**SINKHOLE ARTICLES**

This compendium of articles, linked or reproduced below, is provided for ease of reference for those reading the blog titled; ***Citizens Sinkhole Rate Increase...Being Right or Being Truthful?*** No attempt has been made, nor is it represented that these articles are either comprehensive or accurate; only that they are pertinent references to blog post referenced above and may be helpful to a full understanding of the opinions expressed therein.

* [Sinkhole rate hike spurs rally](http://www2.tbo.com/news/politics/2011/aug/17/menewso3-sinkhole-rate-hike-spurs-rally-ar-251037/)
* [Insurance customers protest new sinkhole rates](http://www2.tbo.com/news/2011/aug/16/insurance-customers-protest-new-sinkhole-47975-vi-23750/)
* [Pasco Residents, Fasano Protest Proposed Sinkhole Insurance Rate Hike](http://landolakes.patch.com/articles/pasco-residents-fasano-protest-proposed-sinkhole-insurance-rate-hike-2)
* [Outrage in Pasco over proposed insurance hikes](http://www.myfoxtampabay.com/dpp/news/local/nature_coast/outrage-in-pasco-over-proposed-insurance-hikes-08162011)
* [Tampa Bay residents protest sinkhole rate increases](http://www.wtsp.com/news/topstories/article/206082/250/Residents-protest-sinkhole-rate-increases)
* [Pasco, Hernando residents' sinkhole coverage outrage on display](http://www.tampabay.com/news/politics/pasco-hernando-residents-sinkhole-coverage-outrage-on-display/1186354)
* [Tampa Bay residents rally against proposed Citizens Insurance rate hike](http://www.abcactionnews.com/dpp/news/region_pasco/bay-area-residents-rally-against-citizens-rate-hike)

CARL ORTH | The Suncoast News

Published: August 12, 2011

NEW PORT RICHEY - Some Pasco residents are getting that sinking feeling in the pits of their stomachs about steep rate hikes proposed for optional sinkhole coverage from Citizens Property Insurance Corp.

A barrage of letters, emails and other correspondence is swamping the office of state Sen. Mike Fasano, R-New Port Richey. The hint of desperation in the messages has inspired a demonstration Aug. 16 against the proposed Citizens rates, Fasano said.

Policyholders can create their own signs or wave preprinted signs at the rally 4 - 6 p.m. Tuesday in front of the West Pasco Government Center, 7530 Little Road, New Port Richey. Call Fasano's office at (727) 848-5885 for information.

In the meantime, state regulators are formulating plans for a public hearing on the Suncoast about the Citizens rates, according to state Rep. John Legg, R-Port Richey. Friday afternoon, the Florida Office of Insurance Regulation announced it will conduct the public hearing to discuss Citizens' proposed rate increases. The hearing will take place 4 - 10 p.m. Sept. 13 in Ballroom D of the Tampa Convention Center.

Citizens Property executives had not responded to a request for comment press time. In the past, they have said the insurer of last resort had collected about $32 million in sinkhole-related premiums from homeowners in 2010. Projected losses and related expenses for the same period are approximately $245 million.

"There's a lot of confusion," Legg said about the sinkhole rate hikes under review.

The proposed Citizens increase applies only to the optional sinkhole coverage. Rate increases for the main, homeowner's insurance policy from Citizens remains capped at 10 percent a year. The main policy covers only catastrophic ground collapse that would make a home unlivable.

State lawmakers this year allowed insurers to charge actuarially sound rates for sinkhole coverage. Even so, "The rates shouldn't be going up as much," Legg said.

Lawmakers enacted many changes this year to curb fraud on sinkhole claims, Legg emphasized. He thinks Citizens executives didn't factor that into their equations on rate increases. For instance, a homeowner no longer could claim a crack in a driveway is evidence of a sinkhole.

"There's going to be a very delicate balancing act that OIR does," Legg said, referring to the Florida Office of Insurance Regulation.

"Absolutely the legislature will do something about it" in 2012 if sinkhole rates soar too high, Legg remarked.

The reassurances haven't convinced some Pasco residents.

Fasano said he received a letter from a West Pasco woman whose insurance premiums could increase thousands of dollars. Her mortgage company insists she must have full sinkhole coverage. About four out of five Citizens customers opted out of full coverage in the past several years.

"I had (an email) from a veteran telling me he and his wife will no longer be able to stay in their home if these rates are approved," Fasano added.

"I am … a retired person and living on a fixed income," another resident wrote to Fasano about the proposed rate hike. "Any passage would be detrimental to our family's financial stability."

Carl Orth can be reached at 727-815-1068 or corth@suncoastnews.com.

[**Sinkhole or Catastrophic Ground Collapse – A Florida Dilemma**](http://www.nusurance.com/2011/08/sinkhole-or-catastrophic-ground-collapse-%E2%80%93-a-florida-dilemma/)

Most of the questions we get either by phone or email is about the New Florida Sinkhole Law.  Do I have Sinkhole coverage or not?

A recent change in Florida law requires authorized insurers to cover “catastrophic ground cover collapse,” but damage caused by a sinkhole may not be covered by your policy. More Confused? – Let me see if I can explain. If you have a Homeowners policy in the state of Florida (issued by an admitted authorized carrier) you have coverage for “Catastrophic ground cover collapse.” That is “geological activity that results in ALL of the following:

* The abrupt collapse of the ground cover;
* A depression in the ground cover clearly visible to the naked eye.
* Structural damage to the building including the foundation; and
* The insured structure being condemned.

All of the above conditions must be met including the “Condemnation” of your home to “Trigger” coverage.

