

Executive Summary

Actuarial & Underwriting Committee Meeting, September 27, 2016

Board of Governors Meeting, September 28, 2016

Product Change: Miscellaneous Updates

FIGA, Underutilized Lines of Business, Personal Lines Manual Updates

History

FLORIDA INSURANCE GUARANTY ASSOCIATION (FIGA) COMMERCIAL AND PERSONAL LINES RECOUPMENTS

Active recoupments for the 2012 commercial and personal lines Florida Insurance Guaranty Association (FIGA) assessments will expire November 30, 2016 for Commercial Lines and January 9, 2017 for Personal Lines. Additional collection activity and supporting filings are required to complete the recoupment of these assessments. The restart date for recoupment activity is tentatively scheduled for March 2017.

Staff requests approval to file and implement additional FIGA recoupment activity to collect remaining balances.

RETIRING UNDERUTILIZED LINES OF BUSINESS

Currently Citizens offers 21 policy types, including 7 different tenant contents policies. The chart shown below reflects several policy types that are seldom used. In each case, similar coverage is available in another Citizens policy type. These products require specific effort to maintain and modify as various product and rate changes are implemented. An opportunity may exist to retire some of all of these products that have limited policy counts, allowing Citizens to eliminate administrative costs.

The following provides the policies in-force, as of September 13, 2016, for products with limited utilization and similar alternatives.

Products	Policies in Force
DP-1 T	24
DP-3 T	134
MD-1	408
MDP-1 T	202
MHW-4	1
Grand Total	769

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Any action to retire underutilized policy types will reflect:

- Minimizing impact to policyholders and agents
- Offering appropriate product alternatives that provide comparable coverage
- Approval by the Office of Insurance Regulation of any changes that impact policyholders.

Staff requests the Board's approval to conduct the required research and analysis and to take appropriate action to retire underutilized products. In order to minimize impacts, a multi-year plan may be adopted.

UPDATE FORMAT AND STRUCTURE OF PERSONAL LINES UNDERWRITING MANUALS

Over time, specific modifications to portions of the Underwriting Manuals have resulted in some inefficiencies in format and structure. Inefficiencies may confuse agents and slow down updates and revisions.

Staff requests approval to update and reformat the Personal Lines Underwriting Manuals. No changes will be made to eligibility, and all manuals will be submitted to the Office of Insurance Regulation for review and approval.

Recommendation

Citizens' Staff recommends the Actuarial & Underwriting Committee review and approve and then recommend Citizens Board:

- a) Approve the changes described above to:
 - Restart FIGA recoupments
 - Research and take appropriate action to retire underutilized lines of business
 - Update the format and structure of the Personal Lines Underwriting Manuals; and
- b) Authorize staff to take any appropriate or necessary action consistent with this Action Item, including filing with the Office of Insurance Regulation, system change implementations and other supporting activities.

ACTION ITEM

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CONTRACT ID:	Product Change: Miscellaneous Updates
BUDGETED ITEM	N/A
CONTRACT AMOUNT	N/A
PURPOSE / SCOPE	<p>FLORIDA INSURANCE GUARANTY ASSOCIATION (FIGA) COMMERCIAL AND PERSONAL LINES RECOUPMENTS Active recoupments for the 2012 commercial and personal lines Florida Insurance Guaranty Association (FIGA) assessments will expire November 30, 2016 for Commercial Lines and January 9, 2017 for Personal Lines. Additional collection activity and supporting filings are required to complete the recoupment of these assessments. The restart date for recoupment activity is tentatively scheduled for March 2017.</p> <p>RETIRING UNDERUTILIZED LINES OF BUSINESS Currently Citizens offers 21 policy types, including 7 different tenant contents policies. Several policy types are seldom used. In each case, similar coverage is available in another Citizens policy type. These products require specific effort to maintain and modify as various product and rate changes are implemented. An opportunity may exist to retire some of all of these products that have limited policy counts, allowing Citizens to eliminate administrative costs.</p> <p>UPDATE FORMAT AND STRUCTURE OF PERSONAL LINES UNDERWRITING MANUALS Over time, specific modifications to portions of the Underwriting Manuals have resulted in some inefficiencies in format and structure. Inefficiencies may confuse agents and slow down updates and revisions. Staff requests authorization to file manuals with updated format and structure, with no substantive changes.</p>
CONTRACT TERM(S)	N/A
PROCUREMENT METHOD	N/A
RECOMMENDATION	<p>Citizens' Staff recommends the Actuarial & Underwriting Committee review and approve and then recommend Citizens Board:</p> <ul style="list-style-type: none">a) Approve the changes described above to:<ul style="list-style-type: none">• Restart FIGA recoupments• Research and take appropriate action to retire::• Mobile Home Tenant Dwelling – Basic Form<ul style="list-style-type: none">○ Mobile Home Tenant Dwelling – Basic Form○ Mobile Home Dwelling – Basic Form○ Dwelling Fire Tenant – Basic Form○ Mobile Home Tenant Wind-Only• Update the format and structure of the Personal Lines Underwriting Manuals; andb) Authorize staff to take any appropriate or necessary action consistent with this Action Item, including filing with the Office of Insurance Regulation, system change implementations and other supporting activities.
CONTACTS	John Rollins, Chief Risk Officer Karen Holt, Senior Director Product Development