

FMAP Board of Governors Meeting, May 11, 2021

 ACTION ITEM **New Contract** **Contract Amendment** **Other Annual Report** **CONSENT ITEM** **Contract Amendment** **Existing Contract Extension** **Existing Contract Additional Spend** **Previous Board Approval** _____ **Other** _____

Action Items: Items requiring detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

- Move forward as Consent:** This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

Consent Items: Items not requiring detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

Item Description	2020 FLORIDA MARKET ASSISTANCE PROGRAM (FMAP) ANNUAL REPORT
Purpose/Scope	Citizens is required by the Plan of Operation to file the FMAP Annual Report with the Office of Insurance Regulation (OIR) annually by July 1. This 2020 FMAP Annual Report is being provided and requires board approval prior to submission to the (OIR).
Contract ID	N/A
Budgeted Item	N/A
Procurement Method	N/A
Contract Amount	N/A
Contract Terms	N/A

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Recommendation	Citizens' staff requests that the FMAP Board of Governors: <ul style="list-style-type: none">a) Approve the 2020 Florida Market Assistance Program (FMAP) Annual Report; andb) Authorize staff to take any appropriate or necessary action consistent with this Action Item for submittal to the OIR as required by the FMAP Plan of Operations.
CONTACTS	Kelly Booten, Chief Operating Officer

2020 Annual Report
Florida Market Assistance Plan

About FMAP

The Florida Market Assistance Plan (FMAP) is a program authorized by the Florida Legislature (627.3515, Florida Statutes) to help Florida property owners find and obtain private market insurance. The FMAP Board of Governors is comprised of the same members as the Board of Governors for Citizens Property Insurance Corporation (Citizens). FMAP is funded by Citizens and by an annual assessment of residential property insurers. FMAP operates according to statutory requirements created by the Florida Legislature and a *Plan of Operation* approved by its board and the Florida Office of Insurance Regulation (OIR).

Operations

FMAP functions primarily as a referral program that aligns consumer property coverage needs with agents and property insurers writing private market residential property insurance coverage. FMAP is operated by Citizens at its Tallahassee corporate headquarters. Customer support for inbound calls is managed by a third-party vendor.

Referral Program

FMAP's free online referral program for personal residential property insurance was designed to help consumers find insurance in the private market and reduce the number of applications for Citizens coverage. FMAP consumers answer 25 questions about their property by completing a questionnaire at www.fmap.org or by calling FMAP at 800.524.9023. Property information is matched with participating agents who are licensed and appointed with insurance carriers actively writing in Florida. Agents are alerted to new leads via email and can access their results any time to provide quotes to consumers.

In 2020, FMAP received 10,546 requests from consumers seeking residential property insurance. Participating agents reported placing 1,187 customers into the private market. This conversion rate of 11.3 percent was lower than the 15.0 percent conversion rate from 2019.

The following table provides a summary of referral program requests received from 2011 through 2020 and the estimated exposure placed in the private market:

Calendar Year	Request Received	Offers Accepted	Requests Converted	Exposure Placed in Private Market
2011	19,485	2,119	10.9%	\$ 557,982,533
2012	28,902	2,006	6.9%	\$ 568,579,477
2013	37,007	2,781	7.5%	\$ 773,273,001
2014	29,984	2,981	9.9%	\$ 779,747,346
2015	15,905	1,786	11.2%	\$ 383,965,959
2016	9,799	1,155	11.8%	\$ 262,643,946
2017	8,449	1,001	11.8%	\$ 229,359,875
2018	8,776	1,204	13.7%	\$ 298,139,468
2019	9,886	1,483	15.0%	\$ 348,071,045
2020	10,546	1,187	11.3%	\$297,677,575

Table 1: Annual requests received, offers accepted, percent converted and exposure

Requests by County

The following table shows the number of requests and offers per county and the percentage of requests converted to the private market:

