



Clearinghouse & Depopulation Programs

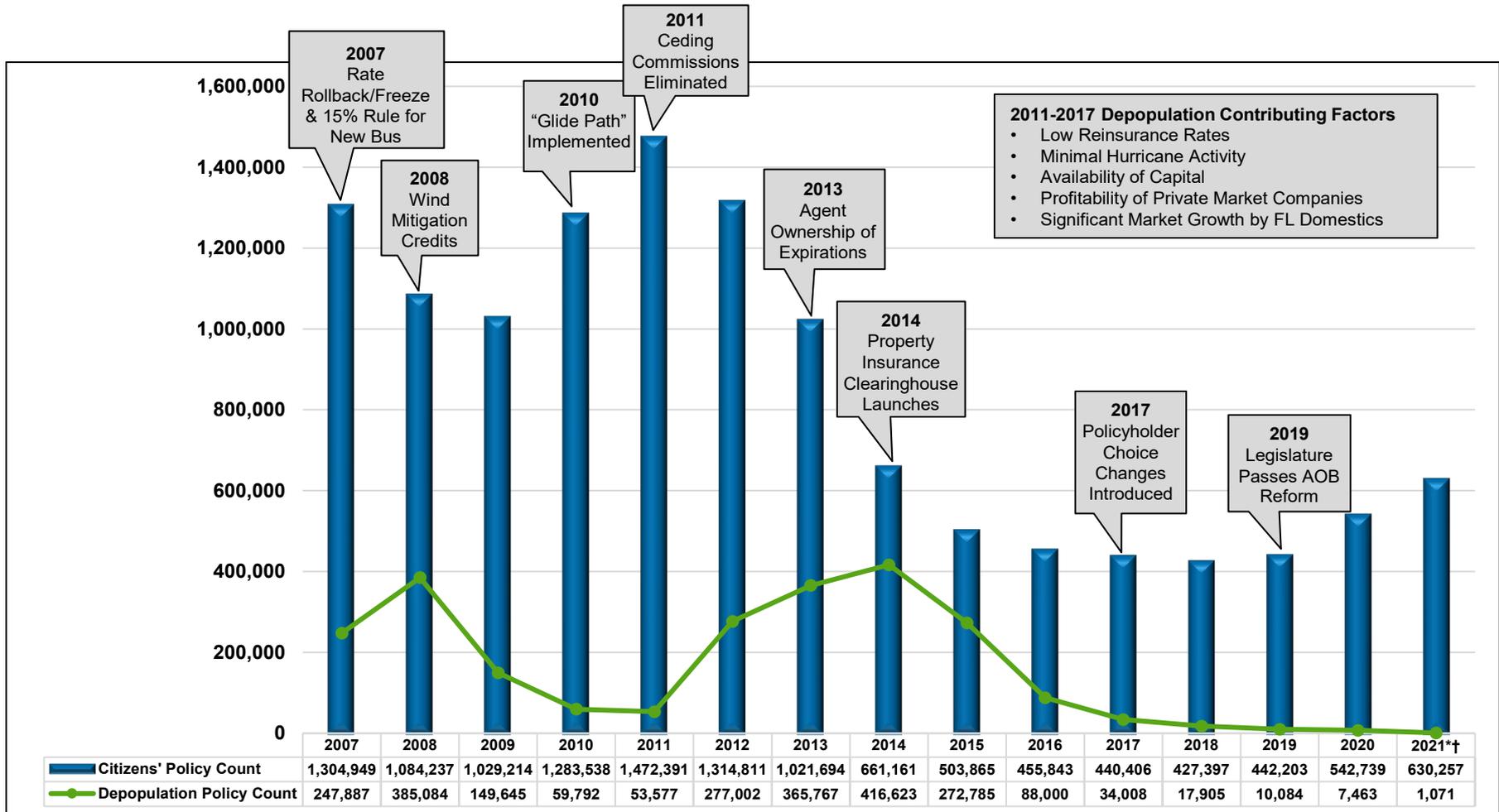
March 2, 2021





Historical Milestones

Citizens' and Depopulation Policy Count Trends



* Projected budgeted PIF

† Depopulation numbers as of February 2021 assumption.

Clearinghouse

Initial Eligibility – Newly Purchased Home



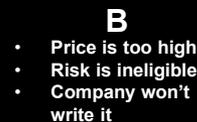
The customer:

- Buys a home and needs insurance.
- Connects with an insurance agent and requests a quote.



The agent presents the risk to companies they are appointed with.

The companies return a decision and quote.



- If the quote is acceptable, the customer purchases the policy. (The risk never comes to Citizens.)
- If the price is not acceptable to the customer, or the companies deem the risk ineligible or they are not willing to take it, the agent runs the eligible risk through the Clearinghouse.



The Clearinghouse returns coverage offers from participating insurance carriers willing to bid on the policy.

If no comparable private-market offers are provided, or comparable private-market offers are greater than 15% of the Citizens offer, the risk may be placed with Citizens.

Offer will block the Citizens policy based on the 15% rule.

Offer is presented to the customer for consideration.

