ACTION ITEM

CONTRACT ID:	**Annual Recommended Rate Filings – Effective December 1, 2019**
BUDGETED ITEM	N/A
CONTRACT AMOUNT	N/A
PURPOSE / SCOPE	**Purpose**: As required by statute, Citizens has completed the annual analysis of recommended rates for 12/1/2019 – 11/30/2020. The purpose of this item is to receive approval from the Board to file these recommended rates with the Florida Office of Insurance Regulation. **Scope:** The presented recommended rate changes include all policy types for manually rated personal and commercial lines of business. These recommended rate changes: - Comply with the requirement in Florida law that Citizens recommend actuarially sound rates - Are not excessive, inadequate or unfairly discriminatory, and meet the requirements of U.S. Actuarial Standards of Practice except where Florida law supersedes such standards - Comply with the statutory "glide path" - Considers the Florida Public Hurricane Model, as required by law - Include an appropriate charge to pass through the Florida Hurricane Catastrophe Fund Rapid Cash build-up - Explicitly account for the projected impact of HB 7065 For personal lines, the overall statewide indicated rate change is 14.2%. After the application of the glide-path capping, the recommended rate impact is 4.7%. For commercial lines, the overall statewide indicated rate change is 54.2%. After the application of the glide-path capping, the recommended rate impact is 8.9%.
CONTRACT TERM(S)	N/A
PROCUREMENT METHOD	N/A
RECOMMENDATION	Citizens' Actuarial and Underwriting Committee recommends that Citizens' Board of Governors: a) Approve and recommend the 2019 Annual Recommended Rate Filings, effective December 1, 2019; and b) Upon approval, the presented rate changes will be filed with the Office of Insurance Regulation.
CONTACTS	Brian Donovan, FCAS, MAAA - Sr Director, Chief Actuary