

The following comments by Bill Newton and Ginny Stevans were made in response to a blog titled: Citizens Sinkholes...At Least Some are Willing to Listen! They are reproduced here for ease of reference to a 9-11-11 blog regarding the pending hearing for Citizens Sinkhole rate increase scheduled for September 13th, 2011.

Submitted on [2011/09/07 at 4:11 pm](#)

Scott,

You say residents of Pasco are “subsidized” by others in the state. It is my position that residents of inland counties are “subsidized” by sales tax revenues from coastal counties and tourist destinations like Orlando. You seem to imply that these “subsidies” are wrong. In that case, shouldn’t all the counties or cities, calculate how much each subsidizes the other on all these things, and then square up?

Not only could we look at sales tax, but other state expenditures and revenues that flow from county to county. Some areas have more senior residents that take up more services than other younger areas. Many subsidies flow to agricultural areas, like the federal sugar program that makes the Fanjul brothers wealthy. State money pays for roads and encourages developments in some areas, but not others. Shouldn’t each area get an equal amount?

So how do you propose squaring all this up? What costs and expenses should be taken into account? Surely, we can’t limit the calculation to just insurance?

And let’s not forget, Ginny and her friends in Pasco are going to be paying higher insurance rates because of the Irene, and now the Texas fires. Shouldn’t they be reimbursed by the residents of those areas? I guess Rep. Cantor, who had both an earthquake and a hurricane hit his district, is proposing just that. FEMA emergency aid should be offset, he says. The insurance “market” naturally tries to “spread the risk” but insurance companies are increasingly compartmentalizing risk, which destabilizes the market’s balancing forces.

If I take the anti-subsidy argument to the extreme, everybody is on their own. Everyone would have to pay back any help they got from anyone else, and should expect repayment for any help they give. Charity exempted, of course. It doesn’t sound like how most people I know like to live. A lot of people think you should treat others in the way that you would like to be treated yourself. Some people even suggest we should help out those most in need among us, and that doing so would be good for our souls.

Now, we’re not talking about money going to anyone who doesn’t truly deserve it in Pasco, because the Legislature fixed that problem. Citizens doesn’t take that into account, however, so Ginny’s rates are going through the roof.

Oh, and now more people in Pasco are not going to be able to make their mortgages work, and may go into foreclosure. They’ll pay less taxes and leave behind vacant developments. It would seem that would impose costs on everyone else. How should we even that up?

Submitted on [2011/09/07 at 2:35 am](#)

First...WOW...Let me first say you are so typical of the "industry" You spend you time belittling people and if they don't agree with YOU then they are obviously uninformed (aka. Stupid) You may be right about one thing...I do NOT understand Citizens, a company that squandered away rate payers money on bad investments, a company that chooses to make a change that will put people (GOOD HARD-WORKING) people out of their homes, and has been mismanaged for many years! , This company made pay-outs that they now call FRAUD, which IF that is true is their fault! If they believed these pay-offs were fraudulent then it is THEIR responsibility to have investigated and prosecuted! It is NOT my fault or the fault of hard-working insurance paying people to pay for THEIR mistakes!

You have some nerve stating that I have ANY monetary gain! Please since I am so stupid...please do explain! We are NOT asking for any type of subsidies! Sinkhole are a part of Florida, a LARGE part of Florida! Pasco County got screwed by those who RAN it, not by those who LIVE it in! We have been pumping out OUR water to surrounding Counties for YEARS and now that WE have more of a problem with sinkholes WE are to blame! Hey let's spread the blame AND let's spread the risk! Isn't that truly what insurance is suppose to be?????? Please don't babble about rate hearing from the industry, they are most proficient at lying, cheating, loopholes, and finding MORE ways to overcharge us! P-L-E-A-S-E!

Your so called "Truth" is way off! If I understand you if someone's house does NOT fall into a hole in the ground there is not a sinkhole beneath it? There can not be significant damage to a home if it's not swallowed up? Let me offer you a definition of a sinkhole. Sinkholes.. In Florida, the limestone bedrock that lies beneath the soil contains many openings, fractures and cavities that have resulted from the percolation and flow of mildly acidic water from the surface. This surface water slowly erodes or dissolves the calcium carbonate of the limestone, enlarging the paths along which the water flows. Once the pathways are large enough, soil also begins to move downward with the water. The result is a gradual downward movement of the land surface and development of a depression that collects increasing amounts of surface water.

