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Citizens Board of Governors Meeting of 9-24-25 (Meeting convened at 10:21am)

(Documents here: <https://www.citizensfla.com/-/20250924-bog>)

Board of Governors

- Carlos Beruff – Chair
- Joshua Becksmith
- Jason Butts
- Charles Lydecker
- Erin Knight
- LeAnna Cumber
- Jamie Shelton
- Robert A. Spottswood
- Frank White

The Citizens Board of Governors meeting was preceded by a series of committee meetings, including its Exposure Reduction Committee earlier in the morning. You can watch both here on The Florida Channel: <https://thefloridachannel.org/videos/9-24-25-citizens-property-insurance-corporation-board-of-governors-meeting/>, with the Exposure Reduction Committee beginning at timecode 54:20 and the Board of Governors meeting following at timecode 1:20:29. Its Claims Committee met on September 11, 2025 with a litigation update that included the news that new claims lawsuits were down 34% in the first seven months of 2025, over the same period in 2024. You can read our full LMA report on the meeting [here](#).

Exposure Reduction Committee (meeting agenda and supporting documents/reports available at <https://www.citizensfla.com/-/20250924-exre>).

Depopulation, Clearinghouse & FMAP Update (by Jeremy Pope, Chief Administrative Officer and Carl Rockman, VP of Agency & Market Services)

[Depopulation, Clearinghouse and FMAP](#) (slide deck)

Pope and Rockman's presentation was an updated, but briefer version of their September 17 one to the Citizens Market Accountability and Advisory Committee that you can read more about in our LMA report [here](#). Pope said Citizen's policy depopulation is working. With the just completed September takeouts,

Citizens has shifted almost 217,000 policies with over \$90 billion of exposure into the private market so far in 2025. It now forecasts an end of year policy count of about 516,000 - representing 7% of the overall market share. As of this past Friday, Citizens had just under 769,000 policies, compared to the 1.4 million policies it had in September 2023.

Pope said 369,000 policies have been approved by regulators for the October takeout, "and we're estimating 191,512 policies will be shifted from Citizens to the private market, which is big. We're showing over 90% of the offers that are being provided to consumers are either less than the Citizens' offers or within the 20%" required to make a Citizen's customer ineligible for renewal. "So pricing has become extremely more competitive and better for the consumer. Consumers are receiving multiple offers, more offers than ever, which is great," Pope added.

At the urging of Chair Beruff, Pope laid the credit primarily on tort reform, which he said has allowed for those more competitive pricing offers from private carriers. November takeouts approved total just over 450,000 and December's total nearly 255,000.

Chair Beruff Q: "Are the bigger insurance companies coming back (into the market) and not just the startups?"

Pope A: "We're not seeing the big national carriers, it's the domestics."

Chair Beruff Q: "Haven't State Farm and others taken more policies that are already in the market?"

Pope A: "We're not seeing that in Florida right now with State Farm."

Governor Becksmith A: "I would tell you emphatically yes, there is a return of carriers to the state of Florida that is not just startups. You've seen more and more capacity, not only in the personal lines side, but also on the commercial side as well. Hence, you're seeing reductions, on average, in excess of 15% on a regular basis and in some instances, you're seeing 20%, 30%, 40% reductions. And I would attribute, back to your initial question, tort reform helped hugely. We're also seeing some relaxation on some of the underwriting that used to be a big issue, i.e. that roofs have to be 10 years old. Now it can be 15 years and so on down the line."

Governor Lydecker A: "I agree. I do think that there is a much more vibrant, robust and competitive marketplace in the state of Florida. Governor Becksmith referenced in passing the power of tort reform, the taking out of the system, the unpredictability from a carrier's underwriting perspective, of rampant fraud, particularly as it relates to the Assignment of Benefits and the one-way attorney fees. That has been an absolute game changer in the state of Florida."

A discussion ensued between Governor Spottswood, wondering why those national carriers aren't participating in the Citizens takeouts, with Governor Lydecker explaining that those carriers have their own network of agents and don't need Citizens and the more risky Florida properties that increasingly make up its dwindling portfolio of policies. Governor Butts opined that as more Florida carriers become profitable, the national carriers will take note and feel comfortable writing more business, stabilizing the marketplace further.

