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Subject: Press Release: ICA MET WITH AND OFFERED SUPPORT TO CONSUMERS WHO ARE FEARFUL OF THE RATE INCREASE FOR CITIZENS SINKHOLE COVERAGE

For Immediate Release

August 30, 2011

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ICA MET WITH AND OFFERED SUPPORT TO CONSUMERS WHO ARE FEARFUL OF THE RATE INCREASE FOR CITIZENS SINKHOLE COVERAGE

TALLAHASSEE—As Florida's Insurance Consumer Advocate, one of the most important parts of my job is to listen and respond to the concerns of Florida's insurance consumers. Recently, at a rally in Tampa, I had the opportunity to meet with and offer my support to consumers who are fearful of a drastic 429 percent rate increase for sinkhole coverage that has been proposed by Citizens Property Insurance Corporation.

The consumers I spoke with that day voiced many of the same concerns I have with this proposed rate filing. They are afraid they won't be able to afford their living expenses and will have to default on any mortgage that requires this coverage, further depressing the housing market in the most affected areas and further devaluing their homes, which for many is their largest and only personal investment.

As we approach the September 13, 2011, rate hearing, my office will continue to urge Citizens and the Office of Insurance Regulation, the agency that reviews rate requests, to consider the reforms passed in Senate Bill 408 during the 2011 Legislative Session to combat fraud in the sinkhole claims process. The reforms must be factored into the rate filing and given time to work. If, after full consideration with regard to the reforms, there is recognition that a rate increase is necessary, then an incremental approach should be applied considering the extreme economic condition consumers are now experiencing. An incremental approach would also allow us to document the impacts of Senate Bill 408 that may result in there being no need to implement future increases.

Consumers interested in providing me feedback in advance of the rate hearing on September 13, 2011, in Tampa can reach me at insuranceconsumeradvocate@myfloridacfo.com.

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The Insurance Consumer Advocate is appointed by Florida Chief Financial Officer Jeff Atwater and is committed to finding solutions to insurance issues facing Floridians, calling attention to questionable insurance practices, promoting a viable insurance market responsive to the needs of Florida's diverse population and assuring that rates are fair and justified.

Robin Smith Westcott, Esq.

Insurance Consumer Advocate