

Executive Summary

Actuarial & Underwriting Committee Meeting, March 28, 2023

Board of Governors Meeting, March 29, 2023

Recommended Rate Filing

Purpose

As required by statute, Citizens has completed the annual analysis of recommended rates for 2023. The Office of Insurance Regulation uses this information as it establishes Citizens' rates to be implemented for policy effective dates beginning October 2023 (Commercial Lines) and November 2023 (Personal Lines). The analysis developed rate indications that:

- Comply with the requirement in Florida law that Citizens recommend actuarially sound rates. The indications developed are designed to generate the premium needed to cover Citizens' projected losses and expenses during the effective period of the rates.
- Are not excessive, inadequate or unfairly discriminatory, and meet the requirements of U.S. Actuarial Standards of Practice except where Florida law supersedes such standards.
- Comply with SB 2-A which directs that Citizens' rates are not competitive with those of the private insurance market.
- Comply with the statutory "glide path". This limits Citizens' annual rate increases to no more than 12% in 2023, or 13% in 2024, for class rated policies written in commercial lines, or on primary risks in personal lines. And after SB 2-A, it limits Citizens' annual rate increases to between 0% and 50% for policies written on non-primary risks in personal lines. This is an exception to the requirement for actuarially sound and non-competitive rates. It applies to non-sinkhole perils and excludes coverage changes and surcharges.
- Consider the anticipated savings from SB 2-A that eliminates the use of AOB and one-way attorney fees.
- Consider the Florida Public Hurricane Model (FPM) results in wind rate recommendations, as required by law.
- Include an appropriate charge to pass through the Florida Hurricane Catastrophe Fund (FHCF) Rapid Cash Build-Up Factor (BU), as required by law.
- Comply with Senate Bill 76 (SB 76) by including a provision for reinsurance expenses that reflects coverage for a 1-in-100 year event, even if that level of reinsurance is not actually purchased.

Major cost factors in the rate analysis include:

- i) Non-catastrophic losses and loss adjustment expenses (LAE)
- ii) Modeled catastrophic hurricane losses and estimated LAE
- iii) Administrative expenses
- iv) Risk transfer costs

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- v) Additional cost provision that reflects the difference between actual risk transfer costs and risk transfer costs that reflect full reinsurance coverage up to a 1-in-100 year event
- vi) Pre-event liquidity costs

The average statewide indicated rate change across all lines of business is +58.5%. The proposed indicated rates will be for commercial lines policies written 10/1/2023 through 9/30/2024 and for personal lines policies written 11/1/2023 through 10/31/2024. Under the statutory glide path, no individual policyholder may experience a rate increase over 12% in 2023, or 13% in 2024. SB 2-A created an exception for policyholders insured for non-primary risks, who cannot experience rate increases below 0% or over 50% in both 2023 and 2024. Technically, complying with these requirements must involve two different rate filings. One filing affects policies written 10/1/2023 through 12/31/2023 and caps rate increases at 12% or 50%. The other affects policies written 1/1/2024 through 10/31/2024 and caps rate increases at 13% or 50%. The overall rate impact is an average of these two filings and is summarized below. Note the below numbers do not include the impact of the FHCF BU. See Exhibit 1 for policy form detail.

Product Line	In-Force Premium	Uncapped Indication	Proposed Change Capped @ 12%*	Proposed Change Capped @ 13%**	Total Proposed Change***
Personal	\$2,785,309,136	57.9%	13.4%	14.3%	14.2%
Commercial	\$141,003,867	68.9%	11.6%	12.6%	12.3%
Total	\$2,926,313,003	58.5%	13.3%	14.2%	14.1%

* impact for policies effective 11/1/2023 through 12/31/2023 (Commercial line effective 10/1/2023)
 ** impact for policies effective 1/1/2024 through 10/31/2024
 *** total combined impact for policies effective 11/1/2023 through 10/31/2024 (Commercial line effective 10/1/2023)

Another provision of SB 2-A requires that Citizens consider the competitive position of its rates. However, any adjustments to the proposed rates based on the competitive analysis is still subject to the 12%/13% cap for policies insuring primary risks and 50% cap for policies insuring non-primary risks. This will be discussed in more detail below.

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Determination of Overall Rate Indications

Impact of SB 2-A

There have been several explicit adjustments made to the calculation of the uncapped indicated rate need to reflect SB 2-A. These adjustments are made to account for the anticipated savings due to the elimination of AOBs and one-way attorney fees.

To reflect the anticipated savings of the elimination of AOBs and one-way attorney fees, the uncapped indications have the following adjustments:

- 1) Reduce the loss trends to reflect the anticipated reduction of future litigation costs.
- 2) Remove litigation costs when determining the non-hurricane catastrophe provision.
- 3) Assume future loss development will more closely follow non-litigated loss patterns instead of litigated loss patterns.
- 4) Select the median of the four hurricane modeled results.

These combined adjustments materially impacted the uncapped rate need. For example, for HO3, the uncapped indication prior to consideration of SB 2-A was 89.4%. After consideration of the adjustments, the uncapped indication was reduced to 56.5%. This represents a 36.8% reduction of Citizens' uncapped rate need for HO3 policies.

Two other provisions of SB 2-A also received explicit consideration: the competitiveness of Citizens' rates and the rates charged for non-primary risks. The adjustment for these provisions is handled in the application of the glide-path capping and is discussed in the next section (Impact of Policy Level Capping).

Impact of Policy Level Capping

Prior to SB 2-A, the glide path required Citizens to ensure no single policyholder shall be subject to a (non-sinkhole) rate increase greater than 12% in 2023 and 13% in 2024. SB 2-A directs Citizens to make two changes with the rates that are charged: 1) consideration of the competitiveness of Citizens' rates. 2) treatment of non-primary risks (homes which the insured or tenant resides 9 months or less per year). Both directives are incorporated into the capping procedure.

Consideration of Competitiveness

Prior to SB 2-A, the rates that Citizens filed with the OIR and charged its insureds were to be actuarially sound, but also subject to the glide-path restrictions discussed above. SB 2-A adds the additional requirement that Citizens' rates not be competitive with the private market. Notably, even though SB 2-A directs Citizens to charge non-competitive rates, the primary risks are still subject to glide-path restrictions which means their rates

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cannot be increased more than 12% in 2023 and 13% in 2024. Working with information provided by the OIR, Citizens' rates were compared to rates being charged by the private market. This was done for each line of business, at the county level. For the lines of business and counties where it was clear that Citizens' rates were much less expensive than the private market, we recommend the maximum allowed rate increase of 12% in 2023 (13% in 2024) for all policyholders in that county, regardless of the actuarial indicated rate.

Non-Primary Residences

SB 2-A defines a "primary residence" as a property which the policyholder or tenant occupies for more than nine months out of the year. Any homes occupied nine months or less are classified as "non-primary". SB 2-A adjusts the glide-path capping for non-primary homes to 0% to 50%. Consideration was also given to Citizens' competitive position. For lines of business and counties where Citizens' rates were much less expensive than the private market, we adjust the capping for non-primary homes from between 0% and 50% to between 13% and 50%.

For all HO3 primary policies, based on the actuarially indication along with the competitive analysis, these recommended rates include an across-the-board 12% increase for all policyholders in all counties. For the dwelling, mobile home, and renter lines of business, except for a handful of counties, the recommended rates are also an across-the-board 12% increase for all primary policies. For those counties where there was no evidence of Citizens' rates being overly competitive, the traditional rate capping of -10% to 12% is recommended. For PL condo policies, rates are apparently not overly competitive and will also have the -10% to 12% capping applied.

Note that, per SB 76, the 12% maximum caps will be increased to 13%, effective 1/1/2024. The minimum cap will also be increased to 13% for primary policies where Citizens is too competitive.

Hurricane Peril

Hurricane peril rates drive the overall Citizens premium for many policyholders, particularly in coastal territories. As Florida law requires, projected hurricane losses from accepted scientific simulation models were considered. Citizens used four models accepted by the Florida Commission on Hurricane Loss Projection Methodology: AIR (v1.0.0, Touchstone 2021), RMS (Risklink v21.0 (Build 2050)), CoreLogic RQE (Florida Hurricane Model v2021a), and the FPM (v8.1). No model results were modified or adjusted. The four distinct models underpinned a range of rate indications for each line of business. These ranges varied by line of business, as models may disagree widely in some territories and products.

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Last year, in determining the overall wind indication based on the four modeled results, Citizens set the statewide wind indication between the two highest modeled results for each line of business. The primary reason for doing this was that increased litigation will tend to make hurricane losses significantly more severe than is expected in the models. For example, this happened with Hurricane Irma. Due to SB 2-A eliminating the use of AOB and one-way attorney fees, we reverted to basing the hurricane portion of the wind indication on the median of the four modeled results.

As discussed with the last indication brought to the board, RMS modeled results are presented differently in the rate filings. RMS requires Citizens to designate their model results as trade secret. This has no bearing on how the RMS results are incorporated into the rate indication. But in the rate filing itself the RMS results will be viewable to the OIR but will not be available to the public.

Impact of Private Reinsurance Costs

There are two components that comprise the Private Reinsurance cost provision of Citizens' wind indication. First is the actual net cost of private reinsurance purchased by Citizens. The second component is included to comply with SB 76, which requires Citizens to include a reinsurance provision that reflects the cost of reinsurance coverage for up to a 1-in-100-year event, even if Citizens does not purchase this level of reinsurance. For the first component, the estimated costs of the FHCF coverage and the catastrophe bonds which will be in place in 2023 are included. There are two such catastrophe bonds included for the Coastal account and two for the PLA. For the second component, we rely on Raymond James' estimated rates-on-line for 2023 to calculate the net cost of reinsurance up to a 1-in-100 year event.

For HO3/HW2, the total private reinsurance provision included in the indication is 44.3%. For all lines combined, the total private reinsurance provision is 49.5%. This provision puts Citizens on a more comparable level to private insurers than would a provision that relies only on purchased reinsurance.

Impact of Pre-Event Liquidity

Pre-event liquidity (debt financing) provides a funding bridge to the point in time and loss levels at which the FHCF begins to pay hurricane reimbursements. It also ensures quick claims-paying capacity for subsequent storms in a season and augments other Citizens claims-paying resources that are not readily available in cash after a storm. This allows for timely payment of claims as well as flexibility in the timing and cost of issuance of post-event debt.

Pre-event debt does impact the cost structure of Citizens, and therefore the rate indications. This year the impact of pre-event liquidity in the Homeowners statewide uncapped rate indication is 1.2%, which has a small impact on Citizens' overall rate need.

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Impact of FHCF Buildup Premium

The FHCF is required by law to include a “rapid cash buildup factor” of 25% in its premium. In turn, Citizens is required by law to pass this cost to the policyholder, outside the 12%/13% glide path cap. This affects the statewide premium impacts, raising some lines slightly below or above 12%/13%.

Sinkhole Indications

Two years ago, for the first time in Citizens’ history, sinkhole rates for HO3 were lowered (by 12%). Sinkhole losses continued to show signs of trending downward through 2022. However, given the long-tailed nature of this peril, and the very low frequency and potentially very high severity, the recommendation is to leave sinkhole rates unchanged with this rate filing and allow time to pass to test the adequacy of the current sinkhole rates.

Rate Analysis Exhibits

Several Exhibits are included with this item. Note that scale differs on some maps, so review the legends carefully when comparing maps. Also, all premium totals are based on policies in-force as of 9/30/2022.

Exhibit 1: Summary of Statewide Indications

- Columns (1) through (3) display the statewide uncapped indication and the proposed capped rate impact for multi-peril lines of business in the Personal Lines Account.
- Columns (4) through (6) display the statewide uncapped indication and the proposed capped rate impact for multi-peril lines of business in the Coastal Account.
- Columns (7) through (9) display the statewide uncapped indication and the proposed capped rate impact for wind-only lines of business (written only in the Coastal Account).
- Columns (10) through (12) display the statewide uncapped indication and the proposed capped rate impact for combined multi-peril and wind-only lines of business.
- The proposed rate change in column (12) is based on capping all individual rate changes.

Exhibit 1A: Summary of Personal Line Statewide Indications (Primary vs Non-Primary)

- Columns (1) through (3) display the statewide uncapped indication and the proposed capped rate impact for primary risks in the personal lines business.

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- Columns (4) through (6) display the statewide uncapped indication and the proposed capped rate impact for non-primary risks in the personal lines business.
- Columns (7) through (9) display the statewide uncapped indication and the proposed capped rate impact for all risks in the personal lines business.

