

# Board of Governors Meeting

## President's Report

Tim Cerio – President/CEO and  
Executive Director

September 24, 2025



# DOAH Cases Referenced in 9/11/25 Letter

- Cases pending at DOAH are public record.
- Between 1/1/2025 and 6/2/2025, 45 cases made it to final hearing at DOAH.
- 25 of the 45 cases were withdrawn by the insured or their counsel, or the insured refused to participate in the hearing or provide evidence supporting the claim.
- Remaining 20 cases decided on the merits where Citizens prevailed at the final hearing. Final orders for these cases are readily available online.

# Division of Administrative Hearings Statistics

- Since the inception of DOAH, 1% of Citizens' claims have been referred to the Division of Administrative Hearings (DOAH).
- 37% settled by Citizens prior to a hearing in favor of policyholder.
- 52% of cases dismissed or abandoned by policyholder or their attorney resulting in no payment or nominal amount.
- 11% of cases go to final hearing.
- **89%** of Citizens' cases are resolved voluntarily prior to final hearing.

# Citizens' Processes and 6 Stages of Evaluation

1. Claims unit adjusts claim and makes a coverage decision.
2. If policyholder rejects decision and a Notice of Intent (NOI) is received, NOI team reviews the claim.
3. If NOI team agrees with the decision and refers the case to DOAH, a triage team conducts a new evaluation on claim.
4. If the case continues, a Claims Litigation team reviews the case and manages the litigation.
5. Outside counsel is assigned to the case and conducts another review of the claim then a report is provided.
6. In-house counsel participates in the litigation of the case and will raise issues of concern.

# Overview: Division of Administrative Hearings

- DOAH is an administrative court system operating for 50 years.
- Created by the Florida Legislature to resolve disputes for government entities.
- DOAH's operation costs is always paid by government entities, removing the financial burden off private citizens.
- Florida law ensures decisional independence of DOAH judges by prohibiting any adverse employment action based on case decision.

# Plaintiff's Lawyer Opposition to Use of DOAH

- DOAH reduces lawyer fees and costs to both Citizens and policyholders because of reduced case time.
  - Cases are resolved in less than 90 days instead of 2 to 3 years.
- Many plaintiff's counsel oppose DOAH because they cannot earn as large a fee as in state court because the litigation is no longer protracted.
- Reduced attorney's fees for Citizens means more funds remain in reserves to pay claims and avoid assessments.
- Based on litigation data, there is absolutely no shortage of lawyers willing to represent policyholders.

# Florida Insurance Reforms Misinformation

- Opposition to the insurance reforms began almost immediately after they were enacted.
- Following the 2024 hurricanes, Citizens was falsely accused of denying 77% of claims.
- 13.2%, not 77%, of claims closed because there was no loss under the policy, including flood only damage.
- False information regarding DOAH is the latest attempt to cast doubt about the insurance reforms.

