



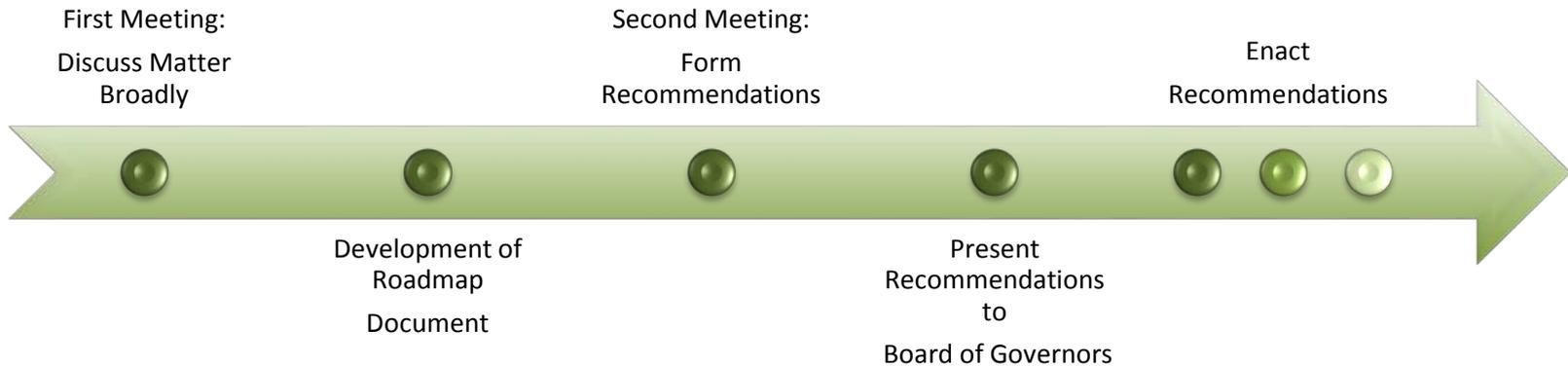
Depopulation Enhancements for Policyholder Choice

Depopulation Committee Meeting

September 27, 2016



TIMELINE



Tactical Recommendations Implemented

1. Opt-out letter—Change language to modify ‘possibility of assessment’ language.
2. Agent Decline Letter—Clarify wording of the letter to better explain the agent role in the process and possible rationale for declining appointment.
3. OIR Approval—Revise offer letter from insurer to include language that more explicitly states that the insurer has met the financial requirements established by the OIR.
4. Premium on Opt-out Letter—Require estimated premium to be displayed on opt-out letter.
5. Co-branding—Citizens and Insurers both appear on correspondence related to Depopulation.
6. Add Reminder about Depopulation—Include reminder language on *75-day* letter and *Offer / Opt-out* letters.