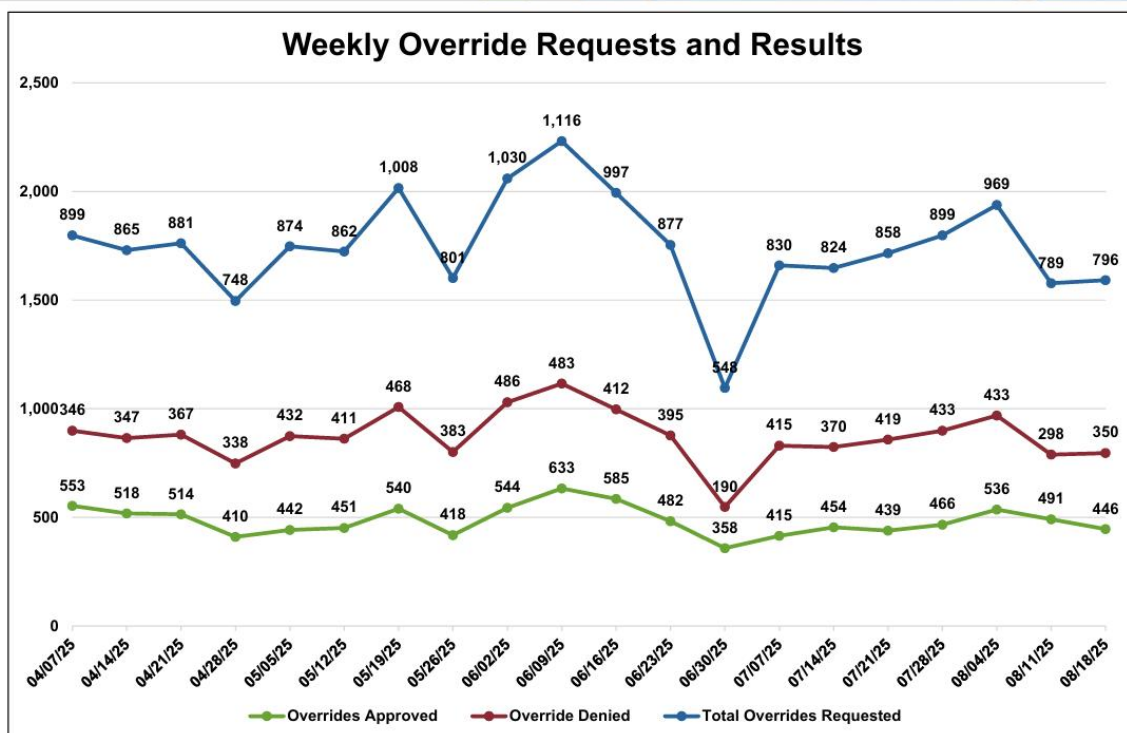
The New Clearinghouse

Rockman then presented a brief update on Citizens' new policy Clearinghouse, powered by EZLynx, which was fully implemented this past April for new business. He described how those proposed new policies are now handled, noting that 29% of the business is getting some type of qualifying offer that is deeming it ineligible for Citizens, compared to just 2% in 2022, "which we think is very, very good."

Noting that the new Clearinghouse in some cases doesn't ask all of the questions necessary to determine eligibility for a Citizens policy based on property condition, Rockman said the system has a program where agents can submit overrides for approval (see chart below).



Weekly Override Requests and Results



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Governor Butts Q: "The weekly override is a very cumbersome process to the agents right now. We know that. It's new. It's expected. Is there any way that we could take a look at the roughly 400 to 500 policies, it looks like per week, that are actually coming back to Citizens on that override process and see if we can identify the reason to hopefully fix that?"

Rockman A: "Yeah, we are heavily engaged in looking at this process and making incremental improvements. We realize the burden this places on the agents. We're working closely with EZLynx, closely with the carriers, to render tighter decisioning. Our goal is not to drive this number down, but also the number of decisions or requests declined by agents. That's an education opportunity. So much work remains here, but I would expect these numbers to trend downward and reflect more efficiency."