Exhibit 2 – Multi-Peril HO-3 (Homeowners) County Average Premium Impacts Map

- Displays the average proposed premium impact after capping for each county
- Note that the numbers in this exhibit show the average premium impact for the county
- The non-sinkhole premium impact is +12% for individual policyholders insuring primary risks within each county excluding the effects of the FHCF build-up
- The non-sinkhole premium impact can vary between +13% and +50% for individual policyholders insuring non-primary risks within each county excluding the effects of the FHCF build-up

Exhibit 3 – Wind-Only HW-2 (Homeowners) County Average Premium Impacts Map

- Displays the average proposed premium impact after capping for each county
- Note that the numbers in this exhibit show the average premium impact for the county
- The premium impact is +12% for individual policyholders insuring primary risks within each county excluding the effects of the FHCF build-up
- The actual premium impact can vary between +13% and +50% for individual policyholders insuring non-primary risks within each county excluding the effects of the FHCF build-up

Exhibit 4 – Multi-Peril HO-6 (Condo Unit-Owners) County Average Premium Impacts Map

- Displays the average proposed premium impact after capping for each county
- Note that the numbers in this exhibit show the average premium impact for the county
- The actual premium impact can vary between -10% and +12% for individual policyholders insuring primary risks within each county excluding the effects of the FHCF build-up

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- The actual premium impact can vary between 0% and +50% for individual policyholders insuring non-primary risks within each county excluding the effects of the FHCF build-up

Exhibit 5 – Wind-Only HW-6 (Condo Unit-Owners) County Average Premium Impacts Map

- Displays the average proposed premium impact after capping for each county
- Note that the numbers in this exhibit show the average premium impact for the county
- The actual premium impact can vary between -10% and +12% for individual policyholders insuring primary risks within each county excluding the effects of the FHCF build-up
- The actual premium impact can vary between 0% and +50% for individual policyholders insuring non-primary risks within each county excluding the effects of the FHCF build-up

Exhibit 6 – Multi-Peril DP-1 and DP-3 (Dwelling Fire) County Average Premium Impacts Map

- Displays the average proposed premium impact after capping for each county
- Note that the numbers in this exhibit show the average premium impact for the county
- In counties Dade, Dixie, Indian River, Jefferson, Monroe, Taylor: The non-sinkhole premium impact can vary between -10% and +12% for individual policyholders insuring primary risks excluding the effects of the FHCF build-up and between 0% and +50% for individual policyholders insuring non-primary risks excluding the effects of the FHCF build-up
- In all remaining counties: The non-sinkhole premium impact is +12% for individual policyholders insuring primary risks within each county excluding the effects of the FHCF build-up and between +13% and +50% for individual policyholders insuring non-primary risks excluding the effects of the FHCF build-up

Exhibit 7 – Wind-Only DW-2 (Dwelling Fire) County Average Premium Impacts Map

- Displays the average proposed premium impact after capping for each county

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- Note that the numbers in this exhibit show the average premium impact for the county
- In counties Dade, Dixie, Indian River, Jefferson, Monroe, Taylor: The actual premium impact can vary between -10% and +12% for individual policyholders insuring primary risks excluding the effects of the FHCF build-up and between 0% and +50% for individual policyholders insuring non-primary risks excluding the effects of the FHCF build-up
- In all remaining counties: The actual premium impact is +12% for individual policyholders insuring primary risks within each county excluding the effects of the FHCF build-up and between +13% and +50% for individual policyholders insuring non-primary risks excluding the effects of the FHCF build-up

Exhibit 8 – Multi-Peril MHO-3 and MDP-1 (Mobile Homeowners and Dwelling Fire) County Average Premium Impacts Map

- Displays the average proposed premium impact after capping for each county
- Note that the numbers in this exhibit show the average premium impact for the county
- In counties Broward, Hamilton, Holmes, Jefferson, Lafayette, Liberty, Orange, Pasco, Volusia: The actual premium impact can vary between -10% and +12% for individual policyholders insuring primary risks excluding the effects of the FHCF build-up and between 0% and +50% for individual policyholders insuring non-primary risks excluding the effects of the FHCF build-up
- In all remaining counties: The actual premium impact is +12% for individual policyholders insuring primary risks within each county excluding the effects of the FHCF build-up and between +13% and +50% for individual policyholders insuring non-primary risks excluding the effects of the FHCF build-up

Exhibit 9 – Wind-Only MW-2 and MD-1 (Mobile Homeowners and Dwelling Fire) County Average Premium Impacts Map

- Displays the average proposed premium impact after capping for each county
- Note that the numbers in this exhibit show the average premium impact for the county
- In counties Broward, Hamilton, Holmes, Jefferson, Lafayette, Liberty, Orange, Pasco, Volusia: The actual premium impact can vary between -10% and +12% for individual policyholders insuring primary risks excluding the effects of the FHCF build-up and between 0% and +50% for individual policyholders insuring non-primary risks excluding the effects of the FHCF build-up

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- In all remaining counties: The actual premium impact is +12% for individual policyholders insuring primary risks within each county excluding the effects of the FHCF build-up and between +13% and +50% for individual policyholders insuring non-primary risks excluding the effects of the FHCF build-up

Exhibit 10 - Multi-Peril Commercial Residential County Average Premium Impacts Map

- Displays the average proposed premium impact after capping for each of the “Group 2” perils territories (some of which cross several counties)
- Note that the numbers in this exhibit show the average premium impact for the territory.
- The non-sinkhole premium impact can vary between 0% and +12% for individual policyholders within each county excluding the effects of the FHCF build-up

Exhibit 11 - Wind-Only Commercial Residential County Average Premium Impacts Map

- Displays the average proposed premium impact after capping for each county

Exhibit 12 - Multi-Peril Commercial Non-Residential County Average Premium Impacts Map

- Displays the proposed premium impact after capping for each Group 2 territory
- The numbers display the expected premium impact for each policyholder within a territory.

Exhibit 13 - Wind-Only Commercial Non-Residential County Average Premium Impacts Map

- Displays the average proposed premium impact after capping for each county

Exhibit 14A - Distribution of Recommended Rate Impacts by Policy in PLA

- Tabulates the proposed capped premium impacts for personal lines into a histogram showing number and proportion of policyholders in each impact range
- Includes all personal lines combined
- Range maybe slightly less than -10% and slightly higher than 50%, due to the impact of the FHCF pass through and sinkhole premium which is not subject to capping

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Exhibit 14B - Distribution of Recommended Rate Impacts by Policy in PLA (Non-Primary)

- Tabulates the proposed capped premium impacts for personal lines into a histogram showing number and proportion of policyholders in each impact range
- Includes all personal lines combined
- Range maybe slightly less than 0% and slightly higher than 50%, due to the impact of the FHCF pass through and sinkhole premium which is not subject to capping

Exhibit 15A - Distribution of Recommended Rate Impacts by Policy in Coastal Account

- Tabulates the proposed capped premium impact for personal lines into a histogram showing number and proportion of policyholders in each impact range
- Includes all personal lines combined
- Range maybe slightly less than -10% and slightly higher than 50%, due to the impact of the FHCF pass through and sinkhole premium which is not subject to capping

Exhibit 15B - Distribution of Recommended Rate Impacts by Policy in Coastal Account (Non-Primary)

- Tabulates the proposed capped premium impact for personal lines into a histogram showing number and proportion of policyholders in each impact range
- Includes all personal lines combined
- Range maybe slightly less than 0% and slightly higher than 50%, due to the impact of the FHCF pass through and sinkhole premium which is not subject to capping

Exhibit 16 – Average Premium by County – HO-3

- Current and proposed average premium by county for multi-peril Homeowners policies
- Based on in-force policies as of 9/30/2022

Exhibit 17 – Average Premium by County – HW-2

- Current and proposed average premium by county for wind-only Homeowners policies
- Based on in-force policies as of 9/30/2022

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Exhibit 18 – Average Premium by County – HO-6

- Current and proposed average premium by county for multi-peril Condo Unit policies
- Based on in-force policies as of 9/30/2022

Exhibit 19 – Average Premium by County – HW-6

- Current and proposed average premium by county for wind-only Condo Unit policies
- Based on in-force policies as of 9/30/2022

Exhibit 1 - Summary of Statewide Indications

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Personal Lines Multi-Peril			Coastal Multiperil			Wind-Only			Total		
<u>Product Line - Personal</u>	<u>In-Force Premium</u>	<u>Uncapped Indication</u>	<u>Proposed Change</u>	<u>In-Force Premium</u>	<u>Uncapped Indication</u>	<u>Proposed Change</u>	<u>In-Force Premium</u>	<u>Uncapped Indication</u>	<u>Proposed Change</u>	<u>In-Force Premium</u>	<u>Uncapped Indication</u>	<u>Proposed Change</u>
Homeowners	1,656,484,527	47.8%	12.5%	289,087,315	40.3%	13.7%	201,353,985	137.4%	13.7%	2,146,925,827	55.2%	12.8%
Renters	948,181	35.3%	11.3%	1,073,354	35.5%	11.7%	111,187	67.4%	16.7%	2,132,721	37.1%	11.8%
Condo Units	53,266,698	22.6%	13.0%	52,052,314	14.9%	9.7%	24,951,284	81.7%	25.0%	130,270,296	30.8%	14.0%
Dwelling -DP3	274,000,201	44.9%	12.1%	83,125,262	40.7%	13.2%	40,674,540	127.6%	17.2%	397,800,003	52.5%	12.8%
Dwelling - DP1	61,006,176	87.8%	12.4%	19,302,371	78.9%	12.5%	n/a	n/a	n/a	80,308,547	85.6%	12.4%
Mobile Homeowners	68,410,821	129.0%	21.7%	5,755,247	75.3%	27.0%	3,562,404	106.7%	24.1%	77,728,473	124.0%	22.2%
Dwelling Mobile Home	14,731,068	92.0%	18.8%	1,448,924	70.4%	21.6%	460,050	75.6%	18.0%	16,640,041	89.6%	19.0%
Total Personal Lines	2,128,847,673	50.9%	12.8%	451,844,787	39.6%	13.3%	271,113,450	130.3%	15.4%	2,851,805,910	56.6%	13.1%

	(1)	(2)	(3)		(7)	(8)	(9)	(10)	(11)	(12)
	Multi-Peril				Wind-Only			Total		
<u>Product Line - Commercial</u>	<u>In-Force Premium</u>	<u>Uncapped Indication</u>	<u>Proposed Change</u>		<u>In-Force Premium</u>	<u>Uncapped Indication</u>	<u>Proposed Change</u>	<u>In-Force Premium</u>	<u>Uncapped Indication</u>	<u>Proposed Change</u>
Commercial Residential	44,369,731	98.0%	9.1%		66,355,959	71.7%	9.9%	110,725,691	82.2%	9.6%
<u>Commercial Non-Residential</u>	<u>2,854,294</u>	<u>7.7%</u>	<u>7.4%</u>		<u>33,315,799</u>	<u>31.8%</u>	<u>12.0%</u>	<u>36,170,093</u>	<u>29.9%</u>	<u>11.6%</u>
Total Commercial Lines	47,224,025	92.5%	9.0%		99,671,758	58.4%	10.6%	146,895,783	69.3%	10.1%

	(1)	(2)	(3)		(7)	(8)	(9)	(10)	(11)	(12)
	Multi-Peril				Wind-Only			Total		
<u>Product Line</u>	<u>In-Force Premium</u>	<u>Uncapped Indication</u>	<u>Proposed Change</u>		<u>In-Force Premium</u>	<u>Uncapped Indication</u>	<u>Proposed Change</u>	<u>In-Force Premium</u>	<u>Uncapped Indication</u>	<u>Proposed Change</u>
Personal	2,580,692,460	48.9%	12.9%		271,113,450	130.3%	15.4%	2,851,805,910	56.6%	13.1%
<u>Commercial</u>	<u>47,224,025</u>	<u>92.5%</u>	<u>9.0%</u>		<u>99,671,758</u>	<u>58.4%</u>	<u>10.6%</u>	<u>146,895,783</u>	<u>69.3%</u>	<u>10.1%</u>
Total	2,627,916,485	49.7%	12.8%		370,785,208	110.9%	14.1%	2,998,701,693	57.3%	13.0%

Notes:

(1), (4), (7) In-Force Premium at Current Rate Level (includes FHCF Build Up Premium).

(2), (5), (8) Uncapped Rate Indications (includes FHCF Build Up Premium).

(3), (6), (9) Premium Impact Based on Capping Policy Level Changes including the Changes in FHCF Build Up Premium.

(10) = (1) + (4) + (7)

(11) = [(1)*(2) + (4)*(5) + (7)*(8)] / (10)

(12) = [(1)*(3) + (4)*(6) + (7)*(9)] / (10)

Exhibit 1A - Summary of Personal Line Statewide Indications

Primary vs. Non-Primary Risks

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	In-Force	Primary		In-Force	Non-Primary		In-Force	Total	
<u>Product Line - Personal</u>	<u>Premium</u>	<u>Uncapped</u>	<u>Proposed</u>	<u>Premium</u>	<u>Uncapped</u>	<u>Proposed</u>	<u>Premium</u>	<u>Uncapped</u>	<u>Proposed</u>
		<u>Indication</u>	<u>Change</u>		<u>Indication</u>	<u>Change</u>		<u>Indication</u>	<u>Change</u>
Homeowners	2,070,631,202	54.4%	11.7%	76,294,626	76.9%	43.4%	2,146,925,827	55.2%	12.8%
Renters	2,071,259	37.0%	11.0%	61,462	41.3%	36.5%	2,132,721	37.1%	11.8%
Condo Units	96,425,513	29.0%	9.6%	33,844,784	36.2%	26.5%	130,270,296	30.8%	14.0%
Dwelling -DP3	376,088,130	51.7%	11.4%	21,711,873	67.1%	38.1%	397,800,003	52.5%	12.8%
Dwelling - DP1	78,457,943	85.7%	11.6%	1,850,604	82.7%	45.4%	80,308,547	85.6%	12.4%
Mobile Homeowners	55,770,911	122.8%	11.7%	21,957,561	127.0%	48.9%	77,728,473	124.0%	22.2%
Dwelling Mobile Home	13,472,453	89.1%	11.9%	3,167,588	91.9%	49.4%	16,640,041	89.6%	19.0%
Total Personal Lines	2,692,917,411	55.6%	11.6%	158,888,498	74.2%	40.0%	2,851,805,910	56.6%	13.1%

Notes:

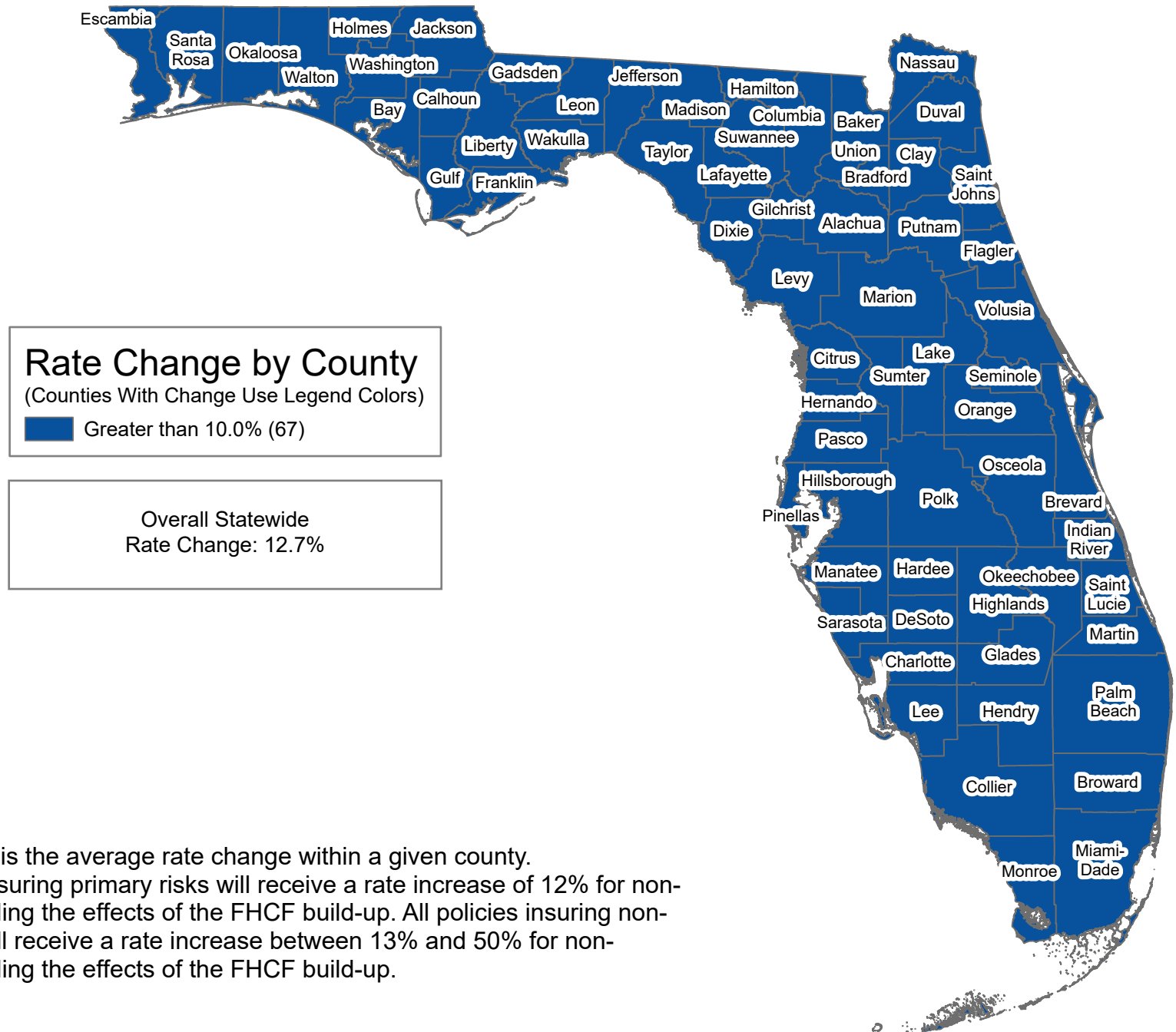
(1), (4), (7) In-Force Premium at Current Rate Level (includes FHCF Build Up Premium).

(2), (5), (8) Uncapped Rate Indications (includes FHCF Build Up Premium).

(3), (6), (9) Premium Impact Based on Capping Policy Level Changes including the Changes in FHCF Build Up Premium.

Exhibit 2 - 2023 Recommended Rate Change By County

Multi-Peril HO-3 Policies

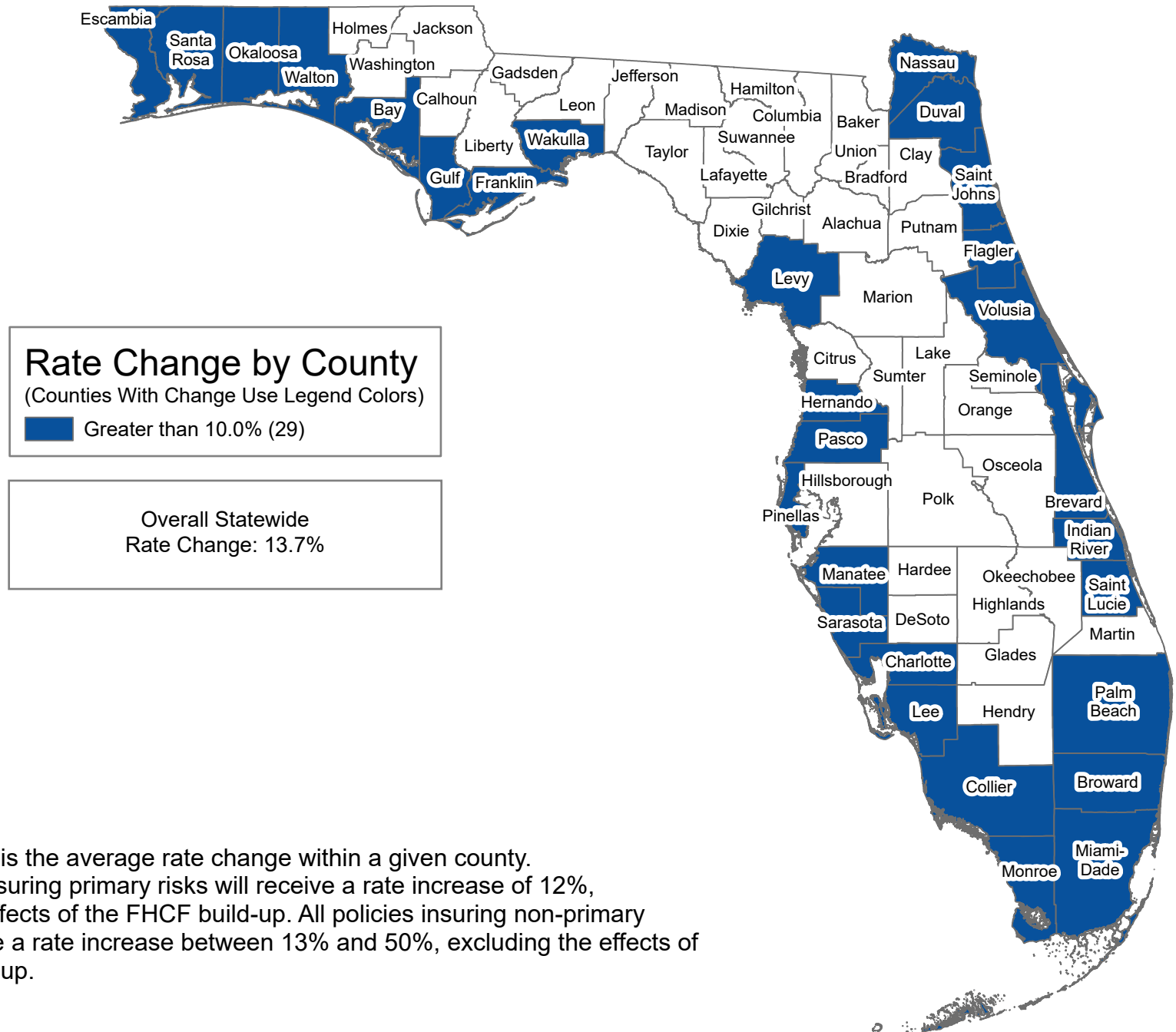


Notes:

1. Rate change is the average rate change within a given county.
2. All policies insuring primary risks will receive a rate increase of 12% for non-sinkhole, excluding the effects of the FHCF build-up. All policies insuring non-primary risks will receive a rate increase between 13% and 50% for non-sinkhole, excluding the effects of the FHCF build-up.

Exhibit 3 - 2023 Recommended Rate Change By County

Wind-Only HW-2 Policies

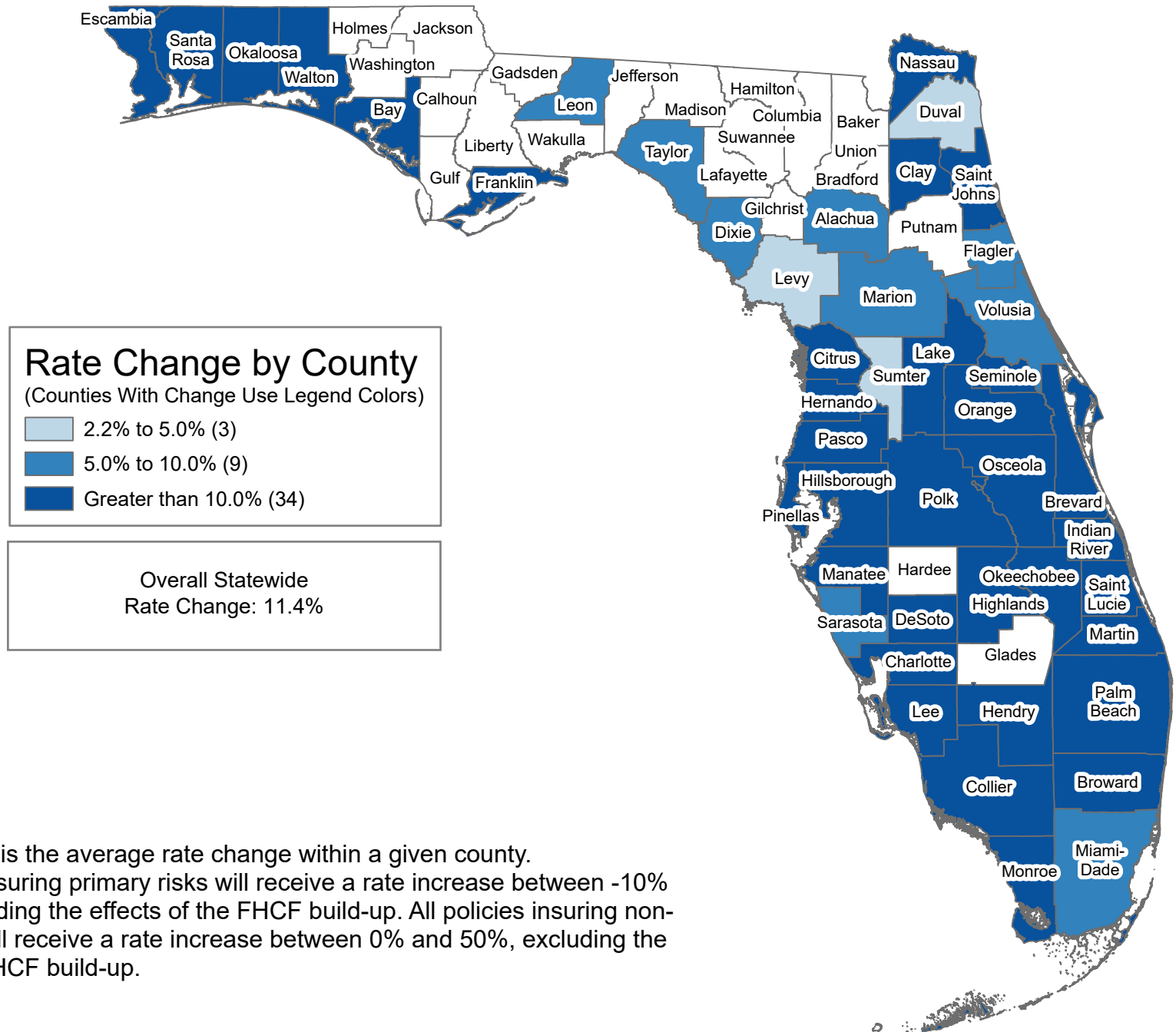


Notes:

1. Rate change is the average rate change within a given county.
2. All policies insuring primary risks will receive a rate increase of 12%, excluding the effects of the FHCF build-up. All policies insuring non-primary risks will receive a rate increase between 13% and 50%, excluding the effects of the FHCF build-up.

Exhibit 4 - 2023 Recommended Rate Change By County

Multi-Peril HO-6 Policies

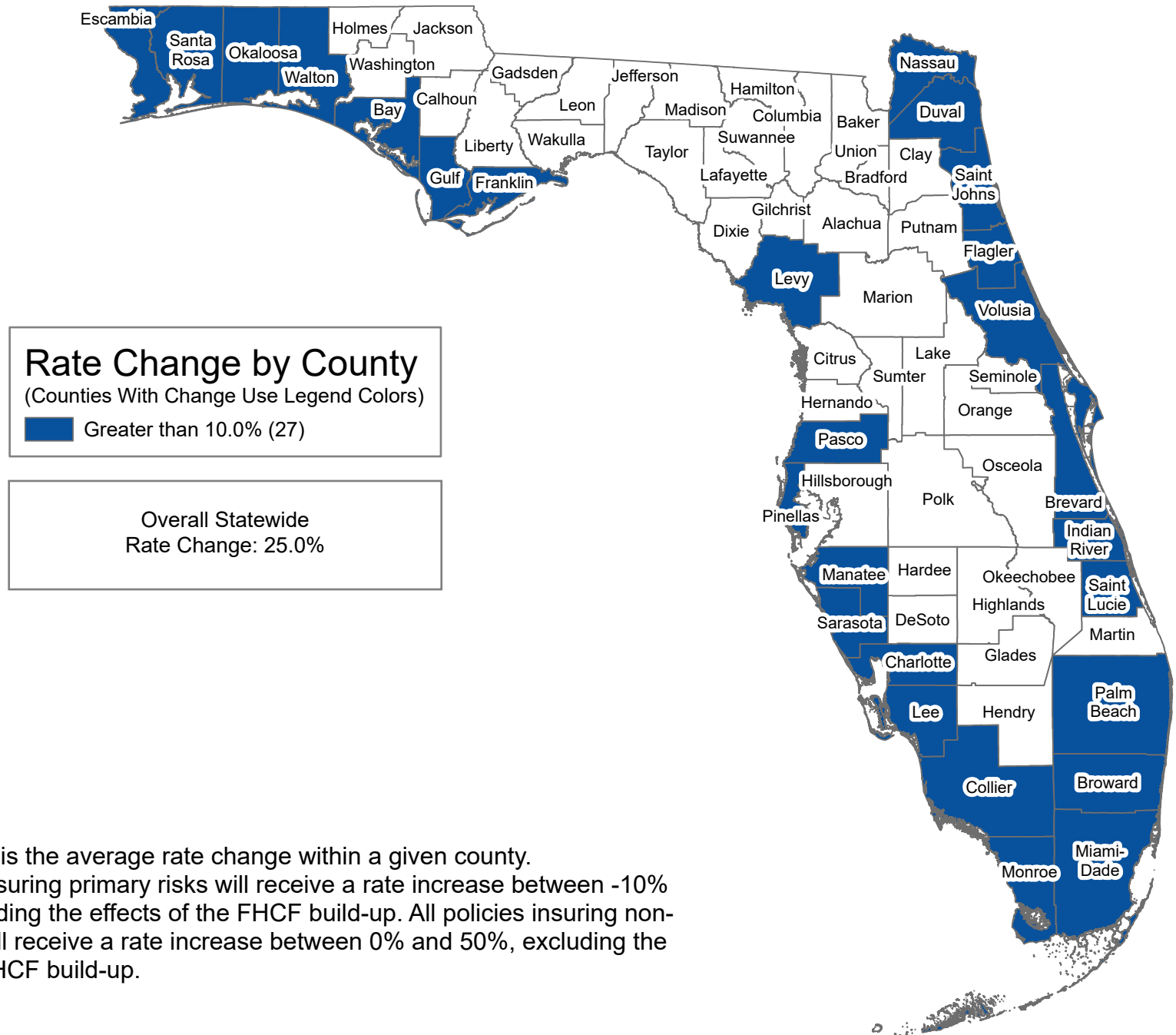


Notes:

1. Rate change is the average rate change within a given county.
2. All policies insuring primary risks will receive a rate increase between -10% and 12%, excluding the effects of the FHCF build-up. All policies insuring non-primary risks will receive a rate increase between 0% and 50%, excluding the effects of the FHCF build-up.