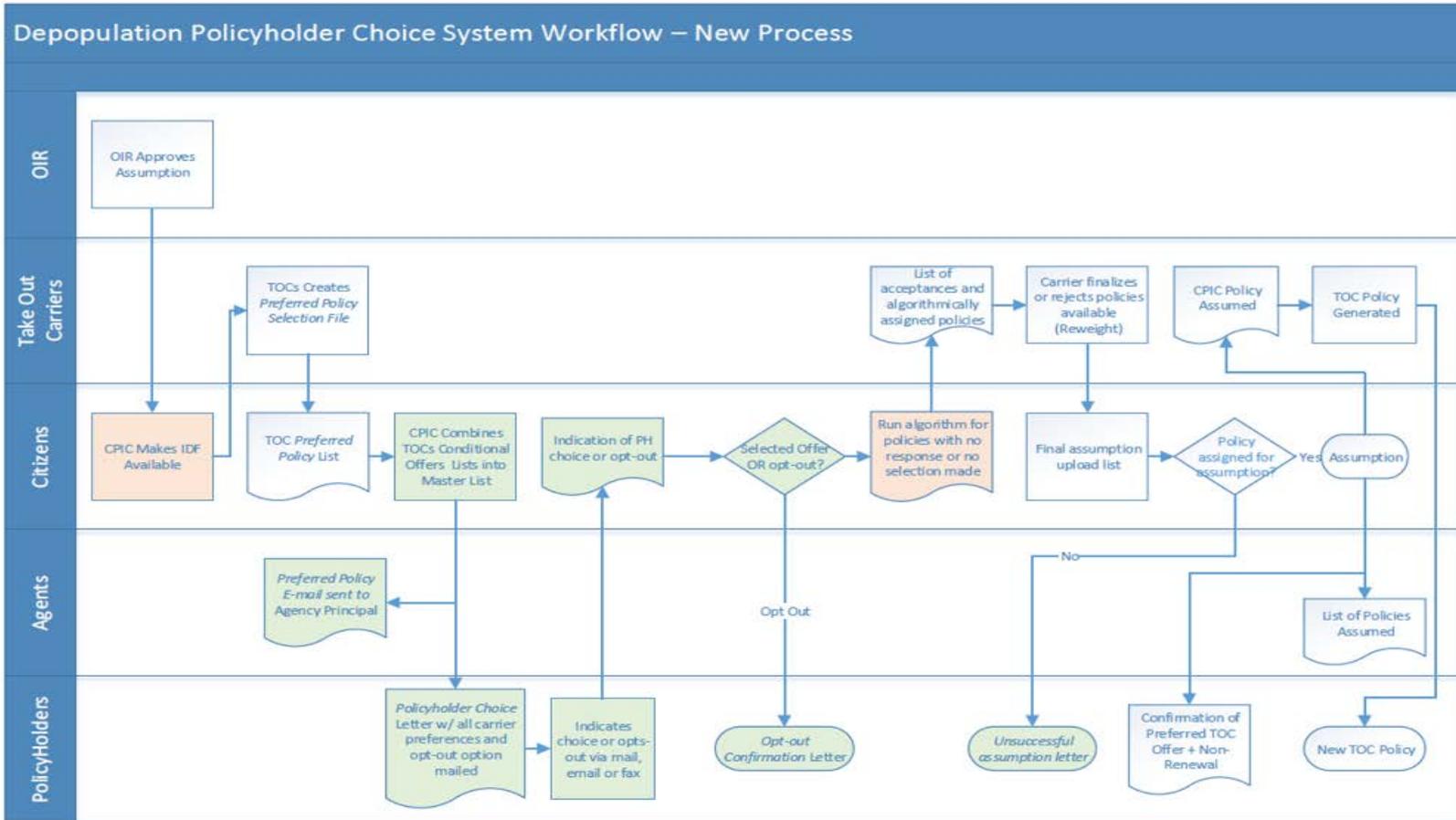
STRATEGIC GOAL: POLICYHOLDER CHOICE

“The Depopulation Process should enable Citizens policyholders, in concert with their agents, to choose, to the extent possible, their desired replacement policy from amongst those take-out carriers who express interest in acquiring the risk from Citizens.”

The *Depopulation Enhancements for Policyholder Choice* project currently underway will do exactly that, and considerably more. It will:

- Inform Citizens’ policyholders of all offers from insurers and allow policyholders to indicate their preference*
- Provide standardized carrier coverage information to policyholders*
- Periodically publish calendar of Assumptions*
- Enable Citizens to process the policyholders’ choices
- Eliminate processes no longer adding value
- Increase automation
- Decrease opportunities for delays and/or processing errors

*Included in HB 931



Legend: ■ New Process
■ Modified Process

2017 Commercial Lines Depopulation Calendar

Assumption Date	1) OIR Approval Date	2) TOC Returns Documents	3) Depop Provides Initial Data File (IDF)	4) TOC Sends Wish Lists to Agents	5) TOC Submits Policy Selections & Agent Decline Lists	6) Depop Provides Opt Out Mailer Lists	7) TOC Provides Re-Weights	8) CPIC Mails Encouragement & Agent Decline Letters	9) TOC Mails Opt Out Letters & Forms	10) TOC Provides Pre-Assumption Opt Out & Late Agent Agreement Lists
01/10/2017	10/31/2016	11/07/2016	11/09/2016	11/17/2016	12/02/2016	12/06/2016	12/08/2016	12/09/2016	12/09/2016	01/04/2017
03/14/2017	12/30/2016	01/09/2017	01/09/2017	01/17/2017	02/01/2017	02/03/2017	02/07/2017	02/08/2017	02/09/2017	03/08/2017
05/16/2017	02/28/2017	03/07/2017	03/09/2017	03/16/2017	03/31/2017	04/04/2017	04/06/2017	04/10/2017	04/13/2017	05/10/2017
07/11/2017	05/01/2017	05/08/2017	05/09/2017	05/16/2017	05/31/2017	06/02/2017	06/06/2017	06/07/2017	06/08/2017	07/05/2017
09/12/2017	06/30/2017	07/10/2017	07/10/2017	07/17/2017	08/01/2017	08/03/2017	08/07/2017	08/08/2017	08/10/2017	09/06/2017
11/14/2017	08/31/2017	09/08/2017	09/11/2017	09/18/2017	10/03/2017	10/05/2017	10/09/2017	10/11/2017	10/12/2017	11/08/2017