# Facts

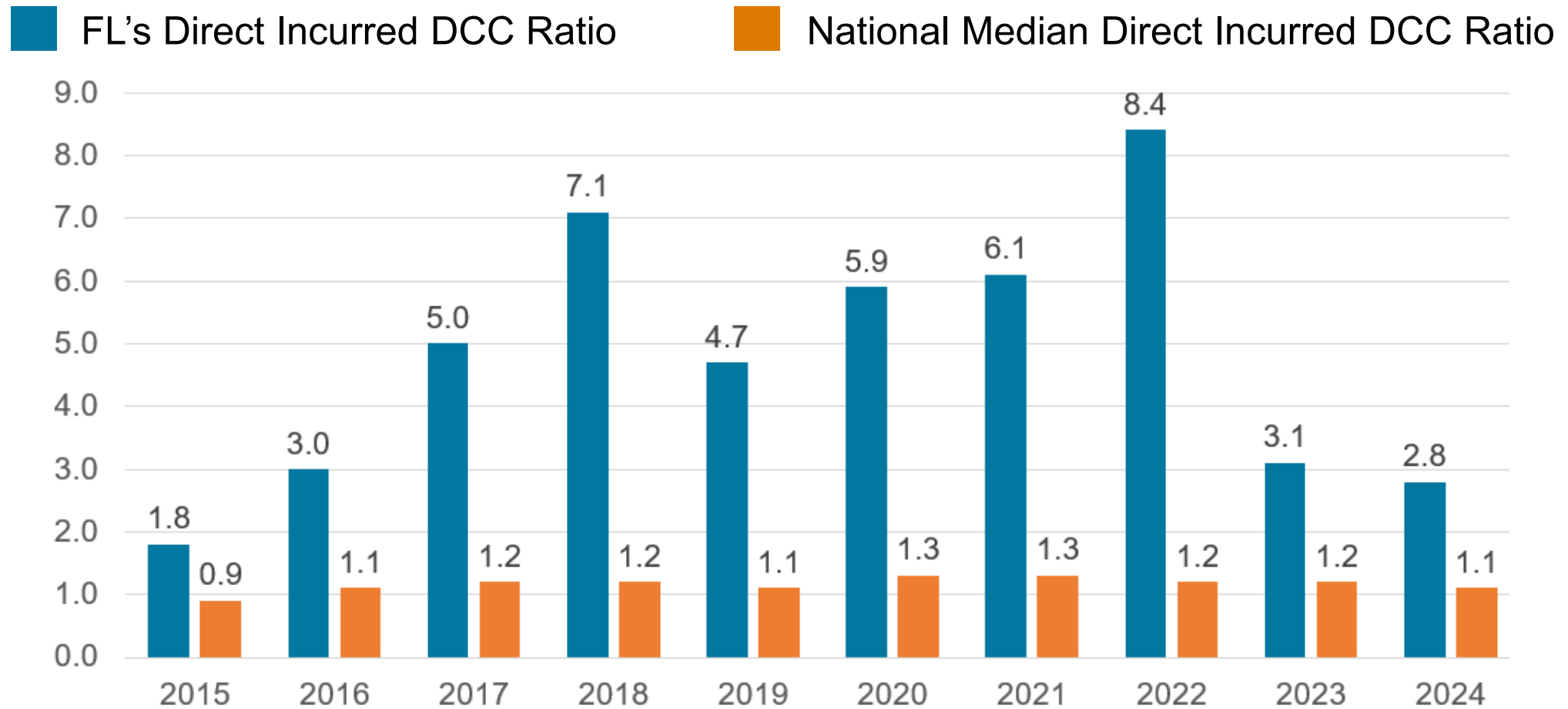
- Administrative law judges have a critical role in Florida's judicial and regulatory landscape.
- A judge in Tampa has temporarily enjoined Citizens' use of the DOAH process. Although this injunctive relief has been requested by Plaintiff's counsel in hundreds of cases, this is the only case where it's been granted.
- Florida law expressly authorizes the resolution of Citizens claims through arbitration at DOAH. It is constitutional and provides a well-established, impartial process for the resolution of claims.
- Plaintiffs and defendants alike pay less in attorney's fees, resulting savings for both the policyholders and Citizens.
- As the state-created and not-for-profit, insurer of last resort, Citizens has no financial incentive to deny claims.
- Savings from reduced attorney's fees remain in surplus to pay future claims and reduce the chance of an assessment on Floridians who are not even Citizens' customers.



# Success of Florida's Insurance Reforms

- Florida's property insurance market was on the brink of collapse due in large part to excessive fraud and frivolous litigation.
- Championed by Governor DeSantis, Florida Legislature curbed excessive and fraudulent litigation through insurance reforms resulting in:
  - 17 new property insurers doing business in Florida
  - Existing insurers expanding writings
  - Reduced reinsurance costs
  - Florida had the lowest rate increases in the country last year
  - Citizens has a smaller policy count; policies have returned to the private market, which means less exposure for all Floridians.