Exhibit 5 - 2023 Recommended Rate Change By County

Wind-Only HW-6 Policies

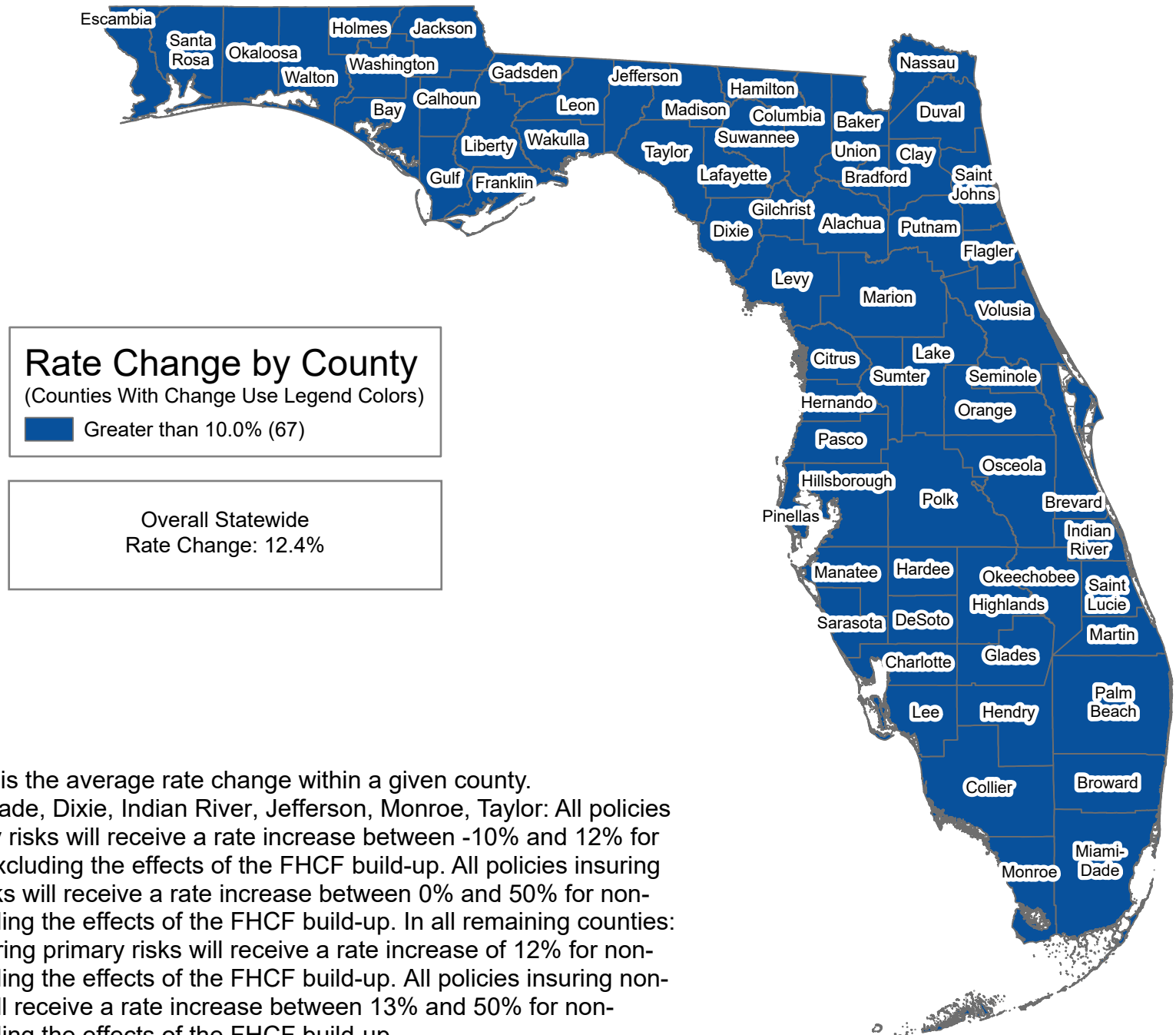


Notes:

1. Rate change is the average rate change within a given county.
2. All policies insuring primary risks will receive a rate increase between -10% and 12%, excluding the effects of the FHCF build-up. All policies insuring non-primary risks will receive a rate increase between 0% and 50%, excluding the effects of the FHCF build-up.

Exhibit 6 - 2023 Recommended Rate Change By County

Multi-Peril DP-1 and DP-3 Policies

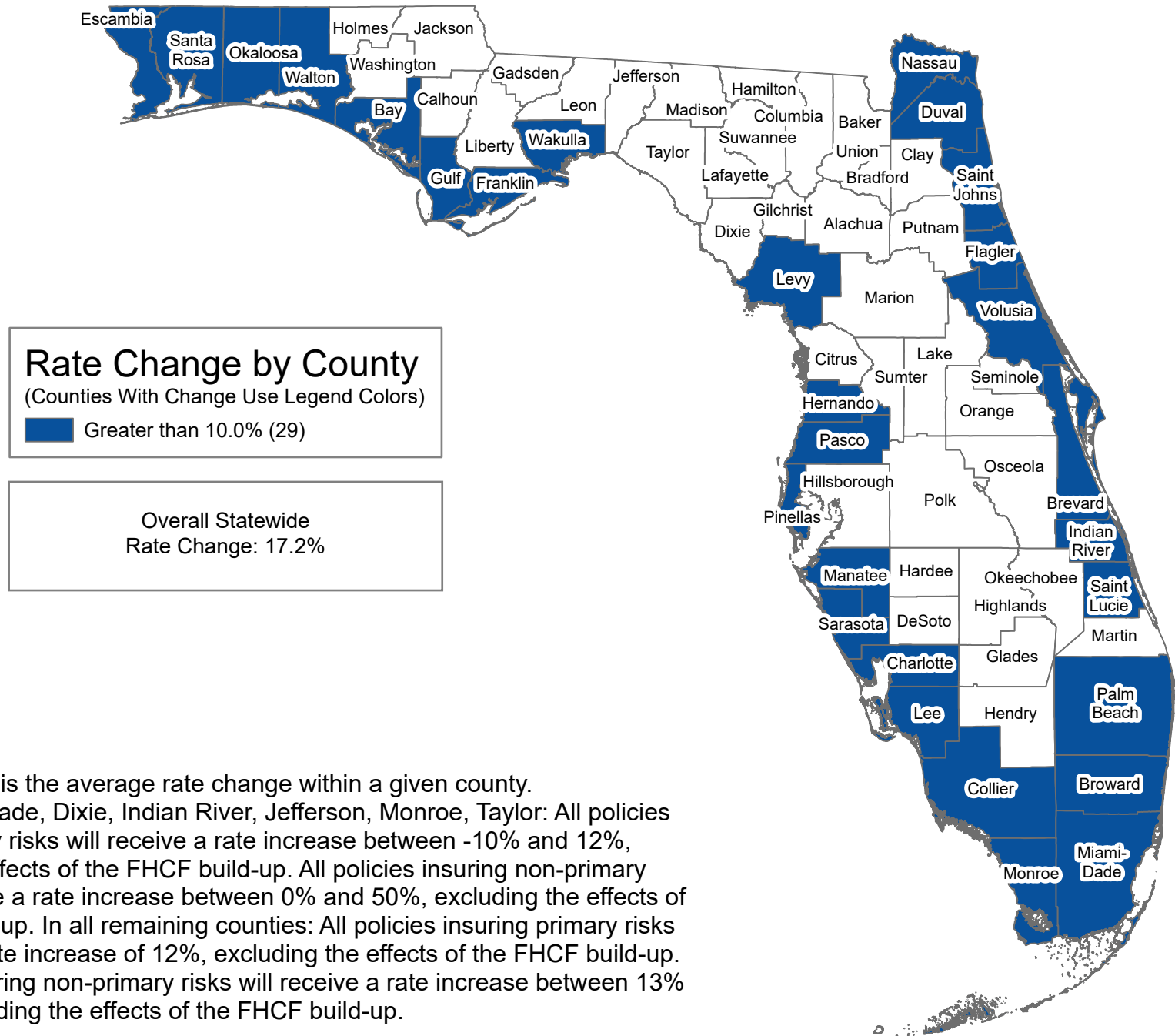


Notes:

1. Rate change is the average rate change within a given county.
2. In counties Dade, Dixie, Indian River, Jefferson, Monroe, Taylor: All policies insuring primary risks will receive a rate increase between -10% and 12% for non-sinkhole, excluding the effects of the FHCF build-up. All policies insuring non-primary risks will receive a rate increase between 0% and 50% for non-sinkhole, excluding the effects of the FHCF build-up. In all remaining counties: All policies insuring primary risks will receive a rate increase of 12% for non-sinkhole, excluding the effects of the FHCF build-up. All policies insuring non-primary risks will receive a rate increase between 13% and 50% for non-sinkhole, excluding the effects of the FHCF build-up.

Exhibit 7 - 2023 Recommended Rate Change By County

Wind-Only DW-2 Policies

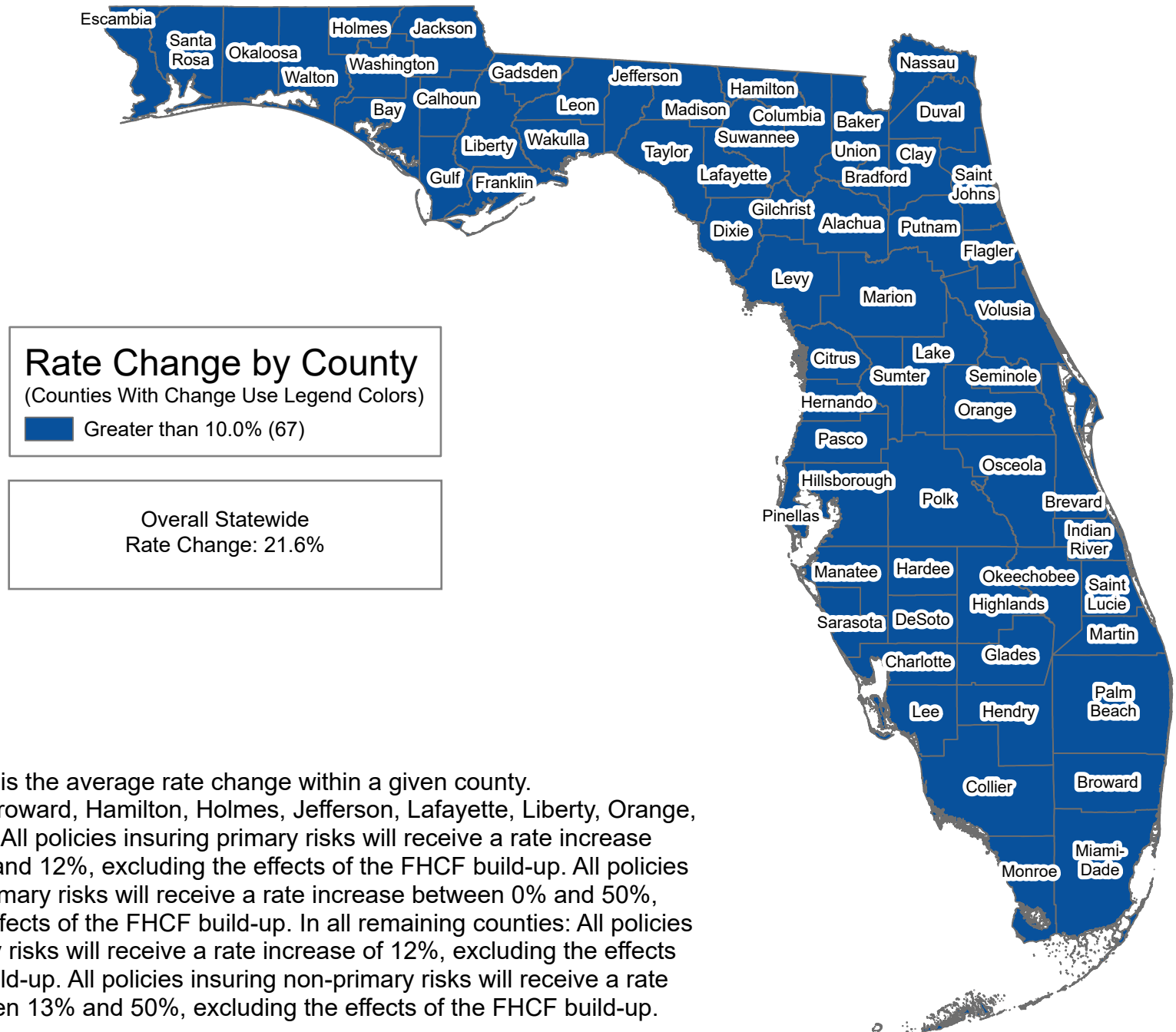


Notes:

1. Rate change is the average rate change within a given county.
2. In counties Dade, Dixie, Indian River, Jefferson, Monroe, Taylor: All policies insuring primary risks will receive a rate increase between -10% and 12%, excluding the effects of the FHCF build-up. All policies insuring non-primary risks will receive a rate increase between 0% and 50%, excluding the effects of the FHCF build-up. In all remaining counties: All policies insuring primary risks will receive a rate increase of 12%, excluding the effects of the FHCF build-up. All policies insuring non-primary risks will receive a rate increase between 13% and 50%, excluding the effects of the FHCF build-up.

