

The new Plan provides a single document from which the details of Citizens' depopulation program can be understood. These changes are as follows:

- **Statement of Purpose:** This provides a brief statement setting forth the statutory authority for the adoption of the plan.
- **Effective Date:** This sets forth that the plan is effective when approved by the Office.
- **Definitions:** A series of definitions have been drafted to be used throughout the Plan.
- **Depopulation Cycles:** Section 627.351(6)(ii), Florida Statutes, provides that Citizens shall periodically publish a schedule of cycles during which an insurer may identify and notify Citizens of policies that such insurer is interested in taking out. The new section of the Plan sets how and when such cycles will be published and what will be included with such publication.
- **Assumption Agreements:** Consistent with the previous plans, the new Plan requires insurers who wish to take out policies to enter into an assumption agreement with Citizens. However, the following changes have been made:
  - Rather than entering into an agreement every 18 months, an insurer must enter into an agreement for each calendar year that the insurer wishes to assume a policy. The agreement will cover only the assumptions that occur during that calendar year. This will ensure that if there are changes to any facet of the depopulation process at the beginning of a calendar year, those changes will be captured in the annual agreements and applied uniformly to all such assumptions that take place during that year.
  - The Plan clarifies that the insurer's obligations regarding assumed policies last for the "Assumption Term" which is generally three years.
  - Rather than incorporating a minimum exposure or minimum number of policy selections into the Plan directly, such minimums may be incorporated into the assumption agreements. This will allow Citizens to adjust the minimums over time to reflect a changing book of business.
- **Policyholder Notices and Policyholder Choice for Personal Lines Residential Policies:** This section incorporates the changes required per Section 627.351(6)(ii), Florida Statutes.
- **Commercial Lines Selection Process:** This section allows Citizens to utilize a selection process for commercial lines that is the same as that set forth for personal lines, or to maintain the same selection process that has been utilized in the past.
- **Producing Agents and Assuming Insurers:** This section reflects the legal obligations that assuming insurers have toward agents of record for assumed policies. This does not change the current obligations that are found in law, in the consent orders, and in the assumption agreements.
- **Liabilities on Assumed Policies:** This sets forth the insurer's obligations on assumed policies, consistent with the relevant statutes. This does not change the current obligations that are found in law, in the consent orders, and the assumption agreements.

- **Returned Policies:** This section sets forth the conditions under which policies may be returned to Citizens, and sets forth the responsibility for claims on such policies. The responsibilities regarding claims do not change. However, the Plan codifies Citizens position on when policies may be returned (sometimes colloquially referred to as “untagged”).
- **Forms, Rates, and Renewals:** This section sets forth the obligations to offer renewal on assumed policies. It does set forth situations when the insurer may cancel or non-renew a policy, but makes clear that the insurer may not cancel or nonrenew for any exposure management or underwriting reason known of the insurer at the Assumption Date. This does not change the current obligations that are found in law, in the consent orders, and in the assumption agreements.
- **Assumed Premiums:** This section details the obligations regarding assumed premiums and true-ups. This does not change the current obligations that are found in law, in the consent orders, and in the assumption agreements, but does provide a greater degree of detail regarding what will be reviewed during a “true-up” of such premium.
- **No Take-Out Bonuses are Approved:** This section makes clear that no take-out bonuses are approved as part of this Plan.