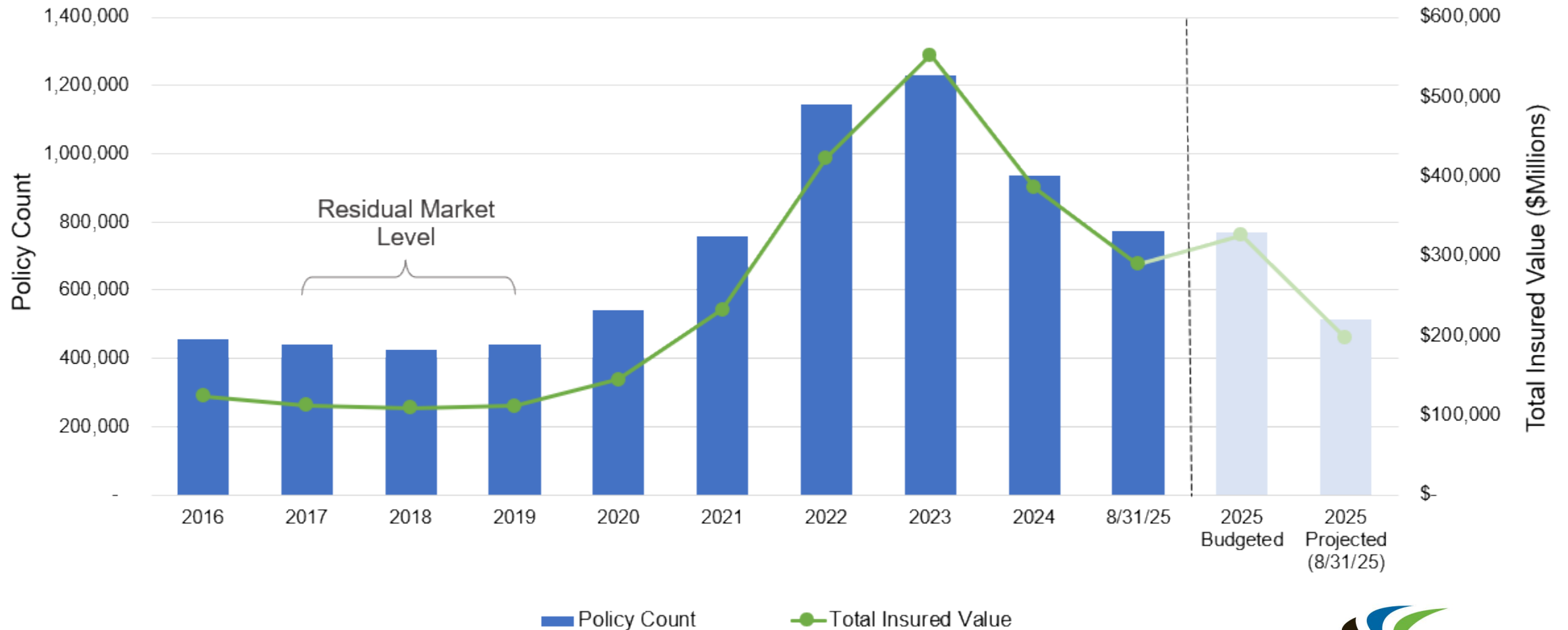
# Florida's Defense Cost Containment (DCC)



**Notes:**

- 1) Source: Jacobs, Tom, and Noor Ul Ain Adeel. "Florida Insurers Show Signs of Recovery." *Capitaliq.Spglobal.Com*, 8 Apr. 2025, [www.capitaliq.spglobal.com/apisv3/spg-webplatform-core/news/article?id=88142392](http://www.capitaliq.spglobal.com/apisv3/spg-webplatform-core/news/article?id=88142392).
- 2) Data from annual NAIC Exhibit of Premium and Losses filings using fire, allied lines and homeowner lines of business.
- 3) Ratio = DCC / Premiums Earned

