

ACTION ITEM

Board of Governors Meeting, January 26, 2021

CONTRACT ID:	Annual Recommended Rate Filings – Effective August 1, 2021
BUDGETED ITEM	N/A
CONTRACT AMOUNT	N/A
PURPOSE / SCOPE	<p>Purpose:</p> <p>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:</p> <p>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”, • Consider the Florida Public Hurricane Model, as required by law, and • 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 25.9%. After the application of the glide-path capping, the recommended rate impact is 7.2%.</p> <p>For commercial lines, the overall statewide indicated rate change is 84.3%. After the application of the glide-path capping, the recommended rate impact is 8.3%.</p>
CONTRACT TERM(S)	N/A
PROCUREMENT METHOD	N/A
RECOMMENDATION	<p>Citizens’ Staff recommends that Citizens’ Board of Governors:</p> <ol style="list-style-type: none"> a) Approve and recommend the 2021 Annual Recommended Rate Filings; and b) Upon approval, the presented rate changes will be filed with the Office of Insurance Regulation.
CONTACTS	Brian Donovan, FCAS, MAAA – Chief Actuary