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Citizens: OIR 2018 rate order balances rate need, Irma impact

TALLAHASSEE, FL – The Florida Office of Insurance Regulation on Wednesday approved 2018 rates for Citizens Property Insurance Corporation that recognize the continued challenges of rising non-weather water loss claims and litigation while providing some relief to Florida Keys policyholders who bore the brunt of Hurricane Irma.

While approving a statewide increase of 6.6 percent for homeowners multi-peril policies, state insurance regulators held rates steady for Monroe County policyholders until Citizens completes analyses and review of lessons learned from the powerful hurricane. Citizens 2018 request called for homeowners wind-only rates in the Keys to climb by 3.9 percent.

“The Office of Insurance Regulation’s 2018 rate order balances the needs of policyholders facing challenges from Irma with its responsibility to maintain a healthy property insurance market,” said Chris Gardner, Chairman of Citizens Board of Governors.

Under the approved rates, homeowners along the coast would see wind-only rates climb by an average of 0.9 percent. Rates for condominium unit owners would rise by a statewide average of 4.6 percent. Despite statewide increases, thousands of Citizens customers will see rate reductions.

State insurance regulators delayed a decision, usually reached in September, on Citizens 2018 rate request to focus attention on response efforts following Hurricane Irma, a Category 4 hurricane that made landfall in the Keys on September 10, 2017. The 2018 rates will take effect for new and renewal policies after May 1, 2018.

Industry-wide as of December 4, the storm had resulted in more than 850,000 claims with insured losses of nearly \$6.3 billion. Citizens expects to receive about 70,000 claims, including

more than 9,000 from Monroe County. Statewide Citizens losses are expected to exceed \$1.2 billion.

The order calls on Citizens to review rating territories throughout Monroe County and analyze wind mitigation credits while working with local officials to review building codes for possible revision.

“The residents of the Florida Keys have withstood challenges and will continue to do so as they rebuild in the wake of Hurricane Irma,” said Barry Gilway, Citizens President, CEO and Executive Director. “We look forward to working with all stakeholders going forward to address issues discovered as a result of the storm.”

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