2020 - County Requests and Placements				2020 - County Requests and Placements			
County Requested	Number of Requests	Offers Made and Accepted	Percent Converted	County Requested	Number of Requests	Offers Made and Accepted	Percent Converted
Alachua	74	10	13.5%	Lee	388	31	8.0%
Baker	4	-	0.0%	Leon	61	7	11.5%
Bay	113	10	8.8%	Levy	51	2	3.9%
Bradford	9	1	11.1%	Liberty	2	-	0.0%
Brevard	425	60	14.1%	Madison	5	-	0.0%
Broward	1,502	128	8.5%	Manatee	185	20	10.8%
Calhoun	4	-	0.0%	Marion	185	36	19.5%
Charlotte	128	11	8.6%	Martin	105	7	6.7%
Citrus	130	16	12.3%	Miami-Dade	1,011	82	8.1%
Clay	63	5	7.9%	Monroe	53	1	1.9%
Collier	181	21	11.6%	Nassau	49	8	16.3%
Columbia	17	4	23.5%	Okaloosa	50	5	10.0%
Desoto	27	-	0.0%	Okeechobee	7	3	42.9%
Dixie	10	-	0.0%	Orange	652	82	12.6%
Duval	322	53	16.5%	Osceola	194	35	18.0%
Escambia	66	7	10.6%	Palm Beach	915	95	10.4%
Flagler	58	5	8.6%	Pasco	434	56	12.9%
Franklin	20	-	0.0%	Pinellas	492	37	7.5%
Gadsden	19	3	15.8%	Polk	217	50	23.0%
Gilchrist	6	2	33.3%	Putnam	44	5	11.4%
Glades	3	-	0.0%	St. Johns	82	8	9.8%
Gulf	26	2	7.7%	St. Lucie	195	24	12.3%
Hamilton	4	1	25.0%	Santa Rosa	65	6	9.2%
Hardee	10	2	20.0%	Sarasota	205	23	11.2%
Hendry	6	3	50.0%	Seminole	181	31	17.1%
Hernando	162	13	8.0%	Sumter	49	7	14.3%
Highlands	38	4	10.5%	Suwannee	19	1	5.3%
Hillsborough	440	47	10.7%	Taylor	5	-	0.0%
Holmes	9	-	0.0%	Union	3	1	33.3%
Indian River	87	14	16.1%	Volusia	361	59	16.3%
Jackson	12	3	25.0%	Wakulla	16	2	12.5%
Jefferson	7	1	14.3%	Walton	29	2	6.9%
Lafayette	3	-	0.0%	Washington	23	1	4.3%
Lake	228	34	14.9%	TOTAL	10,546	1,187	11.3%

Table 2: County percentages

Requests by Year Built

Homeowners with properties built between 1970 and 1994 made the most requests for coverage in 2020 and placed the most requests in the private market:

Requested Property (Based on Year Built) and Requests Placed in Private Market						
Year Built	Number of Requests	Percent of Requests	Number Placed in Private Market	Percent Placed in Private Market	*Amount of Coverage A Placed in Private Market	*Amount of Coverage C Placed in Private Market
2010 - 2020 (0-10 yrs. old)	667	6.3%	78	11.7%	\$17,060,359	\$6,617,455
2005 – 2009 (11-15 yrs. old)	749	7.1%	114	15.2%	\$23,861,008	\$9,854,391
1995 - 2004 (16-25 yrs. old)	1,712	16.2%	234	13.7%	\$49,228,391	\$18,699,897
1970 - 1994 (26-50 yrs. old)	5,010	47.5%	548	10.9%	\$88,511,621	\$32,258,811
< 1969 (51 yrs. & older)	2,277	21.6%	205	9%	\$38,423,368	\$11,707,274
No Years Indicated**	131	1.3%	8	6.1%	\$940,000	\$515,000
Total Property Requested	10,546	100.0%	1,187	11.3%	\$218,024,747	\$79,652,828

*Coverage A + Coverage C as entered by agent when policy is bound.

