

Claims Brewing Long After Storms

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Hurricane Wilma blew the roof off Tamara Clausen's Lake Worth home. Wind-driven water rushed in, ruining four years of renovations and all her personal belongings as well as those of her two teenagers.

By the time the adjuster got to her residence two months later, the house was full of mold. At least, the registered nurse thought, she had insurance from Citizens Property Insurance Corp. to cover the full loss.

Lannis Waters/Staff Photographer

Tamara Clausen stands in her gutted Lake Worth home. Citizens Property Insurance Corp. says her hurricane-damage claim 'fell through the cracks.'

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Tamara Clausen worries what her neighbors think of her unrepaired home and dead landscaping. She said she tried to keep her lot neat but it became difficult as time passed and she was living elsewhere.

Do you have a hurricane-claims problem with Citizens?

A state task force examining how Citizens is handling unresolved claims from the 2004 and 2005 hurricane seasons wants to hear about it. The panel will hold hearings from 2 to 4 p.m. and 6 to 8 p.m. today at the Miniaci Performing Arts Center on the campus of Nova Southeastern University in Davie.

By the numbers

Open claims from 2004 and 2005 hurricane season from the state's two largest property insurers:

Citizens Property Insurance Corp.
 • Policyholders: 1.3 million
 • Total claims from hurricanes of 2004 and 2005: 303,000
 • Still open or only partially resolved: 3,500

State Farm Florida Insurance Co.
 • Policyholders: 1 million
 • Total claims from hurricanes of 2004 and 2005: 320,000
 • Still open or only partially resolved: 1,820

Sources: Citizens Property Insurance Corp.; State Farm Florida Insurance Co.

NOTE: Totals change daily as old cases are settled and new supplemental claims are filed.

Twenty months later, Florida's largest homeowners insurer still hasn't paid her full claim. She has gone into debt and pays her old mortgage as well as rent on an apartment. Her house remains vacant, the interior gutted to its wooden studs.

Clausen and others like her will have a chance to tell their stories at a public hearing today at Nova Southeastern University in Davie. The forum is being held by a task force charged with evaluating Citizens' handling of claims from the 2004 and 2005 storms — and reviewing whether Citizens is prepared to deal with a hurricane in 2007.

Christine Turner, Citizens' director of government affairs, said the state-sponsored insurer has resolved 98 percent of the hurricane claims from eight storms in 2004 and 2005 and is committed to resolving all legitimate claims.

On Monday, Citizens Chairman Bruce Douglas, who reviewed the Clausen case at the request of The Palm Beach Post, conceded the insurer had made "serious errors" in the handling of her claim.

"The case fell through the cracks," he said. "I honestly and sincerely regret we failed to settle this claim until now."

Douglas said the insurer would have a settlement satisfactory to Clausen by Wednesday, including money to rebuild the home, buy new furniture and pay for her living expenses since the storm. But he insisted that the Clausen case is an "extreme example" of a breakdown in Citizens' claim-handling procedures and not typical of the company's response to

claims.

Troy Norris of Lighthouse Point, in northeast Broward County, would disagree. He said Citizens has paid \$50,000 of his \$200,000 policy limit and \$16,850 of the \$22,650 in living expenses he was entitled to under his policy to pay rent and other expenses.

He provided a copy of an e-mail from a Citizens' claim representative in June 2006 that said the living expenses due would be sent to Norris the following week. The check never arrived, he said.

Municipal records show that the Norris house was condemned after Wilma. Norris said that about six months after the storm, his wife left him and moved to Texas because of the financial and emotional stress of their unresolved claim.

Norris now fears he will lose his yet-to-be repaired house, because he can't pay the mortgage payments as well as rent for his temporary apartment. "I am only a few months away from foreclosure," he said.

Norris' attorney, Paul Berger of Boca Raton, is representing 100 clients against Citizens. "The stress is so great," he said. "People's lives are totally disrupted, and you have an insurer that just doesn't care."

Berger said he has clients who have suffered health problems because of Citizens' refusal to pay their entire claims.

Citizens, which insures 1.3 million policyholders, had 303,000 hurricane claims during the hurricane years, and about 3,500 are unresolved. By way of comparison, State Farm Florida Insurance Co., which insures about 1 million, had 320,000 claims from the hurricanes and 1,820 remain open.

Florida Insurance Consumer Advocate Bob Milligan, who chairs the state task force, said it has been hard for the group to gauge whether Citizens dragged its feet or had legitimate reasons for not fully paying claims. Milligan said the task force is "leaning hard" on Citizens to resolve the claims.

Statistics provided by the state Department of Financial Services show that complaints against Citizens remain high, with 709 filed between January and May of this year. The No. 2 homeowner insurer, State Farm, had 217 complaints in the same period.

"We would expect fewer complaints," said Marta Arrington, who oversees consumer complaints for the Florida Department of Financial Services.

Turner said she could not document how many cases had been resolved since Citizens' officials began a review of outstanding hurricane claims in May. She declined to comment on the Norris case, citing ongoing litigation.

But Turner concedes that the nonprofit Citizens, founded in 2002, has some growing to do to master the performance of more established insurers.

"They had years and years of experience to do better," she said. "Our learning curve had to be steep."

She encouraged people with unresolved hurricane claims to attend the meeting at Nova Southeastern, saying the insurer would attempt to settle the claims on the spot.

Clausen, who plans to attend the hearing, said she won't believe Citizens is resolving her claim until she sees a check. Months of letter-writing and phone calls, the hiring of a lawyer and a public adjuster — all seemed to fall on deaf ears.

She has continued to pay her \$1,500 monthly mortgage as well as \$1,200 monthly rent on her two-bedroom apartment. She ran up \$25,000 in credit card bills.

Her children, Max, 17 and Julia, 20, are scheduled to attend the University of Central Florida this fall. But the low-cost loans Clausen was attempting to obtain from AARP to help with college expenses were rejected because of her new credit problems.

"I don't know I'll ever recover financially," she said.