

2017 Rates and Rule Changes

November 29, 2016

The Florida Office of Insurance Regulation (OIR) has approved changes to annual rates, rules and underwriting manuals. The changes apply to new and renewal policies with effective dates on or after February 1, 2017. The major changes are outlined below.

Rate and Rule Changes

The base rate changes vary by policy type and are subject to a 10 percent cap, excluding coverage changes, mitigation adjustments, A-rated risks, Sinkhole Loss coverage rate changes, surcharges and a required rapid cash-build-up provision for the Florida Hurricane Catastrophe Fund (FHCF), if applicable. Rating worksheets have been updated as needed.

Commercial Residential Multiperil (CR-M) Policies

- Group I and Group II rating factors have been amended for Buildings, Business Personal Property and Special Class items.
 - The Hurricane and Other Wind and Hail Adjustment Factor tables have been expanded to reflect separate Hurricane and Other Wind and Hail Adjustment Factors specific to the following:
 - Apartment/homeowners associations and continuing-care retirement communities
 - Condominiums
 - Convents/monasteries
 - Fraternities/sororities
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Commercial Nonresidential Multiperil (CNR-M) Policies

- Group II rating factors have been amended for Buildings and Business Personal Property.
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Commercial Residential Wind-Only (CR-W) Policies

- Rating factors have been amended for Buildings and Business Personal Property for condominium, auxiliary buildings, Special Class item and noncondominium (apartments, co-ops, homeowners associations etc.) risks.
- The Recalculated Uncapped Item premium rule has been amended to add “...and CSP Code when changing as a result of a change in units” to the expiring term.

Commercial Nonresidential Wind (CNR-W) Policies

- Rating factors have been amended for Buildings, Business Personal Property (CC-D through CC-G Tables) and Special Class items.
- The Commercial Nonresidential Underwriting Guidelines CSP Classification Code Tables have been amended to reflect additional eligible Commercial Statistical Plan (CSP) codes that have been added.
- The Recalculated Uncapped Item premium rule has been amended to add “...and CSP Code when changing as a result of a change in units” to the expiring term.

Notes: For more information about rates, log in to the Agents site, go to the Commercial section, and click on one of the four policy forms on the left side of the page. Rate Changes by Territory is in the Spotlight section, which appears on the right side of the page.

FHCF Build-up Factors

The FHCF build-up factors have changed, as shown in the chart below:

Line of Business	2016 FHCF Build-up Factor	Occupancy	2017 FHCF Build-up Factor
CR-M (wind coverage included)	0.105	<ul style="list-style-type: none">• Apartment• Continuing-care retirement community (CCRC)• Fraternity• Sorority• Convent• Monastery• Homeowners association	0.120
	0.126	<ul style="list-style-type: none">• Condominium association	0.121
CR-W	0.0730	<ul style="list-style-type: none">• Apartment• CCRC• Fraternity• Sorority• Convent	0.0880

Line of Business	2016 FHCF Build-up Factor	Occupancy	2017 FHCF Build-up Factor
		<ul style="list-style-type: none"> • Monastery • Homeowners association 	
	0.0770	<ul style="list-style-type: none"> • Condominium association 	0.1030

Rates for A-Rated Risks

Citizens is amending its base rates and FHCF build-up factors for commercial residential A-Rated risks, as follows:

Line of Business	Occupancy	2017 FHCF Build-up Factor
CR-M (wind coverage included)	<ul style="list-style-type: none"> • Apartment • Continuing-care retirement community (CCRC) • Fraternity • Sorority • Convent • Monastery • Homeowners association 	0.049
	<ul style="list-style-type: none"> • Condominium association 	0.070
CR-W	<ul style="list-style-type: none"> • Apartment • Continuing-care retirement community (CCRC) • Fraternity • Sorority • Convent • Monastery • Homeowners association 	0.0460
	<ul style="list-style-type: none"> • Condominium association 	0.0460

Inspection Fees for CNR-M Policies

The inspection fee will be removed in PolicyCenter[®] for CNR-M policies.

Note: All other policy types (CR-M, CR-W and CNR-W) do not charge an inspection fee.

Notice of Change in Policy Terms

A Notice of Change in Policy Terms will be included with 2017 renewal offers. The content of each notice varies by policy form. These notices can be found in the Policyholder Notices section for each line of business on the Commercial section of the Agents site.

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