

CITIZENS PROPERTY INSURANCE CORPORATION
2101 MARYLAND CIRCLE
TALLAHASSEE, FLORIDA 32303-1001

TELEPHONE: (850) 504-4300 FAX: (850) 575-1879



FOR IMMEDIATE RELEASE
April 24, 2019

Contact: Michael Peltier
(850) 264-7702 (cell)
(850) 513-3774

Citizens applauds passage of AOB reform package

TALLAHASSEE, FL – Citizens Property Insurance Corporation on Wednesday applauded Florida lawmakers for passing meaningful legislation that will provide relief to Florida property insurance policyholders by reducing unnecessary litigation and assignment of benefits abuse.

The Senate’s passage of [HB 7065](#) caps a five-year effort to address runaway litigation and AOB abuse, especially surrounding nonweather related water loss claims that after decades of stability skyrocketed in recent years. These rising costs forced Citizens in 2019 to propose a rate increase for 97 percent of its homeowners policyholders. In 2015, Citizens passed on rate reductions to 70 percent of its homeowners policyholders.

Along with industry, business, and consumer groups, Barry Gilway, Citizens President, CEO and Executive Director, thanked Governor Ron DeSantis, Chief Financial Officer Jimmy Patronis, and Florida Insurance Commissioner David Altmaier for their support throughout the session.

“Today’s vote is a critical step in our efforts to bring relief to our policyholders, who have had to pay the bill for runaway litigation and AOB abuse,” Gilway said. “The bottom line is we could not have done this without the leadership of Governor DeSantis, CFO Patronis, and Commissioner Altmaier.”

Citizens’ actuaries have estimated the reforms would reduce the statewide average rate need from 25.2 percent to 10.1 percent for homeowners policyholders. In South Florida, the epicenter of the AOB abuse, the average rate need would drop from 30.4 percent to 12.8 percent. These figures will change slightly as policy information and data are updated.

Wednesday’s vote followed months of negotiations between stakeholders, legislative sponsors and their staff. Christine Ashburn, Citizens Chief of Communications, Legislative and External

Gary Aubuchon, Interim Chairman, Lee County • Bette Brown, Monroe County
Blake Capps, Martin County • Marc W. Dunbar, Leon County • James Holton, Pinellas County
William Kastroll, Collier County • Freddie Schinz, Okaloosa County • John Wortman, St. Johns County
Barry Gilway, President/CEO and Executive Director

Affairs, praised legislative leaders and sponsors for their commitment throughout the sometimes contentious process.

“Chairman Broxson and Chairman Rommel were critical to the passage of this much needed legislation,” Ashburn said. “We now have a reform package that will make a difference.”

###

In 2002, the Florida Legislature created Citizens Property Insurance Corporation (Citizens), a not-for-profit alternative insurer, whose public purpose is to provide insurance to, and serve the needs of, property owners who cannot find coverage in the private insurance market.

 [Find us on Facebook](#)  [Follow us @citizens_fl](#)