

**CITIZENS PROPERTY INSURANCE CORPORATION**  
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March 20, 2024

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**Statement from Tim Cerio, Citizens President/CEO and Executive Director, in response to Sen. Whitehouse letter of March 18**

"We have received and are reviewing the March 18 letter from U.S. Senate Budget Committee Chairman Sheldon Whitehouse. This letter is a follow up to his letter of November 30, 2023, which we responded to on December 15, 2023. A copy of our response is attached [here](#).

"We believe we fully addressed the concerns raised in Chairman Whitehouse's prior letter by pointing out in great detail the mechanisms under Florida law that ensure Citizens will always be able to pay the claims of its insureds. We also highlighted that neither Citizens, its predecessor entities, nor the State of Florida, have ever sought a federal bailout to cover hurricane losses. We also expressed concern that the Chairman's letter could cause misplaced panic in a Florida insurance market well on its way to recovery.

"We will certainly meet with Budget Committee staff to provide information and documentation about Citizens' structure, function, and claims paying ability. It is important to note that much of the information sought by the Budget Committee is already available online and is regularly discussed during our public board meetings.

"It is also important to reiterate to Floridians in general, and Citizens policyholders in particular, that Citizens' financial structure ensures that it will always be able to pay claims.

"Again, as outlined in our previous response to the Chairman's November 30 correspondence, we can think of no scenario in which Citizens would be required to seek federal financial assistance. If Citizens exhausts its surplus and reinsurance coverage following a major storm or series of storms, it is required by Florida statute to levy surcharges on its policyholders and assessments on non-Citizens policyholders to eliminate any deficit.

"This is not mere speculation. Following the 2004-2005 hurricane seasons, Citizens successfully used this assessment mechanism to eliminate a deficit without federal assistance and with minimal impact on Florida insurance consumers.

"Going into the 2024 hurricane season, Citizens will have the reserves and reinsurance coverage to handle a 1-in-100-year storm without having to levy assessments on non-Citizens policyholders. To put that into context, Hurricane Andrew was a 1-in-43-year event while Hurricane Ivan was a 1-in-20 to 1-in-25-year hurricane.

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Carlos Beruff, Chairman, Manatee County • Josh Becksmith, St. Johns County • Jason Butts, Pinellas County  
LeAnna Cumber, Duval County • Erin Knight, Miami-Dade County • Charlie Lydecker, Volusia County  
Jamie Shelton, Duval County • Robert A. Spottswood, Monroe County • M. Scott Thomas, St. Johns County  
Tim Cerio, President/CEO and Executive Director

“The Governor has been consistent and clear in his concern that if there were a major storm or series of storms, and Citizens exhausted its surplus and reinsurance, it would be required under Florida law to levy an emergency assessment on the policyholders of Florida – 83% of whom are not even Citizens customers.

“Although Citizens' assessment authority means that it will always be able to pay claims, Citizens' rates are currently actuarially unsound because of the "glide path." It is critical that Citizens be able to charge actuarially sound rates to help minimize the risk of such assessments on the people of Florida.”

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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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