

CitizensAdvisor



AOB reforms would bring relief to policyholders

TALLAHASSEE, FL – Meaningful reform to stem skyrocketing litigation costs and assignment of benefit abuses would provide relief to Citizens Property Insurance Corporation policyholders by reducing the losses that continue to drive rates higher, Citizens told Florida Insurance Commissioner David Altmaier last month at its [2019 Rate Hearing](#).

Barring major amendments, preliminary estimates show pending legislation would cut Citizens' 2019 proposed statewide rate need for homeowners' multiperil coverage from 25.2 percent to 10.1 percent and provide [premium reductions for Citizens policyholders across the state](#). Final estimates would depend on specific legislative reform wording and more updated policy data.

While not providing immediate premium reductions to all Citizens policyholders, the legislation would go a long way toward stabilizing rates and shortening the time it takes for Citizens to provide rate reductions to its policyholders.

"The impact of litigation and AOB abuse has been really devastating," Barry Gilway, Citizens President, CEO and Executive Director, testified at the March 14 rate hearing in Miami. "We were able just in (20)15 to provide rate decreases to 85 percent of our (homeowners) policyholders. We're coming to you today asking for an increase on 97 percent of our policyholders. A huge shift in just a few years."

Citizens and the industry continue to see a large volume of litigated claims and AOB since 2013. Combining the data, there has been a 202 percent increase in litigated claims since 2016 and a 285 percent increase in AOB.

The Office of Insurance Regulation has yet to act upon Citizens' 2019 recommended rates. Legislation pending in the House and supported by Citizens would require Citizens to delay implementing rate changes for HO-3 and DP-3 policies until a rate filing can be made that reflects the expected savings.

April 10, 2019

Events

June 19 @ 9 a.m.
[Citizens Board of Governors](#)
Sheraton Orlando North

Spotlight



Barry Gilway
President/CEO and
Executive Director

Policies in Force

420,038
as of April 5, 2019

National Hurricane Center releases names for 2019 Atlantic Hurricane Season

MIAMI, FL – The National Hurricane Center has published its list of storm names for the 2019 hurricane season. Is your name on the list?

Here they are:

Andrea, Barry, Chantal, Dorian, Erin, Fernand, Gabrielle, Humberto, Imelda, Jerry, Karen, Lorenzo, Melissa, Nestor, Olga, Pablo, Rebekah, Sebastien, Tanya, Van, and Wendy.

Sound familiar? They should. The National Hurricane Center recycles its list every six years. This means the 2018 list of names will return in 2024, with a few notable exceptions. Two names from that list will be left out the second time around.

On March 20, the World Meteorological Organization voted to retire the names Florence and Michael from its rotating lists of names. A name is retired from use if the storm is “so deadly or costly that the future use of its name on a different storm would be inappropriate for reasons of sensitivity.”

A tropical system gets a name when it generates sustained wind speeds of 39 miles per hour, at which point it is officially a tropical storm. Many named systems never reach hurricane status, when winds reach 74 miles per hour.

Hurricane naming began in 1953. Only female names used until 1978. Male names were added in 1979.

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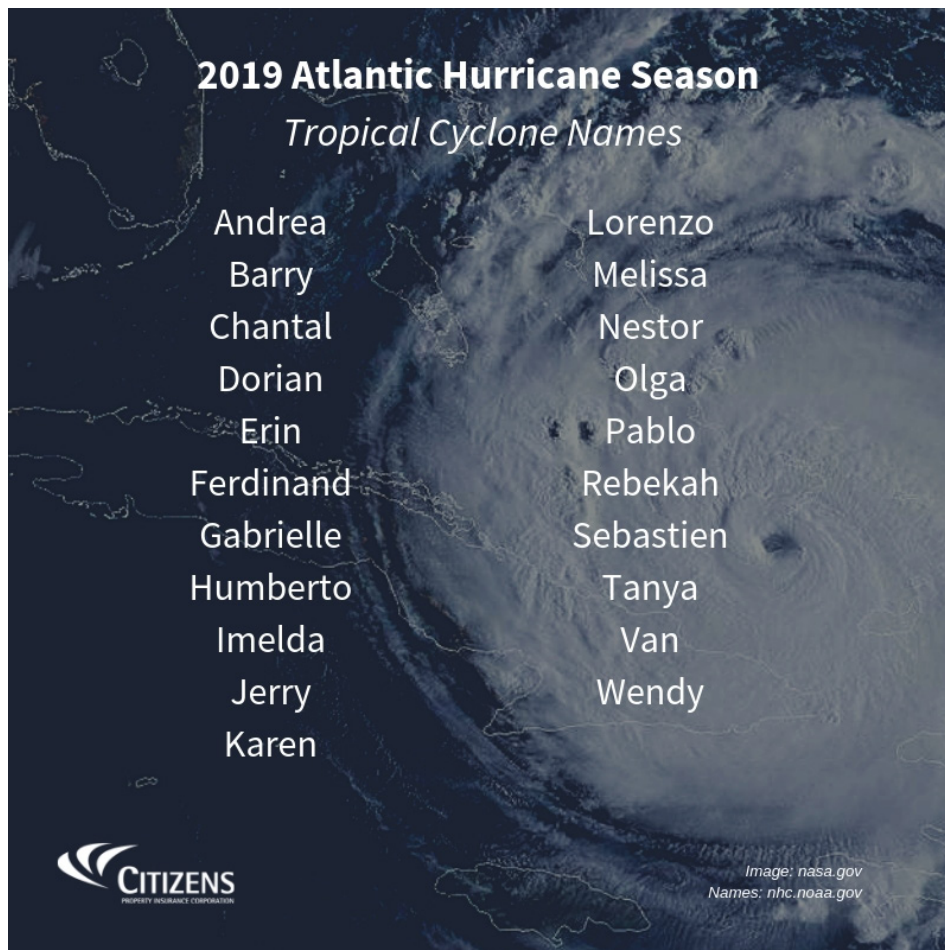
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What happens when an AOB is used during the claims process?



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