

FMAP Board of Governors Meeting, May 18, 2022

 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	2021 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 2021 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 2021 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



2021 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 currently managed by Citizens' Customer Care Center.

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 can register their property quote request by submitting their property details and contact information at www.fmap.org. 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 2021, FMAP received **8,352** requests from consumers seeking residential property insurance. Participating agents reported placing **453** customers into the private market. This conversion rate of **5.4** percent was lower than the **11.3** percent conversion rate from 2020.

The following table provides a summary of referral program requests received from 2012 through 2021 and the estimated exposure placed in the private market:

Calendar Year	Consumer Requests	Offers Accepted	Consumer Requests Converted	Exposure Placed into Private Market
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
2021	8,352	453	5.4%	\$ 144,083,285

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

Requests by County

In 2021, homeowners with property in Broward County made the most requests for coverage and accepted the most offers.

2021 – Request by County			
County	Consumer Requests	Offers Accepted	Consumer Requests Converted
Alachua	53	2	3.8%
Baker	5	0	0.0%
Bay	56	6	10.7%
Bradford	4	1	25.0%
Brevard	396	14	3.5%
Broward	792	34	4.3%
Calhoun	4	2	50.0%
Charlotte	109	9	8.3%
Citrus	78	4	5.1%
Clay	71	7	9.9%
Collier	175	11	6.3%
Columbia	8	1	12.5%
Desoto	11	1	9.1%
Dixie	13	1	7.7%
Duval	285	28	9.8%
Escambia	101	4	4.0%
Flagler	79	9	11.4%
Franklin	9	1	11.1%
Gadsden	13	1	7.7%
Gilchrist	1	1	100.0%
Glades	2	0	0.0%
Gulf	10	1	10.0%
Hamilton	1	0	0.0%
Hardee	8	0	0.0%
Hendry	9	3	33.3%
Hernando	103	4	3.9%
Highlands	40	1	2.5%
Hillsborough	435	28	6.4%
Holmes	2	0	0.0%
Indian River	79	12	15.2%
Jackson	8	2	25.0%
Jefferson	9	1	11.1%
Lafayette	2	0	0.0%
Lake	253	24	9.5%

2021 – Requests by County			
County	Consumer Requests	Offers Accepted	Consumer Requests Converted
Lee	392	27	6.9%
Leon	62	4	6.5%
Levy	21	1	4.8%
Liberty	1	0	0.0%
Madison	2	0	0.0%
Manatee	150	10	6.7%
Marion	158	17	10.8%
Martin	89	2	2.2%
Miami-Dade	552	13	2.4%
Monroe	27	0	0.0%
Nassau	46	4	8.7%
Okaloosa	79	1	1.3%
Okeechobee	8	0	0.0%
Orange	581	19	3.3%
Osceola	179	9	5.0%
Palm Beach	650	23	3.5%
Pasco	292	16	5.5%
Pinellas	437	14	3.2%
Polk	260	16	6.2%
Putnam	21	2	9.5%
St. Johns	82	6	7.3%
St. Lucie	210	12	5.7%
Santa Rosa	65	2	3.1%
Sarasota	175	11	6.3%
Seminole	160	10	6.3%
Sumter	66	5	7.6%
Suwannee	9	0	0.0%
Taylor	4	1	25.0%
Union	3	0	0.0%
Volusia	280	14	5.0%
Wakulla	16	0	0.0%
Walton	46	1	2.2%
Washington	5	0	0.0%
TOTAL	8,352	453	5.4%

Table 2: Requests by county

Requests by Year Built

Homeowners with properties built between 1971 and 1995 made the most requests for coverage and placed the most requests in the private market:

2021 – Requests by Year Built						
Year Built	Consumer Requests	Percent of Consumer Requests	Offers Accepted	Consumer Requests Converted	*Amount of Coverage A Placed in Private Market	*Amount of Coverage C Placed in Private Market
2011 - 2021 (0-10 yrs. old)	554	6.6%	49	8.8%	\$12,805,725	\$22,346,163
2006 – 2010 (11-15 yrs. old)	499	6.0%	38	7.6%	\$9,133,320	\$3,011,898
1996 - 2005 (16-25 yrs. old)	1,661	19.9%	124	7.5%	\$29,349,608	\$10,498,750
1971 - 1995 (26-50 yrs. old)	3,659	43.8%	187	5.1%	\$30,472,328	\$11,644,843
< 1970 (51 yrs. & older)	1,885	22.6%	51	2.7%	\$11,029,598	\$3,674,051
No Years Indicated**	94	1.1%	4	4.3%	\$42,001	\$75,000
Total Property Requested	8,352	100%	453	5.4%	\$92,832,580	\$51,250,705

