

FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

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BILL #: [HB 863](#)

TITLE: Arbitration for Disputes with Citizens Property Insurance Corporation

SPONSOR(S): Benarroch

COMPANION BILL: None

LINKED BILLS: None

RELATED BILLS: None

Committee References

[Insurance & Banking](#)

17 Y, 0 N



[Commerce](#)

17 Y, 0 N

SUMMARY

Effect of the Bill:

The bill removes Citizens Property Insurance Corporations' (Citizens) ability to require policyholders to resolve claim disputes before the Division of Administrative Hearings (DOAH) without the policyholders' consent. The bill provides Citizens' policyholders the option to accept or decline resolving claim disputes through binding arbitration before DOAH. Policyholders must make this election at the issuance or renewal of their policy and it cannot be amended mid-term. The bill also requires policyholders to receive a bold, standardized disclosure of this election. The bill repeals the provision allowing Citizens to contract with DOAH to resolve claim disputes.

Fiscal or Economic Impact:

There may be an indeterminate state fiscal impact.

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ANALYSIS

EFFECT OF THE BILL:

The bill repeals Citizens Property Insurance Corporations' ([Citizens](#)) ability to require policyholders to [resolve claim disputes](#) before the Division of Administrative Hearings ([DOAH](#)). (Section [1](#))

The bill authorizes Citizens to adopt policy forms that provide policyholders the option to select [arbitration](#) before DOAH for resolving claim disputes. Under the bill, DOAH retains full authority to arbitrate claim disputes when the policyholder elects arbitration before DOAH. However, Citizens is unable to require policyholders to use binding arbitration to resolve claim disputes without the policyholders' consent. (Section [1](#))

The bill requires each policyholder be notified in writing at policy inception and renewal that they must decide whether or not to resolve disputes through arbitration before DOAH. The notification must be in at least 12-point bold font immediately before the policyholder's signature within the policy documents, and must be substantially in the following form: (Section [1](#))

"AN INSURED MUST CHOOSE AT THE TIME OF ENTERING INTO THIS POLICY OR UPON RENEWAL WHETHER TO RESOLVE DISPUTES THROUGH ARBITRATION BEFORE THE DIVISION OF ADMINISTRATIVE HEARINGS. THE INSURED MUST INDICATE THIS SELECTION BY MARKING "ACCEPT" OR "DECLINE" BELOW. THIS DECISION CANNOT BE CHANGED DURING THE TERM OF THE POLICY.

☐ ACCEPT

☐ DECLINE"

STORAGE NAME: h0863c.COM

DATE: 1/21/2026

The bill repeals the provision authorizing Citizens to contract with DOAH to resolve claim disputes. (Section [1](#))

The bill provides an effective date of July 1, 2026. (Section [2](#))

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The bill may have an indeterminate fiscal impact on DOAH if policyholders decline arbitration. Additionally, Citizens will no longer be able to contract with DOAH to resolve claim disputes. The bill may have an indeterminate fiscal impact on circuit courts if policyholders decline arbitration.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

[Citizens Property Insurance Corporation \(Citizens\)](#)

Citizens is a state-created, not-for-profit, tax-exempt governmental entity whose public purpose is to provide property insurance coverage to those unable to find affordable coverage in the voluntary market.¹ Citizens was created in 2002 by the Florida Legislature by combining the Florida Residential Property and Casualty Joint Underwriting Association and the Florida Windstorm Underwriting Association.²

As of December 26, 2025, Citizens reports 395,912 active policies.³ By the end of 2025, Citizens' policy count is expected to fall to around 385,000. This would be the lowest reported policy count for Citizens since inception.⁴

From January 1 through September 30, 2025, Citizens was served with 4,307 lawsuits (roughly 479 suits/month). Of these, 96% are first-party residential property suits, 1% are first-party commercial property suits, and 3% are third-party liability suits. As of September 30, 2025, the total pending volume of lawsuits was 8,823. This is a 47% decrease in total pending volume of 16,518 lawsuits from the same time period in 2024.⁵

[Division of Administrative Hearings \(DOAH\)](#)

DOAH is a state agency that employs full-time administrative law judges to conduct hearings in which the substantial interests of a person are determined by an agency and involve a disputed issue of material fact.⁶ Generally, when a state agency proposes an action that may adversely affect an individual, that person is entitled to request an administrative hearing.⁷ Requests for hearings are initially submitted to the relevant state agency.⁸

If the matter does not involve disputed issues of fact, the agency conducts the proceeding itself and issues a decision.⁹ However, if the requesting party disputes the facts underlying the proposed agency action, the case is

¹ [S. 627.351\(6\)\(a\)1, F.S.](#)

² Florida Office of Insurance Regulation, *Market Conduct Final Examination Report of Citizens Property Insurance Corporation* (January 11, 2021), <https://floir.gov/docs-sf/property-casualty-libraries/market-regulation/2021/citizens-property-insurance-corporation-1-11-2021.pdf> (last visited January 5, 2026).