2017 Personal Lines Depopulation Calendar

Assumption Date	1) OIR Approval Date	2) TOC Returns Documents	3) Depop Provides Initial Data File (IDF)	4) TOC Submits Preferred Policy Selections and Estimated Renewal Premiums	5) Master File Created and CPIC Estimated Renewal Premiums generated	6) Policyholder Choice letter and Preferred Policy agent email sent	7) Policyholder Preference/Opt Out deadline	8) Depop provides assigned Policy list to TOC	9) TOC provides Re-Weights
02/21/2017	11/30/2016	12/07/2016	12/09/2016	12/27/2016	12/31/2016	01/04/2017	02/03/2017	02/14/2017	02/16/2017
04/18/2017	01/31/2017	02/07/2017	02/09/2017	02/24/2017	02/25/2017	02/28/2017	03/30/2017	04/10/2017	04/12/2017
06/20/2017	03/31/2017	04/07/2017	04/10/2017	04/25/2017	04/29/2017	05/02/2017	06/01/2017	06/12/2017	06/14/2017
08/22/2017	05/31/2017	06/07/2017	06/09/2017	06/26/2017	07/01/2017	07/05/2017	08/04/2017	08/15/2017	08/17/2017
10/17/2017	07/31/2017	08/07/2017	08/09/2017	08/24/2017	08/26/2017	08/29/2017	09/28/2017	10/09/2017	10/11/2017
11/21/2017	08/31/2017	09/08/2017	09/11/2017	09/26/2017	09/30/2017	10/03/2017	11/02/2017	11/13/2017	11/15/2017
12/19/2017	09/29/2017	10/06/2017	10/09/2017	10/24/2017	10/28/2017	10/31/2017	11/30/2017	12/11/2017	12/13/2017

Depopulation Enhancements Benefit Stakeholders

Policyholders

Agents

Insurers

Citizens

Policyholder Benefits

- **Enhancement:** Policyholder can choose from among multiple insurers' take-out offers (when applicable), rather than having the selection made by an algorithm.
 - **Benefit:** This allows the policyholder to make a selection based on the criteria they deem to be most important.
- **Enhancement:** Policyholder will receive a single letter from Citizens that explains the assumption process and provides them with information about all insurers interested in assuming their policy.
 - **Benefit:** A single letter eliminates confusion caused by receiving multiple letters from different companies about the same event, and the fact that the letter comes from their current insurer (Citizens) decreases the likelihood that the letter will be ignored.
- **Enhancement:** Policyholder can document their selection directly with Citizens rather than via insurers.
 - **Benefit:** Reduces opportunity for error or delay in processing of selection.



Policyholder Choice Form



Policyholder Choice Form

The decision to accept an assumption offer from a private-market insurance company or remain with Citizens is yours to make. Follow the instructions below to register your decision with Citizens:

1. Review the available private-market assumption offers.
2. Review the *Coverage Comparison* information included with this notice.
3. Select your preferred coverage option.
4. Submit this form to Citizens by <insert due date>, using one of the following methods:
 - Contact your agent.
 - Email: depop.choice@citizensfla.com
 - Fax: 844.850.9493
 - Mail:
Citizens Property Insurance Corporation
P.O. Box 17869
Jacksonville, FL 32245

Select your preferred coverage option below. If only one offer of assumption is listed, you do not have to take additional action to accept the offer. However, you must return this form or contact your agent to remain with Citizens.