Forms not offered due to lack of carrier interest:
All Commercial Lines, DP-1 -C, DP-3-C and H0-8.

Continuing Eligibility (Renewals)



Example risks they want:

- Agent-specific
- Location
- Prior claims
- Capacity

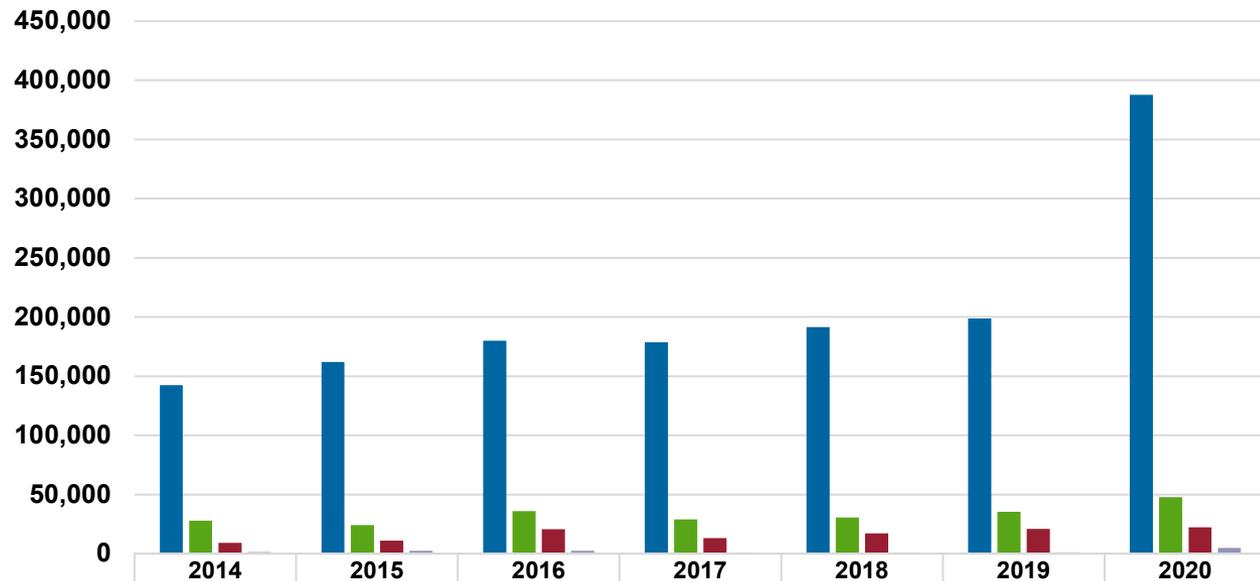
Example agents they want:

- Captive
- Independent
- Existing relationship

Note: Companies are not required to bid on all renewals.

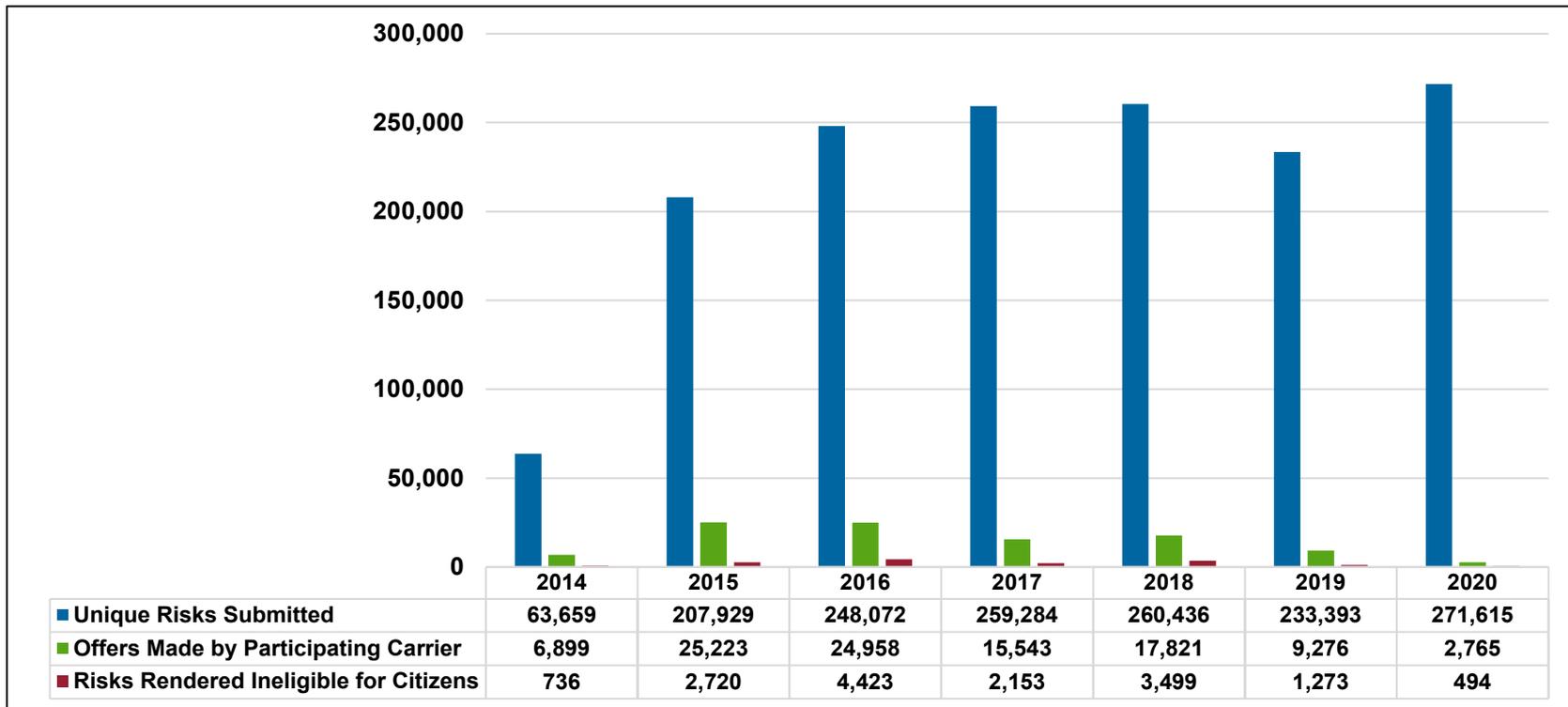
Clearinghouse Outcomes	No Offers	Offers Risk eligible to remain with Citizens	Offers Making Citizens ineligible	There are three outcomes.
Policyholder Options	Renew with Citizens	Take the other offer* or renew with Citizens	Must take the offer* or obtain a new policy	* The policyholder could receive one or more offers.
Role of the Agent		The agent is required to share other offers with the policyholder and must submit to carrier if desired.	The agent must submit to the offering company.	The agent must get involved when offers are made. If the policyholder wants coverage from the offering company, or the risk is deemed ineligible with Citizens, the agent must secure coverage using the clearinghouse to transfer data to the other company's website.
Policyholder Communication	Renewal Offer from Citizens		Notice of Nonrenewal	Forms not offered due to lack of carrier interest: All Commercial Lines, DP-1 -C, DP-3-C and H0-8.