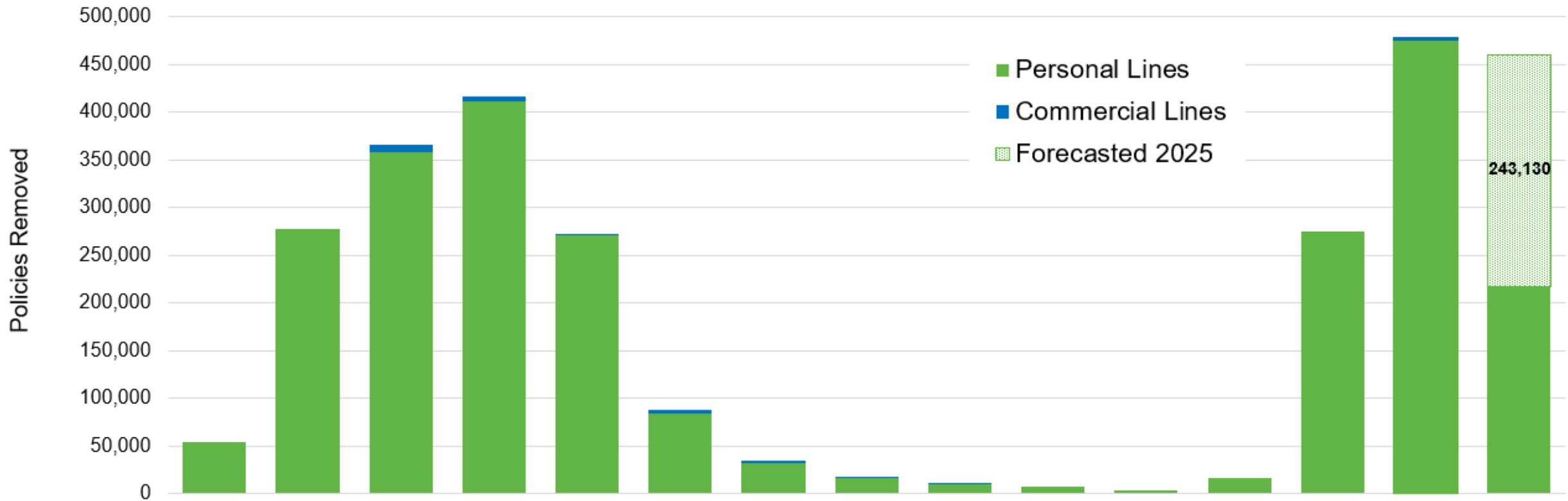
# Policy Count and Total Insured Value



# Citizens' Progress

	Data as of August 31, 2024	Data as of August 31, 2025	Percent Change
Policies Inforce	1,250,791	771,916	(38%)
Total Exposure	\$529,851,938,409	\$289,782,512,936	(45%)
Total Premium	\$4,409,205,875	\$2,466,053,200	(44%)

# Decreasing Citizens Policies – Depopulation



Removed	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	09/2025
Policy Count	53,577	277,002	365,767	416,623	272,785	88,000	34,008	17,905	10,084	7,463	2,814	16,408	275,324	477,821	216,799
Exposure (in millions)	\$14,474	\$75,927	\$112,265	\$117,530	\$64,830	\$23,363	\$7,435	\$4,308	\$2,181	\$2,497	\$1,027	\$7,174	\$113,375	\$214,527	\$89,901

Note: Depopulation does not reflect opt outs after the date of assumption.

