

CitizensAdvisor



Citizens: Water loss impact on rates higher than earlier predicted

TALLAHASSEE, FL – Barring meaningful reforms targeting assignment of benefits and claims filing abuses, water losses in South Florida will drive up rates in the region by 10 percent annually for years to come, according to the latest loss data assembled by Citizens Property Insurance Corporation.

Skyrocketing water losses in Miami-Dade, Broward and Palm Beach Counties have eroded progress made following more than a decade without a hurricane. Given the latest data, rates in those counties would have to nearly triple to pay for non-wind related losses. Under Florida law, Citizens rate increases are limited to 10 percent a year.

Meanwhile, water losses threaten rate decreases in other regions of the state. While loss ratios now point to an average rate reduction of 10 percent outside of the South Florida for 2017, increasing water losses exacerbated by assignment of benefit abuses and late notice of loss threaten to eliminate those reductions across the state.

“We have spent the last four years returning Citizens to becoming a true residual market,” said Chris Gardner, Chairman of Citizens Board of Governors. “While we continue to focus on surplus preservation as we shrink, the latest results are alarming and show a deterioration of financial results that could never have been previously expected due to the recent experience of non-wind water losses.”

Citizens’ actuaries used the latest non-wind loss trends to project the 2017 indicated rate need for Miami-Dade, Broward and Palm Beach Counties along with an overall figure for the rest of the state.

Preliminary 2017 indicated non-wind, non-sinkhole rate changes:

<u>Region</u>	<u>Indication</u>
Broward	186.5%
Palm Beach	165.8%
Miami Dade	189.6%
Rest of State	-10.1%

“This is a true crisis,” said Barry Gilway, Citizens President, CEO and Executive Director. “I’m not sure people are fully aware of that. The impact of these numbers will be the maximum increases allowed by statute for the foreseeable future.”

In many cases, Citizens is not informed of the loss until after repairs are made. On average, Citizens now receives the first notice of loss on non-catastrophic water losses 30.3 days after the loss occurs. Such delay is accelerating litigation. Citizens is now adding an average of 650 new suits a month.

March 4, 2016

Events

March 9 @ 10 a.m.
[Claims Committee](#)

March 10 @ 10 a.m.
[Consumer Services Committee](#)

March 15 @ 10 a.m.
[Market Accountability Advisory Committee](#)

March 15 @ 1 p.m.
[Audit Committee](#)

March 15 @ 2:30 p.m.
[Actuarial and Underwriting Committee](#)

March 15 @ 4 p.m.
[Finance and Investment Committee](#)

March 16, 2016 @ 9 a.m.
[Board of Governors](#)

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Citizens supports keeping policyholders in charge of their claims by limiting the ability of third parties to assume control. To help control costs, customers need to report losses in a reasonable timeframe so that Citizens can inspect damage before permanent repairs are made. Citizens supports legislative initiatives to ensure this occurs in the future. Additionally, Citizens joins other insurers in calling for reforms to how attorney's fees are paid when there is an assignment on a claim.

This is not just a Citizens issue. There is strong evidence of companies withdrawing support from the Tri-County area with an intent to apply across the board rate increases.

"Without reform we will be making it harder for many Floridians to pay the increased premiums that will have to be charged," Gilway said. "The current average premium in Miami-Dade is \$2,800 and this could easily grow to over \$4,000 over the next five years even with the glide path limitations in place."

News Links

[Report: Florida Water Loss Claims up 46 Percent in 5-Year Period](#)
Insurance Journal

[Compromise insurance reform bill advances in Florida Senate](#)
Sun Sentinel

[Senator vows to keep working on property insurance bill](#)
Politico Florida

[Citizens files request for 72-hour deadline to report loss](#)
Sun Sentinel

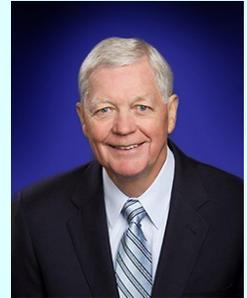
[These 10 states pay the most for homeowners insurance](#)
Insurance Business America

[Citizens insurance: New bill advances after 2015 Gov. Scott veto](#)
Palm Beach Post

[Lopez-Cantera: Protecting Floridians' American Dream](#)
Miami Herald

Did You Know?