Now to answer your question if I think it is fair for others to pay to "subsidize" Pasco and "Sinkhole Alley" for problems that are "unique" to them. First sinkholes are a part of Florida, ALL of Florida even though there are areas more prone to them. As for us paying for Hurricanes in Southeast Florida...well my dear we HAVE! Pasco County has not had a "direct" hit from a hurricane since 1921, yet after Hurricane Andrew in 1992 our rates skyrocketed! We were told by the "industry" that we had to prepare for the "BIG ONE" therefore they asked the OIR to increase our rates and they kept asking for those increases year after year, after year, after year....yet again we have not had a direct hit in over 80 years! Now on to Flood Insurance....If you do your research you will find that Florida pays an exorbitant amount into the National Flood Plan however is not at the top of the list of who gets the most pay-outs, so then we in Florida are paying for flood prone states, is THAT fair? No but it is called spreading the risk! As for paying for earthquakes in California and mudslides in the Northwest.. We DO! As of the year 2010 Florida pays the HIGHEST premiums in the nation! Since you like FACTS here is the list of states and the "average" premiums, please also note that MY premium is OVER three times higher then Florida's average!

1 Florida (2) \$1,534 1 Idaho \$422
2 Texas (3) 1,448 2 Wisconsin 491
3 Louisiana 1,400 3 Oregon 496
4 D.C. 1,089 4 Utah 505
5 Oklahoma 1,054 5 Washington 506
6 Massachusetts 1,023 6 Ohio 540
7 Mississippi 1,019 7 Delaware 559
8 Rhode Island 950 8 Kentucky 578
9 New York 936 9 Maine 596
10 Connecticut 929 10 Iowa 610

Idaho, which shows the lowest average insurance premiums ranks fifth in the nation for most earthquakes in any given year.

“Idaho is subject to flooding. “Wildfires are another significant threat to the state and there’s seismic risk within Idaho and right next to Idaho. We’ve had two of the largest earthquakes in the continental United States.”

An earthquake could cause a dam break and put the Treasure Valley in significant danger if the Lucky Peak Dam were to breach.

Flooding regularly occurs across Idaho.

In fact, flooding is the most financially costly natural disaster in the state, Idaho Bureau of Homeland Security spokesman Robert Feeley said.

Floods have caused 18 federal disaster declarations in Idaho since 1953, yet again pay the least in premiums, so are WE subsidizing them too? BTW earthquake damage IS covered by your homeowners insurance and is NOT a separate rate! Check your policy!!!!

Now about those banks...I do not have numbers but I DO know of more than the two you listed...another way YOU dummy down the problem! I would love to know who “told” you that B of A has rescinded their requirement for FULL coverage sinkhole insurance? Where’s YOUR proof! MY bank has sent me a total of THREE letters stating quite clearly that catastrophic coverage is NOT adequate and that full coverage is REQUIRED!

As for your need to call “settlement” vs. “sinkhole” a SINKHOLE is the actual settling of the ground that acts like an hourglass... You DO know what happens in an hourglass don’t you????

Oh and as for “moving” ones mortgage company maybe YOU would be gracious enough to pay for that move in closing costs, points, finding lower or the same rates, etc. I will be glad to look for another company if you are going to provide that extra money...since of course YOU have it!

Again.....you ramble of about subsidizing others...well as soon as I stop subsidizing everyone else in the United States for their natural disaster and insurance charges each State and EASH individual by THEIR risk then you can use THAT one but for now we ALL subsidize each other, some for hurricanes, some for earthquakes, some for flooding, some for mudslides, some for tornadoes, and some for sinkholes! It’s called S-P-R-E-A-D-I-N-G T-H-E R-I-S-K which is what insurance is all about or we would ALL be living in Idaho where insurance is cheap!

You, like many others in your industry are so far removed from “real” people! The reason that 80% (your numbers which I don’t even know I trust) of people in my area no longer carry sinkhole coverage is simply because they can’t afford to and keep their home! OMG get with the program! My parents, who OWN their home are retired (as MANY of those 80% of people) and live on Social Security had to choose to drop sinkhole coverage or carry NO insurance on their home, either that or don’t eat! It was a FORCED choice, not one they wanted to make!

Florida is primarily a retiree state, a state with low wages and high insurance premiums, and a 10.7% unemployment rate (one of the highest in the nation). How much more money do you think the insurance industry can squeeze out of us???? No Sir, you are right I do NOT understand!