

# Lisa Miller & Associates®

Business Development, Government Consulting, Public Relations

## **What is the Depopulation Program?**

The "depopulation" program for Florida property insurance was established by the Florida Legislature to return policies from the state-backed insurer of last resort to the private market and reduce financial risk to all Floridians.

## **History and Establishment**

The depopulation program for Citizens Property Insurance Corporation was developed in response to the urgent demands of Florida's property insurance market following significant natural disasters, notably Hurricane Andrew in 1992. This catastrophic event led many private insurers to either exit the market or substantially raise their rates, leaving countless homeowners struggling to find affordable property insurance. In response to this crisis, the Residential Property and Casualty Joint Underwriting Association (RPCJUA) was established. It later merged with the Florida Windstorm Underwriting Association in 2002, resulting in the creation of Citizens Property Insurance Corporation. Citizens was intended as a residual market solution to provide coverage for Floridians who were eligible for insurance but unable to secure it through private channels.

From the outset, the depopulation program was a key component of Citizens' mission as an insurer of "last resort," aimed at decreasing its policy count and minimizing financial risk. In the early 2000's, the Florida Legislature required Citizens to implement initiatives that would encourage private insurers to assume policies, thereby stabilizing the insurance landscape. Over time, the program evolved, introducing financial incentives for insurers and making legislative changes to safeguard policyholders' interests. By 2008, structured depopulation programs were officially adopted, and in 2012, modifications removed specific financial obligations from insurers, further motivating their involvement. This progression highlights the continuous efforts to reconcile the needs of policyholders with the long-term viability of Florida's insurance system.

## **Board of Directors**

The RPCJUA was governed by a 13-member board, which included 7 members representing insurers and 6 members representing consumers and other non-insurer interests. In Special Session 1993 the Florida Legislature added 5 consumer members to the Board bringing the total Board membership to 13. An exact list of the original board

members isn't easily accessible. However, a 1998 publication from the National Academies Press regarding hurricane insurance protection in Florida names several individuals who contributed to a chapter on the RPCJUA. This implies they likely held important positions, possibly as original or early board members: Ron Bartlett, Clem Dwyer, Mark Johnson, Elliott Mittler, and Jack E. Nicholson.

### **Who Initiated the Depopulation Program**

The idea for Florida's [Citizens Property Insurance Corporation](#) (Citizens) depopulation program wasn't one person's but rather a legislative mandate, established by the Florida Legislature to reduce the state-backed insurer's footprint and financial risk by moving policies back to the private market, with key supporters like former Governor Rick Scott emphasizing its necessity for market stability and consumer protection after years of market turmoil.

- **Florida Legislature:** The program is required by Florida law, mandating Citizens to create mechanisms (like "take-out" programs) to transition policies to private insurers when the market is stable enough, aiming to keep Citizens as the insurer of "last resort".
- **Citizens Property Insurance Corporation:** The board and management of Citizens implement these legislative directives, working with the Office of Insurance Regulation (OIR) to manage the process.

### **Key Changes to the Depopulation Program Throughout the Years**

- **Initial Program:** The early program paid bonuses to insurers for removing policies.
- **2006:** The Legislature restricted the bonus to \$100 per policy and required a five-year renewal guarantee.
- **2007:** Law was amended to allow policyholders to "opt-out" of assumption offers and remain with Citizens if they chose.

**Agent Retention** - Clarifications were made allowing policyholders to retain their agents, ensuring that if an agent declined appointment, the policy could not be assumed.

- **2008:** The Citizens board adopted depopulation programs for personal and commercial residential policies, receiving approval from the Office of Insurance Regulation (OIR).
- **2012:** A program for commercial nonresidential policies was introduced.

The existing programs became non-bonus, specifying the number of policies insurers must take during the contract period and retention of those policies for at least three years.

Citizens revised its plans, removing the requirement for insurers to pay a 16% ceding commission, further incentivizing participation.

- **2022/2023:** Significant legislative reforms (including Senate Bill 2-A) aimed at stabilizing the overall market led to more aggressive depopulation efforts. A key change was that if a private carrier's offer is within 20% of the Citizens' premium, the policyholder is no longer eligible to remain with Citizens.

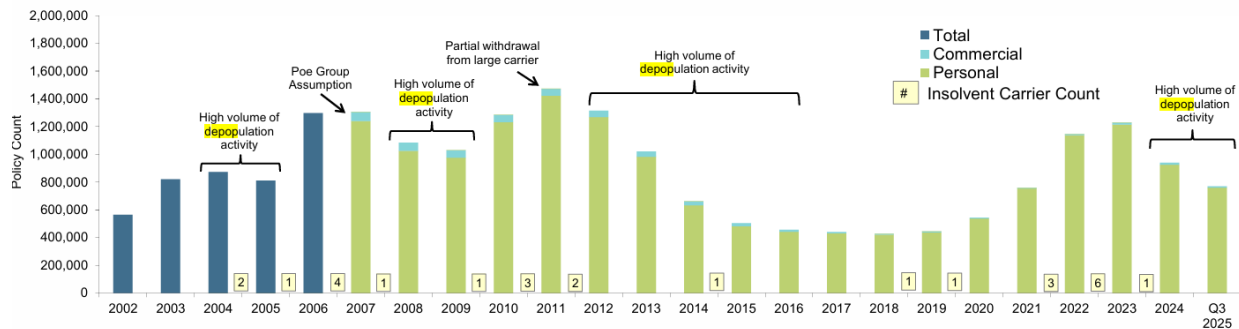
### **Policy Data**

Policy counts have fluctuated significantly over time:

