

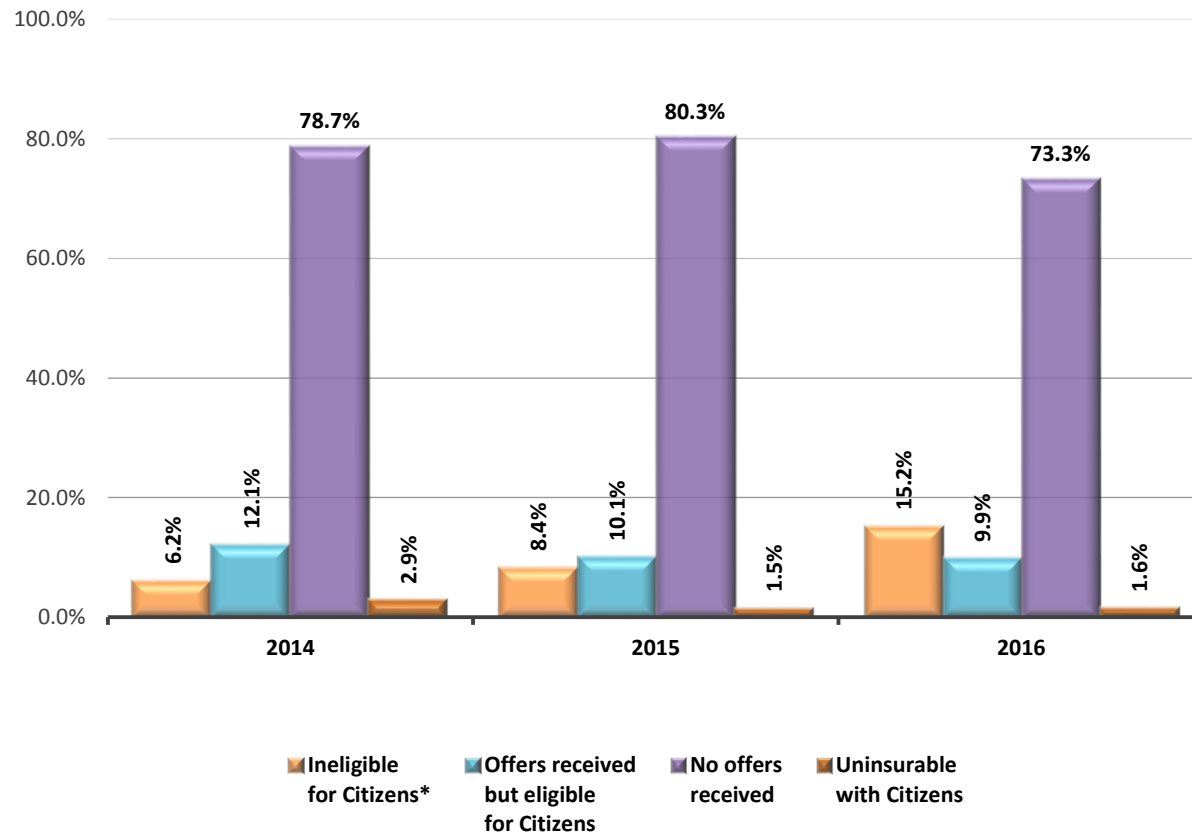
# Market Accountability Advisory Committee Meeting Clearinghouse Update

December 6, 2016



# New Business Update

## New Business Results – HO-3



\*Ineligible means a comparable offer of coverage was received through the Clearinghouse that had a premium that was no more than 115% of the Citizens premium.

