

Changes to Policy Language that Impact Claim Payments and Coverage

April 27, 2016

Citizens is implementing policy language changes to encourage prompt notice of losses and to specify requirements regarding emergency measures and permanent repairs.

The Florida Office of Insurance Regulation (OIR) has approved new policy language in the following policy types for new business and renewal policies effective on or after July 1, 2016:

- *Citizens Homeowners 3 – Special Form (CIT HO-3)*
- *Citizens Homeowners 6 – Unit-Owners Form (CIT HO-6)*
- *Dwelling Property 3 – Special Form (CIT DP-3)*

The major changes are outlined below. Citizens soon will be conducting webinars for agents about these changes.

Reasonable Emergency Measures

The policy provisions for *Reasonable Repairs* have been changed. These provisions now are titled *Reasonable Emergency Measures*.

Under these provisions, the policyholder is required to take reasonable emergency measures for the sole purpose of protecting the property from further damage. Major points include:

- Reasonable emergency measures are limited to the greater of \$3,000 or 1 percent of the Coverage A limit, unless the policyholder receives Citizens' approval in advance to exceed this amount.
- Reasonable emergency measures may include permanent repairs if necessary to prevent further damage or prevent unwanted entry to the property.
- To the degree it is reasonably possible, the damaged property must be retained for Citizens to inspect.

Loss Reporting

Policyholders must give prompt notice to Citizens. Except for the policy provisions regarding reasonable emergency measures, there may be no coverage for permanent repairs that begin before one of the following occurs:

- 72 hours after the loss is reported to Citizens
- Loss is inspected by Citizens
- Verbal or written approval is provided by Citizens

Policyholders also will receive a letter in their policy packages notifying them of these new loss reporting duties and the new requirements and limits for reasonable emergency measures for which Citizens will provide payment. The Declarations also will include a statement advising policyholders of the same.

In the event of a loss, policyholders and agents should contact Citizens first at 866.411.2742 when they become aware of a loss or suspect damage. As announced in [Personal Lines Bulletin: Policyholder Identification Card and Brochure](#), policyholders can refer to the [Reporting a Claim in Four Easy Steps](#) brochure. Refer to the [Claims](#) section of the *Public* site for additional information.

Coverage and Form Changes

Declarations will be updated to align with the new policy language regarding coverages and reporting a loss. Refer to the *Personal* section of the *Agents* site, and review the CIT HO-3, CIT HO-6, CIT DP-3 policy forms and the following endorsement forms:

- Unit-Owners Coverage A – Special Coverage, Form CIT HO-6 Only
- Special Coverage – For Use With Form CIT DP-3

Coverage changes have been made to the following:

- Coverage C – Personal Property: Water or steam, when considered personal property (for example, utility costs, bottled water, etc.) is not covered. If water or steam need to be replaced as part of a covered loss, it will be covered (for example, replacement of water in a swimming pool when there is a covered loss to the swimming pool).
 - Additional Coverages: *Reasonable Emergency Measures* is introduced. Collapse coverage has been revised to state that abrupt collapse of plumbing and other similar systems from age, deterioration or maintenance is not covered.
 - Perils Insured Against include the following:
 - Additional details have been added to the peril of Accidental Discharge of Water or Steam, which states that coverage is provided for necessary access to repair only the portion or part of the plumbing system that caused the covered loss.
 - Revisions to support other contract changes.
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Notice of Change in Policy Terms

The *Notice of Change in Policy Terms* included in each renewal offer will be updated to outline the changes above. These notices are available in the *Policyholder Notices* section under appropriate policy form pages on the *Personal* section of the *Agents* site.

Suspected Fraud

If you suspect insurance fraud on a Citizens policy or claim, complete the online form using the [Contact Us](#) link at the top of every web page.

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