

Vero Beach

CITIZENS HANDS OFF POLICIES

by Nadia Gergis 3/22/2007



Reading the fine print has always been important when it comes to home insurance policies, but a stamp and envelope seem also to be a requirement nowadays.

Almost 1,000 Treasure Coast residents insured by Citizens Property Insurance Co. were among those who recently received letters explaining they may be transferred to American Integrity Insurance Co. of Florida.

The Tampa-based company, run by former American Modern Insurance Group executive Bob Ritchie, received approval from the Florida Office of Insurance Regulation to start assuming policies for Citizens in September. Since then, the company has assumed 55,000 policies from Citizens — 924 of those policies are in Martin St. Lucie and Indian River counties.

"We have letters out now to another 15,000 people," said Lisa Miller, a spokesman for American Integrity. "We feel Florida is a good market to be in."

The letter from American Integrity requires customers to respond only if they wish to stay a Citizens customer. If no action is taken by the customer, the policy is automatically shifted to American Integrity.

Miller said her company's rates would match or be lower than Citizens' by a statewide average of 10 percent. "The rates will vary, but we will always be below or at Citizens rates," Miller said.

The letter from American Integrity states that prior to the expiration of the Citizens' policy, a customer "will be offered a policy by American Integrity that provides you with a rate lower than what you are currently paying Citizens."

"They know they have to set rates at a level below Citizens. If Citizens lowers their rates in some areas, AI has to reduce their rates," said Bob Lotane, spokesman for the Office of Insurance Regulation. "They knew that when they were getting into this. It was part of the deal."

Citizens traditionally has charged the highest rates in the state as the state's insurer of last resort. Rocky Scott, a spokesman for Citizens, said American Integrity has requested information on Citizens' policyholders and territories.

"I guess they go through and pick the policies that they want," Scott said. "They are working within the new laws."