

# CitizensAdvisor



## Citizens Board gets Irma update, welcomes new members

MAITLAND, FL – Citizens Property Insurance Corporation emerged from the 2017 hurricane season financially sound and continues to assist policyholders recovering from Hurricane Irma, Citizens claims officials told members of the Board of Governors at their December meeting.

Looking ahead, Citizens will continue to face rising water-loss claims, assignment of benefit abuse and litigation. Further, the state's insurer of last resort is preparing for the return of more than 60,000 policyholders from private insurance companies facing similar market conditions that, barring legislative action, will force rates higher for years to come.

"Citizens remains fiscally sound after quickly and effectively responding to Hurricane Irma," said Chris Gardner, Chairman of Citizens Board of Governors. "Following the storm, we maintain \$6.4 billion in surplus and substantial reinsurance coverage that will be there the next time our customers need us."

While nearly 80 percent of 63,600 Irma claims have been closed, Citizens continues to work with policyholders whose claims remain open or whose closed claims need to be adjusted further.

Most policyholders have already had their homes inspected and many have spoken to a Citizens desk adjuster. If covered damages exceed the hurricane deductible, policyholders also have received a payment from Citizens based on those initial estimates.

Payments issued represent partial payment for Irma-related damages based on initial adjustments. As repairs begin, Citizens will make additional payments – up to the policy limits – if further Irma-related damage is discovered or market conditions render the initial settlement inadequate to make reasonable repairs on covered losses.

Following a September meeting shortened so Citizens employees could concentrate on Irma recovery efforts, the board approved the 2018 budget and amended timetables for policy changes set to take effect this year to address nonweather-related water losses and assignment of benefit issues.

The policy changes include the creation of \$10,000 limit on nonweather related water-loss claims unless repairs are completed by contractors participating in Citizens managed repair program. Originally scheduled to take effect on February 1, 2018, the sublimit will go into effect for new and renewal policies beginning May 1, to coincide with the implementation of Citizens 2018 rates.

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**January 9, 2018**

### Events

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**April 11 @ 9 a.m.**  
[Citizens Board of Governors](#)  
Sheraton Orlando North

### Spotlight

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**Jay Adams**  
Chief of Claims

### Policies in Force

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**440,288**  
as of December 29,  
2017

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Also rescheduled for May 1, 2018, are requirements that contractors and other third parties adhere to the same disclosure responsibilities as policyholders when they accept an assignment of benefit.

"We are doing what we can to address the critical issues of water losses, assignment of benefit abuse and litigation," said Barry Gilway, Citizens President, CEO and Executive Director. "To fully address the issue, we will need statutory changes, including revisions to Florida's one-way attorney fee statute."

Citizens also welcomed new board members who filled vacancies on the nine-member board.

John McKay, president of The Riverside Real Estate Co, served in the Florida Senate from 1990 to 2002. He was Senate President from 2000 to 2002. McKay, a Bradenton resident, was appointed by Florida's Chief Financial Officer Jimmy Patronis. He succeeds Juan Cocuy.

Blake Capps is a founding partner at Capps and Huff Roofing, Inc. (now Capps Roofing, Inc.). A graduate of the University of Florida and Mercer University Law School, Capps, of Hobe Sound, was appointed by Senate President Joe Negron, R-Stuart. He replaces Jim Henderson.

John Wortman, a resident of Ponte Vedra, returns to Citizens Board of Governors, where he served as a board member from 2011 to 2016. The former CEO of Louisiana Citizens Property Insurance from 2007 to 2010, Wortman was appointed by House Speaker Richard Corcoran, R-Lutz. He replaces Don Glisson.

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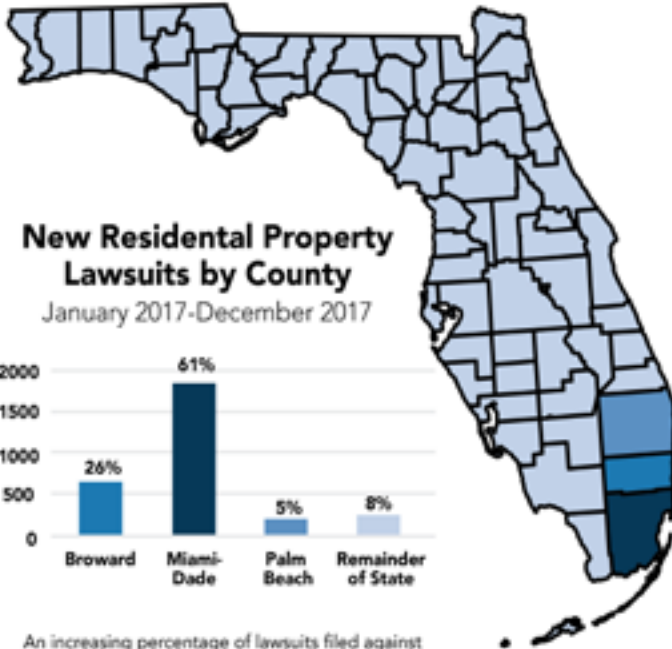
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**CITIZENS**  
PROPERTY INSURANCE CORPORATION

# Lawsuits Served to Citizens: Origins and AOB

From January 2017 through December 2017, Citizens was served with 7,471 lawsuits regarding residential property losses – averaging 623 new lawsuits per month.



An increasing percentage of lawsuits filed against Citizens – now up to about 38 percent – involve assignment of benefits (AOB) contracts.

## Percentage of New Property Lawsuits Involving AOB



#CallCitizensFirst

\*Year-to-date



## News Links

[Florida Chamber issues alert on assignment of benefits abuse, rising premiums](#)  
*Florida Politics (blog)*

[Editorial: Florida's Legal Tourism](#)  
*The Wall Street Journal*

[Citizens Property may add customers in wake of Hurricane Irma](#)  
*Politico*

[Citizens Insurance: Online portal to report, track claims planned by 2018 hurricane season](#)  
*Sun Sentinel*

[Irma insurance claims near 866,000 as pace slows](#)  
*The News Service of Florida*

[Oh no!: This forecast predicts an active 2018 hurricane season](#)  
*Palm Beach Post*

[Insurance companies send settlement checks to Hurricane Irma victims with string attached](#)  
*Sun Sentinel*