

CitizensAdvisor



Citizens board approves policy changes

MAITLAND, FL – Citizens Property Insurance Corporation’s Board of Governors last month approved a slate of policy language changes that will protect consumers while addressing rising costs of nonweather water loss claims and related litigation that continue to drive premiums higher.

By unanimous vote, board members approved proposed policy changes to boost incentives for policyholders to participate in Citizens managed repair program while better ensuring that customers who choose not to participate have adequate funds to make permanent repairs following a nonweather related water loss.

“We must address the abuse related to nonweather water claims while always ensuring every single Citizens policyholder has access to full coverage,” said Chris Gardner, Chairman of Citizens’ Board of Governors. “Rather than simply restricting coverage, our proposed solution seeks to protect our customers and provide customer-friendly options.”

If approved by the Office of Insurance Regulation, the policy language changes would limit payment on nonweather related water losses – a broken pipe, a leaking water heater – to \$10,000, including \$3,000 for emergency water mitigation services. The changes would take effect August 1, 2018.

Policyholders who take advantage of Citizens’ Managed Repair Program will not be subject to the policy sublimits. They would have the ability to choose from among a group of qualified, local contractors participating in the program whose work is warrantied for at least three years.

The language changes, however, would directly benefit policyholders who choose not to participate in Citizens’ Managed Repair Program by ensuring that at least \$7,000 is available for permanent repairs and reducing the potential for litigation, which can cause lengthy delays.

Most policyholders will not be affected by the policy changes because the costs for emergency water removal and permanent repairs on a nonweather water loss typically do not exceed \$10,000.

In 2017, Citizens launched its Managed Repair Program and established a \$3,000 limit on water mitigation services that could be exceeded if approved by Citizens. The flexible provision has had the unintended consequence of increasing the potential for litigation. Under the new language, additional water mitigation exceeding the \$3,000 limit would be completed by Citizens’ managed repair contractors at no cost to the policyholder.

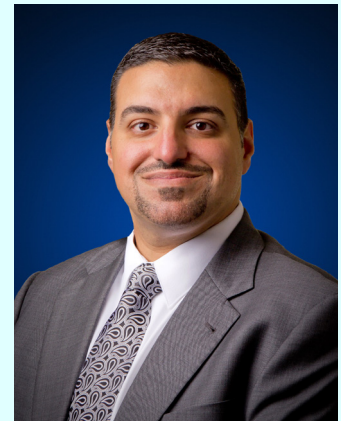
“We believe this is the most customer-centric approach to address the abuse and anticipated rate increases tied to nonweather water claim abuse,” said Steve Bitar, Citizens’ Chief of Consumer and Agent Services. “Again, our overriding goal is to ensure that every Citizens customer has choices and access to full coverage.”

May 2, 2018

Events

June 20 @ 9 a.m.
[Citizens Board of Governors](#)
Sheraton Orlando North

Spotlight



Steve Bitar

Chief of Underwriting and
Agency Services

Policies in Force

441,688

as of April 27, 2018

Supplemental Payments



Initial claims payments are based on the estimated cost of covered repairs known at the time of inspection. If the total costs of the repairs exceeds your initial claim payment or your contractor discovers additional damages, you may be eligible for supplemental payments.

Pro Tip:

If your contractor's estimate is more than Citizens' estimate or additional damages are found, contact your Citizens adjuster before signing any contract or proceeding with any work. Citizens will work with you and the contractor to determine if a supplemental payment is warranted.

#CitizensIsReady



During the claims process, your first payment may not always be your only payment. Your initial payment is the actual cash value (ACV) for your claim minus policy deductible. As repair work starts, you may be entitled to supplemental payments. Visit our learning library for more information on [How Citizens Estimates Repair Costs](#).

Citizens continues to assist policyholders recovering from Irma

TALLAHASSEE, FL – Citizens Property Insurance Corporation continues to assist policyholders getting back on their feet after Hurricane Irma by revisiting claims and making additional payments as repairs are made.

Field adjusters remain on the ground throughout the Keys and South Florida to revisit claims and revise damage estimates, when appropriate, to ensure policyholders are reimbursed for all covered losses associated with Hurricane Irma, which slammed ashore in September 2017.

To date, more than 24,500 of 66,400 Irma claims, about 37 percent, have been reopened for supplemental payment and to allow policyholders or their representatives to provide additional information related to their claim. Overall, Citizens has closed nearly 90 percent of all Irma-related claims. Open claims include properties with extensive damage, disputes and those in which a contractor has yet to provide an estimate for repairs.