Exhibit 8 - 2023 Recommended Rate Change By County

Multi-Peril MHO-3 and MDP-1 Policies

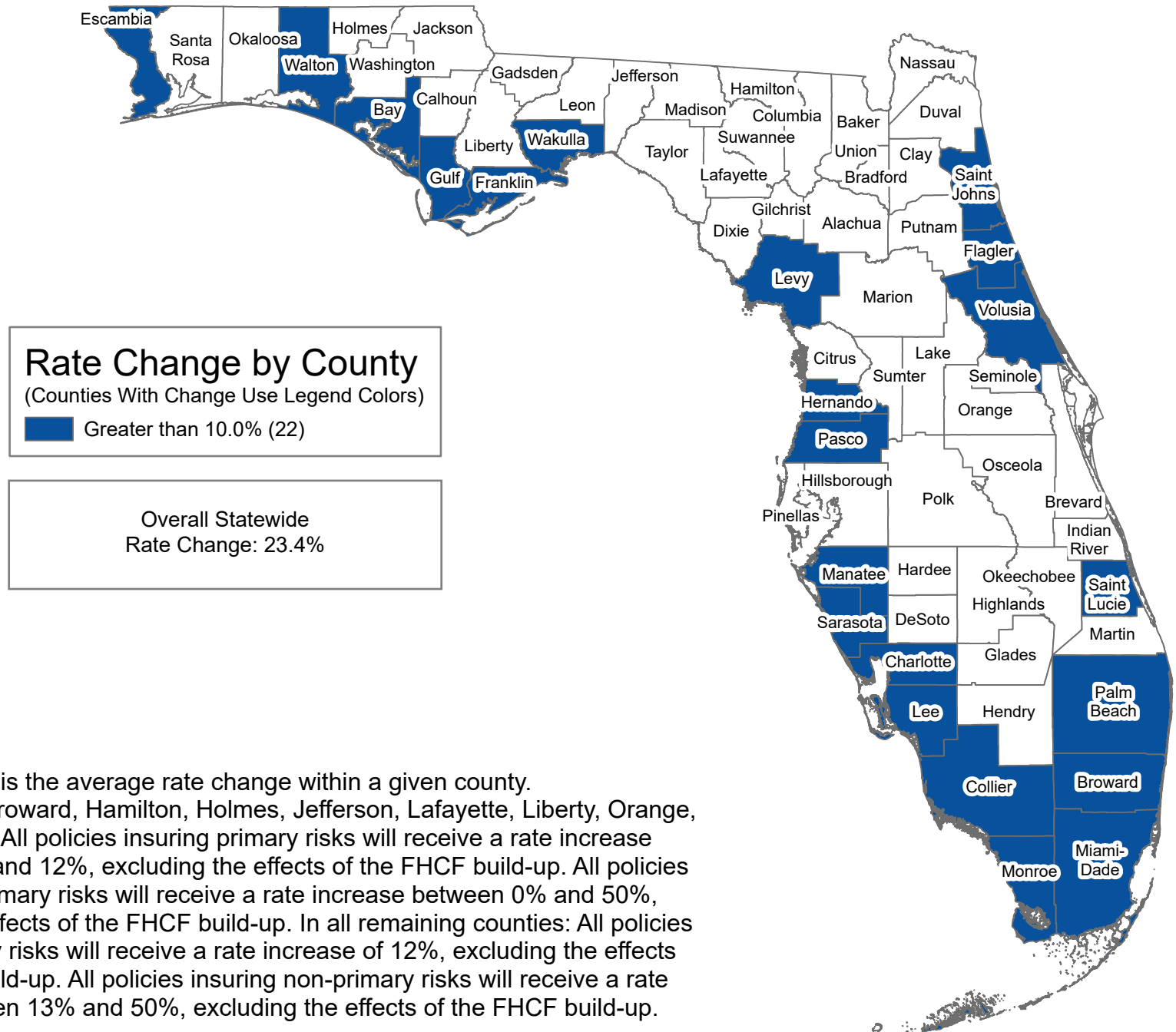


Notes:

1. Rate change is the average rate change within a given county.
2. In counties Broward, Hamilton, Holmes, Jefferson, Lafayette, Liberty, Orange, Pasco, Volusia: All policies insuring primary risks will receive a rate increase between -10% and 12%, excluding the effects of the FHCF build-up. All policies insuring non-primary risks will receive a rate increase between 0% and 50%, excluding the effects of the FHCF build-up. In all remaining counties: All policies insuring primary risks will receive a rate increase of 12%, excluding the effects of the FHCF build-up. All policies insuring non-primary risks will receive a rate increase between 13% and 50%, excluding the effects of the FHCF build-up.

Exhibit 9 - 2023 Recommended Rate Change By County

Wind-Only MW-2 and MD-1 Policies



Notes:

1. Rate change is the average rate change within a given county.
2. In counties Broward, Hamilton, Holmes, Jefferson, Lafayette, Liberty, Orange, Pasco, Volusia: All policies insuring primary risks will receive a rate increase between -10% and 12%, excluding the effects of the FHCF build-up. All policies insuring non-primary risks will receive a rate increase between 0% and 50%, excluding the effects of the FHCF build-up. In all remaining counties: All policies insuring primary risks will receive a rate increase of 12%, excluding the effects of the FHCF build-up. All policies insuring non-primary risks will receive a rate increase between 13% and 50%, excluding the effects of the FHCF build-up.

Exhibit 10 - 2023 Recommended Rate Change by Territory

Commercial Residential Multi-Peril Policies

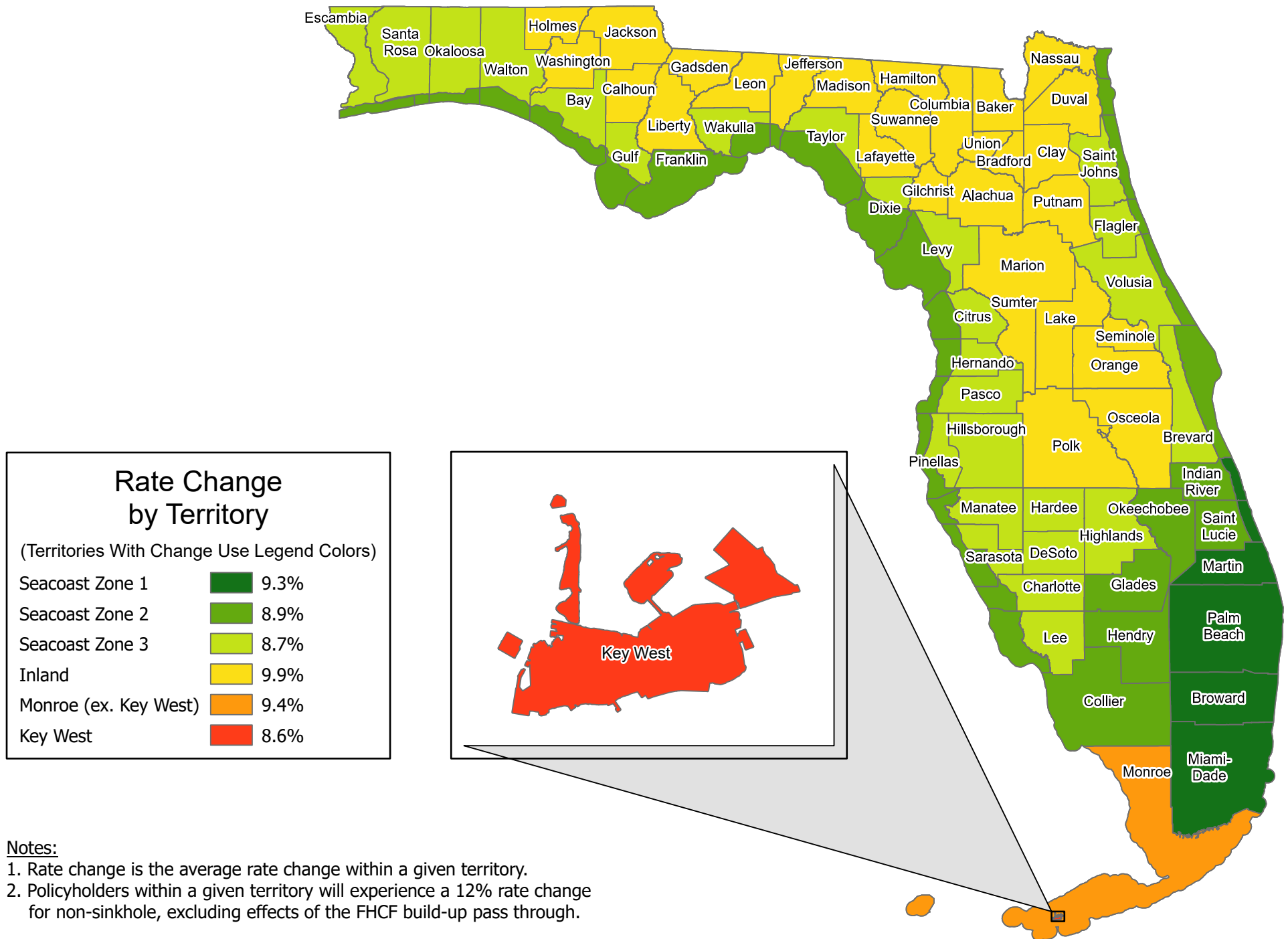
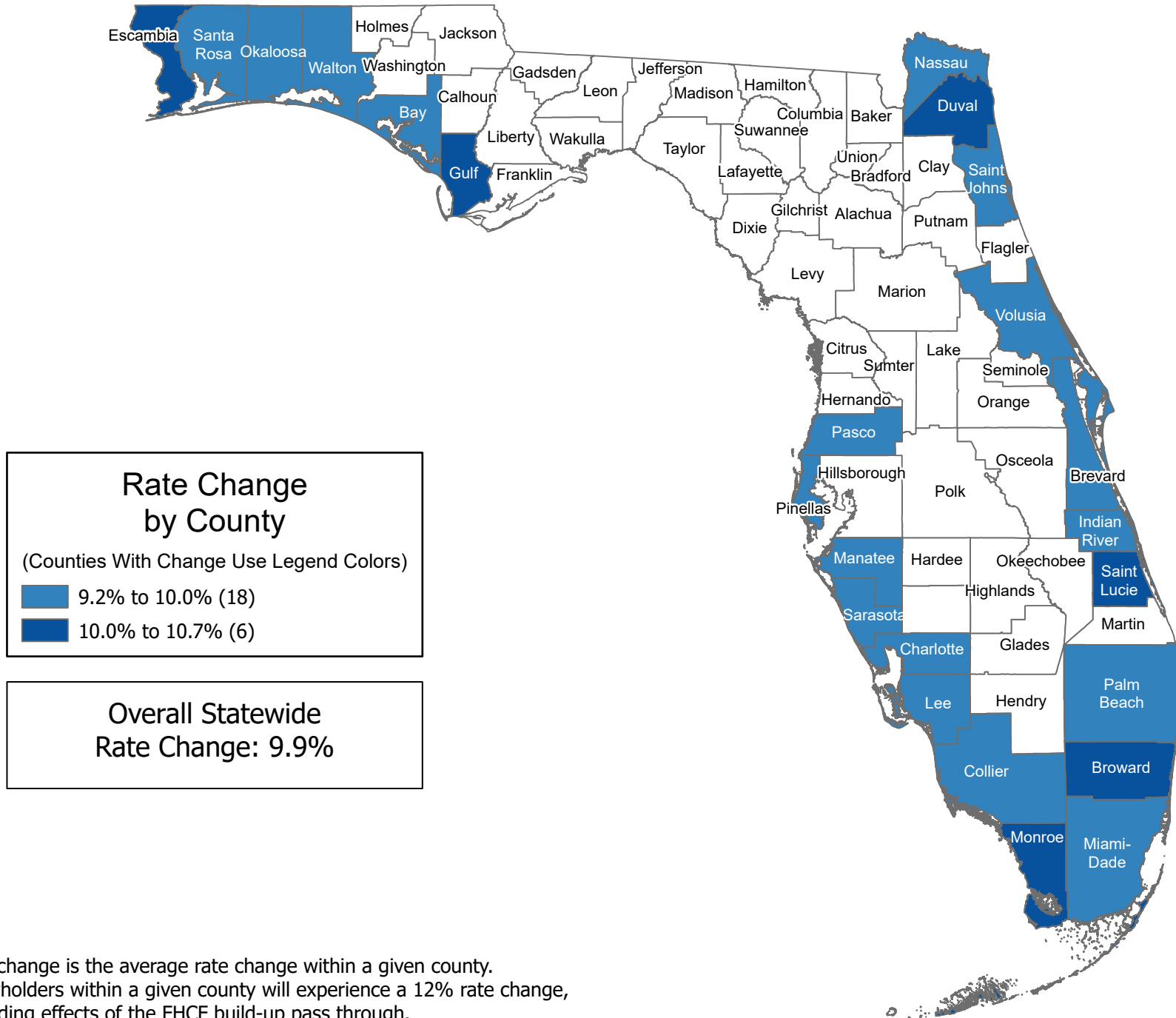


