

ACTION ITEM

Actuarial and Underwriting Committee Meeting, December 15, 2020
Board of Governors Meeting, December 16, 2020

CONTRACT ID:	Annual Recommended Rate Filings – Effective August 1, 2021
BUDGETED ITEM	N/A
CONTRACT AMOUNT	N/A
PURPOSE / SCOPE	<p>Purpose: As required by statute, Citizens has completed the annual analysis of recommended rates for 8/1/2021 – 7/30/2022. The purpose of this item is to receive approval from the Board to file these recommended rates with the Florida Office of Insurance Regulation.</p> <p>Scope: The presented recommended rate changes include all policy types for manually rated personal and commercial lines of business. These recommended rate changes:</p> <ul style="list-style-type: none"> • 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 <p>For personal lines, the overall statewide indicated rate change is 14.3%. After the application of the glide-path capping, the rate impact is 3.7%.</p> <p>For commercial lines, the overall statewide indicated rate change is 57.1%. After the application of the glide-path capping, the rate impact is 7.8%.</p>
CONTRACT TERM(S)	Text
PROCUREMENT METHOD	Text
RECOMMENDATION	<p>Staff proposes that the Actuarial and Underwriting Committee review and approve for consideration by the Board of Governors to:</p> <ol style="list-style-type: none"> a) Approve and recommend the 2021 Annual Rate Filings. b) Upon approval, the presented rate changes will be filed with the Office of Insurance Regulation.
CONTACTS	Brian Donovan, FCAS, MAAA – Chief Actuary