Spotlight



Jim Henderson
Board of Governors

Policies in Force

485,365
as of February 26, 2016

Quick Links

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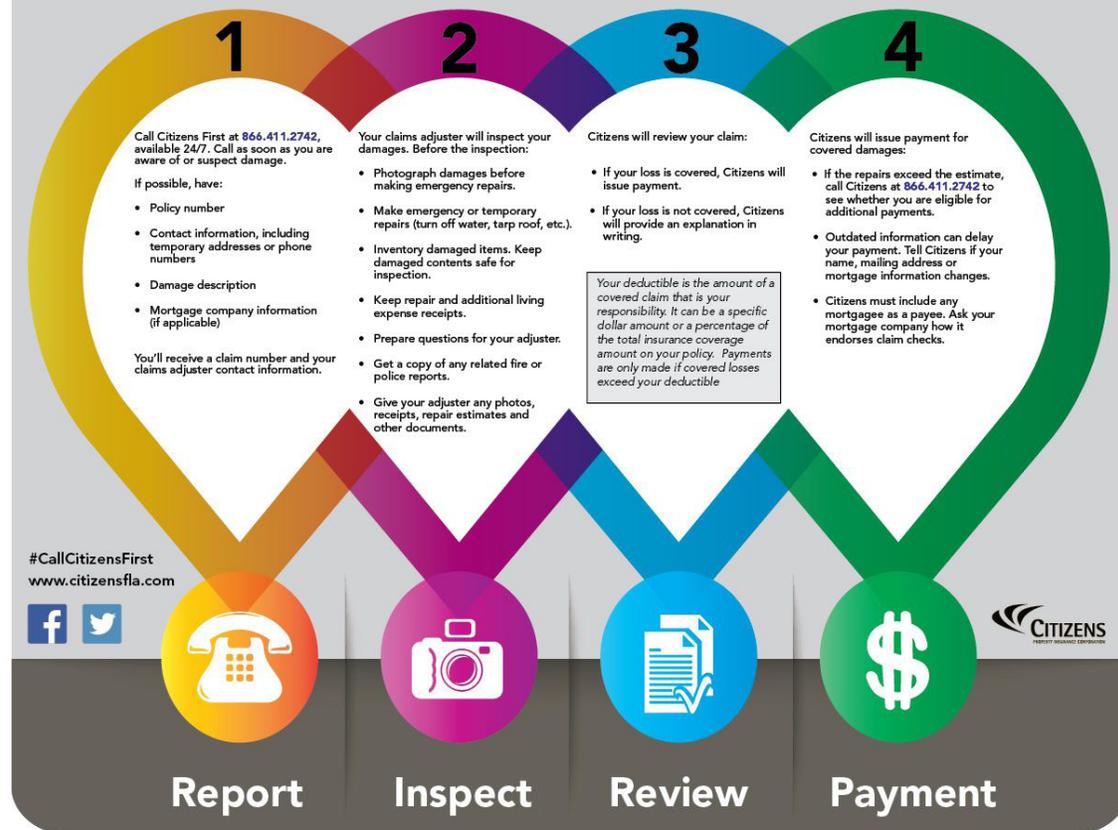
New Policyholder Identification Card



Your policy information, ready when you need it.
Policyholder identification cards included in new
and renewal policies starting February 2016.



Reporting a Claim in Four Easy Steps



Citizens announces successful launch of new website

TALLAHASSEE, FL – Following months of development and testing, Citizens Property Insurance Corporation has successfully launched a new website that will benefit customers, agents and other stakeholders by providing an easier to use and more comprehensive gateway into the state's insurer of last resort.

Launched February 1, the new site takes advantage of emerging technology and web design to provide a wider array of policy and corporate information. Among its new feature, the website contains a search function that will allow policyholders and agents to access critical information and more effectively manage their policies.

"The new website represents a major leap forward in Citizens' ability to empower our customers and make it easier for everyone to quickly find the information they need," said Christine Ashburn, Vice President for Communications, Legislative and External Affairs. "The improvements really put Citizens' site among the industry's top tier."

The new website www.citizensfla.com has seen nearly 193,369 visits since its successful launch on February 1. Of those visits, approximately 21 percent are new and 79 percent are returning visitors, according to Google Analytics. Currently, more than 5,804 users have registered with the site, including 278 adjusters and 4,895 agents

The development team includes more than a dozen Citizens employees from across the company, bringing together a group that included personnel with expertise in information technology, communications, graphic design, consumer outreach and agent services.

"This dedicated team of professionals has created an excellent product that will benefit our policyholders and others for years to come," said Chris Gardner, Chairman of Citizens Board of Governors. "I applaud their efforts and thank them for their hard work."