³ Citizens Property Insurance Corporation, *Policies in Force: Current Snapshot: December 26, 2025*, <https://www.citizensfla.com/policies-in-force> (last visited January 5, 2026).

⁴ Citizens Property Insurance Corporation, *Press Release* (December 10, 2025), <https://www.citizensfla.com/-/20251210-citizens-recommends-rate-cuts-for-most-policyholders> (last visited January 5, 2026).

⁵ Citizens Property Insurance Corporation, *Litigated Claims Update* (November 20, 2025), <https://www.citizensfla.com/documents/20702/38933326/20251120+03+Litigated+Claims+Update.pdf/2626361d-17ea-60ab-64d8-64ece4e943ff?version=1.0&t=1762966917511&d> (last visited January 5, 2026).

⁶ [Ch. 120, F.S.](#)

⁷ [S. 120.68\(1\), F.S.](#)

⁸ Rule 28-106.201 (1), F.A.C.

⁹ [S. 120.57\(2\), F.S.](#)

typically referred to DOAH for a formal hearing before an independent and neutral administrative law judge.¹⁰ As of October 27, 2025, DOAH employs 44 administrative law judges throughout Florida.¹¹

Following the hearing, the administrative law judge issues either a recommended order or a final order, which is provided to the agency and the parties. When a recommended order is issued, the agency reviews it and then enters a final order, generally adopting the judge's factual findings (though the agency may modify or reject certain legal conclusions or recommended penalties under limited circumstances). If the final order is adverse to the non-agency party, the party may appeal the decision to the appropriate District Court of Appeal.¹²

Mandatory Binding Arbitration

A property insurance policy issued in Florida, except for those issued by Citizens, may not require that a policyholder participate in mandatory binding arbitration unless all of the following apply:¹³

- The arbitration requirement is included in a separate endorsement attached to the policy.
- The policyholder's premium reflects a credit or premium discount for accepting the arbitration endorsement.
- The policyholder signs a form agreeing to the mandatory binding arbitration, which clearly explains the rights they are relinquishing, including the right to a trial by jury.
- The endorsement establishes that the insurer will comply with statutory mediation provisions.
- The insurer provides the policyholder an alternative that does not require mandatory binding arbitration.

Citizens DOAH Program

Beginning in 2023, Citizens could require policyholders to resolve claim disputes through binding arbitration before DOAH without the consent of policyholders.¹⁴ Citizens is not required to utilize DOAH, but has the option if they choose to do so.¹⁵ Starting on October 1, 2023, Citizens was approved to insert an endorsement form entitled "Alternative Dispute Resolution Division of Administrative Hearings" for all new and renewal non-commercial policies.¹⁶ By virtue of its quasi-governmental status, Citizens is the only insurer permitted to conduct arbitration before DOAH.¹⁷

Prior to 2023, disputes between Citizens and a policyholder that were not resolved via informal negotiation, Department of Financial Services mediation, or demand appraisal, resulted in the filing of a civil suit in circuit court.¹⁸

¹⁰ [S. 120.57\(1\), F.S.](#)

¹¹ *Division of Administrative Hearings v. Citizens Property Insurance Corporation and Martin A. Alvarez*, No. 2D2025-2789, Emergency Petition for Writ of Prohibition (Fla. 2d DCA Oct. 27, 2025).

¹² [S. 120.68\(2\)\(a\), F.S.](#)

¹³ [S. 627.70154, F.S.](#)

¹⁴ Ch. 2023-175, Laws of Fla.

¹⁵ Citizens Property Insurance Corporation, *Executive Summary: Division of Administrative Hearings* (December 7, 2022), <https://www.citizensfla.com/documents/20702/28368994/20221207+9B+Action+Item+-+DOAH+COMBINED.pdf/d1c3df8e-dffd-be99-f770-91d29adc8b2c?version=1.0&t=1668827787450&d> (last visited January 5, 2026).

