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Citizens Secures Reinsurance Coverage for 2024 Hurricane Season

Citizens Property Insurance Corporation is purchasing \$3.56 billion in reinsurance for the 2024 hurricane season, giving Citizens the financial resources to pay claims following a 1-in-83-year hurricane without having to levy an assessment on most Florida insurance consumers.

Speaking to the Citizens Board of Governors on Wednesday, Citizens' Chief Financial Officer Jennifer Montero said Citizens secured the coverage for \$482 million. Combined with Citizens' surplus and coverage from the Florida Hurricane Catastrophe Fund, Citizens has \$14.4 billion in claims-paying ability.

"We have always structured our reinsurance program based on our expected needs and the conditions of the global reinsurance market," Montero said. "We followed that same strategy and believe the 2024 reinsurance program ensures Citizens has the strong financial ability to pay claims."

Like other insurance companies, Citizens goes to the global reinsurance market yearly to seek additional claims-paying coverage. In May, Citizens' Board of Governors authorized Citizens to spend up to \$750 million in 2024 on reinsurance, with Montero's team to determine the actual amount spent based on market conditions.

Citizens would first levy a surcharge on its policyholders if losses exceed \$14.4 billion, a 1-in-74-year hurricane. For comparison, Hurricane Andrew was an approximately 1-in-43-year event, while Hurricane Ian was an approximately 1-in-20 up to 1-in-25-year hurricane. Citizens would assess all Florida consumers with homeowners, automobile, boat, and other property and casualty insurance if a deficit still exists.

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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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