

CitizensAdvisor



Citizens Board defers action on 2019 rates

TALLAHASSEE, FL – Citizens Property Insurance Corporation’s Board of Governors in June voted to defer action on [2019 proposed rates](#) until December to give water loss policy changes time to take effect and South Florida policyholders more time to recover from Hurricane Irma.

Acknowledging concerns raised by consumer advocates and state leaders, the Board voted unanimously to defer action on a proposed 7.9 percent statewide increase for personal lines policyholders – homeowners, condominium unit owners and renters – which would have taken effect on February 1, 2019.

The 2019 proposed rates called for increases in homeowners multiperil premiums in 60 of 67 counties. Statewide rate increases are being fueled largely by increased litigation.

“Our policyholders have been and always will be Citizens’ top priority,” said Citizens Chairman Chris Gardner. “This consumer-friendly action reflects that priority, especially following the devastation brought on by Irma.”

Citizens is required by state law to submit a slate of actuarially sound rates to the Office of Insurance Regulation annually for approval. Rates for 2018 began taking effect May 1, 2018, after being deferred in response to Hurricane Irma, which made landfall in September 2017.

Prior to the June 20, 2018 meeting, Florida Chief Financial Officer, Jimmy Patronis, sent a [letter to board members](#) acknowledging the actuarial need for the 2019 proposed rates but urging board members to defer action in an attempt to cushion Hurricane Irma victims and address nonhurricane related losses without impacting rates for Citizens policyholders.

Citizens has so far received more than 65,000 personal lines claims from Hurricane Irma. Total losses in personal lines exceeds \$875 million. Total Irma losses, including those from commercial policyholders, is expected to approach \$1.2 billion.

“It is important that we consider the ongoing recovery of Florida residents following Hurricane Irma last year,” said Bette Brown, appointed by Gov. Rick Scott to be the Board of Governor’s consumer representative. “As you know, Irma impacted residents throughout the state, most notably in South Florida and the Florida Keys.”

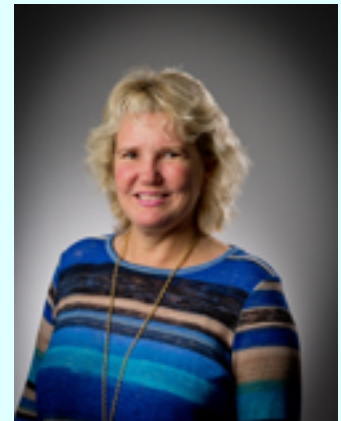
The deferral allows Citizens to review initial results of a newly established managed repair program that kicks off August 1, 2018. The program was created to address rising costs linked to water-loss claims, assignment of benefits and increased litigation, the effects of which appear to be spreading from South Florida to other parts of the state.

July 10, 2018

Events

September 26 @ 9 a.m.
[Citizens Board of Governors](#)
Sheraton Orlando North

Spotlight



Nancy Staff
Ethics & Compliance
Officer

Policies in Force

443,069
as of July 6, 2018

Citizens expands public disclosure, adopts lobbyist registration guidelines

TALLAHASSEE, FL – Lobbyists doing business with Citizens Property Insurance Corporation after September 1, 2018, will be required to register with the company under a corporate policy approved by the Board of Governors in June to better ensure transparency in dealings before the state-backed insurer.

Responding to a [May 2 request](#) from Florida Chief Financial Officer, Jimmy Patronis, Citizens board approved a corporate policy that expand public disclosure requirements already in place at Citizens and largely mirrors rules set up for lobbyists who represent clients before state executive branch agencies.

Lobbyists wishing to lobby Citizens must complete an online registration. The initial filing will be valid until December 31, 2019. The annual registrations will be made available to the public in a database housed on Citizens external website

“Citizens greatly supports the request by CFO Patronis and we immediately set to work to draft and create the infrastructure to implement the policy,” said Citizens General Counsel Dan Sumner. “In a very short period of time, we have developed a corporate policy that very much mirrors the executive lobbying requirements of the (state) statute.”

Citizens already complies with the public procurement requirements followed by state agencies and is also subject to public records laws. All competitive solicitations and contract awards are available for public view on Citizens website.

Citizens will reach out to executive branch lobbyists who may also represent clients with business before Citizens. The free, online registration will be available on August 1, 2018.

Citizens prepares for August 1 launch of managed repair program

TALLAHASSEE, FL – The revamped and much anticipated Citizens Managed Repair Program is set to kick off to provide Citizens customers quality service while attempting to rein in repair costs that are driving rates up for most of our policyholders

Beginning August 1, 2018, Citizens will limit payment on nonweather related water losses – a broken pipe, a leaking water heater – to \$10,000, including \$3,000 for emergency water mitigation services on homeowners multiperil (HO-3) and dwelling policies (DP-3) policies.

Customers who choose to take advantage of Citizens’ [Managed Repair Program](#) will not be subject to the \$10,000 sublimit. Participants in the Managed Repair Program can choose from a group of qualified, local contractors. Citizens will work directly with the service provider to monitor performance and ensure all covered repairs are completed to the customer’s satisfaction. Upon completion, the repairs will have a three-year workmanship guarantee issued by the contractor.

Policy changes accompanying the program aim to ensure that policyholders who do not participate in the Managed Repair Program have at least \$7,000 available for permanent repairs after completing emergency water remediation measures, while reducing the potential for AOB-driven litigation, which can cause lengthy delays and is driving rate increases across the state.

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