

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

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



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

Citizens again to evaluate reduction options

MAITLAND, FL – Citizens Property Insurance Corporation will again seek input from independent evaluators to determine if it is doing all it can to serve its policyholders and Floridians as the state’s insurer of last resort.

Citizens Board of Governors on Wednesday agreed that Citizens should again seek an outside review to see if additional options are available for Citizens to continue protecting Florida property owners while further reducing its footprint since the last outside study was published five years ago.

In August 2019, Senator Jeff Brandes, R-St. Petersburg, challenged Citizens to look at ways to further reduce its policy count, which at the time was 420,000. The board first discussed the issue at its September meeting. On Wednesday, board members agreed with Citizens staff to move forward.

“Senator Brandes is right. We should continue to look at ways to improve for our policyholders and stakeholders,” said Citizens Chairman Bo Rivard. “We agree the timing is right and look forward to seeing where it leads us.”

At its peak in 2011, Citizens covered 1.5 million policies - 23 percent of the Florida market - with exposure that topped \$512 billion. In the event of a 1-in-100-year storm, Floridians were on the hook for \$11.6 billion in assessments.

Since then, Citizens has eliminated the risk of assessment in a 1-in-100-year storm and reduced its policy count through depopulation efforts, an invigorated private market and legislative reforms to reduce unnecessary litigation and assignment of benefits abuse.

From 2011 to 2015, Citizens was the subject of studies by outside groups including Florida State University, the James Madison Institute, the Insurance Information Institute and the National

Bo Rivard, Chairman, Bay County • Bette Brown, Monroe County
Blake Capps, Martin County • Marc W. Dunbar, Leon County • Reynolds Henderson, Walton County
James Holton, Pinellas County • William Kastroll, Collier County • Carlos Lopez-Cantera, Miami-Dade County
John Wortman, St. Johns County • Barry Gilway, President/CEO and Executive Director

Association of Insurance Commissioners. The studies focused on ways to reduce Citizens exposure from its peak.

Citizens policy count has since leveled off and remained relatively stable in 2019, hovering above 420,000 until November, when Citizens added roughly 23,000 policyholders from Florida Specialty Insurance Company, which was placed in receivership by state regulators in October. As of December 6, 2019, Citizens policy count stood at 444,000.

“We still believe it is appropriate to examine what might be necessary to get Citizens exposure to an even lower level,” said Barry Gilway, Citizens President/CEO and Executive Director.

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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.

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