"We want to reinforce to people that what we have provided them is an estimate and that estimates may change as repairs begin," said Jay Adams, Citizens' Chief of Claims. "The initial estimate and payment does not necessarily mean your claim has been concluded."

Following standard insurance protocol, Citizens made initial payments immediately following the storm to policyholders whose losses exceeded their hurricane deductibles. Those initial payments were based on the actual cash value of damages incurred. Additional payments to cover the replacement costs of the covered loss are paid as repairs get underway.

Supplemental payments are available for additional Irma-related damaged discovered during the repair process or if market conditions render the initial settlement inadequate to make reasonable repairs on covered losses. As repairs begin, policyholders should contact Citizens before beginning repairs for damages not included in our initial estimate or if the contractor gives a higher figure for the repairs described in the initial estimate.

Citizens' representatives are available to address all questions and concerns. Contact the Citizens Claims Resolution Unit at 866-411-2742, ext. 7794, or e-mail; ResolutionUnit@citizensfla.com. Field adjusters are also available for face-to-face consultation in the Keys.

"The claims team is diligently working to resolve all open claims as we prepare for the upcoming 2018 Atlantic hurricane season," said Craig Sakraida, Citizens' Senior Director of Claims. "Citizens has dedicated adjusters available to review requests for supplemental payments and set up additional inspections if needed."

News Links

[Court rejects Keys residents' challenge to Citizens rates](#)
Florida Politics

[Cloverplace Condos suit settles during appeal](#)
Florida Politics

[Citizens Property Insurance settles big Tampa Bay sinkhole case after executive director tours damaged condos](#)
Tampa Bay Times

[Hurricane Irma claims pass \\$8.6bn](#)
Artemis

[Hurricane Irma gave days' notice. What if the next big storm makes a surprise appearance?](#)
Bradenton Herald

[Hurricane Irma pounded the Florida Keys, but now they're back – some say better than ever](#)
Los Angeles Times

[Seminole County Sheriff's Office investigating roofing company](#)
WKMG ClickOrlando

[3 Changes the National Hurricane Center is Making This Season](#)
The Weather Channel

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[The Florida Channel](#)

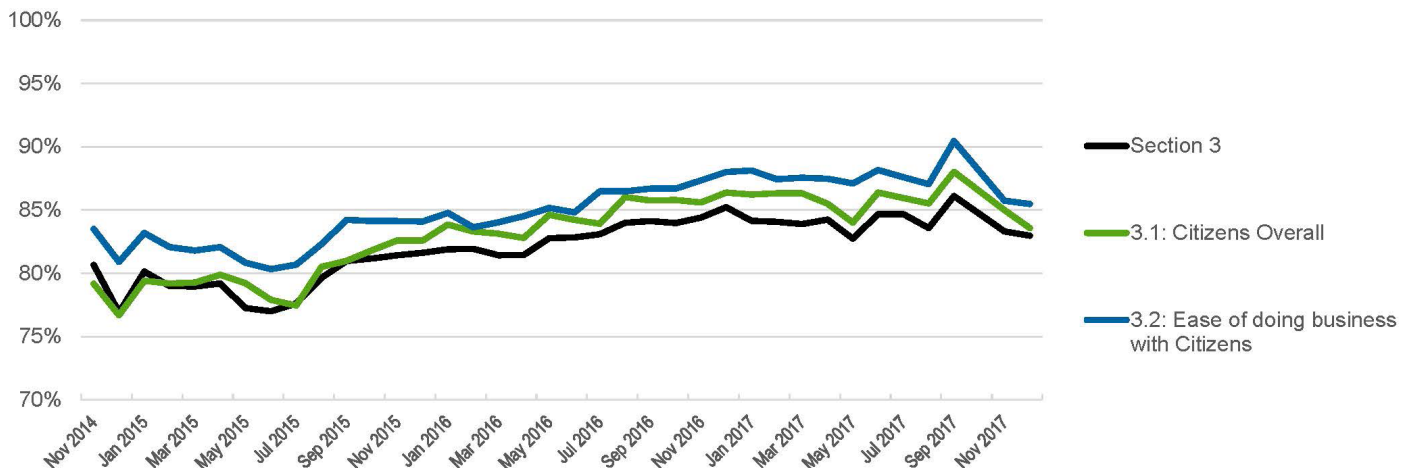
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	Section 3	Citizens Overall	Ease of Doing Business
2015	79.3%	79.9%	82.3%
2016	83.1%	84.7%	85.8%
2017	84.0%	85.6%	87.3%



*VoC efforts were placed on-hold mid-September through end of October to assist with Claims response.