The next question is what is NOT covered?

If your damage does not result in the above, including “condemnation” but does “cosmetic” damage the policy will not respond unless you purchase “Sinkhole” Coverage.

Some companies do not offer “Sinkhole” Coverage, others do but require and inspection. Some companies will charge you for the inspection some will not, in either case you will not have any coverage until the company inspection is completed and coverage is “bound” by the company.

More Questions?

Call us 813 514 6982 or email us at info@nusurance.com

Important Florida Sinkhole information – [Click here for Download  Link](http://www.nusurance.com/nusurance-knowledge-base-and-library/florida-sinkhole-information/)

Posted on Saturday, August 6th, 2011 at 9:53 pm | Filed under [Homeowners Insurance](http://www.nusurance.com/category/homeowners-insurance/)

Published on *Sunshine State News* (<http://www.sunshinestatenews.com>)

**Coming Soon: Public Hearings on Citizens' Rate Proposal**

Sinkhole coverage technically optional, but some mortgage holders insist on it

[David Royse News Service of Florida](http://www.sunshinestatenews.com/source/david-royse-news-service-florida)

Posted: August 13, 2011 3:55 AM

The Office of Insurance Regulation will hold a public hearing next month in Tampa on proposed increases in homeowners and sinkhole insurance rates for the state's largest insurer that have stunned some customers with their magnitude.

The sinkhole coverage increases proposed by state-backed Citizens Property Insurance Corp. range from no increase in some areas of the state to a proposed average increase of 2,226 percent in the Orlando area. Statewide, the proposed sinkhole premium increase is nearly 450 percent.

A few lawmakers have suggested that the Senate also hold public hearings before OIR decides on the company's request, though so far no official legislative hearings have been scheduled.

The proposed increases are for Citizens' coastal accounts and personal lines accounts, including homeowners policies. But it's the enormous sinkhole increases that have drawn the most attention.

Citizens officials have said repeatedly that sinkhole claims are threatening the company, its policyholders, and maybe the state's taxpayers. Last year, the company collected $32 million in sinkhole premiums, but paid out nearly $250 million in claims.

A change in state law earlier this year allowed the company to apply for the dramatically higher rates. Backers of the change said the company – which is backed by Florida taxpayers – must get its premium up to match its risk to avoid having the state's residents put on the hook for some huge loss the company can't pay for.

OIR set the public hearing for Sept. 13 at the Tampa Convention Center. The head of OIR, Insurance Commissioner Kevin McCarty, said recently that Citizens might want to consider trying to phase in proposed increases over a longer time.

In Citizens' coastal account, the company's requested statewide average increase in premium is 12.1 percent. Those policies cover wind damage.

The statewide average homeowners premium increase for sinkhole coverage, which technically is optional but is required by some mortgage lenders, is 447 percent.

State insurance regulators had said all along that the office would conduct a public hearing on the rates because of their potential impact.

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# A hot time in the old town at protest rally

Carl Orth/SUNCOAST

A protest rally turned into a family affair for the Giordano clan. Nancy and Greg Giordano are joined by daughters Elizabeth, second from left, and Rebekah on the right. Son Joseph couldn't pass up a chance to go swimming instead on the sweltering hot afternoon.

By CARL ORTH | The Suncoast News
Published: August 20, 2011
Updated: August 22, 2011 - 10:13 AM

NEW PORT RICHEY --

The only thing hotter than the sweltering temperatures late Tuesday afternoon might have been the tempers of some 250 protesters.

Not only were they sweating the 100-degree-plus heat index, many of the residents are sweating how they would be able to afford hundreds or thousands of more dollars for sinkhole insurance.

Citizens Property Insurance Corp. is seeking steep rate hikes for the optional sinkhole coverage. The statewide average for rates could quadruple if regulators grant Citizens' request.

Lawmakers this spring permitted actuarially sound sinkhole rates, while also trying to plug some loopholes against sinkhole fraud. Executives at Citizens report projected losses of $245 million from sinkhole claims in 2010. The insurer took in $32 million in premiums that year.

"Tell Citizens no, tell Citizens no," protesters chanted. David F. Welch and Mary Ellen Berkley of Florida Association for Insurance Reform, based in Lake Worth, were among the sign wavers.

"Citizens unfair to the Hispanic community," one homemade protest sign read.

"Citizens is sinking our citizens," another sign said.

The additional sinkhole coverage isn't optional for some Pasco homeowners if mortgage holders insist on full coverage.

"The turnout at the sign-waving rally was tremendous," state Sen. Mike Fasano, R-New Port Richey, said Wednesday. "It was overwhelming to see the number of people who came out to express their opposition to the outrageous rate increases being sought by Citizens."

He hopes for an equally strong turnout at a public hearing Tuesday, Sept. 13, at the Tampa Convention Center. The state Office of Insurance Regulation is sponsoring the hearing 4 to 10 p.m. in Ballroom D of the center, 333 S. Franklin St.

Arrangements are being made for a bus or buses to ferry Pasco residents to the Tampa hearing, Fasano said. Call his office at (727) 848-5885.

"This would have a devastating effect on Pasco County," state Rep. Richard Corcoran, R-New Port Richey, said Wednesday after participating in the rally.

"We have to do all we can to stop it," Corcoran continued. "The rally was just the beginning of our fight. I will work with Sen. Fasano in any way possible to make sure we get as many residents as possible to have their voices heard at the public hearing."

"Policyholders and homeowners are not going to tolerate increases in premiums that have the potential of putting people out on the streets," Fasano concluded.