

# Market Accountability and Advisory Committee Agency Services Update

December 5, 2019



# Current Agent and Agency Counts

Current Agent and Agency Counts vs. YE 2018			
	Oct-19	Dec-18	Net Change
Agencies	4,611	4,551	60
Agents	7,160	7,040	120
LCRs	3,445	2,980	465

**Note:**  
 Net change impacted by addition of 122 agencies added due to Florida Specialty in October.

Current Tri-County Agent and Agency Counts vs. YE 2018.			
	Oct-19	Dec-18	Net Change
Agencies	2,180	2,032	148
Agents	2,866	2,843	23
LCRs	938	954	-16

Agency Segmentation						
	Oct-19			Dec-18		
	Total Agencies	Total PIF	% of Overall PIF	Total Agencies	Total PIF	% of Overall PIF
Tier 1 (2,000+ PIF)	9	50,684	12.1%	9	53,213	12.5%
Tier 2 (500-1,999 PIF)	115	90,579	21.6%	114	89,112	20.8%
Tier 3 (200-499 PIF)	406	124,694	29.7%	413	126,723	29.6%
Tier 4 (50-199 PIF)	1,085	113,309	27.0%	1,118	117,336	27.5%
Tier 5 (49 or less PIF)	2,618	40,209	9.6%	2,602	41,013	9.6%
Tier 6 (0 PIF)	378	0	0.0%	295	0	0.0%

**Note:**  
 65% of Citizens agencies have less than 50 policies in force



# Performance Violations (PV):

Program update

2018 Monthly Performance Violation Counts							
Total Submissions	Monthly Total	% Total Submissions w/ PV	Circumventing Document Submission	Ineligible Risk	Uninsurable Risk	Incorrect Credits / Missing Signatures	Premium on Unbound / PFC Contract Missing
90,768	3,980	4%	975	87	827	2,075	31

2019 Monthly Performance Violation Counts								
Month	Total Submissions	Monthly Total	% Total Submissions w/ PV	Circumventing Document Submission	Ineligible Risk	Uninsurable Risk	Incorrect Credits / Missing Signatures	Premium on Unbound / PFC Contract Missing
January	6,059	184	3%	27	3	33	111	10
February	5,745	355	6%	60	1	65	224	5
March	6,734	534	8%	106	7	69	340	12
April	7,488	575	8%	110	7	80	365	12
May	8,408	618	7%	115	8	98	392	5
June	7,879	661	8%	126	13	94	410	18
July	8,570	849	10%	172	5	143	517	12
August	9,448	820	9%	167	8	129	505	10
September	7,155	766	11%	144	7	102	502	8
October	8,245	741	9%	101	1	150	485	4
November								
December								
<b>YTD Grand Total</b>	<b>75,731</b>	<b>6,103</b>	<b>8%</b>	<b>1,128</b>	<b>60</b>	<b>963</b>	<b>3,851</b>	<b>96</b>

### Binding Violation Key

- Circumventing the Electronic Document Submission Process:** Uploading of any documentation that is incorrect, incomplete or unacceptable for the document indicated
- Ineligible Risk:** Submitting insufficient documentation to establish that the risk meets Citizens' eligibility requirement (no offer of coverage or the 15-percent rule).
- Uninsurable Risk:** Submitting an application for a risk that is uninsurable as defined in the Personal Residential Multi Peril (PR-M) and Personal Residential Wind-Only (PR-W) manuals.
- Premium Posted on Unbound Risk or Failure to Provide Premium Finance Company Contract:** The agent/agency posted a premium on an unbound new-business submission prior to Underwriting review and approval, regardless of the final determination of eligibility and/or insurability or the premium finance company contract was not submitted with the new-business submission or policy renewal.
- Incorrect Application of Credits, Discounts or Surcharges; or Missing Signatures:** The agent/agency applied one or more of the following without proper documentation and resulted in a premium increase, or required signatures were missing:
  - Documentation to support mitigation credits was not submitted or insured signature was missing
  - Documentation to support protective device discount (i.e., alarm, sprinkler) was not submitted
  - Acceptable proof of prior insurance was not submitted
  - Insured or agent signature missing on application

Agents Under:	
Warning Notices	480
Suspensions	21
Terminations	0

# Late Submission Violations (LSV):

Program update

2018 Monthly Late Submission Violation YE				
New Submissions	Alerts	% Submissions w/ Alerts	Late Submissions	% Submissions w/ LSV
90,859	15,493	17%	3,872	4%

2019 Monthly Late Submission Violation Counts					
Month	New Submissions	Alerts	% Submissions w/ Alerts	Late Submissions	% Submissions w/ LSV
January	6,059	913	15%	231	4%
February	5,745	868	15%	196	3%
March	6,734	977	15%	262	4%
April	7,488	1,279	17%	242	3%
May	8,408	1,364	16%	295	4%
June	7,879	1,336	17%	321	4%
July	8,570	1,704	20%	385	4%
August	9,448	1,635	17%	389	4%
September	7,155	1,729	24%	407	6%
October	8,245	1,584	19%	355	4%
November					
December					
<b>YTD Grand Total</b>	<b>75,731</b>	<b>13,389</b>	<b>18%</b>	<b>3,083</b>	<b>4%</b>

