

# CitizensAdvisor



## Citizens' Board Names Tim Cerio President/CEO and Executive Director



TALLAHASSEE, FL – Citizens' Board of Governors in February named General Counsel and Chief Legal Officer Tim Cerio to lead Citizens Property Insurance Corporation on a permanent basis.

Cerio, who was appointed by the Board to succeed Barry Gilway, took over February 1 as the state's insurer of last resort works to implement recent legislative reforms and prepares for the 2023 Legislative session.

With more than 27 years of experience in the public and private sectors, Cerio brings a wealth of expertise to Citizens. Appointed in June 2021 as General Counsel and Chief Legal Officer, Cerio provided critical leadership as Citizens responded to new legislative requirements to stabilize the Florida property insurance market and return Citizens to its role as Florida's insurer of last resort.

"I'm going to sleep well knowing that Citizens is in good hands," said Citizens' Board Chairman Carlos Beruff.

Prior to joining Citizens, Cerio practiced with the GrayRobinson law firm, focusing on regulatory and health care law, government investigations, and administrative law. Cerio previously served as general counsel and later chief of staff for the Florida Department of Health. He also was general counsel to Florida Governor Rick Scott.

Cerio was a member of the 2017-2018 Florida Constitution Revision Commission. He currently serves on the Board of Governors of the State University System of Florida, and in 2021, Governor Ron DeSantis appointed Cerio to the Florida Supreme Court Judicial Nominating Commission. In addition to his civic activities, Cerio serves on the James Madison Institute Board of Directors.

"Over the past decade under Barry Gilway's leadership, Citizens has become an industry leader on so many fronts," Cerio said. "I'm excited and honored to continue that legacy as we address new challenges and work toward stabilizing the Florida property insurance market."

Cerio graduated from the University of Florida College of Law with honors in 1995 and was a member of the Florida Law Review. He earned his Bachelor of Arts degree from UF in 1990 and was a member of Florida Blue Key. Cerio and his family live in Tallahassee.

**March 6, 2023**

### Events

**March 9 @ 1 p.m.**

[Claims Committee](#)  
[Zoom Webinar](#)

**March 15 @ 9 a.m.**

[Board of Governors](#)  
[Zoom Webinar](#)

**March 22 @ 11 a.m.**

[Market Accountability](#)  
[Advisory Committee](#)  
[Zoom Webinar](#)

**March 28 @ 1 p.m.**

[Audit Committee](#)  
Sheraton Orlando North  
[Zoom Webinar](#)

**Immediately following  
Audit**

[Finance and Investment](#)  
[Committee](#)  
Sheraton Orlando North  
[Zoom Webinar](#)

**Immediately following FIC**

[Actuarial and Underwriting](#)  
[Committee](#)  
Sheraton Orlando North  
[Zoom Webinar](#)

**Immediately following A&U**

[Exposure Reduction](#)  
[Committee](#)  
Sheraton Orlando North  
[Zoom Webinar](#)

**March 29 @ 8:30 a.m.**

[Board of Governors](#)  
Sheraton Orlando North  
[Zoom Webinar](#)

**Immediately following  
Citizens' BOG**

[FMAP Board of Governors](#)  
Sheraton Orlando North  
[Zoom Webinar](#)

# Citizens Accepts Valid Replacement Cost Estimates

TALLAHASSEE, FL – The Florida Legislature in 2013 established eligibility caps for Citizens coverage under a phased-in approach enacted to stem the growth of Citizens that had seen its policy count climb to nearly 1.5 million in 2012.

Since 2017, the law provides that homes with replacement costs valued at more than \$700,000 in most parts of the state are ineligible for Citizens coverage. Policyholders in Miami-Dade and Monroe Counties, where competition in the property insurance market has been historically absent, are ineligible for Citizens coverage if the replacement cost exceeds \$1 million.

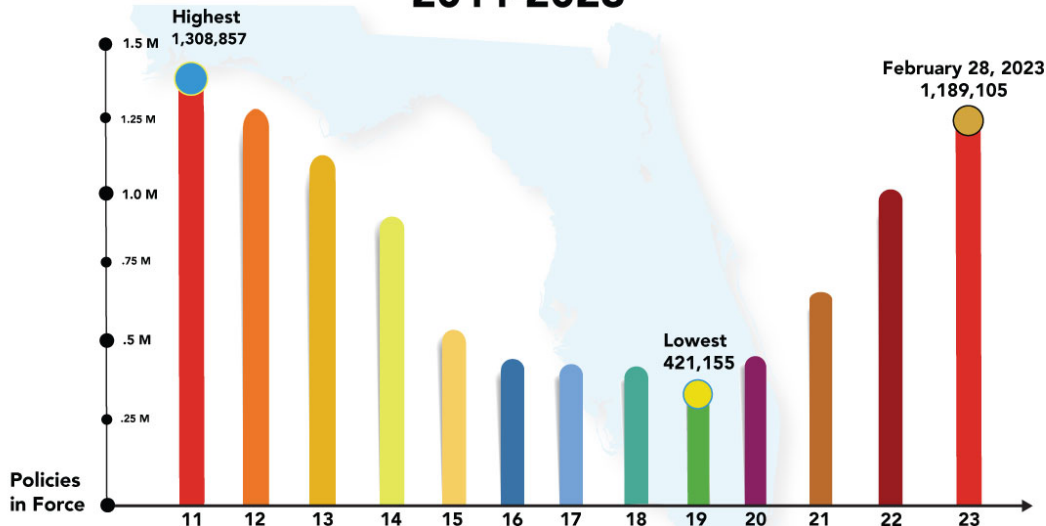
In the decade since the law was passed, inflation, especially in the labor and building materials markets in recent years, has resulted in more Citizens policyholders finding their home's replacement value exceeds the \$700,000/\$1 million cap. In 2022, 6,211 Citizens policies were cancelled or nonrenewed because they exceeded the caps. Citizens has 1.19 million policies.

