



FILED

JAN 22 2020

INSURANCE REGULATION

Docketed by: *[Signature]*

OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 256458-19

CITIZENS PROPERTY INSURANCE CORPORATION

INITIAL ORDER

TO: Barry Gilway, President
Citizens Property Insurance Corporation
2101 Maryland Circle
Tallahassee, FL 32303

THIS CAUSE came on for consideration as a result of a request by the Citizens Property Insurance Corporation (“Citizens”) to cease collections and refunds for Assessable Insurers and Assessable Insureds, to close its accounting for the 2006 Regular and 2007 Emergency Assessments, and to release any remaining restricted surplus. Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the FLORIDA OFFICE OF INSURANCE REGULATION (“OFFICE”) finds as follows:

1. The OFFICE has jurisdiction of this matter pursuant to Sections 624.307 and 627.351(6), Florida Statutes, and is authorized by law to issue and enforce this Order.
2. After eight hurricanes during the years 2004-2005, the Board of Governors of Citizens determined that a Plan Year Deficit existed for 2005, and that a regular assessment (“Regular Assessment”) and an emergency assessment (“Emergency Assessment”) (collectively “Assessments”) would be necessary in accordance with Section 627.351(6), Florida Statutes. The

OFFICE issued Orders on November 22, 2006, for the Regular Assessment (“2006 Order”) and on January 11, 2007, for the Emergency Assessment (“2007 Order”). On March 5, 2015, the OFFICE issued an order (“2015 Order”) terminating the Emergency Assessment early because the bonds had been repaid or adequate provision had been made for their repayment, and the Emergency Assessment was no longer required. The 2015 Order authorized all insurers to cease collecting the Emergency Assessment by July 1, 2015, on both new and renewal policies.

3. Since July 1, 2015, insurers and the Florida Surplus Lines Service Office, (“FSLSO”) on behalf of Assessable Insureds, have remitted relatively small amounts to Citizens based on transactions with policy effective dates prior to July 1, 2015, (“residual transactions”) whenever policy audits or other actions required additional premium payments or endorsements for coverage prior to that date. In appropriate instances, Citizens has issued refunds for the same type of residual transactions. In recent months, the amounts collected and refunded have become so small that Citizens has deemed them as immaterial for accounting purposes.

4. By Order issued January 25, 2007, with the agreement of the FSLSO and Citizens, the OFFICE required restricted funds received from the FSLSO to be maintained in a restricted account for a period of ten years “of their deposit” to defray any assessments levied during that time. No such assessments have been levied. The Office reserved the right to decide if disbursement of these funds is appropriate, but found that “[i]n the event that these funds are not accessed to pay an assessment within ten years of their deposit, these funds shall become a non-restricted net asset of Citizens.”

5. Accordingly, IT IS ORDERED:

The requirements relating to the remittance of the Regular and Emergency Assessments and reporting of related information do not apply to transactions submitted to, or received by, the

insurers and FLSO after March 31, 2020. Citizens shall discontinue all collections, refunds, and true-ups for transactions based on the Assessments for the Plan Year 2005 deficit, and is authorized to close out the Assessments for accounting purposes. Any amounts held by Citizens as restricted surplus shall be released and may be used by Citizens for the payment of any claims and expenses. Insurers and the Florida Surplus Lines Service Office are authorized to discontinue any payments to Citizens after May 15, 2020 and shall seek no further refunds from Citizens based on these Assessments after May 31, 2020.

DONE AND ORDERED this 22 day of January, 2020.



David Altmaier
David Altmaier, Commissioner
Office of Insurance Regulation

FLORIDA OFFICE OF INSURANCE REGULATION

NOTICE OF ADMINISTRATIVE RIGHTS

Pursuant to Sections 120.569 and 120.57, Florida Statutes, and Rule 28-106, Florida Administrative Code, you have the right to request a proceeding to contest this action by the Office of Insurance Regulation (Office) by filing a petition. Your petition must be in writing and directed to:

Agency Clerk
Office of Insurance Regulation
647 Larson Building
200 East Gaines Street
Tallahassee, Florida 32399-0300

The petition must be transmitted by U.S. Mail or private express mail service, or hand-delivered. Petitions transmitted by facsimile transmission or electronic mail will not be accepted for filing. Your petition challenging this action must be received by the Office at the above address not later than twenty-one (21) days from the date on which you receive this notice. Any document received by the Office before 5:00 p.m. shall be filed as of that day but any document received after 5:00 p.m. shall be filed as of 8:00 a.m. on the next regular business day. If you do not timely file a petition, your right to a proceeding shall be deemed waived and the Office's agency action will be final.

If you desire to challenge this agency action and do not dispute the material facts as found by the Office, you may request an informal proceeding by filing a petition pursuant to Sections 120.569 and 120.57(2), Florida Statutes. A petition for an informal administrative proceeding must comply with the content requirements of Section 120.569(1), Florida Statutes, and Rule 28-106.201, Florida Administrative Code.

If you desire to challenge this agency action and dispute the material facts as found by the Office, you may request a formal proceeding by filing a petition pursuant to Sections 120.569 and 120.57(1), Florida Statutes. A petition for a formal administrative proceeding must comply with the content requirements of Section 120.569(1), Florida Statutes, and Rule 28-106.201, Florida Administrative Code.

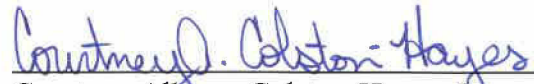
A petition that is not in substantial compliance with the applicable rules and statutes will be dismissed.

Any request for an administrative proceeding received prior to the date of this notice shall be deemed abandoned unless timely renewed in compliance with the guidelines as set out above.

Mediation under section 120.573, Florida Statutes, is not available for this agency action.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of this ORDER was sent by Certified Mail to: Citizens Property Insurance Corporation, Barry Gilway, President/CEO and Executive Director, 2101 Maryland Circle, Tallahassee, FL 32303 on this 22 day of January, 2020



Courtney Allyson Colston-Hayes, Esq.

FBN: 1003226

Assistant General Counsel

Office of Insurance Regulation

Division of Legal Services

200 East Gaines Street

Tallahassee Florida 32399-4206

850-413-4174

Courtney.Colston-Hayes@flor.com