Governor Butts: "Thank you and this also is somewhat confusing to the consumer as well, when they are told you're not eligible, the agent knows maybe there's something wrong with that house or really not, and then they're having to go back to seek the override process and then have to contact the customer again. So it's just uncomfortable for everybody."

Rockman A: "Understood."

Pope said the next phase of the Clearinghouse, dealing with policy renewals, is underway now with full implementation expected by the end of the year. You can review further information, explanatory

charts, and the previous discussion in our recent LMA Citizens Market Accountability and Advisory Committee [report](#).

Now on to the actual **Citizens Board of Governors meeting**.

1. Chairman's Report

The Board approved the Consent Agenda items accessible [here](#) and approved the [Prior Board Meeting Minutes 06.25.25](#).

With much of the work already done in committees and relegated to the Consent Agenda, this Board meeting of just under one hour focused on the President's Report.

2. President's Report – Tim Cerio, President & CEO

[September President's Report](#) (slide deck)

Cerio addressed the ongoing court challenge and new criticism of Citizens playing out in the news media about its arbitration program through the Florida Division of Administrative Hearings (DOAH). Available on policies issued on/after February 1, 2023, it may be invoked by either Citizens or the policyholder in lieu of a lawsuit when there is a claim dispute. The program has been under court injunction since mid-August as part of a policyholder's lawsuit questioning its legality.

Earlier this month, U.S. Rep. Maxwell Frost (D-Orlando) [sent a letter](#) of protest to Governor DeSantis, legislative leaders, the head of DOAH, and Insurance Commissioner Michael Yaworsky. "The 2023 requirement that Citizens policyholders resolve all claims disputes through arbitration harms Citizens policyholders by depriving them of the opportunities that private policyholders have to litigate their claims and appeal if they lose," the letter read. Frost asked for a "detailed description of the considerations and conversations" that went into amending [HB 799](#) to include the mandatory arbitration language into state statute.

"I don't think it's melodramatic to say that we have really seen an assault by misinformation being waged by certain plaintiffs' attorneys and plaintiffs' groups on Florida's insurance reforms, including the ability of Citizens to send cases to DOAH and our ability to rely on DOAH to arbitrate claims," Cerio told the Board, calling it a good program. "It's been under attack. What we've seen is some lawyers and their proxies have made sweeping claims of unfairness and even bias in the process. That's a pretty, pretty serious charge, and the recent attacks on the fairness of DOAH are simply one part of a larger strategy to undermine the legitimacy of the insurance reforms that, without question, brought Florida's property insurance market back from the brink of collapse."

Cerio said Congressman Frost's letter contained "factual misstatements" about DOAH and that it suggested its process was unfair or biased. "We haven't seen anybody take the time to pull the records of a specific case to identify any bias, prejudice or unfairness," Cerio said, adding "The Congressman's numbers are off." Cerio presented the slide below to the Board based on Citizens' own review of DOAH cases.

Division of Administrative Hearings Statistics

- Since the inception of DOAH, 1% of Citizens' claims have been referred to the Division of Administrative Hearings (DOAH).
- 37% settled by Citizens prior to a hearing in favor of policyholder.
- 52% of cases dismissed or abandoned by policyholder or their attorney resulting in no payment or nominal amount.
- 11% of cases go to final hearing.
- **89%** of Citizens' cases are resolved voluntarily prior to final hearing.



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"Of 124,000 claims so far, only about 1% went to DOAH...and 11% of those go to a final hearing. This is important. This means that in 89% of the cases, there's a voluntary resolution by the parties prior to a final hearing," explained Cerio. And of those voluntary resolutions, "37% are settled by Citizens in favor of the policyholder. That's a pretty significant number. We evaluate and we re-evaluate, and we continue to evaluate claims to make sure we're making the right decision. That is a win for the policyholder under any reasonable definition of the word." Cerio showed the graphic below explaining how Citizens evaluates claims.

