our best to control our own costs, which consistently rank among the lowest in the industry.

Recognizing the need for insurance reform, the Florida Legislature earlier this year passed a handful of bills, including SB 76, to improve market conditions, stem unnecessary litigation and protect consumers from fraudulent activity.

SB 76 called for a number of changes:

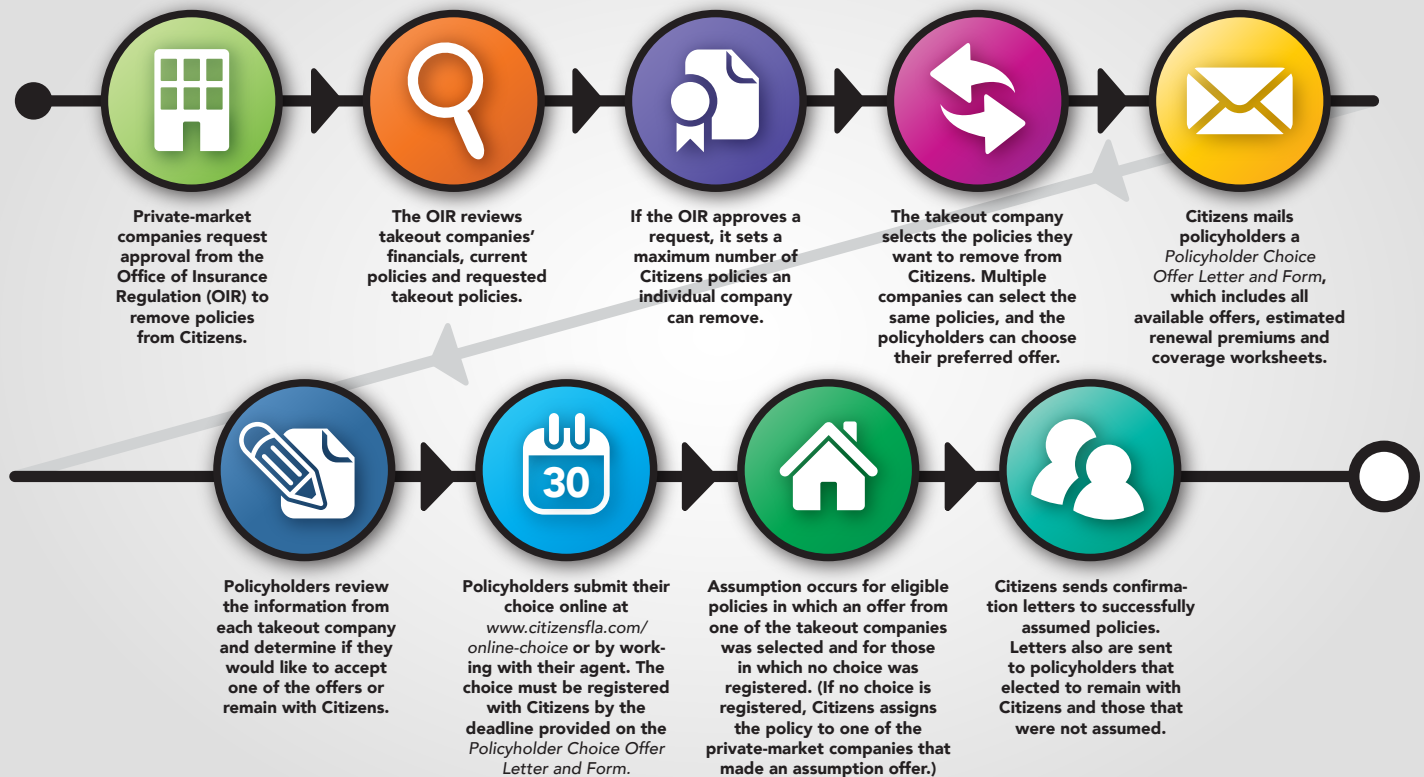
- To be eligible for Citizens coverage, private market insurance company quotes must be more than 20% greater than Citizens' quote, up from 15% previously. Citizens implemented this July 1, 2021.
- Updates to contract language to reflect changes to loss-reporting timelines, requiring all initial claims be reported within two years. Citizens will include this in our policy forms beginning in November.
- Updates Citizens' maximum allowable annual premium increase from 10% to 11%. The increased cap goes into effect beginning February 1, 2022.

Additionally, Citizens made some internal changes to better align with practices common in the private market. Among them:

- Require new policy applicants, beginning February 2022, to provide a 4-point inspection for homes over 20 years of age. Citizens currently requires 4-point inspections on homes over 30 years old.
- Increase the frequency of inspections in an effort to reduce potential losses, more accurately set rates and enhance depopulation efforts.

# How Did I Get Selected for Takeout?

Citizens Depopulation Choices program for Personal Lines helps policyholders find private-market coverage whenever possible. Authorized private-market insurance companies may request to takeout (depopulate) Citizens' policies that are not pending cancellation, set for nonrenewal or selected for takeout by another insurer. Takeouts can occur any time during a policy term.



For additional takeout information, contact your agent or the Citizens Customer Care Center at 866.411.2742, or visit <https://www.citizensfla.com/depopulation>.

## myPolicy

Report claims, view claim and policy status, and make payments 24/7/365

**Call Citizens First**  
**866.411.2742**

Report a claim 24/7/365 or

Get specific policy information weekdays from 8 a.m. to 5:30 p.m. ET

[Unsubscribe](#)

