

CITIZENS PROPERTY INSURANCE CORPORATION  
2312 KILLEARN CENTER BLVD., BUILDING A  
TALLAHASSEE, FLORIDA 32309



TELEPHONE: (850) 513-3774 FAX: (850) 513-3903

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Contact: Michael Peltier  
(850) 513-3774  
(850) 264-7702 (cell)

### **Gilway Updates Citizens Board on Depopulation, Water Loss Efforts**

MAITLAND, FL – Citizens Property Insurance Corporation will continue to shrink as customers take advantage of private market options in the months ahead, but Citizens top executive warned Wednesday that water loss claims continue to hamper efforts to reduce rates for many policyholders.

Speaking to members of Citizens Board of Governors, President, CEO and Executive Director Barry Gilway said the legislatively created depopulation program has helped Citizens return to its role as the state’s insurer of last resort.

Since January, 141,680 Citizens customers have found coverage from financially solid private companies, which has allowed Citizens to shrink to under 586,000 policies from a peak of nearly 1.5 million in 2012. Additionally, Citizens is providing customers with more information regarding the takeout process, including estimates on renewal rates, to help them make more informed decisions.

Coupled with Citizens’ reinsurance program, which has transferred \$3.9 billion in risk from policyholders to global investors, depopulation efforts have helped Citizens eliminate the risk of assessments on Florida policyholders following a 1-in-100 year storm while continuing to protect policyholders who cannot find coverage in the private market.

Water loss remains a challenge for Citizens, especially in Miami-Dade County where water loss claims now account for more than half of every premium dollar collected. If water claims there mirrored trends in other parts of the state, more than nine out of 10 Miami-Dade policyholders would see rate reductions for 2016. Instead, the Office of Insurance Regulation last month approved rates that call for an average 8.1 percent increase for Miami-Dade customers.

“With all this success, leading Citizens is almost like playing whack-a-mole,” Gilway said. “When you knock down one issue another one takes its place. In claims, the critical issue that has surfaced in the past two years is water damage.”

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Chris Gardner, Chairman, Orange County • Gary Aubuchon, Lee County  
Bette Brown, Monroe County • Juan Cocuy, Palm Beach County • Don Glisson, Jr., St. Johns County  
Jim Henderson, Seminole County • James Holton, Pinellas County • Freddie Schinz, Okaloosa County  
John Wortman, St. Johns County • Barry Gilway, President/CEO and Executive Director

Citizens is ramping up efforts to educate policyholders on how to effectively identify and report legitimate water claims while bolstering efforts to ferret out fraudulent claims that are preventing Citizens from reducing rates in South Florida.

Among the efforts is a voluntary program to link customers with qualified remediation and repair companies to provide fast, fair and guaranteed repairs while reducing costs for all policyholders.

“The people who benefit most from this are consumers,” Gilway said.

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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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