

2018 Rules, Form Updates and Rates Delay

November 29, 2017

The Florida Office of Insurance Regulation (OIR) has approved updates to Citizens' policy forms, rules and underwriting manuals for commercial policies with effective dates on or after February 1, 2018. The major rule updates and form changes are outlined below.

Note: Rates will not change until May 2018 (tentative) due to OIR's Emergency Order 214271-17-EO, as announced in the [Agent Updates bulletin](#) dated September 25, 2017. We will communicate the rate changes as soon as they are approved.

Rule Updates

Hurricane and Tropical Storm Binding Suspension rule now clarifies that during a tropical storm or hurricane watch or warning, agents are prohibited from binding policy changes as well as new applications; however, Citizens can process transactions submitted prior to binding being suspended.

For Commercial Nonresidential Multiperil (CNR-M) and Commercial Nonresidential Wind-Only (CNR-W) policies, Rule 101-A and 101-B in the *Underwriting Guidelines* manual has been amended:

- Rule 101-A: Applicants are not eligible for Citizens coverage if they can procure an offer of insurance from an authorized insurer. The following verbiage has been added: *or at rates that otherwise comply with the requirements of the Florida Insurance Code.*
- Rule 101-B: Due to applicant permission not being needed for a policy to be assumed, the following stricken verbiage have been removed from the *Depopulation Requirements* rule:

Section 627.351(6), Florida Statutes, provides that a Citizens policy may be taken out, assumed or replaced ~~with the applicant's or policyholder's permission and replaced~~ with a policy issued by an authorized insurer that does not provide coverage identical to that provided by Citizens. Acceptance of Citizens coverage creates a conclusive presumption that the policyholder is aware of this potential.

For Commercial Residential Wind-Only (CR-W) and CNR-W policies, Rule 107-C: *Short-Rate Cancellation* in the *Rates and Rating Rules* manual has been amended to clarify that the return premium will be calculated on a short-rate basis in the event of cancellation of a policy by a premium finance company during storm season.

Form Changes

For CNR-M (CNRM APP1 02 18) and CNR-W (CNRW APP1 02 18) applications, the *Agent's Certification* and *Applicant's Agreement* statements have been amended to align with updated rules 101-A and 101-B, as explained above.

- Statement 1 in the *Agent's Certification* has been updated to reflect Rule 101-A changes.
- Statements 1 and 3 in the *Applicant's Agreement* has been updated to reflect the *Depopulation Requirements* Rule 101-B changes.

For Commercial Residential Multiperil (CR-M) and CNR-M policies, cabanas have been removed from the list of structures that are not covered when the loss is caused by windstorm or hail on the *Additional Property Not Covered* form ([CIT 14 20 02 18](#)).

Notice of Change in Policy Terms

A *Notice of Change in Policy Terms* will be included with 2018 CR-M and CNR-M 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.

Website Changes

Updated underwriting manuals are available on the [Commercial](#) section of the *Agents* site for each line of business.

Note: Agents must be logged in to the *Agents* website for agent-specific links to work.

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