## Total Risk Averted (All Lines)

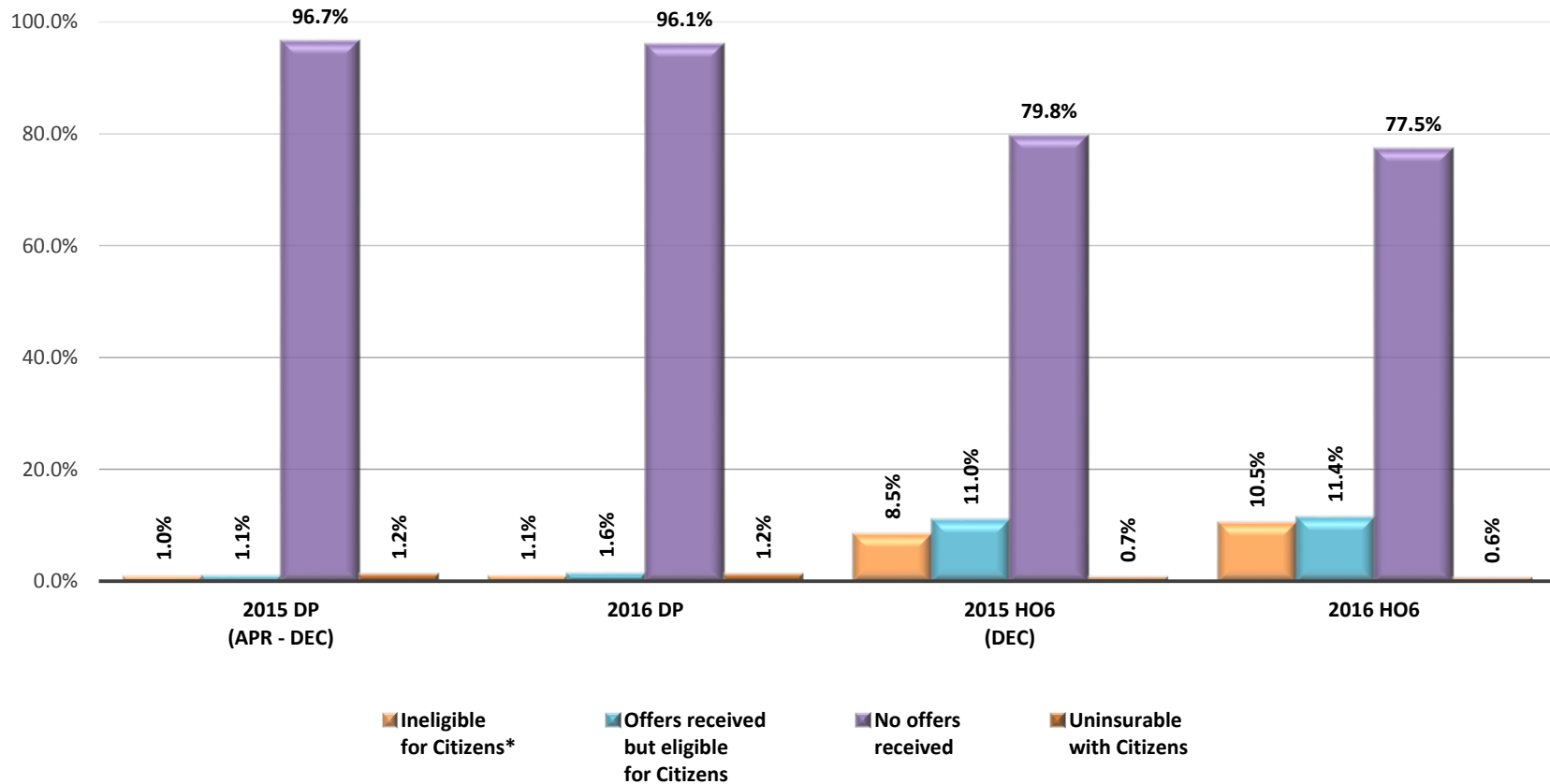
- Amount of Coverage A averted:
  - 2014 – \$2.3B
  - 2015 – \$3.1B
  - 2016 YTD – \$4.5B

## Offers Made on New Business

The percentage of HO-3 offers that rendered a risk ineligible for Citizens has risen by 79% in 2016.