¹⁶ Citizens Property Insurance Corporation, *Executive Summary: Division of Administrative Hearings* (December 4, 2024), <https://www.citizensfla.com/documents/20702/31300530/20241204+09A+DOAH+Consent+Item+combined.pdf/96b3177a-8c6e-6e64-1c4d-3f6185a56cb1?version=1.0&t=1732029217029&d> (last visited January 5, 2026).

¹⁷ Citizens Property Insurance Corporation, *Minutes of the Claims Committee Meeting, Thursday, November, 16, 2023* (March 28, 2024), <https://www.citizensfla.com/documents/20702/30844688/20240328%2B01%2BApapproval%2Bof%2BPrior%2BClaims%2BCommittee%2BMeeting%2BMinutes%2B11.16.23.pdf> (last visited January 5, 2026).

¹⁸ Citizens Property Insurance Corporation, *Minutes of the Claims Committee Meeting, Thursday, November, 16, 2023* (March 28, 2024), <https://www.citizensfla.com/documents/20702/30844688/20240328%2B01%2BApapproval%2Bof%2BPrior%2BClaims%2BCommittee%2BMeeting%2BMinutes%2B11.16.23.pdf> (last visited January 5, 2026).

Since 2014, Citizens has contracted with DOAH to provide dispute resolution services, specifically for any bid protests.¹⁹ In July of 2022, Citizens' Board of Governors approved pursuing alternative dispute resolutions for claims disputes involving the use of DOAH. The Board authorized the use of up to \$2,000,000 in 2023 for these proceedings.²⁰ In December of 2023, the Board approved extending the same \$2,000,000 authorization through 2024.²¹ In December of 2024, Citizens and DOAH renewed the same contract for \$19,300,000 to fund the arbitration program through 2027. This \$19.3 million allots for upwards of 320 claims per month in 2025, 2026, and 2027.²²

The contract provides for compensation to DOAH based on the cost of DOAH resources dedicated exclusively to property insurance disputes.²³ As of October 27, 2025, DOAH employs 12 full-time administrative law judges, as well as other support staff, dedicated exclusively to arbitrating Citizens policy disputes.²⁴

As of October 14, 2025, Citizens has referred 1,662 cases to DOAH in 2025, with 1,204 having been fully resolved. A majority of cases have been resolved through voluntary settlement (80%), including 49% of cases where insureds accept a "nominal settlement amount (\$500 or less)".²⁵ Citizens cites that the average resolution time is 93 days in the DOAH process as compared to 618 days in the state court process.²⁶ The remaining 20% of cases move towards hearings, where 9% abandon their disputes prior to final hearing, and 11% proceed.²⁷ According to news reports, as of July 21, 2025, Citizens has won in more than 90% of the cases that made it to a final DOAH hearing where both sides presented their case. According to news reports, records released by Citizens showed that in traditional circuit court trials Citizens wins around 55% of the time.²⁸

Notable Court Activity

In 2025, several separate court cases have been filed against Citizens challenging the mandatory DOAH arbitration clause within their policies. Plaintiffs allege the arbitration endorsement is unconstitutional, depriving them of due process, meaningful access to courts, and jury trial rights.²⁹

¹⁹ Citizens Property Insurance Corporation, *Executive Summary: Division of Administrative Hearings* (December 7, 2022) <https://www.citizensfla.com/documents/20702/28368994/20221207+9B+Action+Item+-+DOAH+COMBINED.pdf/d1c3df8e-dffd-be99-f770-91d29adc8b2c?version=1.0&t=1668827787450&d> (last visited January 5, 2026).

²⁰ *Id.*

²¹ Citizens Property Insurance Corporation, *Executive Summary: Division of Administrative Hearings* (November 16, 2023), <https://www.citizensfla.com/documents/20702/30165071/20231116+06C+Division+of+Administrative+Hearings.pdf/dccfe011-0812-3508-7f1c-333af0fb2ac5?version=1.0&t=1706019939485&d> (last visited January 5, 2026).

²² Citizens Property Insurance Corporation, *Executive Summary: Division of Administrative Hearings* (December 4, 2024), <https://www.citizensfla.com/documents/20702/31300530/20241204+09A+DOAH+Consent+Item+combined.pdf/96b3177a-8c6e-6e64-1c4d-3f6185a56cb1?version=1.0&t=1732029217029&d> (last visited January 5, 2026).

²³ *Id.*

²⁴ *Division of Administrative Hearings v. Citizens and Alvarez*, No. 2D2025-2789, Emergency Petition for Writ of Prohibition (Fla. 2d DCA Oct. 27, 2025).