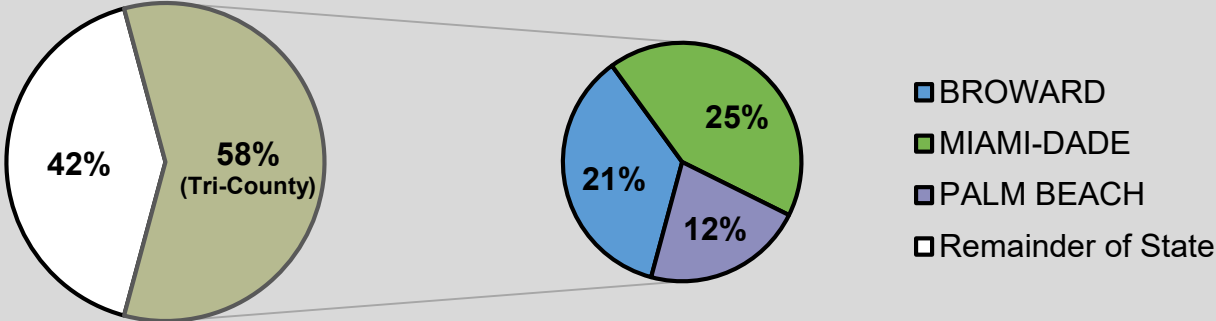
Agents Under:	
Warning Notices	129
Suspensions	3
Terminations	0

Late-submission violations occur when all required documents are not submitted to Underwriting within 15 calendar days of the requested effective date on a bound-approved or bound-unapproved new-business submission.

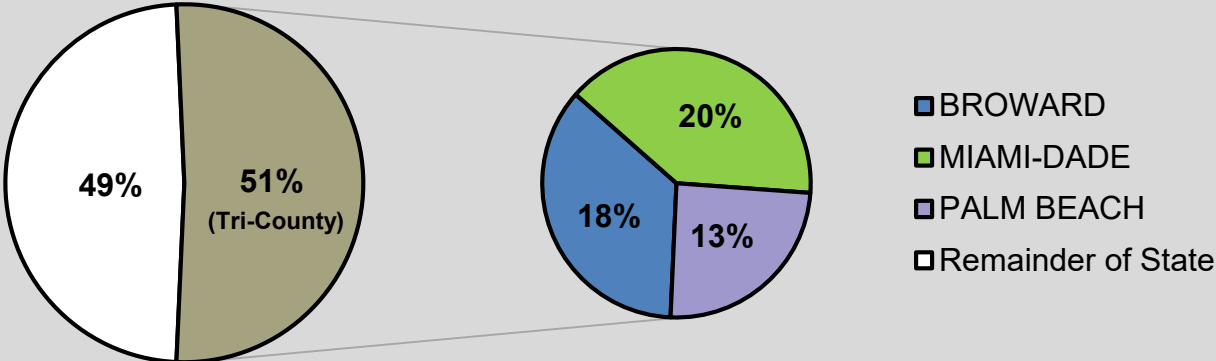
Citizens sends a Late Submission Alert for Required Documents activity six business days after the effective date when required documents have not been uploaded, or if upload has not been completed by selecting the SUBMIT button. This activity warns that a late-submission violation will be incurred if the agent takes no action. A Late Submission Alert for Required Documents cannot be disputed.

# Performance and Late Submission Violations by County

## YTD Performance Violations by County



## YTD Late Submission Violations by County



# Agent Outreach 2019

### Agent Round Table

- Improving the Agent Experience
- Feedback
- Emergency Services & Managed Repair

### Webinar: Agent Association Sponsored

- Citizens Updates
- Breaking News
- Forecasting
- Support Offerings

### Live Agent Town Halls

- Agreement Compliance
- New Business Submissions
- Depopulation & Clearinghouse
- Call Citizens First

### Webinar: Citizens Sponsored

- PolicyCenter Upgrade (V9)
- Assignment of Benefits (AoB)
- Florida Specialty (FS)

### Webinar: Performance & Late Submission Violations

- Open to All Agents
- Focus between warning and suspension
- Support Materials
- Live Instruction and Q&A

Date	Type	
January 15, 2019	W	✓
March 13, 2019	L	✓
May 21, 2019	W	✓
August 27, 2019	W	✓
November 14, 2019	L	✓

L = Live (In-Person)  
W = Web-Conference

Date	Attendance
January 22, 2019	26
March 8, 2019	50
March 28, 2019	24
May 14, 2019	53
July 23, 2019	58
August 7, 2019	6
September 17, 2019	35
October 25, 2019	115
December 3, 2019	

Date	Attendance
February 20, 2019	115
June 21, 2019	54
July 18, 2019	56
August 1, 2019	96
September 11, 2019	34
September 19, 2019	27
November 13, 2019	37

Date	Attendees
V9: June 4, 2019	878
V9: June 11, 2019	600
V9: June 13, 2019	457
AoB: Sept. 16, 2019	84
AoB: Sept. 18, 2019	126
FS: Oct. 14, 2019	606
FS: Oct. 15, 2019	325

Dates	Attendance
December 5, 2019	



Note: All future dates are tentative and subject to change.

## Agent & Agency Agreement Amendment

### Background Checks

**Why is Citizens doing this?:**  
Section 626.451(2) .....is thereby certifying to the department that an investigation of the licensee has been made and that in the appointing entity's opinion and to the best of its knowledge and belief, the licensee is of good moral character and reputation, and is fit to engage in the insurance business

18 USC 1033(e)(1)-(2) - prohibits any individual who has been convicted of certain offenses from engaging in insurance affecting interstate commerce

**Agreement Amendment:**  
“agents are consenting/allowing the use of consumer reports/background checks to verify...”

- Larceny
- Forgery
- Fraud (Insurance, Check, Mortgage, Securities, Bank)
- Counterfeiting
- Bribery
- Embezzlement
- Money Laundering
- Burglary
- Armed Robbery