

# CitizensAdvisor



## Citizens Recovery Unit Helps Policyholders

TALLAHASSEE, FL – Citizens Property Insurance Corporation returned nearly \$310,000 in refunds directly to affected policyholders in 2014 as part of efforts that recovered claims payments of \$4.9 million by pursuing reimbursement from product manufacturers, contractors and other third parties responsible for the losses.

Citizens' recovery efforts in 2014 had a direct impact on keeping premiums as affordable as possible and ensuring that the state's non-profit insurer of last resort's policyholders receive the full the benefits to which they are entitled.

"The funds we recover either go to individual policyholders directly or are set aside to boost Citizens' surplus to the benefit all Florida policyholders," said Kay Weldon, Citizens Claims Manager overseeing recovery efforts.

Citizens' recovery unit was established in 2009. Its eight employees are charged with reviewing claim losses that appear to be the fault of someone other than Citizens' policyholder. Common causes for recovery include defective products, improper installation and negligent actions of other individuals or businesses.

The recovery unit surpassed its 2014 goal of \$3.3 million by more than 30 percent by taking back more than \$12,000 per claim in 2014 compared to its rate of more than \$10,000 per claim in 2013.

Citizens' ability to recover from parties that caused or contributed to policyholder losses resulted in the refund of \$309,335 in deductibles on 383 claims in 2014. Affected policyholders received an average refund on their deductibles of more than \$800.

**March 4, 2015**

### Events

**March 4 @ 1:30 p.m.**

[Information Systems Advisory Committee](#)

**March 5 @ 10 a.m.**

[Claims Committee](#)

**March 17 @ 9 a.m.**

[Market Accountability Advisory Committee](#)

**March 17 @ 11 a.m.**

[Audit Committee](#)

**March 17 @ 12:30 p.m.**

[Consumer Services Committee](#)

**March 17 @ 2:30 p.m.**

[Finance and Investment Committee](#)

**March 17 @ 4 p.m.**

[Actuarial and Underwriting Committee](#)

**March 18 @ 9 a.m.**

[Board of Governors](#)

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Among the Recovery unit's success stories:

- Recovered \$100,000 when the Citizens' origin-and-cause expert found a void created in the chimney when repairs were made. Citizens recovered 59 percent of its \$168,357 claims payout.
- Recovered more than \$68,000 – 100 percent of claims payout - when another insurer accepted liability in a case in which a driver lost control of a truck and hit an electrical transformer connected to a building that caught fire.
- Recovered more than \$15,000 for a water damage claim in which a refrigerator manufacturer agreed to settle with after Citizens when the leak resulted from a cracked drain pan in a six-month-old refrigerator.

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## Citizens to maintain presence in Tampa, Tallahassee after Jax Consolidation

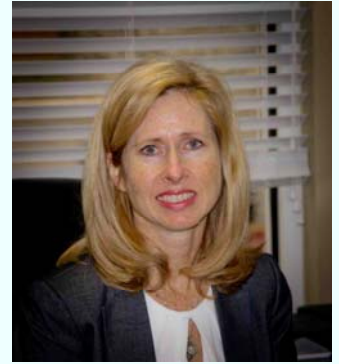
TALLAHASSEE, FL – Citizens Property Insurance Corporation will continue to employ nearly 450 workers and maintain offices in Tampa and Tallahassee following a planned consolidation of Information Technology operations at EverBank Center in Jacksonville later this year.

Last month, Citizens Board of Governors approved a plan to consolidate Jacksonville operations from four sites to the EverBank Center in downtown Jacksonville under a 10-year lease agreement covering 232,000 square feet. As part of the consolidation, Citizens is transferring 18 IT positions from Tampa and 135 positions from Tallahassee.

Following the move, Citizens will continue to employ 225 workers in Tampa. Citizens also plans to consolidate Tallahassee operations from three facilities into a single site that will house its legal services, government affairs, communications, finance, purchasing and analytics operations.

The Jacksonville consolidation is expected to save Citizens \$13.4 million over 10 years through a combination of favorable lease terms and reductions in costs associated with maintaining multiple facilities. The Jacksonville move is expected to be completed by the end of 2015.

## Spotlight



### Candace Bunker

Manager, Legislative & Cabinet Affairs

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### Policies in Force

**631, 840**

as of February 6, 2015.

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### Quick Links

[Newsroom](#)

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[The Florida Channel](#)

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What's the difference between Actual Cash Value and Replacement Cost?

When shopping for insurance, homeowners usually can choose between Actual Cash Value (ACV) and Replacement Cost when insuring their home's contents and personal possessions (Coverage C). As its name suggests, Replacement Cost covers the cost of replacing an item with a comparable new item. ACV covers an item's depreciated value – the value of the item minus the value it loses over time.

For example, if your five-year-old refrigerator is destroyed in a fire, Replacement Cost would cover the cost of replacing it with a new comparable refrigerator. ACV would reimburse the value of the fridge after five years depreciation, which likely is less than the cost of a comparable new refrigerator but may be enough to purchase a similar used unit. For most items, the older they are, the lower their Actual Cash Value is likely to be.

Although Replacement Cost provides more comprehensive coverage, it comes with a price, as insuring for Replacement Cost usually costs more than insuring for ACV. At Citizens, Coverage C automatically includes ACV, but homeowners may purchase optional Replacement Cost coverage for an additional fee. Work with your agent to determine what choice is best for you and your home.



## News Links

[Florida Legislature 2015: Insurance Preview](#)  
*Palm Beach Post*

[Citizens seeks \\$4.05 billion of 2015 risk transfer](#)  
*Artemis*

[CFO Atwater Cites Florida's Strong Comeback](#)  
*Sun Sentinel*

[Proposal aims to ease sting of soaring insurance rates](#)  
*Tampa Tribune*

[Global catastrophic losses down in 2014](#)  
*Business Insurance*