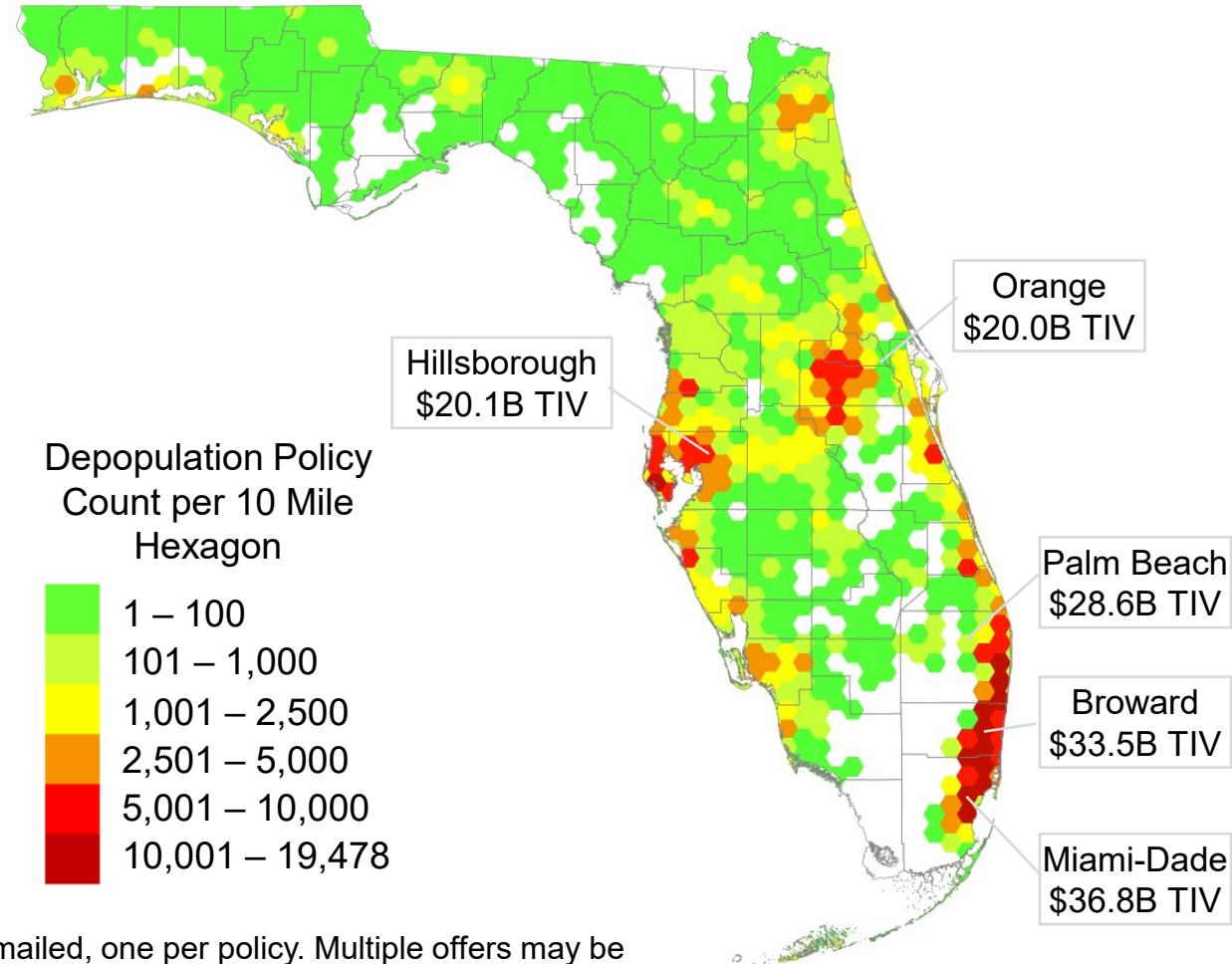
# Statewide Depopulation Activity

Depopulation Policy Activity in 2024 and 2025

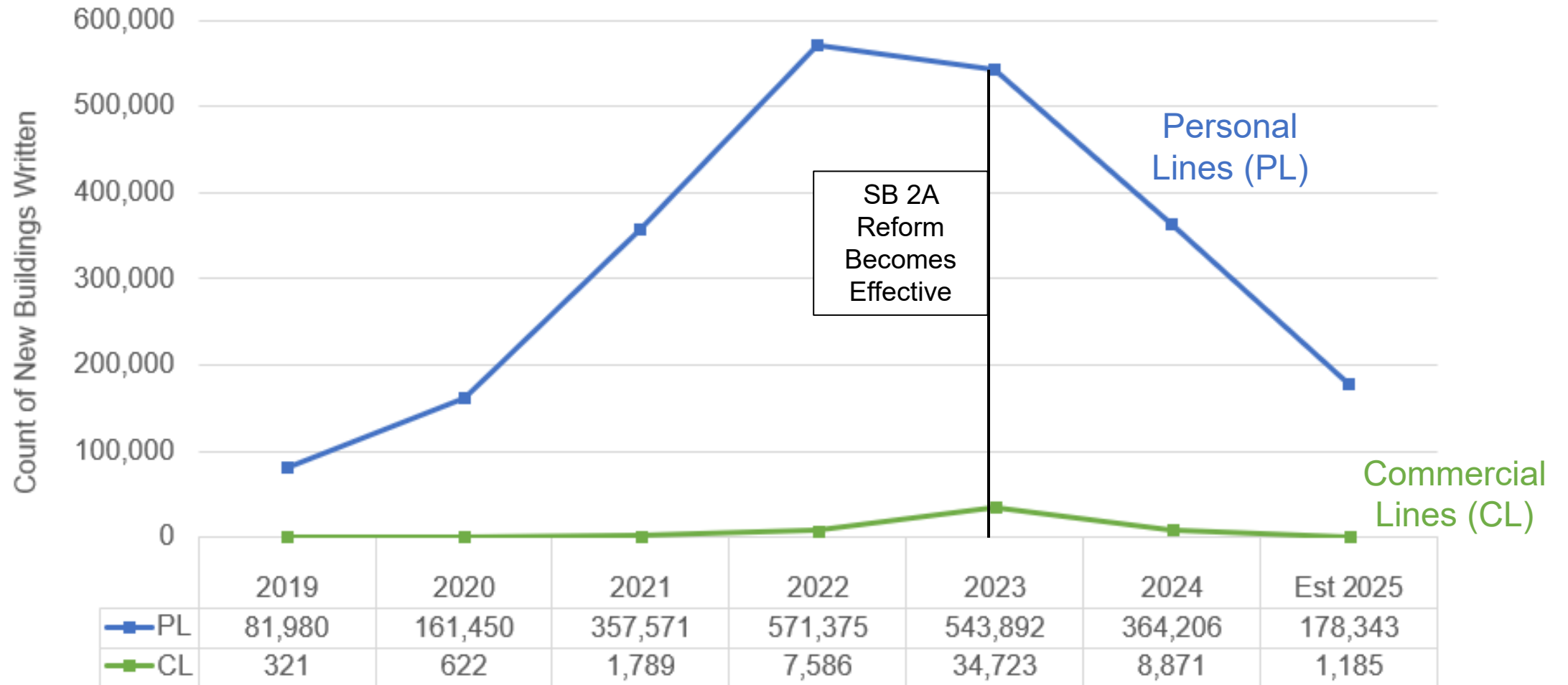
Assumption Date	# OIR Approved	Choice Letters Mailed	# Assumed
2024	1,307,949	711,090	475,697
2024 (CL)	5,800	3,129	2,124
1/21/2025 (CL)	3,800	320	170
2/18/2025	342,918	143,814	102,083
3/18/2025 (CL)	250	56	24
3/25/2025	160,440	47,334	14,980
4/15/2025	238,462	49,812	38,406
5/21/2025 (CL)	100	116	45
6/17/2025	135,540	60,382	44,391
8/19/2025	16,250	16,168	14,109
9/16/2025	51,500	3,139	2,591
10/21/2025	368,947	222,664	TBD
11/18/2025	443,547	TBD	TBD
11/25/2025 (CL)	7,215	TBD	TBD
<b>Total</b>	<b>3,082,718</b>	<b>1,258,024</b>	<b>694,620</b>