# New Business Update

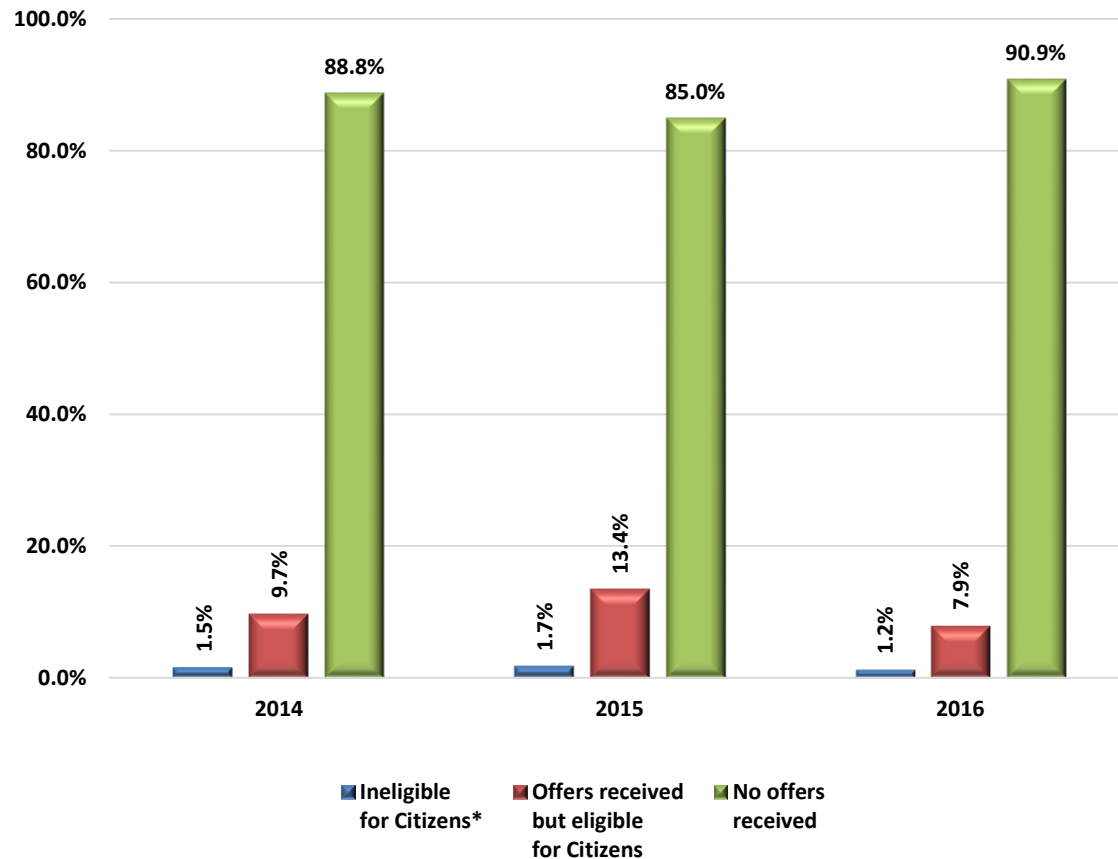
## New Business Results – DP and HO-6



\*Ineligible means a comparable offer of coverage was received through the Clearinghouse that had a premium that was no more than 115% of the Citizens premium.

