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Citizens Board Approves 2014 Rates

MIAMI, FL – Meeting at Miami Dade College, Citizens Property Insurance Corporation's Board of Governors on Wednesday approved rates for 2014 that call for a statewide average increase of 7.0 percent and continue a phase in of sinkhole increases in sinkhole prone regions of the state.

For single family homeowners, the proposed increase will average 6.6 percent for non-sinkhole coverage under a slate of recommendations that will be submitted to state regulators for approval later this year. Overall, the statewide average personal residential premium rate in 2014 is estimated to be \$2,112 for non-sinkhole coverage.

Compared to the 2013 filing, the overall rate need and capped increases approved by the board are lower. The board also approved a slower phase in of sinkhole rates than last year in targeted counties.

"The rates approved today by the board indicate that Citizens is moving in the right direction," said Citizens President and CEO Barry Gilway. "What took place today represents a measured approach. The board continues to make the tough but necessary decisions while recognizing the impact on Citizens policyholders."

The proposed 2014 rates will be submitted to the Office of Insurance Regulation, which must approve Citizens proposed rates before they can take effect.

Rate increases of non-sinkhole coverage are capped at 10 percent by statute. The cap, however, does not include payments to build up cash reserves in the Florida Hurricane Catastrophe Fund.

In Pasco and Hernando Counties, sinkhole rates will be limited to 20 percent of the indicated rate need. In Hillsborough County, rates will be increased by 50 percent of indicated need. A full premium will be assessed in other parts of the state, where sinkhole premiums are considerably lower and represent a much smaller percentage of overall premium.

Carlos A. Lacasa, Chairman, Miami-Dade County
Juan Cocuy, Palm Beach County • Carol Everhart, Pinellas County • Chris Gardner, Orange County
Don Glisson, Jr., Duval County • Tom Lynch, Palm Beach County • John Rollins, Alachua County
John Wortman, St. Johns County • Barry Gilway, President/CEO and Executive Director

The board approved proposed rates based on Office of Insurance Regulation estimates for risk load, a formula used to determine how much it will cost Citizens to purchase the capital necessary to pay claims in the event of a catastrophic storm.

Answers to common questions about Citizens' rates and premiums are in the included *Citizens 2014 Rates Frequently Asked Questions*. Also included in the kit are several documents that provide useful information about Citizens' costs and projected rate need for 2014.

The [*Citizens 2014 Rates Kit*](#) is available under *Press Kits* on the [*Media Resources*](#) page of www.citizensfla.com.

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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.