Notes:

- 1) Policyholder Choice Letters Mailed indicates the number of depopulation letters mailed, one per policy. Multiple offers may be contained in a single mailing.
- 2) Number assumed refers to policies assumed on date of assumption.
- 3) The hexagon map shows all personal lines (PL) and commercial lines (CL) policies assumed through September 2025.



# Citizens' Reduced New Business

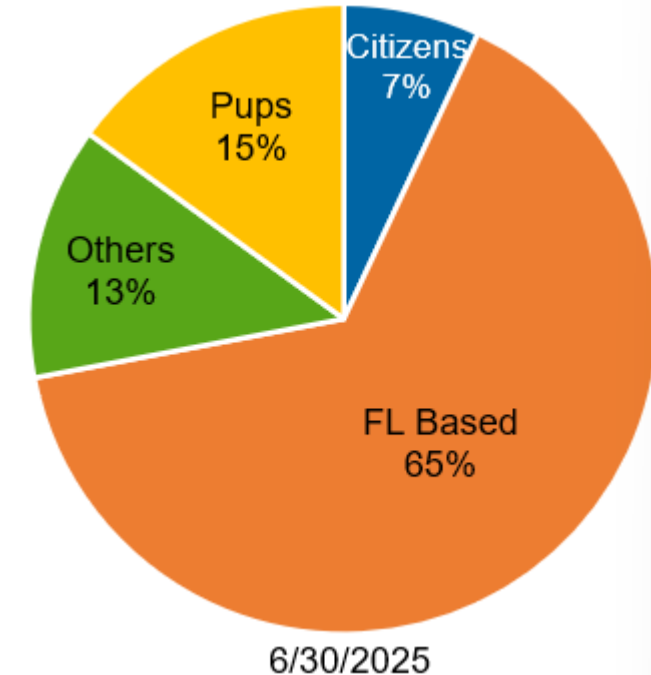


**Notes:**

1. Projected 2025 is based on data as of 8/31/2025.
2. Personal lines includes policies from insolvent carriers.
3. Includes policies with wind coverage; 3.0% of new policies exclude wind coverage over the past year.

# Historical Residential Property Insurance Market

Entity	4 <sup>th</sup> Quarter 2019	4 <sup>th</sup> Quarter 2020	4 <sup>th</sup> Quarter 2021	4 <sup>th</sup> Quarter 2022	4 <sup>th</sup> Quarter 2023	4 <sup>th</sup> Quarter 2024	2 <sup>nd</sup> Quarter 2025
<b>Citizens</b>	<b>4%</b>	<b>5%</b>	<b>8%</b>	<b>14%</b>	<b>15%</b>	<b>10%</b>	<b>7%</b>
FL Based	72%	73%	68%	55%	55%	62%	65%
Pups	10%	9%	9%	15%	15%	15%	15%
Others	14%	13%	15%	16%	15%	13%	13%



Pups: FL only subsidiaries of major national writers

FL Based: FL domiciled companies where the majority only write in FL

Others: Predominately national writers

## Notes:

1) Includes admitted insurers only

2) Based on insured value for policies with wind coverage

3) Percentages may not add up to 100% due to rounding

4) Source: *Quarterly and Supplemental Reporting System Reports*. FL Office of Insurance Regulation

