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Citizens Board Approves 2021 Rate Recommendations

TALLAHASSEE, FL – Citizens Property Insurance Corporation’s Board of Governors on Tuesday approved a pair of rate recommendations that make Citizens rates more competitive with private insurance company policies to slow the flow of policyholders returning to the Florida’s insurer of last resort.

Board members on a 7-2 vote approved rates recommendations for 2021 that call for a statewide average increase of 7.2 percent for personal lines policyholders – homeowners, condominium unit owners, mobile homeowners, dwelling, and renters. If approved by the Office of Insurance Regulation (OIR), the 2021 rates would go into effect for policies renewed after August 1, 2021.

Homeowner policies would increase by an average 6.1 percent. Condo owners would see an average 9.4 percent increase. Renters rates would increase 4 percent on average.

The board then voted 7-2 to recommend that new policyholders pay actuarially sound rates instead of benefiting from the same capped premiums that existing Citizens policyholders receive. If approved by OIR, the recommendation would increase rates for new business by an average of 21 percent.

In a related 6-3 vote, the board urged OIR to maintain caps for new business in Monroe County at 10 percent over the rate charged to renewing policyholders.

Tuesday’s vote comes as Citizens policy count over the past year has risen from 443,000 to 552,000, a 19.7 percent increase. Higher than expected losses from Hurricanes Irma and Michael coupled with stubbornly high litigation and reinsurance costs have prompted many private insurers to raise rates, limit coverage and exit particular markets.

“The objective here is to create a healthy, private insurance market in Florida that better represents what we are supposed to be, Florida’s insurer of last resort,” said Carlos Beruff, Board of Governors Chairman.

In December, Citizens Board of Governors deferred action on a slate of 2021 rate recommendations that called for an average 3.7 percent increase in personal lines coverage, including a 2.2 percent increase in homeowners coverage. The board directed Citizens actuarial staff to work with OIR to address a growing disparity between Citizens rates and those charged by private insurance companies in many areas of the state.

Citizens is required by law to recommend actuarially sound rates, while complying with a legislative glide path that caps individual rate increases at 10 percent, excluding coverage changes and surcharges. Meanwhile, private insurers are receiving rate increases far in excess of the 10 percent cap, widening the premium gap between private insurer and Citizens policies.

Citizens has prepared a [revised 2021 rate kit](#), which provides members of the media with information about its 2021 rate filing, including [county-by-county estimates](#) for specific policy types and frequently asked questions.

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In 2002, the Florida Legislature created Citizens Property Insurance Corporation (Citizens), a not-for-profit alternative insurer, whose public purpose is to provide insurance to, and serve the needs of, property owners who cannot find coverage in the private insurance market.

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