

# Maximum Coverage Limit Decreased

**July 27, 2016**

As required by Senate Bill 1770, enacted by the Florida Legislature in 2013, and by approval of Citizens' Board of Governors, Citizens will decrease allowable maximum policy coverage limits.

Effective January 1, 2017, for new business and renewals, the following personal residential risks no longer are eligible for coverage under Florida law:

- A structure that has a dwelling replacement cost (Coverage A) of \$700,000 or more
- A single condominium unit with a combined dwelling and contents replacement cost Coverage A and C) of \$700,000 or more
- A tenant contents policy with a Coverage C limit of \$700,000 or more

Note: The maximum coverage limit changes reflected above will not affect policy forms where lower maximum coverage limits already exist.

Because the Florida Office of Insurance Regulation (OIR) determined there is not a reasonable degree of competition in Miami-Dade and Monroe counties, these two counties are exempt from the decreased coverage limit of \$700,000. The maximum coverage limit of less than \$1 million will continue to apply to risks in these two counties.

Citizens will comply with the nonrenewal guidelines in Florida Statute 627.4133 and mail affected policyholders nonrenewal notices in advance of nonrenewal dates of January 1, 2017, or later. The nonrenewal will be effective at the end of each policy's current term.

Agency principals soon will receive a separate email containing a list of affected policyholders, in order to assist them with securing coverage elsewhere.

Citizens' website, systems and manuals will be updated to reflect this change.

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