# Renewal Update

## Renewal Results – HO-3



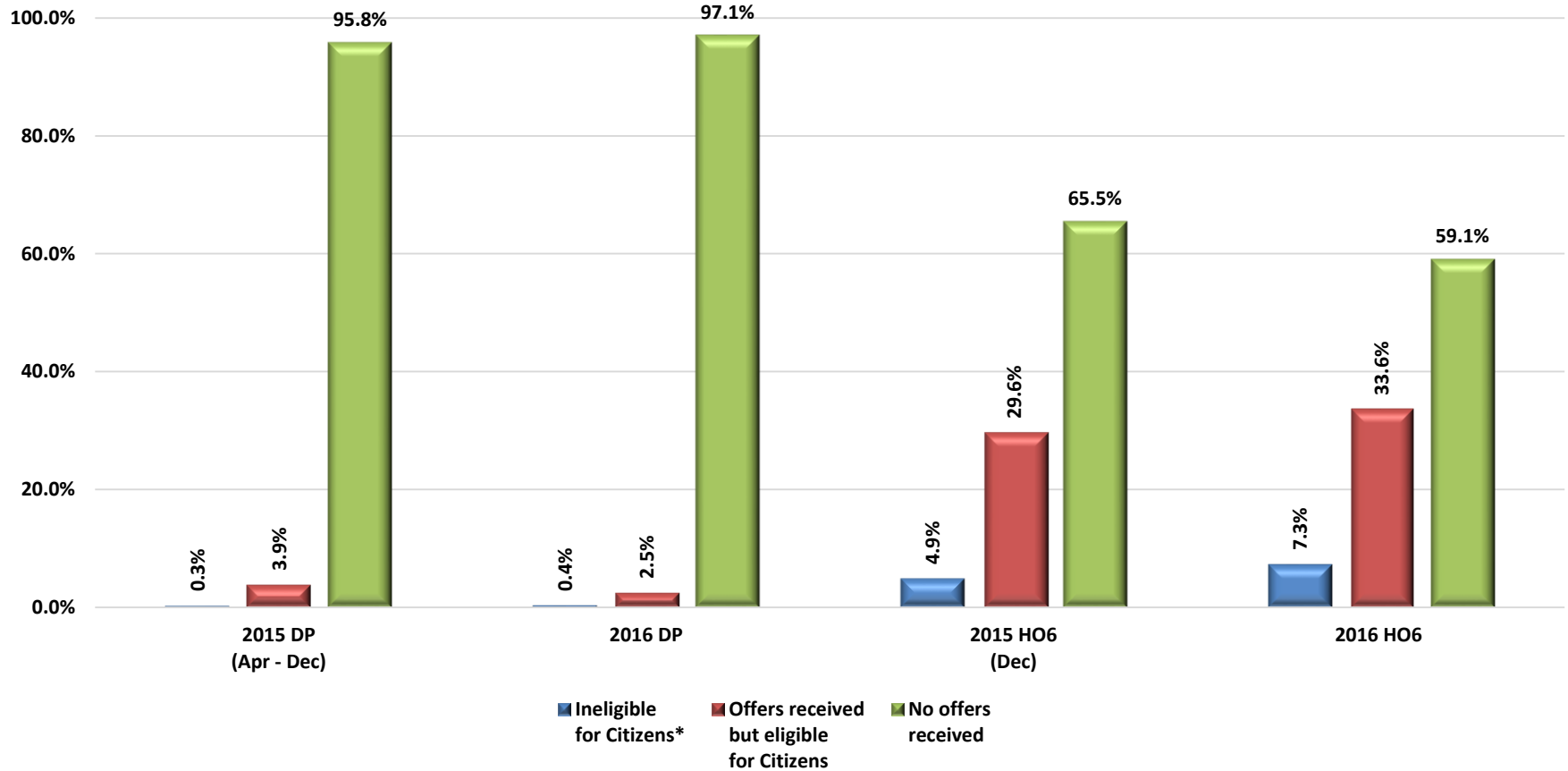
\*Ineligible means a comparable offer of coverage was received through the Clearinghouse that had a premium that was equal to or less than the Citizens renewal premium.

## Risk Removed (All Lines)

- Amount of Coverage A removed:
  - 2014 – \$194M
  - 2015 – \$637M
  - 2016 YTD – \$469M
- 6,869 policies have been non-renewed by Citizens as a result of offers made at renewal through the Clearinghouse.

# Renewal Update

## Renewal Results – HO-6 and DP



\*Ineligible means a comparable offer of coverage was received through the Clearinghouse that had a premium that was equal to or less than the Citizens renewal premium.

# Clearinghouse Operational Objectives

- Adding Wind Only personal lines products in 2017.
- Continue to add products for participating insurers.
  - Monarch National scheduled to add the HO-6 product by Q2 2017.
  - Safe Harbor:
    - Scheduled to add DP-3 product by Q2 2017.
    - Scheduled to begin processing Citizens renewals (HO-3, HO-6 and DP-3) by Q2 2017.