Citizens' Processes and 6 Stages of Evaluation

1. Claims unit adjusts claim and makes a coverage decision.
2. If policyholder rejects decision and a Notice of Intent (NOI) is received, NOI team reviews the claim.
3. If NOI team agrees with the decision and refers the case to DOAH, a triage team conducts a new evaluation on claim.
4. If the case continues, a Claims Litigation team reviews the case and manages the litigation.
5. Outside counsel is assigned to the case and conducts another review of the claim then a report is provided.
6. In-house counsel participates in the litigation of the case and will raise issues of concern.



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Cerio said that in 52% of the cases referred to DOAH (52% of the 1% total of all claims), the plaintiff attorney either dismissed or abandoned the case. “We have even seen plaintiff’s counsel drop their cases once they reach the final hearing. With respect to the six-month time frame specified in the Congressman’s letter, in 25 of the 45 cases we identified, the claim was withdrawn by the insured or counsel, or counsel appeared at the final hearing, and unbelievably, just decided not to participate, or didn’t offer any evidence. Refused to participate. Neither DOAH judges nor Citizens can be blamed for this conduct, which at best, is a late realization that the claim lacks merit, or at worst, frankly, it’s conduct amounting to malpractice,” charged Cerio, who has been a member of the Florida Bar for almost 30 years. “I would remind you that pursuit of meritless cases is the very behavior that nearly collapsed Florida’s market prior to the reforms like this program.”

Cerio defended Citizens DOAH arbitration process, saying it offers many benefits. Claim disputes are resolved in less than 90 days compared to two to three years in state court. That means Citizens and its policyholders are spending less money on attorney fees, with neither side allowed to engage in “unnecessary delay tactics, which frequently happens in civil litigation,” he said.

“I would argue it is absolutely unfair and disingenuous to suggest that any system is biased where the parties resolve their cases almost 90% of the time.” Cerio said he would welcome anyone digging into the specific cases, which are public record. “The remaining 20 cases decided on the merits, identified in this timeframe, Citizens did, in fact, prevail. But again, if you review the underlying record, there is no indication in these cases of bias or wrongdoing. The case records, including final orders, are readily available online, and the Congressman, nor anybody else has dug into these 20 cases to figure out which ones were wrongly decided, or why were they supposedly wrongly decided,” Cerio said.

From the various news articles on this controversy that included interviews with plaintiff attorneys or groups, Cerio and staff created the following graphic summarizing the trial bar’s opposition to the DOAH arbitration program.

Plaintiff’s Lawyer Opposition to Use of DOAH

- DOAH reduces lawyer fees and costs to both Citizens and policyholders because of reduced case time.
 - Cases are resolved in less than 90 days instead of 2 to 3 years.
- Many plaintiff’s counsel oppose DOAH because they cannot earn as large a fee as in state court because the litigation is no longer protracted.
- Reduced attorney’s fees for Citizens means more funds remain in reserves to pay claims and avoid assessments.
- Based on litigation data, there is absolutely no shortage of lawyers willing to represent policyholders.

“The argument is that because the plaintiff’s counsel cannot earn as large of a fee as they would in state court, they’ll just simply refuse to take the case,” said Cerio. “The same argument you may recall, was made to oppose almost all of the litigation related insurance reform, including the elimination of the one-way attorney fee statute.”

Cerio made it clear his comments and criticism are not meant as an indictment against plaintiff attorneys, but rather those who’ve engaged in frivolous and fraudulent litigation. “The fact is that the conduct of the lawyers who do engage in the fraudulent litigation and the frivolous litigation drove up policyholder premiums and helped create Florida’s insurance crisis. And these voices cannot now be allowed to cry foul and undo all the good work that’s been done simply because they’re not earning the fees that they did prior to the reforms,” said Cerio. He warned if that happens, Florida will return to double-digit insurance increases, private insurance companies will reduce business or leave the state, “and Citizens will grow again to well over a million policies if we lose these reforms.”