New Business Update



	2014	2015	2016	2017	2018	2019	2020
Unique Risks Submitted	142,426	161,810	179,870	178,682	191,384	198,574	387,701
Offers Made by Participating Carrier	27,989	24,076	36,024	29,067	30,448	35,515	47,841
Risks Rendered Ineligible for Citizens	8,998	10,970	20,710	13,262	17,201	20,994	22,221
Uninsurable	1,340	2,303	2,439	891	848	1,144	4,735

Renewal Update



Depopulation

Depopulation Process Overview



A takeout company expresses interest in a depopulation and requests policy data from Citizens.



Private-market companies request approval from the Office of Insurance Regulation (OIR) to remove policies from Citizens.



The OIR reviews takeout companies' financials, current policies and requested takeout policies.



If the OIR approves a request, it sets a maximum number of Citizens policies an individual company can remove.



The takeout company selects the policies they want to remove from Citizens. Multiple companies can select the same policies, and the policyholders can choose their preferred offer.



Citizens mails policyholders a *Policyholder Choice Offer Letter and Form*, which includes all available offers, estimated renewal premiums and coverage worksheets.



A takeout company will select policies based on their desired risks profile.



Policyholders review the information from each takeout company and determine if they would like to accept one of the offers or remain with Citizens.



Policyholders submit their choice online at www.citizensfla.com/online-choice or by working with their agent. The choice must be registered with Citizens by the deadline provided on the *Policyholder Choice Offer Letter and Form*.



Assumption occurs for eligible policies in which an offer from one of the takeout companies was selected and for those in which no choice was registered. (If no choice is registered, Citizens assigns the policy to one of the private-market companies that made an assumption offer.)



Citizens sends confirmation letters to successfully assumed policyholders. Letters also are sent to policyholders who elected to remain with Citizens and those that were not assumed.

Historical Results – Personal Lines

Year	Total Personal Lines Offers Made	Total Personal Lines Policies Assumed	% Assumed
2009	237,008	149,694	63%
2010	85,990	59,792	65%
2011	78,596	53,577	68%
2012	354,475	277,002	78%
2013	460,674	358,318	78%
2014	589,624	411,632	70%
2015	514,679	270,381	53%
2016	179,475	84,089	47%
2017	127,422	31,854	25%
2018	71,384	16,639	23%
2019	42,941	9,960	23%
2020	26,067	7,463	29%
2021*	7,013	1,071	15%

* As of February 2021 assumption

Historical Results – Commercial Lines

Year	Total Commercial Lines Offers Made	Total Commercial Lines Policies Assumed	% Assumed
2007	0	0	0%
2008	No Data Available	601	
2009	0	0	0%
2010	0	0	0%
2011	0	0	0%
2012	0	0	0%
2013	8,278	7,449	90%
2014	5,919	4,991	84%
2015	3,058	2,404	79%
2016	4,351	3,911	90%
2017	2,318	2,154	93%
2018	1,341	1,266	94%
2019	142	124	87%
2020	0	0	0%