

Action Required: Coverage Limit Update: Submit Proof of Flood Insurance for Renewing Policies

August 31, 2023

As announced on August 22, 2023, Personal Lines Bulletin, Citizens has updated our eligibility rules for new and renewal business effective January 1, 2024, to comply with Florida law. This is in addition to existing rules for risks in a designated flood zone.

Personal Lines dwellings with a replacement cost (RCE) of \$600,000 or more that are located in or outside of the Special Flood Hazard Area (SFHA), as defined by the National Flood Insurance Program (NFIP), and whose policy includes wind coverage are required to have flood insurance and sign and submit a [Policyholder Affirmation Regarding Flood Insurance](#) (CIT FW01).

This communication will assist you with identifying your affected customers and guiding them through the next steps to be eligible to renew coverage with Citizens.

Notes:

- Attached is a list of your affected policies that are renewing between January 2024 and December 2024. Microsoft Excel or compatible spreadsheet software is necessary to open it.
- Confirm your affected policies dwelling coverage prior to the renewal.
- Citizens is sending this information only to agency principals. Distribute to agents and staff as appropriate.

Coverage Requirements

Under the new rule, an existing policyholder whose policy insures a dwelling located in or out of the SFHA with a replacement cost of \$600,000 or more and whose policy includes wind coverage is required to secure flood coverage from the NFIP or a private insurance carrier equal to or greater than Citizens' separate Coverage A and Coverage C limits.

If the above limits are unavailable 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

Renewal Business Process

To assist you with managing policyholders impacted by this change, please see the [Renewal Guide](#), which outlines the process, timelines and requirements that will be necessary to renew.

Required Documentation

For renewing policies effective January 1, 2024, and later, you will need to review your book of business to identify your affected customers and the action(s) required to ensure they will be eligible for policy renewal.

To demonstrate compliance with the flood requirement, all policyholders meeting the conditions above are required to submit the following documents:

If PolicyCenter® indicates dwellings with RCE of \$600k or more:	Agent must update* flood information in PolicyCenter and upload:
<ul style="list-style-type: none"> • Proof of flood coverage that meets Citizens’ coverage requirements • Proof of flood coverage that doesn’t meet Citizens’ coverage requirements • No proof of flood coverage 	Proof of flood coverage that meets Citizens’ requirements and a completed <i>Policyholder Affirmation Regarding Flood Insurance</i> (CIT FW01)

*Updates can include:

- A policy change if submitting prior to a nonrenewal generating.
- A reinstatement request activity if the policy has already been nonrenewed for failure to provide the flood information listed above.
- A policy change at renewal or policy rewrite if excluding wind coverage.

Notes:

- An activity will be created on the agent of record’s desktop identifying policies that will require action to meet this requirement.
- The website, job aids and underwriting manuals will be updated as soon as possible.
- Policies with windstorm or hail coverage excluded and condominium-unit owner policies are not required to purchase flood coverage.
- Risks ineligible for an NFIP Flood Policy may be eligible for a Citizens policy, excluding wind coverage.

Policyholder Notifications

Citizens will send policyholder notifications monthly beginning early August 2023 for policies with an expiration date between January 1, 2024, and December 31, 2024, with Coverage A of \$600,000 or more. The letters will be sent to existing policyholders who have dwellings located in and out of the SFHA and whose policies include wind coverage to inform them of the flood coverage requirements and of the required documentation that is needed to be eligible for policy renewal.

Citizens will send the following types of notices to inform policyholders about the required documentation:

- Courtesy letters via mail and email to affected policyholders 145 days prior to their policy’s expiration date

- Nonrenewal notices automatically mailed to policyholders 130 days prior to their policy's expiration date
- Reminder letters to policyholders via mail and email 60 days prior to their policy's expiration date

Resources

Agents and consumers may visit FloodSmart.gov or the Florida Office of Insurance Regulation for information about flood insurance and to find a flood insurance provider.

Log in to the *Agents* website and:

- Select **Personal > PR-M** or **PR-W**, and then select the appropriate policy type on the left menu bar and look in the *Spotlight* section on the right side of the page for the *Product Guides* and *Required Document Guides*.
- Select **Personal > Flood** for a [page](#) about flood insurance requirements.
- Select **Training > Personal Job Aids** to access Citizens' learning resources:
 - [Policy Change](#)
 - [Apply Changes at Renewal](#)
 - [Uploading and Linking Documents](#)
 - *Product Guides* and *Required Document Guides*, on the right side of the *Learn More* section
- Select **FAQs** on the menu at the top of each page. Enter *+flood +coverage* in the *Search* field.

Appointed agents can submit questions to Citizens by replying to this email or logging in to the *Agents* website and choosing the *Contact Us* link on the top of the page. Citizens will respond within five business days. Agents also can contact the Customer Care Center at 888.685.1555.

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