

CitizensAdvisor



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 last week 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. Last 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 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.

December 17, 2019

Events

March 25 @ 9 a.m.
[Citizens Board of Governors](#)
Tampa

Spotlight



Christine Ashburn

Chief - Communications,
Legislative & External
Affairs



Candace Bunker

Director - Legislative &
Cabinet Affairs

"We got lucky:" 2019 CAT season brings minimal losses

JACKSONVILLE, FL – After dodging a few meteorological bullets, Floridians emerged from the 2019 hurricane season with hardly a scratch as potentially disastrous storms spared the state despite a couple very close calls.

Citizens suffered minimal losses during the six-month hurricane season that ended November 30, a big relief following two previous seasons that so far brought nearly \$2 billion in claims from tens of thousands of policyholders in the Keys and the Florida Panhandle.

The year's biggest threat was Hurricane Dorian. At one point, the storm reached Category 5 strength as it battered the Bahamas with sustained winds of 185 mph. It was the strongest hurricane on record to strike the Bahamas since records began in 1851.

At Citizens, earlier projections estimated the potential for billions of dollars in losses from nearly 250,000 policyholders within the hurricane cone if Dorian made landfall in south Florida and then turned north to rake the entire eastern Florida seaboard.

"We were incredibly lucky with Dorian," said Barry Gilway, President/CEO and Executive Director. "If that storm would have hit the way it hit in the Bahamas between Dade and Broward, then this would have been the storm of the century. It would have been the largest storm on record."

In preparation, Citizens catastrophe response team kicked into high gear preparing for a worst-case scenario. Logistical preparations included plans to deploy staff to Catastrophe Response Centers, and alerting vendors that adjusters may be needed to handle claims. Daily briefings over several days updated Board members and Citizens leadership about the shifting nature of the storm in both direction and intensity.

While Florida was spared much of Dorian's wrath, Citizens policyholders did not go through the 2019 hurricane season unscathed. Dorian has so far resulted in 116 claims representing about \$250,000 in indemnity payments. Additionally, a Brevard County hailstorm and Tropical Storms Humberto and Nestor prompted 429 claims and \$4.5 million in indemnity payments.

Citizens and other insurers also continued to deal with effects from Hurricane Michael. As of December 13, Citizens had closed 94 percent of claims.

2019 rates kick in December 1, reflect savings from HB 7065

TALLAHASSEE, FL – Citizens 2019 rates began kicking in for new and renewal policies on December 1, 2019 with many policyholders seeing rate reductions or more limited rate increases after Florida lawmakers made significant assignment of benefits reforms earlier in the year.

Florida lawmakers in the 2019 session approved HB 7065. In June, Citizens Board of Governors approved a statewide average capped increase of 2.3 percent for homeowners multiperil policyholders. The increase was smaller than the 8.5 percent increase recommended in December 2018 that did not reflect passage of HB 7065.

Taking the changes into account, 110,000 homeowners, condo unit owners, dwelling and mobile homeowners policyholders will see rate decreases or smaller increases. Going forward, [Citizens has preliminary data showing HB 7065 has had a positive impact on lowering AOB litigation and abuse.](#)

Policies in Force

444,272

as of December 6, 2019

Quick Links

[Newsroom](#)

[Legislative Resources](#)

[Outreach Form](#)

[Online Sunshine](#)

[The Florida Channel](#)

[Board of Governors
Materials](#)



[Unsubscribe](#)

Identify it. Report it. Help stop it.

Common property insurance fraud:

- Providing deceptive information as part of a claim about the cause or date of loss or property location
- Knowingly inflating the value of damaged property on an otherwise legitimate claim
- Intentionally damaging property to make a claim
- Staging a burglary or theft and then falsely reporting a claim for stolen or damaged property
- Asking a vendor to inflate a repair estimate or invoice by the deductible amount or more
- Creating a false repair bill or receipt in support of a claim
- Concealing the use of or misstating the value of a residence to an insurance agent to reduce an insurance premium
- Submitting false information to or permitting false information to be submitted by an inspector in order to obtain a wind mitigation premium credit



Reminder: Lobbyist registration with Citizens deadline December 31

TALLAHASSEE, FL – Any lobbyist who represents a principal seeking to influence Citizens’ policy and procurement decisions after September 1, 2018, is required to [register with Citizens](#). Registered lobbyists and their principals are entered in a publicly searchable database on Citizens’ website.

Visit the [Lobbyist page](#) on Citizens’ website to learn more information. The 2020 Citizens lobbyist registration deadline is December 31, 2019. Lobbyists previously registered with Citizens should have received an email reminder with renewal instructions.

If you have any questions or need further assistance, use the [Contact Us](#) feature on our website and select Lobbyist Registration as the topic.

News Links

[Hurricane Season Ends This Weekend. It’s The Fourth In A Row That Was Busier Than Normal](#)
WLRN Miami

[Citizens Property Insurance looks for ways to reduce its policy count](#)
Tampa Bay Times

[Jimmy Patronis Meets With FEMA to Talk Hurricane Response Efforts, Flood Insurance](#)
Florida Daily

[Northwest Florida getting \\$287 million for Michael expenses](#)
WMBB

[Florida’s New Consumer Advocate Tackles Open Hurricane Michael Claims](#)
Insurance Journal

[Florida Sends \\$25 Million To The Keys and Miami-Dade To Buy Out Irma Flood Victims](#)
WLRN

[Insurers Pay \\$4.1M in Claims During Recent Hurricane Michael Claims Villages](#)
Insurance Journal

[US Senate votes to extend NFIP until Dec. 20](#)
Business Insurance