**If the property is not owner-occupied or a condo, the year built is not required.

Table 3: Requests by year built

Requests by Property Type

Consumers seeking assistance in finding coverage for single-family dwellings continued to be the most successful FMAP users in 2020:

Requested Property Types and Property Requests Placed in Private Market						
Property Type	Number of Requests	Percent of Requests	Number Placed in Private Market	Percent Placed in Private Market	*Amount of Coverage A Placed in Private Market	*Amount of Coverage C Placed in Private Market
Apartments	53	0.5%	2	3.8%	\$124,000	\$45,000
Condos/ Unit Owners	816	7.7%	89	10.9%	\$6,460,656	\$3,252,557
Duplex	146	1.4%	21	14.4%	\$4,721,687	\$1,011,250
Houses	6,561	62.2%	756	11.5%	\$182,349,382	\$66,023,986
Mobile Homes	2,509	23.8%	264	10.5%	\$14,170,359	\$5,031,185
Townhouse	461	4.4%	55	11.9%	\$10,198,663	\$4,288,850
Total Property Requested	10,546	100.0%	1,187	11.3%	\$218,024,747	\$79,652,828

*Coverage A + Coverage C as entered by agent when policy is bound.

Table 4: Requests by property type

Requests by Construction Type

In 2020, consumers whose property had masonry construction were the majority of FMAP users:

Requested Construction Types and Requests Placed in the Private Market						
Construction Type	Number of Requests	Percent of Requests	Number Placed in Private Market	Percent Placed in Private Market	*Amount of Coverage A Placed in Private Market	*Amount of Coverage C Placed in Private Market
Aluminum	1,327	12.6%	125	9.4%	\$6,338,817	\$2,391,097
Frame	2,860	27.1%	303	10.6%	\$41,468,093	\$15,078,051
Masonry	5,956	56.5%	710	11.9%	\$159,505,533	\$58,026,582
Veneer	403	3.8%	49	12.2%	\$10,712,304	\$4,157,098
Total	10,546	100.0%	1,187	11.3%	\$218,024,747	\$79,652,828

*Coverage A + Coverage C as entered by agent when policy is bound.

Table 5: Requests by construction type

Policy Form Types Placed in the Private Market

In 2020, FMAP agents used policy form HO3 for most of the policies written into the private market.

Policy Form Type	Number of Form Types Placed in the Private Market	*Amount of Coverage A Placed in Private Market	*Amount of Coverage C Placed in Private Market	* Amount of Coverage Placed in Private Market
DP1	71	\$9,700,857	\$1,695,000	\$11,395,857
DP2	-	\$-	\$-	\$-
DP3	53	\$10,585,115	\$900,251	\$11,485,366
HO1	-	\$-	\$-	\$-
HO2	4	\$741,000	\$431,100	\$1,172,100
HO3	844	\$164,871,659	\$64,291,928	\$229,163,587
HO4	5	\$125,000	\$117,500	\$242,500
HO6	89	\$6,220,656	\$2,115,557	\$8,336,213
HO8	121	\$25,780,460	\$10,101,492	\$35,881,952
Total	1,187	\$218,024,747	\$79,652,828	\$297,677,575

*Coverage A + Coverage C as entered by agent when policy is bound.

Table 6: Policy Form Types

Top Companies Used to Place Property Requests

In 2020, Universal Property & Casualty Insurance Company placed 245 FMAP requests:

Top Companies Used to Place Properties	
Company Name	Total
Universal Property & Casualty Insurance Company	245
People's Trust Insurance Company	223
American Traditions Insurance Company	116
American Bankers Insurance Company of Florida	85
Leader Specialty Insurance Company	54
Foremost Insurance Company	53
United Property & Casualty Insurance Company	52
Heritage Property & Casualty Insurance Company	36
Safe Harbor Insurance Company	33
American Southern Home Insurance Company	23

Table 7: Top active companies

Active Agents

The number of active FMAP agents during 2020.

Number of Active Agents	
January	225
February	230
March	227
April	214
May	221
June	207
July	222
August	406
September	395
October	385
November	364
December	362

Table 8: Number of Active Agents

Future Outlook and Promotion of FMAP

Ultimately, the success of FMAP lies not only in the customers it satisfies, but also in the amount of financial exposure FMAP is able to keep out of Citizens and place in the private insurance market. FMAP continues to review options to increase Citizens depopulation. In 2021 our plans are to work towards updates being made to the FMAP Online Referral Program Platform.

Financial Overview

FMAP is funded by a \$450 annual assessment on residential property insurers. If additional funds are needed, Florida law requires Citizens to supplement the assessment funds. FMAP financials are audited annually by an independent auditor and reported to the FMAP Board and Florida Office of Insurance Regulation. We anticipate that future operational costs to maintain FMAP will be like those incurred in previous years.