*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 coverage for single-family dwellings continued to be the most successful FMAP users in 2021:

2021 – Request by Property Type						
Property Type	Consumer Requests	Percent of Consumer Requests	Offers Accepted	Consumer Requests Converted	*Amount of Coverage A Placed in Private Market	*Amount of Coverage C Placed in Private Market
Apartments	42	0.5%	3	7.1%	\$150,000	\$30,000
Condos/ Unit Owners	612	7.3%	54	8.8%	\$2,812,890	\$1,686,150
Duplex	126	1.5%	5	4.0%	\$808,000	\$110,000
Houses	5688	68.1%	276	4.9%	\$78,850,088	\$45,904,330
Mobile Homes	1553	18.6%	97	6.2%	\$5,463,004	\$1,954,176
Townhouse	331	4.0%	18	5.4%	\$4,748,598	\$1,566,049
Total Property Requested	8,352	100%	453	5.4%	\$92,832,580	\$51,250,705

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

Table 4: Requests by property type

Requests by Construction Type

In 2021, consumers whose property had masonry construction were the majority of FMAP users:

2021 – Request by Construction Type						
Construction Type	Consumer Requests	Percent of Consumer Requests	Offers Accepted	Consumer Requests Converted	*Amount of Coverage A Placed in Private Market	*Amount of Coverage C Placed in Private Market
Aluminum	824	9.9%	52	6.3%	\$3,775,001	\$1,515,550
Frame	2296	27.5%	127	5.5%	\$23,776,883	\$8,716,042
Masonry	4905	58.7%	252	5.1%	\$59,659,014	\$38,968,021
Veneer	327	3.9%	22	6.7%	\$5,621,682	\$2,051,092
Total	8,352	100%	453	5.4%	\$92,832,580	\$51,250,705

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

Table 5: Requests by construction type

Offers Accepted by Policy Form Type

In 2021, FMAP agents used policy form HO3 for most of the policies written into the private market.

Policy Form Type	Offers Accepted	*Amount of Coverage A Placed in Private Market	*Amount of Coverage C Placed in Private Market	Exposure Placed into Private Market
DP1	8	\$815,000	\$78,750	\$893,750
DP3	9	\$2,255,545	\$295,000	\$2,550,545
HO3	345	\$80,740,987	\$46,382,051	\$127,123,038
HO4	3	\$77,152	\$60,000	\$137,152
HO6	60	\$2,925,890	\$1,748,400	\$4,674,290
HO8	27	\$5,884,006	\$2,636,504	\$8,520,510
MHO-3	1	\$134,000	\$50,000	\$184,000
Total	453	\$92,832,580	\$51,250,705	\$144,083,285

*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 2021, Universal Property & Casualty Insurance Company placed 108 FMAP requests:

Top Five Companies Used to Place Properties	
Company Name	Total
UNIVERSAL PROPERTY & CASUALTY INSURANCE COMPANY	108
PEOPLE'S TRUST INSURANCE COMPANY	81
AMERICAN TRADITIONS INSURANCE COMPANY	50
CASTLE KEY INDEMNITY COMPANY	31
AMERICAN SOUTHERN HOME INSURANCE COMPANY	17

Table 7: Top five active companies

Active Agents

The number of active FMAP agents during 2021.

Number of Active Agents	
January	369
February	369
March	246
April	246
May	246
June	246
July	246
August	225
September	225
October	225
November	225
December	238

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. To facilitate FMAP's goal, an improved online referral service platform was launched in December of 2021. The improvements simplified the consumer registration process, modernized the overall look and feel of the application, and increased useability for all users. Additional enhancements are planned in Q1 of 2022. In addition to improvements made to the application, FMAP increased its marketing efforts on social media platforms as well as public radio messaging. The primary focus of marketing FMAP has been to reestablish the brand with Florida consumers to generate awareness and interest in the service. FMAP social media profiles were created on Facebook and Twitter. Messaging has been a combination of organic and paid posts on both platforms. FMAP also attended both the FAIA (June) and LAAIA (August) annual agent conventions in 2021.

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. In 2021 we assessed 570 companies and collected a total of \$256,500.