

Executive Summary

Actuarial & Underwriting Committee Meeting, September 21, 2021

Board of Governors Meeting, September 22, 2021

Rate Filing Update

At the July 14, 2021 Board of Governors meeting, the board directed Citizens' staff to file with the Office of Insurance Regulation (OIR) a reinsurance true-up filing with an overall proposed rate change of 2.3%. This proposed rate change was in addition to the recently approved 5.2% rate change, which was effective August 1, 2021. As discussed at the July meeting, this proposed rate change:

1. Incorporated the final reinsurance costs for the 6/1/2021 – 5/31/2022 hurricane season.
2. Incorporated the applicable items of SB 76. Namely, include reinsurance costs that reflect coverage for a 1-in-100 event, and increase the policy level glide-path cap from 10% to 11%.

The proposed effective date for this filing was 2/1/2022. The OIR issued an order on August 30, 2021 approving all recommended rate changes as filed.

The summary of the results from the initial filing with effective date 8/1/2021 and the reinsurance true-up filing with effective 2/1/2022 are summarized below. These numbers remain unchanged from the July board meeting materials.

Product Line	(1)	(2)	(3) Rates Effective 8/1/2021		(5) Rates Effective 2/1/2022	
	In-Force Premium	Uncapped Indication	Filed Change	Approved Change	Additional Change	Overall Change
Personal	\$880,592,155	25.9%	7.2%	5.0%	2.4%	7.6%
Commercial	\$61,308,974	85.7%	9.5%	7.9%	0.8%	8.8%
Total	\$941,901,130	29.8%	7.3%	5.2%	2.3%	7.6%

(1) In-Force Premium

(2) Uncapped Rate Indications

(3) Initially recommended rate change to the OIR

(4) OIR approved rate change

(5) Additional rate change due to updating reinsurance costs and implementing SB 76

(6) Cumulative rate change considering both the OIR approved rate change for 8/1/2021 and additional change

All policies that are effective between 8/1/2021 through 1/31/2022 will have an average rate change of 5.2%.

All policies that are effective between 2/1/2022 through 7/31/2022 will have an average rate change of 7.6%.