

EXECUTIVE SUMMARY

BACKGROUND

As a result of ongoing review of underwriting rules, Citizens' staff recommends that the following changes be included with Citizens annual rate and rule filings:

PROPOSAL

Commercial Non-Residential Multi-Peril Program

This program currently includes inspection fees that are charged for each building on a policy. The current fee is \$150 for the first building at each location and \$75 for each additional building. These fees are not charged in any other Citizens Commercial Program. In order to improve consistency between programs, Staff recommends eliminating the inspection fee.

Commercial Non-Residential Wind Program

Citizens' current programs include codes used to identify the specific type of business occupancy for each risk. The codes within this program are limited and do not adequately distinguish all eligible occupancies. Staff recommends amending the classification codes to add additional business occupancy types, supporting more specific and detailed policy data.

RECOMMENDATION

Citizens' staff recommends that the Actuarial and Underwriting Committee approve and recommend that Citizens' Board:

- a) Approve the items proposed above to modify the current Commercial Lines rules to remove the inspection fee for the Commercial Non-Residential Multi-Peril program and to amend available business occupancy types to support more detailed policy data in the Commercial Non-Residential Wind program.
- b) Upon approval appropriate underwriting rule changes will be filed with the Office of Insurance Regulation and the necessary system updates will be implemented.