- **2003-2006:** Approximately 500,000 policies were transferred to the private market.
- **2007:** Approximately 248,000 personal residential policies were removed from Citizens.
- **Peak:** Citizens' policy count reached a peak of 1.4 million in September 2023.
- **Recent Depopulation (since 2023):** Over 900,000 policies have been successfully transferred to private insurers.
- **Current (early 2026):** The policy count has dropped to approximately 395,144 policies as of early 2026.

<b>Year</b>	<b>Total Participating Companies</b>	<b>Total Policies Assumed</b>	<b>Citizens In-force Policies</b>	<b>Assumed Policies as % of Prior Year's Total Policy Count</b>	<b>Total Insured Value (TIV) Assumed (in Millions)</b>	<b>Citizens In-force Total Insured Value (in Millions)</b>	<b>Assumed TIV as % of Prior Year's Total TIV</b>
2003	1	28,219	820,223	3.3%	\$8,141	\$217,451	3.6%
2004	4	158,416	873,936	19.3%	\$30,663	\$230,402	14.1%
2005	10	293,684	809,949	33.6%	\$53,659	\$234,214	23.3%
2006	4	67,853	1,298,428	8.4%	\$15,638	\$407,948	6.7%
2007	7	247,923	1,304,949	19.1%	\$68,259	\$505,882	16.7%
2008	14	385,084	1,084,237	29.5%	\$106,870	\$419,884	21.1%
2009	11	149,645	1,029,214	13.8%	\$37,785	\$405,991	9.0%
2010	6	59,792	1,283,538	5.8%	\$13,889	\$460,703	3.4%
2011	3	53,577	1,472,391	4.2%	\$14,474	\$510,675	3.1%
2012	7	277,002	1,314,811	18.8%	\$75,927	\$429,424	14.9%
2013	18	365,767	1,021,694	27.8%	\$112,265	\$318,887	26.1%
2014	21	416,623	661,161	40.8%	\$117,530	\$201,957	36.9%
2015	14	272,785	503,865	41.3%	\$64,830	\$150,495	32.1%
2016	11	88,000	455,843	17.5%	\$23,363	\$124,063	15.5%
2017	7	34,008	440,406	7.5%	\$7,435	\$112,310	6.0%
2018	4	17,905	427,397	4.1%	\$4,308	\$108,896	3.8%
2019	3	10,084	420,467	2.4%	\$2,181	\$107,243	2.0%
2020	4	7,463	542,739	1.8%	\$2,497	\$144,798	2.3%
2021	1	2,814	759,305	0.5%	\$1,027	\$232,502	0.7%
2022	4	16,408	1,145,811	2.2%	\$7,174	\$422,953	3.1%
2023	11	275,324	1,228,718	24.0%	\$113,375	\$552,760	26.8%
2024	16	477,821	1,036,913	38.9%	\$214,527	\$432,214	38.8%
Q3 2025	10	216,799	769,316	20.9%	\$89,999	\$285,501	20.8

**Policy Count by Year and Policy Type**  
Data as of September 30, 2025



## Exposure Reduction Highlights



### Depopulation Newswire

#### 2024

- Total Carriers Participated in Depop: **16**
- New Entrants: **5**
- Total Policies Assumed: **477,821**



#### Depopulation

- 2024 Exposure Removed = \$214.5 B / **477,821** Policies
  - Commercial Removed = \$15 B / **2,124** Policies
  - Personal Removed = \$199.5 B / **475,697** Policies
- 2025 YTD Exposure Removed = \$166.8 B / **416,233** Policies
  - YTD Commercial Removed = \$2.7 B / **239** Policies
  - YTD Personal Removed = \$164.1 B / **415,994** Policies

#### 2025

- January CL Carriers Approved: **2**
- January CL Policies Assumed: **170 (Completed)**
- February PL Carriers Approved: **8**
- February PL Policies Assumed: **102,083 (Completed)**
- March CL Carriers Approved: **1**
- March CL Policies Assumed: **24 (Completed)**
- March PL Carriers Approved: **3**
- March PL Policies Assumed: **14,980 (Completed)**
- April PL Carriers Approved: **4**
- April PL Assumed: **38,406 (Completed)**
- May CL Carriers Approved: **1**
- May CL Assumed: **45 (Completed)**
- June PL Carriers Approved: **3**
- June PL Assumed: **44,391 (Completed)**
- August PL Carriers Approved: **2**
- August PL Assumed: **14,109 (Completed)**
- September PL Carriers Approved: **2**
- September PL Assumed: **2,591 (Completed)**
- October PL Carriers Approved: **10**
- October PL Assumed: **199,434 (Completed)**
- November PL Carriers Approved: **8**
- November PL Letters Mailed: **143,352**
- November CL Carriers Approved: **5**
- November CL Letters Mailed: **3,423**
- December PL Carriers Approved: **16**
- December PL Letters Mailed: **50,778**