Citizens uses a nationally recognized estimator to determine replacement cost, also called Coverage A. The program takes into account multiple factors including local building costs to calculate replacement costs, which are then combined with new rates to determine the renewal premiums for policyholders.

Policyholders who disagree with the estimate are encouraged to talk with their agent to review current coverage limits and ensure adequate coverage exists. In all cases, agents can submit a policy change and complete a new cost estimator or provide an alternate valuation document to amend the Coverage A amount. Citizens will review the submission and honor properly filed alternative valuations that are accompanied by the appropriate documentation.

## By the Numbers

### Citizens Policies in Force 2011-2023



\*Data as of February 28th of each calendar year

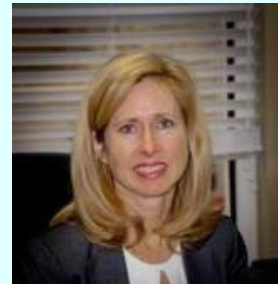


## Spotlight



### Christine Ashburn

Chief - Communications, Legislative and External Affairs



### Candace Bunker

Director - Legislative and Cabinet Affairs

## Policies in Force

**1,197,359**

as of March 3, 2023

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# Flood Insurance Coverage Rules Kick in for Citizens Policyholders

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

The flood insurance requirements are part of an overarching reform package 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. Citizens began informing policyholders and agents of the flood insurance requirement in February via email and will continue to provide updates as necessary.

## Flood Coverage Timetable

New policyholders seeking Citizens coverage in areas defined by the National Flood Insurance Program (NFIP) as the Special Flood Hazard Area will be required after April 1, 2023, to have flood insurance coverage in order to be eligible for a Citizens policy. Citizens policyholders in the existing Special Flood Hazard Area 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 four 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. Requiring flood coverage would better protect you 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 carried 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.

Policyholders not wishing to purchase flood insurance should contact their agent to discuss other private options that do not require flood coverage. Private policies that may offer more comprehensive coverage now might be comparably priced. Remember, Citizens policyholders are subject to a potential assessment of up to 45% of their premium following a major storm or series of storms.



### Within Flood Hazard Area:

Insured properties with wind coverage within the Special Flood Hazard Area (as defined by the National Flood Insurance Program (NFIP)) must maintain a flood policy.

Effective 4/1/23 for New Business

Effective 7/1/23 for Renewal Business

### Outside Flood Hazard Area:

Insured properties with wind coverage outside of the Special Flood Hazard Area must maintain a flood policy.

Effective 1/1/24: Properties valued \$600,000 or more

Effective 1/1/25: Properties valued \$500,000 or more

Effective 1/1/26: Properties valued \$400,000 or more

Effective 1/1/27: All properties regardless of value

### Flood Coverage Requirements

Dwellings and Condo Owners policies: Equal to or greater than Citizens' separate Coverage A and C limits

Tenant Contents policies: Equal to or greater than Citizens' Coverage C limits

If the above limits are not available from the NFIP, Citizens will accept the maximum coverage amount for which the insured is eligible.

Maximum NFIP limits:

Regular program: \$250,000 Coverage A, \$100,000 Coverage C

Emergency program: \$35,000 Coverage A, \$10,000 Coverage C



## News Links

[New Citizens CEO discusses plan for Florida's largest property insurer](#)  
Click Orlando

[After Special Session changes, Citizens Property Insurance preps for 'transition'](#)  
Florida Politics

[Why Florida's insurer of last resort is the cheapest](#)  
WINK TV

[Reinsurers need evidence the tide is turning in Florida, says Gallagher Re's Schwalbach](#)  
Reinsurance News

[Florida Citizens sponsoring \\$200m Lightning Re industry loss cat bond](#)  
Artemis

[New Florida property insurance company picks up nearly 200,000 homeowners from insolvent companies](#)  
WFTS TV

[Florida lawmakers eye changes to condo inspection requirements](#)  
News Service of Florida

[Florida reinsurance rules of engagement redefined by reforms: Demotech](#)  
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