

**The Palm Beach Post (West Palm Beach, FL)**

**Citizens insurance: In a big change, it expects more customers in 2017**

**By Charles Elmore**

**June 21, 2016**

Brace for a change of direction at one of Florida's two biggest property insurers.

After years of losing customers, state-run Citizens Property Insurance Corp. expects to gain them in 2017, its top executive said Tuesday.

A big reason: Private competitors such as Heritage Property & Casualty Insurance Co. want to raise rates up to 25 percent in parts of South Florida.

That's where Citizens expects to gain customers — particularly in Palm Beach, Broward and Miami-Dade counties.

"When we forecast 2017, we're actually forecasting a slight increase in policy count," Citizens CEO Barry Gilway told company officials ahead of Wednesday's board meeting.

That's a significant change. Citizens has dramatically reduced its customer count from a high near 1.5 million in 2012 to below 500,000. Thanks to transfer offers from private insurers, it has been dropping a lot of customers annually — until now.

Forecasts once imagined the company continuing to shrink as low as 420,000, but company officials are now expecting to remain close to where they are in 2016 and even grow a bit next year.

A recent customer count of 490,000 represents a slight rebound from figures a few thousand customers below that.

Meanwhile, Citizens is asking for an average 6.8 percent rate increase statewide. Its board will be asked to approve that request Wednesday.

In Palm Beach County, Citizens seeks to raise 2017 rates an average of 8.4 percent for an average premium of \$1,890, according to company figures. About 6,833 customers out of 47,162 will see a rate decrease, but most are looking at higher premiums.

So why would Citizens expect to stay the same size or grow? By law, Citizens rate increases are capped at 10 percent a year. Despite more than a decade without a hurricane, many private insurers are asking for rate increases larger than that.

Citizens is blaming higher rates on losses on non-storm claims such as plumbing leaks, particularly in South Florida. So are many of its private competitors, but if regulators approve, they can raise rates potentially higher than Citizens can.

“If they get their rate increases compared to what we can potentially get, we’re going to be very competitive,” Gilway said. “We’re put in a position where we’re more competitive than we want to be.”

<http://www.mypalmbeachpost.com/news/business/citizens-insurance-in-a-big-change-it-expects-more/nrkRh/>