Select One <input checked="" type="checkbox"/>	Contract	Available Assumption Offers	Estimated Renewal Premium*
<input type="checkbox"/>	contract#	<insurer name>	<\$X,XXX>
<input type="checkbox"/>	contract#	<insurer name>	<\$X,XXX>
<input type="checkbox"/>	contract#	<insurer name>	<\$X,XXX>
<input type="checkbox"/>	contract#	<insurer name>	<\$X,XXX>
<input type="checkbox"/>	contract#	<insurer name>	<\$X,XXX>
<input type="checkbox"/>	N/A	Remain with Citizens.	<\$X,XXX>

If you do not submit this form to Citizens by <insert due date per assumption>, one of the private-market insurance companies listed above will assume your policy from Citizens.

Regardless of your choice, you must continue to pay all Citizens' premiums due during your current Citizens policy term. If you choose to remain with Citizens, you will receive a notice confirming your decision. If you remain with Citizens, please be aware of the following important information:

- You could be required to pay an assessment if Citizens does not have the resources to pay claims following a major hurricane or series of storms. This assessment would be imposed only if Citizens incurs substantial losses but could be significant. If you are insured by a private-market company, this assessment would be lower.
- You may continue to receive future offers from private-market insurance companies interested in removing your policy from Citizens.
- Prior to renewal, your policy may be entered into Citizens' Property Insurance Clearinghouse to determine whether private-market coverage is available that may make you ineligible to remain a Citizens policyholder.

Insured Signature: _____ Date: _____

Insured: <insured's name>

Policy Number: <policy #>

*Estimated renewal premiums are based on current approved rates and policy information. The estimated renewal premium is provided for informational purposes only and is subject to change. It includes all fees and taxes, and assumes there are no changes to your coverage, deductibles, wind mitigation credits, policy fees, surcharges or rates.

Policyholder Benefits

- **Enhancement:** Policyholder can elect to have their agent register their selection directly in Citizens policy system.
 - **Benefits:** Encourages conversation between policyholder and agent and allows immediate documentation of policyholder's choice.
- **Enhancement:** Policyholder will receive policy form information in a standardized format from all insurers offering to assume and also from Citizens along with the *Policyholder Choice Letter*.
 - **Benefit:** Policyholder can compare information about each insurers' policy forms.

Agent Benefits

- **Enhancement:** Agent will receive a list of customers that will receive the Policyholder Choice letter.
 - **Benefits:** Current process provided a list of potential customers that was often unwieldy. List of actual customers affected allows agent to more easily contact customers and discuss the assumption.
- **Enhancement:** Agents will be able to track status of customers' policies throughout the assumption and be able to view an actual copy of the letter.
 - **Benefit:** Agents can more easily advise their customer as to the current status of their policy and act accordingly.
- **Enhancement:** Agent can document the policyholder's selections directly into Citizens policy system.
 - **Benefit:** Reduces opportunity for error or delay in processing of selection and provides better service experience to policyholders.

Benefits to Participating Insurers

- **Enhancement:** Reduction in number of processing steps.
 - **Benefits:** Increases likelihood of participation and reduces cycle time.
- **Enhancement:** Citizens sends *Policyholder Choice* letter to policyholders.
 - **Benefits:** Responsibility for insurer sending offer letters to policyholders eliminated and insurer's offer more likely to be considered by policyholder.
- **Enhancement:** Citizens accumulates policyholder choices.
 - **Benefit:** Eliminates need for insurer to accumulate opt-out forms and notify Citizens of their receipt.

Benefits to Citizens

- **Enhancement:** Citizens sends *Policyholder Choice* letter.
 - **Benefits:** Eliminates multiple exchanges of data with insurers, thereby reducing opportunity for errors. Eliminates inconsistency in communication with policyholders.
- **Enhancement:** Citizens receives policyholder's selection directly from policyholder or agent.
 - **Benefits:** Allows for automation of process and streamlines communication between policyholder and Citizens.
- **Enhancement:** Automation of processing of policyholder's choice.
 - **Benefit:** Eliminates multiple steps in the receipt and recording of a policyholder's choice, allowing for increased accuracy and reduced cost.

Revised Plan of Operations

- In order for the enhanced depopulation process to be put into effect, modifications to the existing Depopulation Plan must be made.
- Revised Plan is more detailed than existing plan and also incorporates changes to statute.
- Revised plan will also serve as a foundation document for upcoming revisions to the Assumption Agreement between Citizens and Insurers.
- Plan must be approved by Citizens Board of Governors and the OIR.
- Asking for Depopulation Committee's recommendation for Board approval.