

Executive Summary

Actuarial & Underwriting Committee Meeting, June 18, 2019

Board of Governors Meeting, June 19, 2019

Product Changes - June 2019

Staff has identified several opportunities to update Citizens' policy forms. These changes are driven by the passage of House Bill 7065, Citizens' Claims Department feedback and general research.

Policy Form Changes – Personal and Commercial Lines

House Bill 7065 – Assignment of Benefits

New legislation, passed during the 2019 Florida session, introduces guidelines and limitations regarding assignment of policy benefits. Staff has completed analysis and determined that several insurance contract changes are needed to reflect the legislation. These changes will be implemented as soon as possible, with a target effective date of 12/1/2019 for new and renewal policies.

Policy changes include:

- Expanded Duties for Assignees
- Declarations page updates to incorporate additional address information
- Information regarding delivery of notice and rescission of assignment
- Enhanced "Suit Against Us" language relevant to assignees
- Additional Definitions
- Other changes to insurance contracts as needed to align with statute

Citizens' Leadership and Staff will be conducting further analysis regarding the option to offer a policy that restricts the insured's right to execute an assignment of benefits agreement at a lower cost than the unrestricted policy.

Additional Forms Changes

Duties After Loss

- Augment requirements for examinations under oath and recorded statement
- Expand details that must be included with proof of loss
- Require policyholder to notify Citizens of claim dispute before filing suit
- Enhance structure and verbiage of "Duties After Loss" section

Commercial Declarations Changes

Update policyholder information regarding Hurricane Deductibles and First Loss Coverage (effective 10/1/19)

Loss Payment

Limit payments for engineering reports, professional services and other expert opinions unless requested by Citizens

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Recommendation

Citizens' staff recommends that the Actuarial and Underwriting Committee approve and recommend that the Board of Governors:

- a) Approve the above proposals to update policy contract forms; and
- b) Authorize staff to take any appropriate or necessary action consistent with the Product Changes - June 2019 Action Item to include filing with the Office of Insurance Regulation (OIR), system change implementations, updates to supporting documents or forms and other relevant activities. Final changes may vary slightly, depending on guidance from the OIR.