

ANTI-CONSUMER POLICY CHANGES

More Premium for Less Coverage

Notable changes to policies that you may not be aware of:

- **Federated National**
 - Applicants with a prior water damage loss of \$10,000 or more in the last three years.
 - Risks with aluminum single strand (solid) wiring.
- **American Integrity**
 - Isolated properties, defined as those that are not visible from at least two dwellings or in sight of a public road.
- **People's Trust**
 - Risks with roofs that exceed their maximum useful life expectancy.
 - Risks that do not show pride in ownership or are in a state of disrepair.
- **Stillwater**
 - Seasonal dwellings that are unoccupied for three or more consecutive months in a year if they are beach properties or located in congested resort neighborhoods.
 - A dog(s) known to be nervous or temperamental.
 - Applicants who own all-terrain vehicles.
 - Swimming pools with diving boards or slides.
- **Nationwide**
 - A felony conviction by any household member in the past 10 years.
- **Heritage**
 - Homes with wood-shingled roofs.
- **Citizens**
 - The changes include a cap of \$3,000 (or 1 percent of the overall coverage of the primary structure) on emergency repairs without Citizens' approval.
 - The right to deny reimbursement for permanent repairs started within 72 hours after a claim is reported, unless the company first inspects the property or approves permanent work.
 - Only cover the part of a system — such as a corroded pipe section — that caused the loss and will cover only the cost of accessing that section. In other words, the company will no longer pay to replace an entire drainage system or an entire floor if damage occurs to just a portion.

On the horizon is a new program in the works that will enable Citizens to dispatch pre-approved contractors to make repairs. The managed repair program will be voluntary at first, but Citizens President and CEO Barry Gilway has said he expects to seek state approval to make it mandatory — meaning Citizens would determine who would make the repair.

Sources:

Hurtbise, Ron. "IN MORE CASES, YOU'RE ON YOUR OWN." EXAMPLES OF INELIGIBLE RISKS. Sun-Sentinel, Apr. 2016. Web. May 2016.

Hurtbise, Ron. "Citizens Alerting Policyholders of New Claims Restrictions." Citizens Alerting Policyholders of New Claims Restrictions. Sun-Sentinel, 10 May 2016. Web. 10 May 2016.

FIRE SPRINKLER FAILURE LEADS TO BILLION DOLLAR LAWSUIT

A Scary Situation for Any Condominium Property Owner

In a recent lawsuit filed on behalf of two Condominium Association's located in South Florida, they are suing a dozen manufacturers, suppliers and distributors behind the sprinkler systems installed in their buildings.

According to the complaint, the pipes used to construct the fire sprinkler system were made of "chlorinated polyvinyl chloride" or CPVC, which contains a resin that breaks down easily when combined with other common building materials. The the suit contends that this will lead to leaks, cracks and a loss of pressure.

Essentially, the sprinkler systems may not work if a fire broke out.



CLAIMS ADVOCATE

Insurance Information You Can Use



Coral Gables lawyer Ervin Gonzalez, of Colson Hicks Eidson, told a reporter for the Sun-Sentinel that, “each condominium building may have to spend in excess of \$50 million to repair their systems.” He continued, “and many homeowners will have to find alternative living arrangements while their condominiums are being repaired.”

It is believed that the problem exists in condominium buildings nationwide and could result in claims of more than \$1 billion. Although, the class-action suit was filed in South Florida federal court, there was no information regarding any efforts or attempts to obtain coverage for these damages through the Condominium’s insurance.

MARKET NEWS

What’s Trending



Soft Market Continues

Market conditions continue to allow for savings, however the market may be approaching the floor.

More Competition in the Private Insurers

In high risk areas, like South Florida, where the desolution of Citizens continues, which is pushing more policyholders into the private market, property owners are seeing new Insurers offering competitive rates and coverage. However, at the legislative level the industry is seeing more premium reform pushing for higher rates and less coverage.

No Storms in South Florida

With the absence of storms in South Florida, Insurers seem to be trying to find new ways to deliver profits to their shareholders and investors. Among those new ways is a plethora of new anti-consumer legislation and steep rate increases. And, when they can’t seem to get the legislation past, they more recently entered through the back door of the Florida insurance office, which has led to policy form changes. Be sure to carefully read your renewal notices and new quotes for any changes in coverage.

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