Governor Lydecker Comment: “There is no financial incentive, for profit incentive, for you to do anything other than to make sure policyholders are treated fairly. Unlike in the private sector, where oftentimes there can be misaligned incentives, Citizens and your team does not have that misalignment of incentive. I think that is just a really powerful point to drive home, because the savings or squeezing out some of the abuse in the system is really going back, to your earlier point, to policyholder surplus.”

Cerio A: “You are absolutely, positively right. As the state-created and not-for-profit, insurer of last resort, we have no financial incentive to not pay claims. Zero.”

Cerio also called “a disingenuous and unprofessional narrative” the implication that just because Citizens pays for DOAH’s arbitration services (just as state agencies do) that DOAH’s administrative law judges are biased toward Citizens. “I also think it’s important to point out that the Florida Bar Rules of Professional Conduct prohibit lawyers from accusing any judge or arbitrator of bias without any evidence to support the assertion.”

Cerio said this attack on the DOAH arbitration program is but the latest in a series of misinformation from opponents to consumer insurance reforms that began almost immediately after they were enacted in the [2022](#) & [2023](#) legislative sessions. Following the 2024 hurricanes, Citizens was falsely accused of denying 77% of claims. Cerio [reminded](#) the Board that, in fact, 13.2% – not 77% – of claims were closed because there was no loss under the policy, including flood-only damage not covered by Citizens policies. “False information regarding DOAH is the latest attempt to cast doubt about the insurance reforms,” he said.

Cerio told the Board that of the more than 100 cases that have been filed constitutionally challenging the DOAH arbitration, only one – in Hillsborough Circuit Court in Tampa – has been allowed to proceed. Citizens, he said, will continue to litigate the case.

Governor Lydecker: “So if I understood you correctly, out of 124,000 claims, one-percent go to DOAH, and 11% of that to final hearing?”

Cerio A: “Correct. That’s the data we’ve seen so far.”

Governor Lydecker: “That’s point-zero-one-one.”

Governor Shelton Q: “Was that Tampa case we’re appealing brought on just the merits of what we do, going to DOAH being constitutional, or was it simply taking it to the next court?”

Cerio A: “We referred the case to DOAH and the lawyer for the policyholder filed a separate case in circuit court and obtained this injunctive relief.”

Brian Newman, Citizens General Counsel A: “The injunctive relief in that case, Governor Shelton, occurred before the actual DOAH hearing.”

Governor Shelton Q: “It seems very straightforward to me that why would we not be allowed to put this as part of our policy form? This is how we're going to arbitrate claims or decide disputes. So I think the judge is probably wrong.”

Cerio A: “Maybe I'm wrong, but I think people should be careful what they're asking for, because if people start digging into these cases, they're going to be shocked at some of the behavior of the counsel, not of DOAH judges.”

Cerio’s slide deck contains graphics with an overview and facts about DOAH, Florida vs. National statistics on defense cost containment, additional depopulation data, and historical residential property insurance market writers. “We've seen a 38% decline in our policy count from August to August, a 45% decrease in total exposure, which is good for all Floridians, and our own premiums are down by 44%. Very, very spectacular results,” said Cerio. “I think we had at one point 17% share of the market and now we’re down to 7% of the entire property insurance market in Florida. The good news is there is less risk of assessments on non-Citizens’ policyholders and it just represents the overall health of the insurance market,” concluded Cerio.

PUBLIC COMMENT:

There were two public speakers, both from the Florida Association of Public Insurance Adjusters: Incoming president Frank Altieri and its General Counsel, Jonathan Zachem. Both expressed concern about Citizens discontinuing its practice of including the name of the public adjuster on claim payment checks to policyholders.

The only comment in reaction was Governor Lydecker, urging the association to police its own members, as the independent insurance agents of which he is a part, have to do, he said. Zachem agreed, replying “If there are people that are public adjusters, that are working in our industry, that are not following the law or doing anything, we take it very seriously, and we're one of the top groups to educate our constituents and make sure that they're doing things properly.”

NEW BUSINESS: NONE

There will be a special Board of Governors meeting on November 4 to consider proposed rates for 2026.

ADJOURNED 11:14am