

Executive Summary

FMAP Board of Governors Meeting, July 14, 2021

FMAP Service Program – Restrictions on Agent Participation

Citizens, on behalf of FMAP, is requesting approval to require that new agents requesting access to FMAP have at least ten (10) appointments with insurers (other than Citizens) authorized to write property insurance in Florida.

History

FMAP exists to assist in the placement of risks of applicants who are unable to procure property insurance from authorized insurers when such insurance is otherwise generally available from insurers who are authorized to transact and actually writing that kind and class of insurance in this state. Pursuant to the FMAP Plan of Operation, FMAP's operations are wholly housed within and carried out by Citizens. In addition to carrying out the day-to-day operations, Citizens makes strategic recommendations to the FMAP Board for the purposes of carrying out FMAP's functions. The FMAP Board may consider and act on any matters deemed necessary and proper to the administration of FMAP. Furthermore, through such measures as are found appropriate by the FMAP Board, FMAP shall take affirmative steps to assist in the removal from Citizens any risk that can be placed in the voluntary market.

Pursuant to the Plan of Operation, FMAP shall amend, as reasonably necessary, its Service Programs to carry out its purpose. Furthermore, to the extent deemed necessary to carry out its purpose, FMAP may impose reasonable restrictions on agents' access to its Service Programs.

Currently, agents are only required to be appointed by one insurance carrier to access FMAP. As a result, leads can be generated to agents who do not have wide access to the voluntary market. Consequently, consumers requesting assistance from FMAP often do not end up in the voluntary market. Citizens, on behalf of FMAP, has determined that by requiring new agents requesting access to FMAP to have at least ten (10) appointments with insurers authorized to write property insurance in Florida, consumers seeking assistance through FMAP will be more likely to be placed in the voluntary market. Under this new restriction, for purposes of determining whether an agent has ten (10) appointments with insurers authorized to write property insurance in Florida, an appointment with Citizens will not be counted. Such reasonable restriction to access will assist in reducing the number of new applications coming to Citizens and will increase the likelihood that any existing Citizens policyholder who chooses to seek assistance from FMAP will be removed from Citizens.

These new restrictions will not apply to agents to whom access has already been granted.

Recommendation

Staff proposes that the FMAP Board of Governors:

- a) Approve the restrictions requiring that new agents requesting access to FMAP have at least ten (10) appointments (other than Citizens) with insurers authorized to write property insurance in Florida.
- b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.

ACTION ITEM

FMAP Board of Governors Meeting, July 14, 2021

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| <input type="checkbox"/> Contract – New | <input type="checkbox"/> Committee or Board Minutes |
| <input type="checkbox"/> Contract – Amendment of Contract Terms | <input checked="" type="checkbox"/> FMAP Service Program Changes |
| <input type="checkbox"/> Contract – Additional Spend | <input type="checkbox"/> Other |

Contract ID	FMAP Service Program Restrictions
Budgeted Item	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Method	N/A
Contract Amount	N/A
Contract Term(s)	N/A
Purpose/Scope	<p>Purpose: This Action Item seeks FMAP Board approval of a new restriction on agents' access to FMAP.</p> <p>Scope: Citizens, on behalf of FMAP, is requesting approval to require that new agents requesting access to FMAP have at least ten (10) appointments with insurers (other than Citizens) authorized to write property insurance in Florida.</p>
Board Recommendation	<p>Staff proposes that the Board of Governors:</p> <ul style="list-style-type: none">a) Approve the restrictions requiring that new agents requesting access to FMAP have at least ten (10) appointments (other than Citizens) with insurers authorized to write property insurance in Florida.b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
CONTACTS	Kelly Booten, Chief Operating Officer Carl Rockman, Vice President, Agency & Market Services