# Clearinghouse Operational Objectives

- Working closely with participating insurers to maximize offer rates via the Clearinghouse by:
  - Providing enhanced operational reporting.
  - In-person visits to discuss operational objectives and opportunities to increase offer rate.
  - Persuading participating insurers to increase Limited Service Agreement offers to Citizens appointed agents.
  - Fine tuning eligibility guidelines in the platform.
  - Leveraging platform capabilities to encourage insurers to open up in counties where there is capacity and opportunity to compete.










# Clearinghouse Participating Insurer Update

16 insurers currently participating:





# Clearinghouse Participating Insurer Results

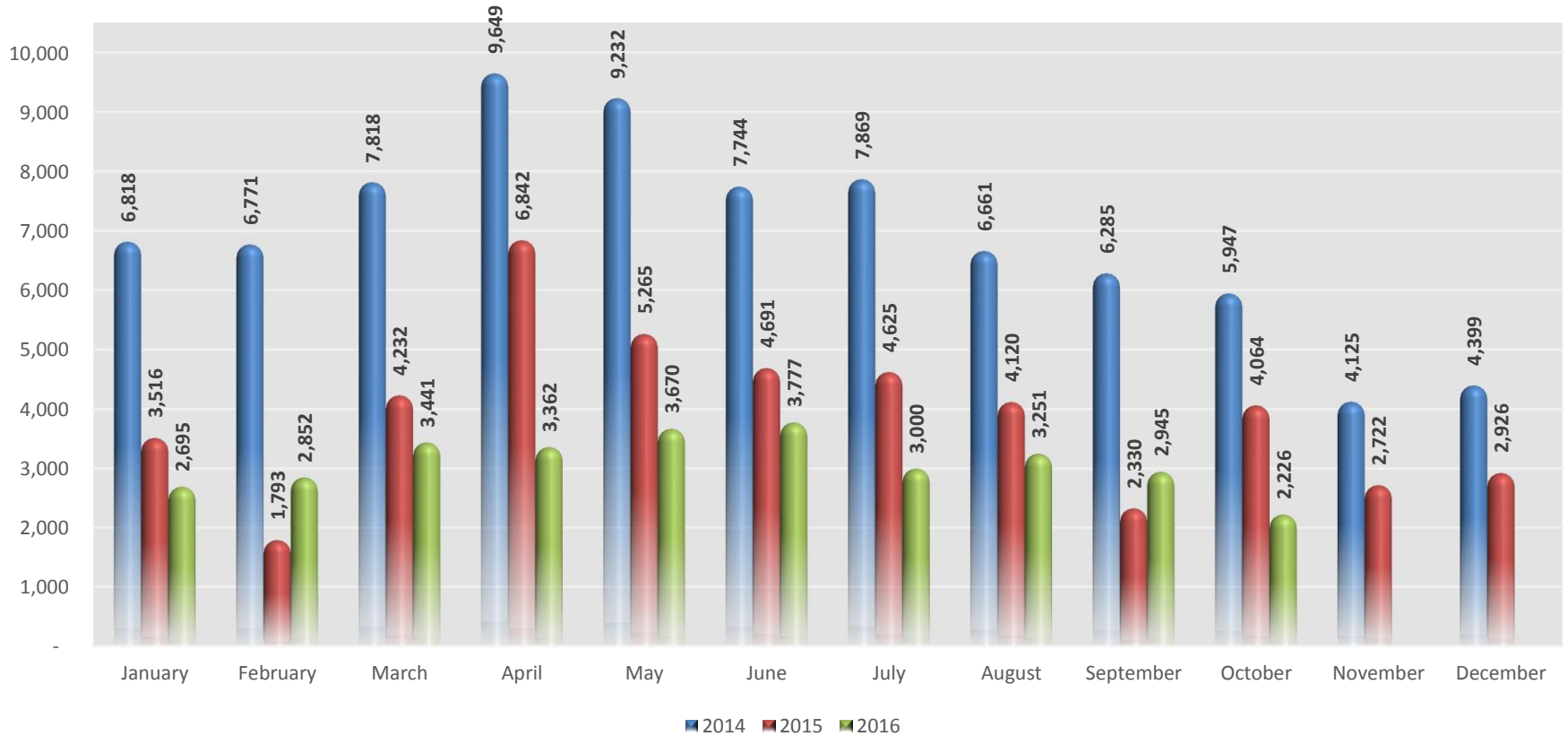
Insurer	Start Date	New Business	Renewals	Offers Made 2014	Offers Made 2015	Offers Made Jan - Oct 2016	Total
 <b>FLORIDA PENINSULA</b> Insurance Company	1.27.14	Y	Y	16,534	19,986	42,827	79,347
 <b>CAPITOL</b> PREFERRED	9.14.14	Y	Y	5,915	10,352	10,783	27,050
 <b>EDISON</b> INSURANCE COMPANY	3.06.16	Y	N	0	0	25,866	25,866
 <b>BANKERS</b> INSURANCE GROUP	3.30.14	Y	Y	7,670	15,902	1,254	24,826
 <b>FEDERATED</b>  <b>NATIONAL</b>	3.30.14	Y	Y	2,041	9,711	8,432	20,184
 <b>SAFE HARBOR</b> INSURANCE COMPANY	1.27.14	Y	N	4,656	5,558	6,175	16,389
 <b>Southern Oak</b> INSURANCE COMPANY	5.11.14	Y	Y	1,065	5,667	6,209	12,941
 <b>Tower Hill</b> Insurance	3.30.14	Y	Y	2,322	7,653	1,012	10,987

