

Citizens plays a unique role in Florida's property insurance market by providing coverage to eligible applicants who cannot obtain insurance in the private market.

### What Are Assessments?

Assessments are charges that both Citizens and non-Citizens policyholders must pay in addition to their regular policy premiums when – due to a major storm, series of less severe storms or other catastrophic events – additional funds are needed to pay policyholder claims. Unlike a private insurance company, Citizens is required by law to levy assessments on its customers if funds to pay claims have been exhausted.

### True Cost of Insurance

For Citizens policyholders, assessments can be substantial. While Citizens remains in a solid financial position, it's important to understand the assessment process and how it affects you.

You are impacted even if you aren't a Citizens customer or don't own a home. Except for the policyholder surcharge, which is paid only by Citizens' policyholders, Citizens' assessments can be charged on **nearly every type of property and casualty policy**, including but not limited to homeowners, renters, auto, boat and pet insurance policies.



### REDUCE YOUR ASSESSMENT RISK

The risk of assessments is real. Contact your agent to help you find the policy and insurance company that best fits your needs.



Need to report a claim?

**Contact Citizens First**

Report it online via myPolicy at  
[www.citizensfla.com/mypolicy](http://www.citizensfla.com/mypolicy)  
24 hours a day, seven days a week

**866.411.2742**

*This brochure is for informational purposes.  
In the event of any inconsistency between this  
brochure and your insurance policy, the terms  
of the insurance policy control.*

La versión en español está disponible en  
[www.citizensfla.com/brochures](http://www.citizensfla.com/brochures).

Vèsyon kreyòl ayisyen an disponib sou Entènèt  
[www.citizensfla.com/brochures](http://www.citizensfla.com/brochures).



Citizens Property Insurance Corporation  
866.411.2742

[www.citizensfla.com](http://www.citizensfla.com)

03/23

# Citizens' Assessments – Florida's "Hurricane Tax"



# Who Will Pay Citizens' Assessments After the Next Hurricane?



**Citizens Policyholder Surcharge = 1 year**

**Regular Assessment = 1 year**

**Emergency Assessment = 1 or more years until deficit is eliminated**

1

## CITIZENS POLICYHOLDER SURCHARGE

Citizens has three accounts for its policies: Personal Lines, Coastal and Commercial Lines accounts. Suppose a devastating storm or series of storms leaves a deficit in one or more account (meaning there is a need for additional funds to pay claims in an account). In that case, Citizens is required to levy a **Citizens Policyholder Surcharge of up to 15% per account** for each account in which there is a deficit. If a deficit is incurred in each of the three accounts, policyholders could pay up to a **45% surcharge** in addition to their annual premium.

**Up to 45% of your premium**

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## REGULAR ASSESSMENT

Now suppose a deficit remains in the Coastal Account after the full amount of the Citizens Policyholder Surcharge is levied. In that case, a regular assessment will be levied of up to **2% of premium** on assessable policies in the private market (and not on Citizens' policies). Policies subject to the regular assessment include private-market homeowners policies, auto, specialty and surplus lines policies.

**2% of policy premiums (including renters, auto, boat and pet insurance)**

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## EMERGENCY ASSESSMENT

A final tier of assessments, called an emergency assessment, is charged if a deficit remains in the Personal Lines, Commercial Lines and/or in the Coastal accounts (after levying the 2% regular assessment). In this situation, Citizens must levy an **emergency assessment** of up to **10% per account per year** for each of Citizens' three accounts of assessable statewide premium. This includes Citizens' and private-market policyholders for as many years as necessary until the deficit is eliminated.

**Up to 30% of your premium**

## SURCHARGES AND ASSESSMENTS CAN ADD UP

For a single policy with a \$3,000 premium, the **Citizens Policyholder Surcharge** alone could mean an additional \$1,350 charge when you are already recovering from a catastrophic loss.

If you instead have the same policy type with a \$3,000 premium from a private-market company, you will not be subject to the above \$1,350 charge. Additionally, if the maximum regular assessment of 2% is levied in this example, then there is no need for an emergency assessment. You would only pay the **regular assessment**, which is \$60.

**Cost is an essential part of your insurance decisions. See how assessments can affect the true cost of your policy following a catastrophic storm or series of storms with the True Cost Calculator at [www.citizensfla.com/assessments](http://www.citizensfla.com/assessments).**