Exhibit 11 - 2023 Recommended Rate Change by County

Commercial Residential Wind-Only Policies

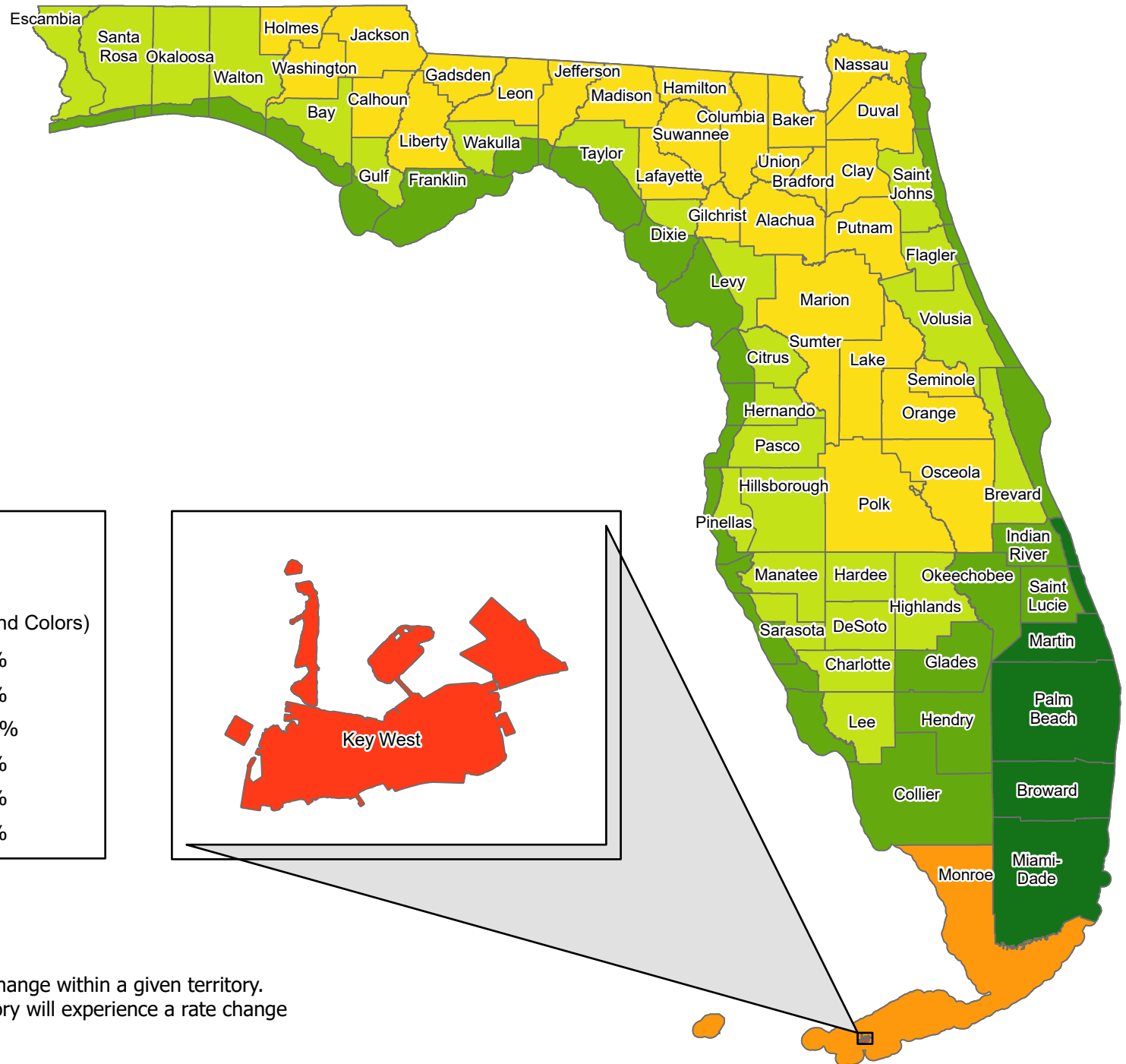


Notes:

1. Rate change is the average rate change within a given county.
2. Policyholders within a given county will experience a 12% rate change, excluding effects of the FHCF build-up pass through.

Exhibit 12 - 2023 Recommended Rate Change by Territory

Commercial Non-Residential Multi-Peril Policies



Rate Change by Territory

(Territories With Change Use Legend Colors)

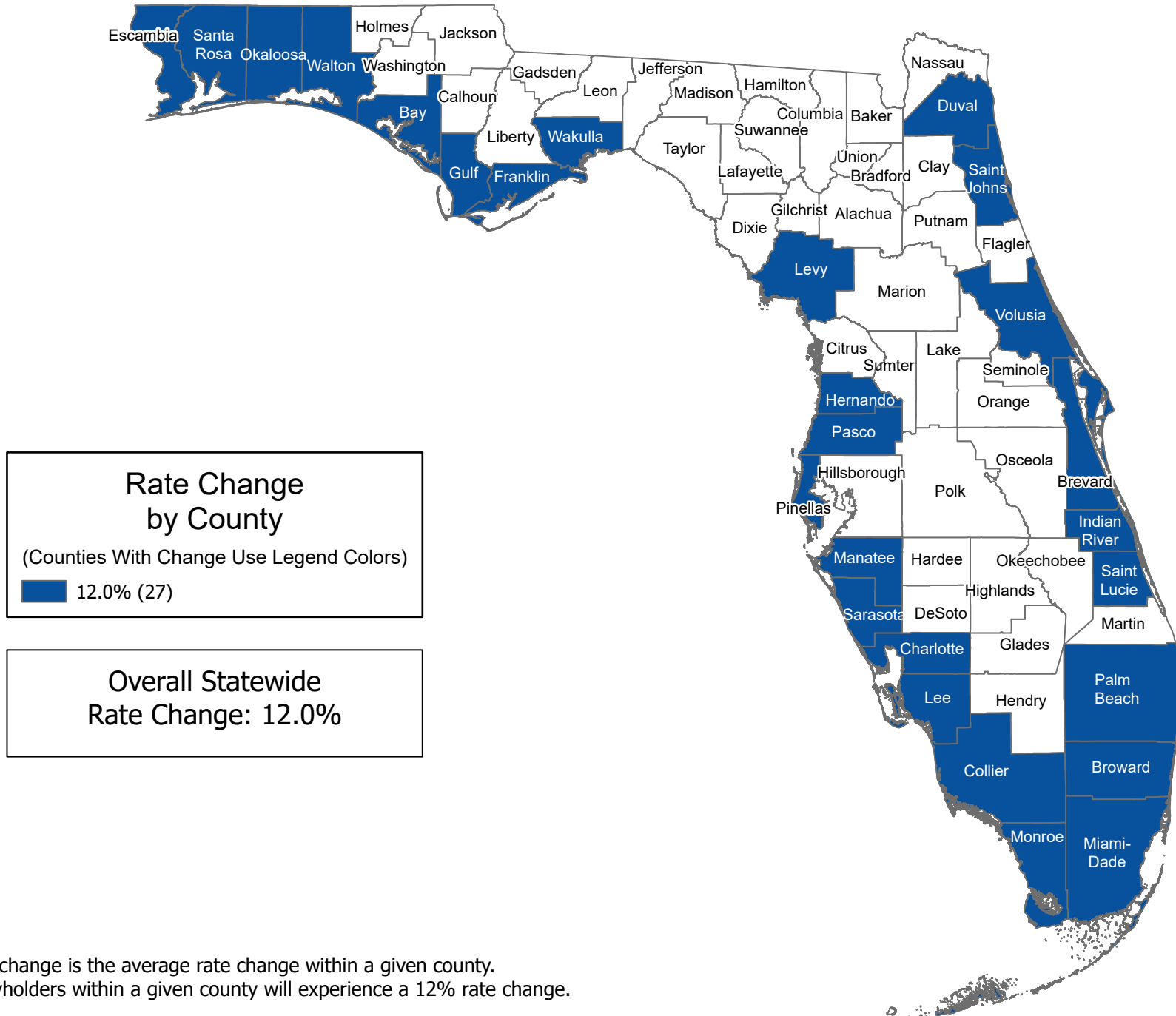
Seacoast Zone 1	8.4%
Seacoast Zone 2	6.9%
Seacoast Zone 3	11.0%
Inland	8.7%
Monroe (ex. Key West)	4.0%
Key West	4.7%

Notes:

1. Rate change is the average rate change within a given territory.
2. Policyholders within a given territory will experience a rate change between 0% and 12%.

Exhibit 13 - 2023 Recommended Rate Change by County

Commercial Non-Residential Wind-Only Policies



Notes:

1. Rate change is the average rate change within a given county.
2. Policyholders within a given county will experience a 12% rate change.

Exhibit 14A
Distribution of Recommended Rate Changes by Policy
for the Personal Lines Account

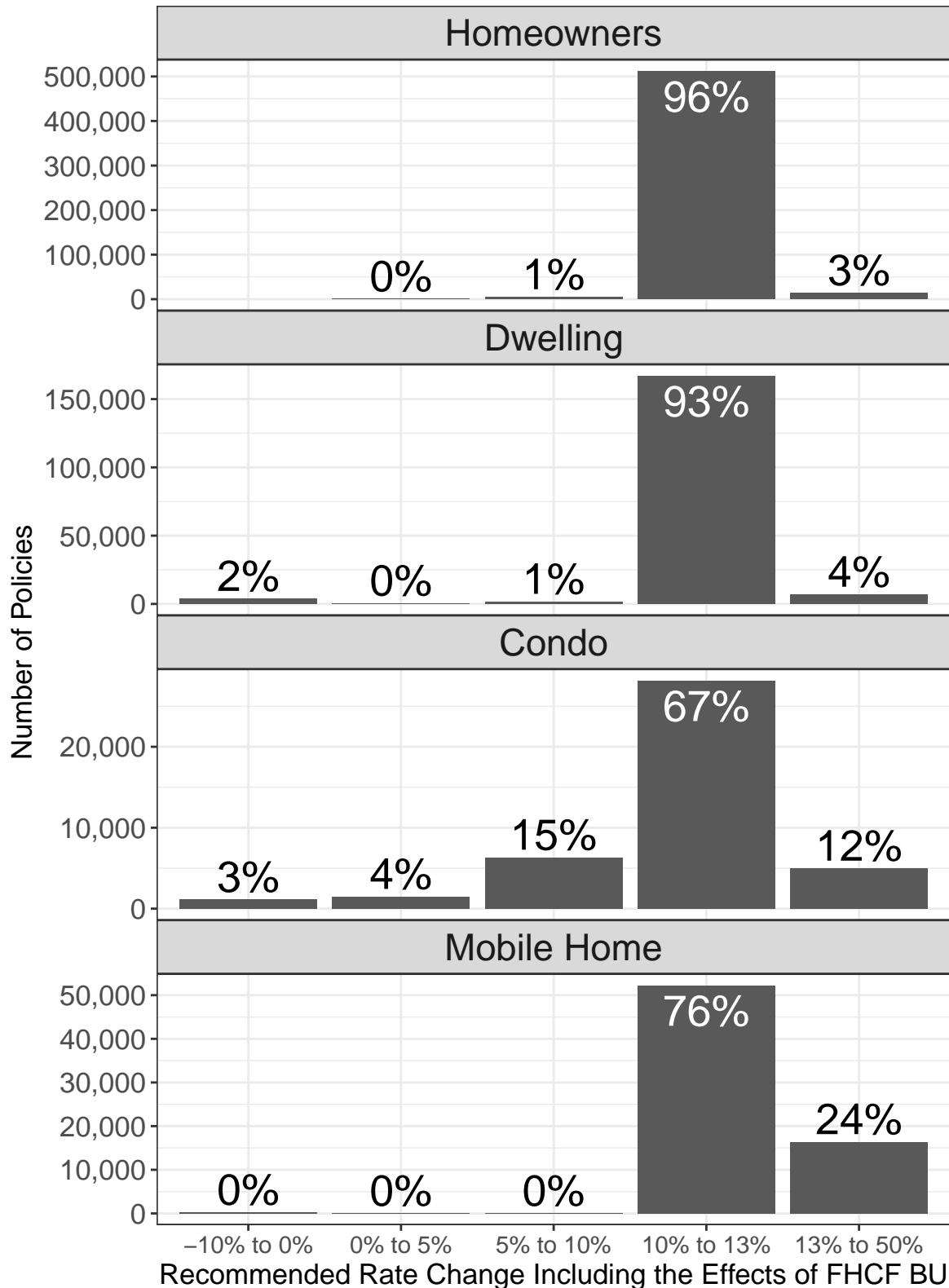


Exhibit 14B

Distribution of Recommended Rate Changes by Policy for the Personal Lines Account (Non-Primary)

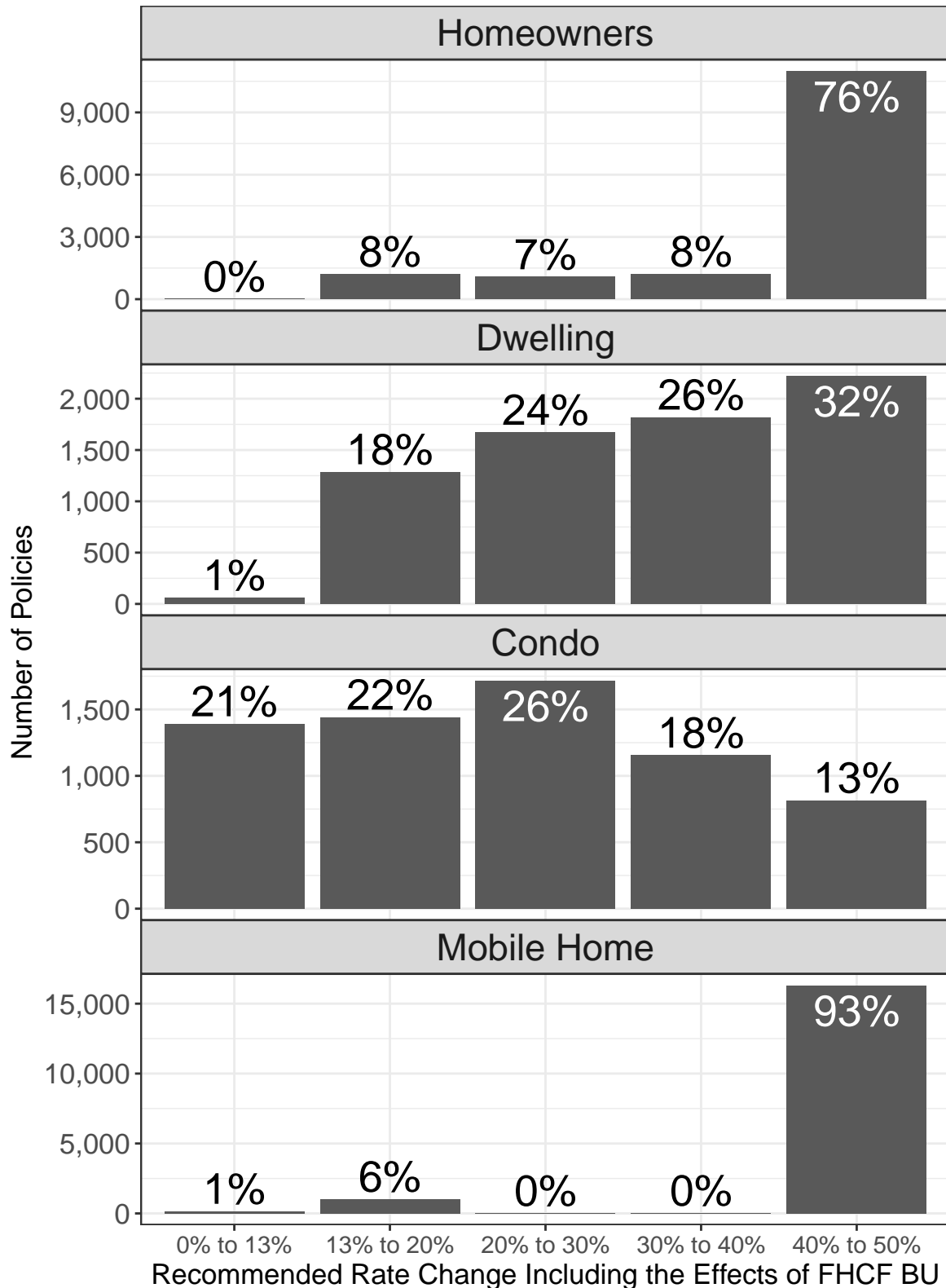


Exhibit 15A
Distribution of Recommended Rate Changes by Policy
for the Coastal Account