²⁵ Citizens Property Insurance Corporation, *Litigated Claims Update* (November 20, 2025) <https://www.citizensfla.com/documents/20702/38933326/20251120+03+Litigated+Claims+Update.pdf/2626361d-17ea-60ab-64d8-64ece4e943ff?version=1.0&t=1762966917511&d> (last visited January 5, 2026).

²⁶ *Id.*

²⁷ *Id.*

²⁸ Ariza, M. *A Florida Home Insurer Was Allowed to Bypass the Courts During Claim Disputes. It Won More Than 90% of the Time*, ProPublica (September 15, 2025), <https://www.propublica.org/article/citizens-property-insurance-florida-arbitration-cases> (last visited December 21, 2025); Conte, A. *Homeowners Are Losing 90% of Cases Against Florida's Biggest Insurer-Here's Why*, Realtor.com, (September 29, 2025) <https://www.realtor.com/advice/finance/citizens-insurance-florida-claim-disputes-doah> (last visited January 5, 2026); Hurtibise, R. *A 'stacked deck': Citizens' alternative dispute system unfair to policyholders, attorneys say*, South Florida Sun-Sentinel (July 12, 2025).

²⁹ *Alvarez v. Citizens*, No. 25-CA-006626, Complaint (Fla. 13th Cir. Ct. July 11, 2025); *Lombana v. Citizens*, No. 2025CA001675, Complaint (Fla. 2d Cir. Ct. July 16, 2025); *Williams v. Citizens*, No. 1:25-cv-23097, Complaint (S.D. Fla. July 10, 2025).

In *Alvarez v. Citizens*, the judge in the Thirteenth Judicial Circuit issued a temporary injunction on August 1, 2025, halting all arbitration before DOAH on the grounds the plaintiff (Alvarez) demonstrated a substantial likelihood of success on the merits of his claims that Citizens’ ability to require mandatory arbitration violates policyholders’ constitutional rights to due process and access to courts.³⁰ The case was voluntarily dismissed in December 2025.³¹

In *Lombana v. Citizens*, the judge in the Second Judicial Circuit ordered DOAH to resume arbitration for 400+ pending Citizens cases on November 14, 2025. The judge ruled that the injunction issued in *Alvarez* was notably broad and that the non-final determination of a single trial court lacks binding effect on other trial courts.³² The order is currently being appealed in the First District Court of Appeal.³³

Two class action lawsuits have also been filed against Citizens alleging that its arbitration endorsement is unconstitutional by virtue of being mandatory, non-negotiable, and imposed through adhesion contracts without reduction in premiums. The plaintiffs further allege that Citizens’ systematic invocation of DOAH proceedings compels policyholders into an administrative forum that lacks meaningful discovery, motion practice, or judicial review.³⁴ No rulings have been issued to date.

RECENT LEGISLATION:

YEAR	BILL #/SUBJECT	HOUSE/SENATE SPONSOR(S)	OTHER INFORMATION
2025	CS/CS/HB 643/ Relating to Insurance	Commerce Committee, Insurance & Banking Subcommittee, Synder	The bill passed the House, but died in the Senate.

BILL HISTORY				
COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Insurance & Banking Subcommittee	17 Y, 0 N	1/14/2026	Brackett	Veigle
Commerce Committee	17 Y, 0 N	1/21/2026	Hamon	Veigle

³⁰ *Alvarez v. Citizens*, No. 25-CA-006626, Order Granting Plaintiff’s Petition for Temporary Injunction (Fla. 13th Cir. Ct. Aug. 1, 2025).

³¹ *Alvarez v. Citizens*, No. 25-CA-006626, Motion to Voluntarily Dismissal (Fla. 13th Cir. Ct. Dec. 8, 2025).

³² *Lombana v. Citizens*, 2025CA001675, Order Granting Petition for Writ of Mandamus (Fla. 2d Cir. Ct. Nov. 14, 2025).

³³ *Lombana v. Citizens, Division of Administrative Hearings*, 1D2025-3195, Notice of Appeal (Fla. 1st DCA Dec. 4, 2025).

³⁴ *Jamie Alverio v. Citizens*, No. 2025CA001978, Class-Action Complaint for Declaratory Relief (Fla. 18th Cir. Ct. Aug. 27, 2025); *Idelmis and Jesus Martinez v. Citizens*, No.2025-017067-CA-01, Class-Action Complaint for Declaratory Relief (Fla. 11th Cir. Ct. Sept. 1, 2025).