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## Companies Participating in the Depopulation Program

Personal Lines Coverage	Commercial Lines Coverage
Citizens	Citizens
American Integrity	American Coastal
Apex Star	American Integrity
Florida Peninsula	Mainsail
Homeowners Choice	Manatee
Manatee	Slide

Mangrove Monarch Orange Patriot Select Praxis Slide Southern Oak Stand Tailrow Trident TypTap Universal North America	Trident
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### **Depopulation Procedure**

The depopulation programs are administered on a monthly cycle according to the following sequence of events:

- The OIR issues a consent order approving authorized admitted carriers to participate in a specific assumption.
- Citizens provides a data file of policies in force to an approved carrier (takeout company or TOC) to use to select policies for assumption.
- The TOC solicits new agent appointments or notifies appointed agents if the TOC wishes to assume any of an agent's policies.
- The TOC provides Citizens with the list of policies it has selected to assume and a list of policies assigned to agents who did not respond to the TOC's solicitation or declined to be appointed.
- Citizens reviews the takeout lists of the participating TOCs and sends each TOC the policy selections it is assigned to assume. If more than one TOC has selected the same policy for removal, Citizens uses an algorithm to assign the duplicate selections.
- Each TOC reviews and may reweight its list. The TOC sends the reweighted list to Citizens.
- Citizens then sends a letter of encouragement to all policyholders on a TOC's final mailing list and notifies those policyholders whose agents did not respond to the TOC's solicitation or declined to be appointed.

To assume policies from Citizens, admitted carriers must submit documentation to the OIR verifying that they meet required standards and have the financial resources and business plan in place to properly pay claims.

Agents are not required to contact the policyholder regarding the offer and are not permitted to opt out of an assumption on the policyholder's behalf.

The depopulation algorithm attempts to allocate the policies to the various takeout companies by a methodology that groups the duplicates based on the number of

companies that has selected them; sorts the policies within each batch by policy form, zip code, and total premium; and assigns each policy to one of the TOCs that has selected it in a way that equitably allocates premium among the companies.

If the list does not have a desirable ratio of policies, for example is too heavily weighted in one geographic area, the TOC may remove policies from the list. This process is called reweighting.

Prior to February 2015, Citizens sent the letter of encouragement after the TOC had sent its offer letter. When some policyholders received the offer letter, they discarded the letter without reading it, since the letter was not from a person or company familiar to the policyholder. In other cases, the policyholder may have read the TOC letter, but not understood the significance of the opt out requirement. As a result, Citizens changed the timing of its letter of encouragement.

The TOC then sends a letter in a form approved by the OIR to policyholders indicating that the TOC is extending an offer to assume the policyholder's coverage and notifying the policyholder of the right to reject or opt out of the offer. The letter may include a link to a coverage comparison chart on the OIR's website.

A policyholder selected for a takeout does not need to take any additional action to be assumed by the takeout company. If the policyholder takes no action, the policyholder and the policyholder's mortgage company, if any, will receive a Notice of Assumption and Nonrenewal and Certificate of Assumption verifying that the policy has been assumed by the takeout company and that the takeout company will make a renewal offer before the current policy expires. Currently, 59 percent of private-market offers are accepted for takeout.

A policyholder who wishes to remain with Citizens must take action to opt out of the assumption by returning the opt out form provided with the takeout offer to the TOC. A policyholder has 30 days prior to and following an assumption to complete the opt out process.

A Citizens policy that is assumed by a TOC is, as of the date of assumption, direct insurance issued by the TOC. The TOC is liable to pay any claims that may arise, although Citizens continues to service the policy. During the period before the policy expires, Citizens pays to the TOC unearned premiums on the policy that it has received adjusted to reflect any changes in coverage or conditions as may occur

during the period. Forty-five days before the Citizens policy expires, the TOC issues the initial offer on renewal coverage with the premium amount. At this time (or any time after the assumption and prior to the policy's expiration) the policyholder may return to Citizens, unless the Clearinghouse presents an offer of coverage with a premium equal to or less than the Citizens renewal premium.

The TOC is required to offer renewals with substantially similar coverage as the assumed policies. The TOC's renewal rate must be filed and approved by the OIR and may be higher than what Citizens charged for the assumed policy. Citizens encourages TOCs "to assume policies for which the renewal rate is expected to be at or lower than the [Citizens] rate; thereby increasing insured participation in the assumption."

### **Depopulation Work Group**

In December 2014, Citizens established a depopulation work group as one of a series of changes to the depopulation program to provide policyholders with more information in deciding whether to accept a TOC offer or to remain with Citizens. The work group includes representatives from the OIR, insurance agents, private insurers, and consumer advocates. In its preliminary meeting, the work group discussed options for increasing consumer choice; providing consumers and agents with more information regarding takeout offers and standardizing the information; and improving consumer satisfaction.

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