

INSURANCE JOURNAL

Florida Issues Data Call for Water Claims, Assignment of Benefit Costs

November 10, 2015

The Florida Office of Insurance Regulation (OIR) ordered Florida's largest property insurers on Oct. 23 to submit detailed information on water loss claims, mitigation services, litigation and assignment of benefits. OIR stated the data call would help evaluate the impact that assignment of benefits is having on property claims.

OIR is requiring the top 25 HO-3/dwelling fire writers in Florida to submit information for this data call, including Citizens Property Insurance Corp. However, OIR said the data call is available to any personal residential property writer that would like to participate. The deadline for companies to submit this information is December 7.

Water damage is #1 in homeowner's claims but winter sharply increases damage from frozen pipes. [Water Security Solutions](#) is a unique national "broker" for custom water damage prevention programs, consulting and products. Learn more before winter strikes and prevent the next water claim at [WSSUS.com](#).

The insurers are required to provide responses on issues ranging from how claims are filed and how much is paid, to detailed claims information, including names and addresses of the water mitigation companies, contractors, public adjusters and attorneys representing policyholders on claims going back to January 2010. OIR also has requested specific geographic information on where losses are occurring across the state.

Citizens, the state's insurer of last resort, has been vocal about its rapid rise of water loss claims since 2012, particularly in Miami-Dade County where the frequency and severity of water loss claims far exceeds any other region in the state, the company said.

Citizens President, CEO and Executive Director Barry Gilway welcomed the data call request, saying he's confident the OIR investigation will provide data from private companies that corroborates Citizens' analysis that [water claims are the leading driver of rates](#) across the state, especially in South Florida.

"As the state's non-profit insurer of last resort, Citizens is doing all it can to keep premiums as low as possible for our policyholders," Gilway said. "The surprising increase in the frequency and severity of water loss claims, particularly in Miami-Dade County, over the past several years makes it more difficult for us to control the need for rate increases."

A Citizens analysis of premium costs shows that water loss claims account for 33 cents of every premium dollar paid by its Florida customers. But in Miami-Dade, more than half of every premium dollar goes to pay for water loss claims, Citizens said.

“The bottom line is this. Were it not for water losses, most Miami-Dade customers would see a decrease in rates for 2016,” Gilway said. “As it stands, however, the average homeowners’ rate in Miami-Dade will climb by more than 6 percent.”

Related:

- [Citizens’ CEO Updates Board on Water Loss Issue, Depopulation Program](#)
- [Citizens: Water Losses the Reason for Rate Increases in South Florida](#)

##end##