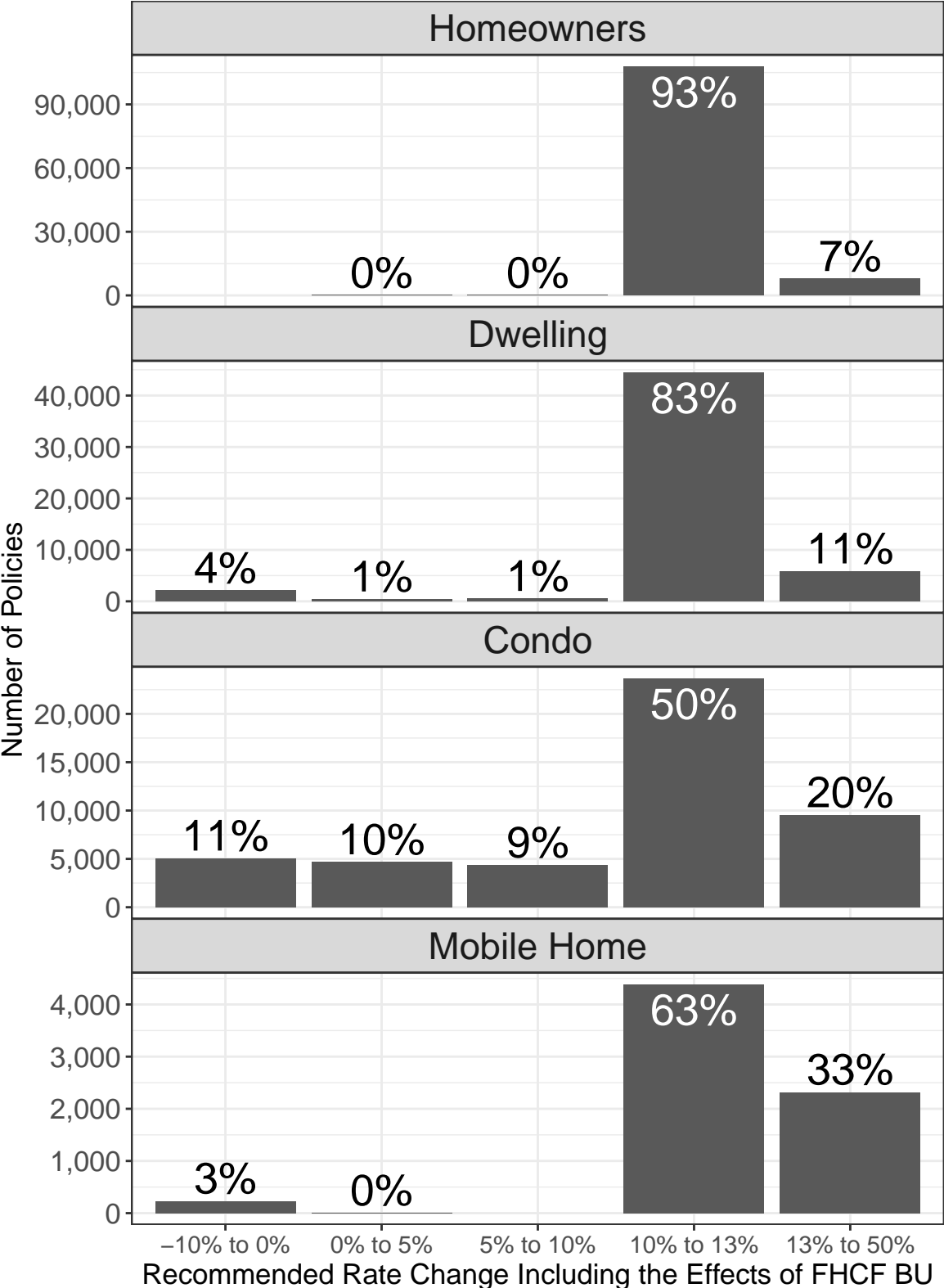


Exhibit 15B

Distribution of Recommended Rate Changes by Policy for the Coastal Account (Non-Primary)

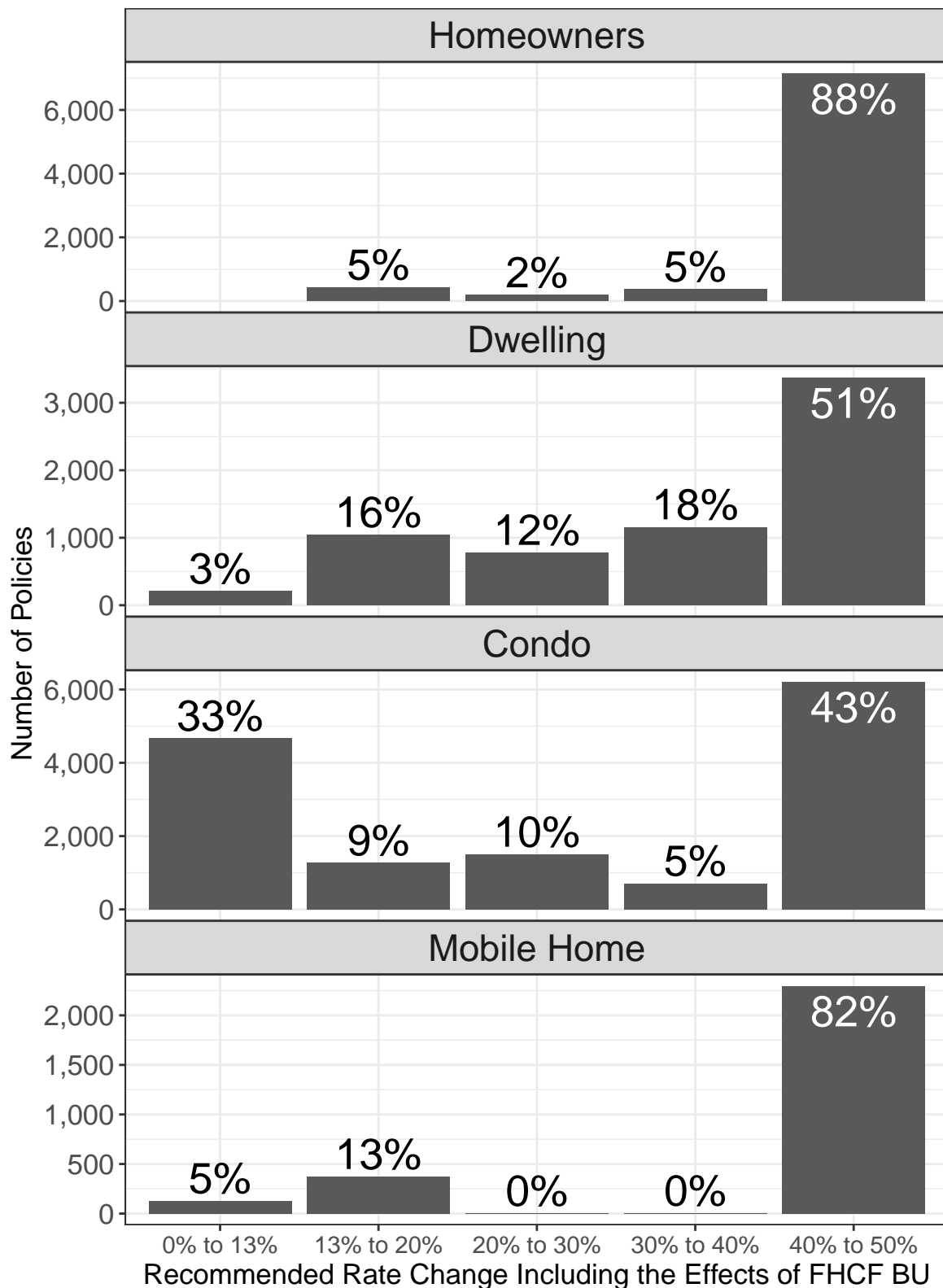


Exhibit 16 - MULTIPERIL HO3
Recommended Change by County

County	Number of Policies		Current Average Premium	Recommended	
	Total	Rate Decreases		Rate Change	Average Premium
Alachua	1,332	0	1,794	12.6%	2,019
Baker	77	0	2,154	12.2%	2,416
Bay	3,148	0	2,890	15.8%	3,347
Bradford	101	0	2,065	12.6%	2,325
Brevard	22,828	0	2,555	12.9%	2,885
Broward	87,605	0	4,726	12.2%	5,302
Calhoun	48	0	2,246	12.7%	2,532
Charlotte	6,404	0	2,380	16.4%	2,770
Citrus	2,961	0	1,927	15.3%	2,221
Clay	1,624	0	1,736	12.7%	1,956
Collier	4,865	0	3,205	15.9%	3,713
Columbia	222	0	2,179	12.7%	2,456
DeSoto	307	0	2,612	12.6%	2,941
Dixie	174	0	2,441	18.9%	2,904
Duval	10,320	0	1,843	12.7%	2,077
Escambia	5,247	0	3,096	12.7%	3,488
Flagler	1,311	0	2,274	14.7%	2,607
Franklin	179	0	4,555	25.4%	5,712
Gadsden	402	0	1,767	12.8%	1,992
Gilchrist	137	0	2,154	14.1%	2,458
Glades	161	0	2,182	17.8%	2,570
Gulf	89	0	3,927	22.1%	4,795
Hamilton	28	0	2,114	12.2%	2,371
Hardee	137	0	2,442	12.8%	2,754
Hendry	440	0	2,910	13.0%	3,287
Hernando	16,491	0	1,681	13.3%	1,904
Highlands	2,794	0	1,851	15.1%	2,131
Hillsborough	40,895	0	2,226	12.2%	2,499
Holmes	163	0	1,835	12.6%	2,066
Indian River	4,999	0	3,021	13.9%	3,440
Jackson	384	0	1,885	12.6%	2,124
Jefferson	92	0	2,417	12.2%	2,711
Lafayette	33	0	2,821	13.1%	3,190
Lake	4,062	0	1,682	13.6%	1,910
Total	592,316	0	3,285	12.7%	3,702

County	Number of Policies		Current Average Premium	Recommended	
	Total	Rate Decreases		Rate Change	Average Premium
Lee	12,730	0	2,607	15.3%	3,007
Leon	1,585	0	1,398	12.6%	1,574
Levy	393	0	2,583	16.0%	2,995
Liberty	25	0	2,385	12.4%	2,680
Madison	58	0	2,286	12.5%	2,572
Manatee	7,088	0	2,308	13.7%	2,625
Marion	2,830	0	1,633	13.9%	1,860
Martin	5,175	0	4,212	13.8%	4,793
Miami-Dade	103,539	0	4,579	11.9%	5,125
Monroe	1,338	0	5,379	26.6%	6,811
Nassau	443	0	2,510	13.4%	2,847
Okaloosa	5,358	0	2,964	12.8%	3,343
Okeechobee	518	0	2,506	13.2%	2,838
Orange	19,725	0	2,165	12.8%	2,441
Osceola	7,899	0	1,952	13.5%	2,217
Palm Beach	60,575	0	4,216	12.9%	4,761
Pasco	21,289	0	2,098	12.5%	2,360
Pinellas	65,339	0	2,416	12.5%	2,720
Polk	7,050	0	2,200	13.1%	2,487
Putnam	527	0	1,777	13.4%	2,014
Saint Johns	2,298	0	2,252	14.0%	2,567
Saint Lucie	12,138	0	2,894	13.2%	3,277
Santa Rosa	3,541	0	2,975	12.6%	3,349
Sarasota	9,589	0	2,492	14.4%	2,850
Seminole	7,662	0	2,018	12.5%	2,269
Sumter	377	0	1,887	14.2%	2,155
Suwannee	85	0	3,365	12.5%	3,786
Taylor	243	0	2,565	20.6%	3,092
Union	51	0	2,512	13.3%	2,847
Volusia	11,537	0	1,948	13.9%	2,219
Wakulla	241	0	2,519	17.2%	2,953
Walton	866	0	4,263	19.7%	5,103
Washington	144	0	2,538	14.0%	2,893

