

CitizensAdvisor



Citizens' Gilway to Retire Jan. 31 After Decade at the Helm

TALLAHASSEE, FL – Barry Gilway, Citizens Property Insurance Corporation's President, CEO and Executive Director, will officially retire January 31 after more than a decade of service to Citizens policyholders and the Florida property insurance market.

"For more than 10 years, I have had the privilege to lead an extraordinary group of people here at Citizens," Gilway, 77, said. "I consider it the capstone of my 52-year career. It's time now, however, to shift my focus to my personal life."

Citizens' General Counsel, [Tim Cerio](#), will step in as Interim President, CEO and Executive Director while the Citizens Board of Governors considers a permanent replacement.

"Tim Cerio has my utmost confidence. He has the experience and skill set to lead Citizens through these challenging and exciting times," Gilway said. "He'll also have the backing of an executive leadership team with decades of insurance experience that is second to none."

During Gilway's tenure, Citizens modernized internal operations and became an industry leader in the global risk transfer arena. Gilway became a trusted source for elected officials, insurance regulators and the media regarding a Florida property insurance market that has grappled with insolvencies and skyrocketing premiums brought on by litigation, claims fraud and abuse.

Those efforts culminated last month as the Legislature in special session passed [SB 2A](#), a package of historic reforms that are expected, in time, to stabilize the market and return Citizens to its traditional role as the state's insurer of last resort.

"Mr. Gilway has capped off his tenure at Citizens by leading the way for passage of historic legislation that, over time, will fix the Florida property insurance market and return Citizens to its role as Florida's insurer of last resort," said Citizens' Chairman Carlos Beruff.

January 19, 2023

Events

March 29 @ 8:30 a.m.
[Board of Governors](#)
Sheraton Hotel Maitland
[Zoom Webinar](#)

Spotlight



[Barry Gilway](#)
President, CEO and
Executive Director

Policies in Force

1,153,335
as of January 13, 2023

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Special Session Brings Many Positive Changes for Citizens

TALLAHASSEE, FL – The Florida Legislature in December passed a historic package of reforms to stabilize the Florida property insurance market and return Citizens to its role as Florida’s insurer of last resort.

Industrywide, the legislation will reduce litigation by eliminating both Florida’s one-way attorney fee statute and assignments of benefits (AOBs) for property insurance claims. Litigation and AOB abuse have been cited as the leading causes of premium increases.

The legislation is expected over time to bring Citizens’ rates more closely in line with private market insurers while continuing to insulate policyholders from dramatic annual rate increases by maintaining the current glide path, which in 2023 caps any premium increase at 12%.

Specifically, key provisions included in [SB 2A](#), sponsored by Sen. Jim Boyd, R-Bradenton, and [HB 1A](#), sponsored by Rep. Tom Leek, R-Daytona Beach:

- Increase the glide path for nonprimary or short-term rental residences to 50%.
- Provide that renewing policyholders will be ineligible for Citizens if a private offer is made in the Property Insurance Clearinghouse that is within 20% of the Citizens’ renewal premium.
- Provide that a Citizens policyholder is ineligible for Citizens coverage if they receive a depopulation offer that is within 20% of the estimated Citizens renewal premium.
- Allow Citizens to consider private market comparisons when building actuarially sound rates in any particular market.
- Require that Citizens residential policyholders carry flood insurance to be eligible for Citizens coverage. These provisions will be phased in over the next five years. (See the accompanying article.)
- Shift the burden of proof in water claims to the Citizens policyholder.
- Provide Citizens the authority to combine its three accounts, a move that will provide more flexibility and should reduce the risk of assessments and surcharges.
- Reduce the maximum Citizens policyholder surcharge from 45% to 15% once the accounts are merged.

News Links

[Gilway to Retire as Citizens Insurance CEO](#)
News Service of Florida

[Retiring Citizens CEO hopeful ‘dream team’ will see state-backed insurer through ongoing crisis](#)
WPTV West Palm Beach

[Florida Lawmakers to Tackle Ballooning Property-Insurance Crisis](#)
Wall Street Journal

[DeSantis signs Florida disaster recovery bill from special session in Fort Myers Beach](#)
Fort Myers News-Press

[Fla. Legislature and Property Ins.: What Changed?](#)
Florida Realtors

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Flood Coverage Requirement from 2A to Kick in for Citizens Policyholders

TALLAHASSEE, FL – Flood insurance coverage will become required for new Citizens policyholders beginning April 1 and be phased in for all Citizens policyholders over the next five years under a plan approved in December by the Florida Legislature.

The flood insurance requirements are part of an overarching reform package immediately signed into law by Gov. Ron DeSantis to stabilize a Florida property insurance market rocked by high litigation costs and skyrocketing premiums over the last several years.

The flood insurance requirements only apply to Citizens policyholders.

New policyholders seeking Citizens coverage in areas designed by the Federal Emergency Management Agency (FEMA) as special flood hazard areas will be required after April 1, 2023, to have flood insurance coverage in order to be eligible for a Citizens policy. Existing Citizens policyholders in designated FEMA flood hazards will be required to have flood insurance to renew their Citizens policies after July 1, 2023.

For all other Citizens policies, the flood insurance requirement will be phased in for new and renewing policyholders over the next five years as follows:

- January 1, 2024, for policies insuring property to a limit of \$600,000 or more.
- January 1, 2025, for policies insuring property to a limit of \$500,000 or more.
- January 1, 2026, for policies insuring property to a limit of \$400,000 or more.
- January 1, 2027, for all other policies.

Flood damage is typically not covered under standard multiperil policies and supporters say requiring flood coverage would better protect consumers from potentially expensive out-of-pocket repairs. Federally backed mortgages typically require flood insurance for properties located within flood zones.

In 2022, approximately 18% of Florida homeowners carry flood coverage. Coastal residents are far more likely to carry it, with well more than 50% of policyholders carrying flood coverage in the hardest hit coastal counties impacted by Hurricane Ian in September 2022. Participation in Central Florida counties is about 5-8%.

