

TAMPA BAY TIMES

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Editorial: Why should Citizens policyholders need their state lawmaker to get claims resolved?



Chris Sprowls: Has been named of counsel at Buchanan Ingersoll & Rooney, Tampa.

Published: May 5, 2018

Updated: May 5, 2018 at 08:32 PM

Citizens Property Insurance wisely ended its long-running fight with a Palm Harbor condominium association with a good resolution that finally will allow the homeowners to make needed sinkhole repairs. But the settlement only came about because an influential Pinellas state lawmaker intervened and persuaded Citizens' CEO to view the property himself. Resolving legitimate claims should not take such extraordinary measures, and property owners should not be bullied by any insurance company, much less one that is state-run.

Owners at Cloverplace Condos first noticed signs of sinkhole activity in 2007. But cracking stucco and depressions in the ground were met with denials from Citizens. The state-run insurer at one time rarely denied sinkhole claims, absorbing a half-billion dollars in sinkhole claims in one year. And in some of those cases, the property owners just took the money without fixing their homes. In litigating the lawsuit filed by Cloverplace homeowners, Citizens took a firm stand, insisting it would not make payments without a guarantee of repairs.

That's a reasonable stance that was carried to an unreasonable extreme. First, Citizens denied the claims based on a law passed after Cloverdale's insurance policy took effect. Then Citizens counter-sued, a rare and hostile move by an insurance company to take its own customers to court. The company first filed the case in St. Petersburg, then dropped it and re-filed in Clearwater, prompting a circuit judge to accuse the insurer of "judge shopping." And when the case went to trial in March and a jury sided with the condo owners, awarding them \$12.7 million,

Citizens immediately announced it would appeal — wasting even more taxpayer money and further prolonging the Cloverplace plaintiffs' misery.

Credit Rep. Chris Sprowls, who represents Palm Harbor and is expected to become House speaker in 2020, for intervening on behalf of his constituents to resolve this debacle. He asked to meet with Citizens CEO Barry Gilway, who then visited Cloverplace himself and saw the real damage. Attorney Ted Corless, who represented the homeowners association, said the settlement came together quickly after that. The total figure wasn't released, but it includes the \$12.7 million verdict, several million more for homes not covered by that award, plus interest and attorneys' fees. That's good news for Cloverplace residents, but it amounts to a needlessly expensive resolution that was too long coming.

Citizens' contention that insurance payouts should always be used to fix damaged homes is certainly correct, and statutory reforms that helped contain the runaway train of sinkhole claims were good for Florida taxpayers. Still, Citizens' treatment of Cloverplace owners — its own customers — who just wanted to get their homes fixed was unacceptable. Citizens policyholders should not have to rely on their state legislator to get fair treatment from their insurer.

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