



## Office Eliminates Last Hurricane Assessments

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**TALLAHASSEE, Fla.** – The Florida Office of Insurance Regulation (Office) has eliminated early the last of a series of emergency assessments on property insurance policyholders in Florida used to pay off claims from the eight hurricanes of 2004-2005.

The Office today issued an [Order](#) to the Citizens Property Insurance Corporation (Citizens) terminating a 1% emergency assessment on premiums of generally all property insurance policyholders, including Citizens policyholders. The assessment will be eliminated on policies issued or renewed on or after July 1, 2015 – two years ahead of schedule, due to an early payoff of the bond used to pay the claims.

The charge began at 1.4% in 2007, was reduced to 1% in 2011, and is now eliminated early due to growth in the number of policies being assessed over the years to pay off the bond. The \$1.38 billion collected was used to pay claims Citizens incurred from the 2004-2005 hurricanes that struck Florida.

Today's Order follows the early termination this past summer of the Florida Hurricane Catastrophe Fund's 1.3% emergency assessment on most property and casualty insurance policies, 18 months ahead of schedule.

"Citizens reports it expects to enter the 2015 hurricane season with more than \$4 billion in reinsurance coverage and about \$7.5 billion in surplus available to pay future claims – the highest in its history," said Florida Insurance Commissioner Kevin M. McCarty. "That's important, because Citizens can assess surcharges on all property insurance policies in Florida to cover any shortfalls that may occur in future hurricanes. A higher surplus, too, means that more claims can be paid from cash rather than relying as heavily on assessments."

Commissioner McCarty said another key to protecting Florida insurance consumers is the continued depopulation of Citizens.

“The Office has increased the number of Citizens policies authorized for take-out by private companies, lessening the risk for all insurance consumers of paying post-hurricane Citizens assessments. Citizens went from a high of 1.48 million policies in 2012 to 661,161 policies by the end of 2014 – an eleven year low,” said Commissioner McCarty.

For more information, visit the Office’s “Assessments” webpage at:

<http://www.floir.com/Sections/PandC/Assessments.aspx>

### **About the Florida Office of Insurance Regulation**

The Florida Office of Insurance Regulation has primary responsibility for regulation, compliance and enforcement of statutes related to the business of insurance and the monitoring of industry markets. For more information about the Office, please visit [www.floir.com](http://www.floir.com) or follow us on Twitter [@FLOIR\\_comm](https://twitter.com/FLOIR_comm) and [Facebook](https://www.facebook.com/FLOIR).

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