Exhibit 17 - WIND-ONLY HW2
Recommended Change by County

County	Number of Policies		Current	Recommended	
	Total	Rate Decreases	Average Premium	Rate Change	Average Premium
Alachua	0	0	0	N/A	N/A
Baker	0	0	0	N/A	N/A
Bay	324	0	2,746	19.3%	3,277
Bradford	0	0	0	N/A	N/A
Brevard	217	0	3,074	13.1%	3,475
Broward	10,192	0	3,599	11.9%	4,028
Calhoun	0	0	0	N/A	N/A
Charlotte	130	0	3,362	28.4%	4,316
Citrus	0	0	0	N/A	N/A
Clay	0	0	0	N/A	N/A
Collier	531	0	3,723	20.1%	4,469
Columbia	0	0	0	N/A	N/A
DeSoto	0	0	0	N/A	N/A
Dixie	0	0	0	N/A	N/A
Duval	201	0	1,866	13.5%	2,119
Escambia	1,645	0	2,852	12.8%	3,216
Flagler	294	0	1,699	14.5%	1,945
Franklin	175	0	3,835	27.4%	4,887
Gadsden	0	0	0	N/A	N/A
Gilchrist	0	0	0	N/A	N/A
Glades	0	0	0	N/A	N/A
Gulf	102	0	3,225	24.1%	4,003
Hamilton	0	0	0	N/A	N/A
Hardee	0	0	0	N/A	N/A
Hendry	0	0	0	N/A	N/A
Hernando	48	0	1,930	14.3%	2,205
Highlands	0	0	0	N/A	N/A
Hillsborough	0	0	0	N/A	N/A
Holmes	0	0	0	N/A	N/A
Indian River	147	0	4,954	16.5%	5,773
Jackson	0	0	0	N/A	N/A
Jefferson	0	0	0	N/A	N/A
Lafayette	0	0	0	N/A	N/A
Lake	0	0	0	N/A	N/A
Total	55,433	0	3,632	13.7%	4,130

County	Number of Policies		Current	Recommended	
	Total	Rate Decreases	Average Premium	Rate Change	Average Premium
Lee	1,606	0	3,366	23.3%	4,151
Leon	0	0	0	N/A	N/A
Levy	80	0	2,045	20.7%	2,468
Liberty	0	0	0	N/A	N/A
Madison	0	0	0	N/A	N/A
Manatee	122	0	3,593	22.4%	4,399
Marion	0	0	0	N/A	N/A
Martin	0	0	0	N/A	N/A
Miami-Dade	15,625	0	3,807	11.1%	4,229
Monroe	9,461	0	4,970	16.2%	5,774
Nassau	111	0	1,711	22.1%	2,089
Okaloosa	62	0	4,845	17.2%	5,678
Okeechobee	0	0	0	N/A	N/A
Orange	0	0	0	N/A	N/A
Osceola	0	0	0	N/A	N/A
Palm Beach	5,575	0	3,862	12.8%	4,355
Pasco	153	0	1,812	12.6%	2,041
Pinellas	1,129	0	3,418	13.9%	3,895
Polk	0	0	0	N/A	N/A
Putnam	0	0	0	N/A	N/A
Saint Johns	151	0	1,805	16.5%	2,103
Saint Lucie	65	0	2,583	22.7%	3,169
Santa Rosa	276	0	3,882	12.5%	4,369
Sarasota	4,617	0	1,767	15.1%	2,034
Seminole	0	0	0	N/A	N/A
Sumter	0	0	0	N/A	N/A
Suwannee	0	0	0	N/A	N/A
Taylor	0	0	0	N/A	N/A
Union	0	0	0	N/A	N/A
Volusia	1,754	0	1,708	15.1%	1,965
Wakulla	63	0	2,133	21.9%	2,600
Walton	577	0	3,194	20.0%	3,834
Washington	0	0	0	N/A	N/A

Exhibit 18 - MULTIPERIL HO6
Recommended Change by County

County	Number of Policies		Current Average Premium	Recommended	
	Total	Rate Decreases		Rate Change	Average Premium
Alachua	117	1	677	8.1%	732
Baker	0	0	0	N/A	N/A
Bay	118	3	1,582	14.7%	1,814
Bradford	0	0	0	N/A	N/A
Brevard	1,526	219	1,429	12.6%	1,608
Broward	20,095	1,081	1,385	12.6%	1,560
Calhoun	0	0	0	N/A	N/A
Charlotte	309	9	1,286	16.4%	1,497
Citrus	27	1	1,768	14.8%	2,030
Clay	12	0	691	11.3%	769
Collier	1,127	168	1,902	12.6%	2,142
Columbia	0	0	0	N/A	N/A
DeSoto	6	0	738	17.1%	864
Dixie	2	0	1,145	8.4%	1,242
Duval	174	48	1,204	3.7%	1,249
Escambia	134	20	1,777	10.2%	1,958
Flagler	35	3	1,467	9.8%	1,611
Franklin	5	0	992	11.8%	1,109
Gadsden	0	0	0	N/A	N/A
Gilchrist	0	0	0	N/A	N/A
Glades	0	0	0	N/A	N/A
Gulf	0	0	0	N/A	N/A
Hamilton	0	0	0	N/A	N/A
Hardee	0	0	0	N/A	N/A
Hendry	1	0	1,382	46.0%	2,018
Hernando	47	0	1,133	12.3%	1,273
Highlands	10	0	1,135	20.4%	1,367
Hillsborough	898	1	1,187	13.1%	1,342
Holmes	0	0	0	N/A	N/A
Indian River	392	6	1,682	16.2%	1,954
Jackson	0	0	0	N/A	N/A
Jefferson	0	0	0	N/A	N/A
Lafayette	0	0	0	N/A	N/A
Lake	28	1	1,034	10.4%	1,141
Total	71,621	5,320	1,471	11.4%	1,638

County	Number of Policies		Current Average Premium	Recommended	
	Total	Rate Decreases		Rate Change	Average Premium
Lee	1,367	77	1,226	16.0%	1,422
Leon	96	8	586	8.2%	634
Levy	3	1	1,932	2.8%	1,985
Liberty	0	0	0	N/A	N/A
Madison	0	0	0	N/A	N/A
Manatee	503	11	1,462	14.4%	1,673
Marion	12	1	1,082	9.2%	1,181
Martin	575	3	1,545	20.0%	1,855
Miami-Dade	16,831	2,431	1,553	7.8%	1,674
Monroe	182	27	2,248	12.5%	2,529
Nassau	12	0	2,501	11.7%	2,793
Okaloosa	116	6	1,735	15.2%	2,000
Okeechobee	5	0	1,481	11.8%	1,656
Orange	655	6	1,018	11.3%	1,133
Osceola	272	3	933	10.8%	1,034
Palm Beach	15,482	458	1,675	11.4%	1,867
Pasco	579	18	861	12.2%	965
Pinellas	7,584	423	1,205	14.4%	1,379
Polk	63	1	1,204	10.1%	1,325
Putnam	0	0	0	N/A	N/A
Saint Johns	133	0	1,395	12.2%	1,566
Saint Lucie	565	49	1,660	15.5%	1,918
Santa Rosa	20	3	1,338	15.0%	1,539
Sarasota	729	152	1,790	9.2%	1,954
Seminole	181	1	1,086	10.9%	1,204
Sumter	4	0	925	2.2%	945
Suwannee	0	0	0	N/A	N/A
Taylor	1	0	1,181	9.0%	1,288
Union	0	0	0	N/A	N/A
Volusia	544	80	1,175	9.6%	1,288
Wakulla	0	0	0	N/A	N/A
Walton	44	0	1,833	14.0%	2,090
Washington	0	0	0	N/A	N/A

Exhibit 19 - WIND-ONLY HW6
Recommended Change by County

County	Number of Policies		Current Average Premium	Recommended	
	Total	Rate Decreases		Rate Change	Average Premium
Alachua	0	0	0	N/A	N/A
Baker	0	0	0	N/A	N/A
Bay	244	0	946	24.9%	1,182
Bradford	0	0	0	N/A	N/A
Brevard	225	0	1,024	20.0%	1,229
Broward	3,363	0	1,011	24.0%	1,254
Calhoun	0	0	0	N/A	N/A
Charlotte	121	0	1,234	36.4%	1,683
Citrus	0	0	0	N/A	N/A
Clay	0	0	0	N/A	N/A
Collier	636	0	1,587	30.5%	2,070
Columbia	0	0	0	N/A	N/A
DeSoto	0	0	0	N/A	N/A
Dixie	0	0	0	N/A	N/A
Duval	55	0	687	20.4%	827
Escambia	304	0	1,197	23.1%	1,474
Flagler	46	1	681	22.7%	835
Franklin	2	0	640	37.8%	882
Gadsden	0	0	0	N/A	N/A
Gilchrist	0	0	0	N/A	N/A
Glades	0	0	0	N/A	N/A
Gulf	3	0	952	11.2%	1,059
Hamilton	0	0	0	N/A	N/A
Hardee	0	0	0	N/A	N/A
Hendry	0	0	0	N/A	N/A
Hernando	0	0	0	N/A	N/A
Highlands	0	0	0	N/A	N/A
Hillsborough	0	0	0	N/A	N/A
Holmes	0	0	0	N/A	N/A
Indian River	140	0	2,018	34.9%	2,723
Jackson	0	0	0	N/A	N/A
Jefferson	0	0	0	N/A	N/A
Lafayette	0	0	0	N/A	N/A
Lake	0	0	0	N/A	N/A
Total	17,751	4	1,406	25.0%	1,757

County	Number of Policies		Current Average Premium	Recommended	
	Total	Rate Decreases		Rate Change	Average Premium
Lee	1,305	0	1,449	34.9%	1,954
Leon	0	0	0	N/A	N/A
Levy	18	0	967	18.4%	1,144
Liberty	0	0	0	N/A	N/A
Madison	0	0	0	N/A	N/A
Manatee	166	0	1,423	28.9%	1,835
Marion	0	0	0	N/A	N/A
Martin	0	0	0	N/A	N/A
Miami-Dade	3,296	0	1,851	18.9%	2,200
Monroe	1,644	0	1,779	26.4%	2,248
Nassau	37	0	1,299	19.1%	1,546
Okaloosa	199	0	1,213	22.3%	1,483
Okeechobee	0	0	0	N/A	N/A
Orange	0	0	0	N/A	N/A
Osceola	0	0	0	N/A	N/A
Palm Beach	2,830	0	1,563	26.8%	1,982
Pasco	26	0	496	17.6%	583
Pinellas	722	1	1,092	22.8%	1,340
Polk	0	0	0	N/A	N/A
Putnam	0	0	0	N/A	N/A
Saint Johns	120	0	1,112	24.1%	1,380
Saint Lucie	121	0	955	27.9%	1,221
Santa Rosa	59	0	1,169	19.3%	1,395
Sarasota	1,254	0	1,212	28.1%	1,553
Seminole	0	0	0	N/A	N/A
Sumter	0	0	0	N/A	N/A
Suwannee	0	0	0	N/A	N/A
Taylor	0	0	0	N/A	N/A
Union	0	0	0	N/A	N/A
Volusia	567	2	656	23.6%	811
Wakulla	0	0	0	N/A	N/A
Walton	248	0	1,286	26.4%	1,625
Washington	0	0	0	N/A	N/A

Proposed Rate Changes

☒ ACTION ITEM

☐ New Contract

☐ Contract Amendment

☐ Other _____

☐ 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	Annual Proposed Rate Changes – effective October 1, 2023 through September 30, 2024 for commercial lines and November 1, 2023 through October 31, 2024 for personal lines.
Purpose/Scope	<p>Purpose:</p> <p>As required by statute, Citizens has completed the annual analysis of recommended rates for 2023-2024. The purpose of this item is to receive approval from the Board to file these recommended rates with the Florida Office of Insurance Regulation.</p> <p>Scope:</p> <p>The presented recommended rate changes include all policy types for class rated personal and commercial lines of business. These recommended rate changes:</p> <ul style="list-style-type: none"> • Comply with the requirement in Florida law that Citizens recommend actuarially sound rates • Are not excessive, inadequate, or unfairly discriminatory, and meet the requirements of U.S. Actuarial Standards of Practice except where Florida law supersedes such standards • Comply with the statutory “glide path”, by applying an 12% policy level cap for policies for primary risks effective 10/1/2023 through 12/31/2023 and an 13% policy level cap for policies effective 1/1/2024 through 10/31/2024. • Comply with SB 2-A by applying an 50% cap to non-primary risks • Consider the Florida Public Hurricane Model, as required by law • Include an appropriate charge to pass through the Florida Hurricane Catastrophe Fund Rapid Cash build-up <p>For personal lines, the overall statewide indicated rate change is 57.9%. After the application of the glide-path capping, the recommended annual rate impact is 14.2%. This includes an 13.4% rate impact for policies effective between 11/1/2023 through</p>

Proposed Rate Changes

	<p>12/31/2023 and an 14.3% rate impact for policies effective between 1/1/2024 through 10/31/2024.</p> <p>For commercial lines, the overall statewide indicated rate change is 68.9%. After the application of the glide-path capping, the recommended annual rate impact is 12.3%. This includes an 11.6% rate impact for policies effective between 10/1/2023 through 12/31/2023 and 12.6% rate impact for policies effective between 1/1/2024 through 9/30/2024.</p>
Contract ID	N/A
Budgeted Item	<input type="checkbox"/> Yes <input type="checkbox"/> No
Procurement Method	N/A
Contract Amount	N/A
Contract Terms	N/A

Committee Recommendation	<p>Staff proposes that the A&U Committee review, and if approved, recommend to the Board of Governors:</p> <ul style="list-style-type: none"> a) Approve the above proposals to Citizens' rates, effective 10/1/2023 for commercial lines and 11/1/2023 for personal lines; and b) Authorize staff to take any appropriate or necessary action consistent with the filing of the proposed rates which includes filing with the Office of Insurance Regulation, system change implementations, and other relevant activities.
Board Recommendation from Committee	<p>If approved at its March 28, 2023, meeting, the A&U Committee recommends that the Board of Governors:</p> <ul style="list-style-type: none"> a) Approve the above proposals to Citizens' rates, effective 10/1/2023 for commercial lines and 11/1/2023 for personal lines; and b) Authorize staff to take any appropriate or necessary action consistent with the filing of the proposed rates which includes filing with the Office of Insurance Regulation, system change implementations, and other relevant activities.
CONTACTS	Brian Donovan, FCAS, MAAA – Chief Actuary