# Clearinghouse Participating Insurer Results

Insurer	Start Date	New Business	Renewals	Offers Made 2014	Offers Made 2015	Offers Made Jan - Oct 2016	Total
 AVATAR PROTECTOR OF YOUR ASSETS	11.16.14	Y	N	372	5,538	2,878	8,788
 HERITAGE Insurance	3.30.14	Y	Y	1,626	3,600	227	5,453
 ATIC American Traditions Insurance Company	3.30.14	Y	Y	1,199	3,140	395	4,734
 UPC INSURANCE	1.27.14	Y	N	2,190	723	1,510	4,423
 Modern USA	3.30.14	Y	Y	1,159	2,578	288	4,025
MONARCH  NATIONAL	3.6.16	Y	Y	0	0	3,165	3,165
 CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY	8.9.15	Y	Y	0	503	2,402	2,905

# Clearinghouse Impact On New Business Submissions

## HO-3 NEW BUSINESS SUBMISSIONS YEAR OVER YEAR (2014 – 2016)



New business HO-3 submissions are down by 33% when compared to the same time frame last year.

# Clearinghouse Contract Spend Summary

Contract Year	Approved Spend	Actual Spend	Variance
<b>Contract Yr 1: 8.22.13 - 8.21.14</b>	\$3,889,355.67	\$1,397,802.50	<b>\$2,491,553.17</b>
<b>Contract Yr 2: 8.22.14 - 8.21.15</b>	\$4,795,013.88	\$3,243,330.89	<b>\$1,551,682.99</b>
<b>Contract Yr 3: 8.22.15 - 8.21.16</b>	\$4,589,993.88	\$2,608,020.75	<b>\$1,981,973.13</b>
<b>Contract Yr 4: 8.22.16 - 8.21.17</b>	\$4,589,993.88	\$333,414.75	<b>\$4,256,579.13</b>
<b>Contract Yr 5: 8.22.17 - 8.21.18</b>	-	-	-
<b>Total:</b>	<b>\$17,864,357.31</b>	<b>\$7,582,568.89</b>	<b>\$10,281,788.42</b>

## Comments:

- Costs incurred since last report
  - Monthly professional services costs - \$80,000
  - Transaction costs - \$253,415
  - Platform enhancements - \$0
- PL Implementation fees are paid in full.
  - \$178K for provisioning of non-production and production system environments (complete and paid during Contract Yr 1)
  - \$178K after completion of go-live system acceptance testing (complete and paid during Contract Yr 1)
  - \$89K after renewals system acceptance (complete and paid during Contract Yr 3)
  - \$89K after final formal Acceptance (complete and paid during Contract Yr 3)