

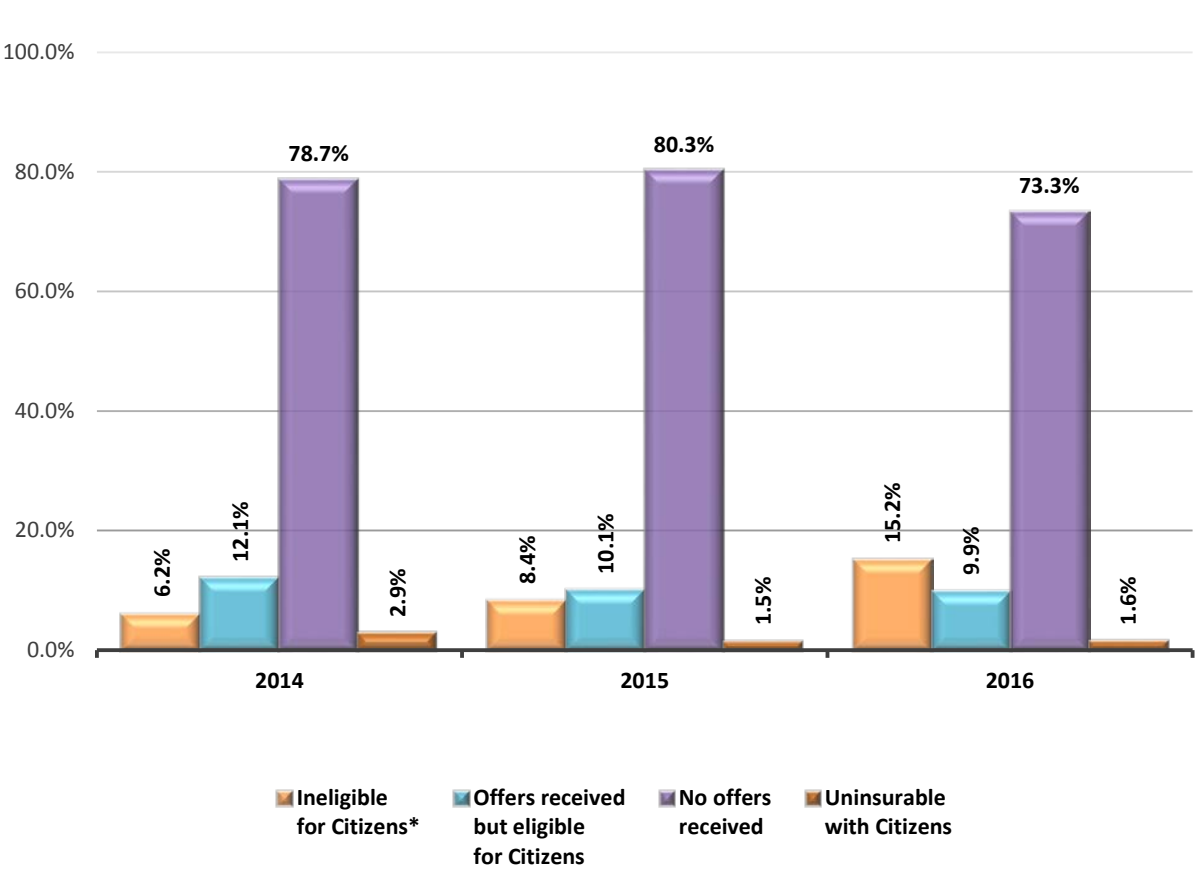
Board of Governors Meeting Clearinghouse Update

December 2016



New Business Update

New Business Results – HO-3



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

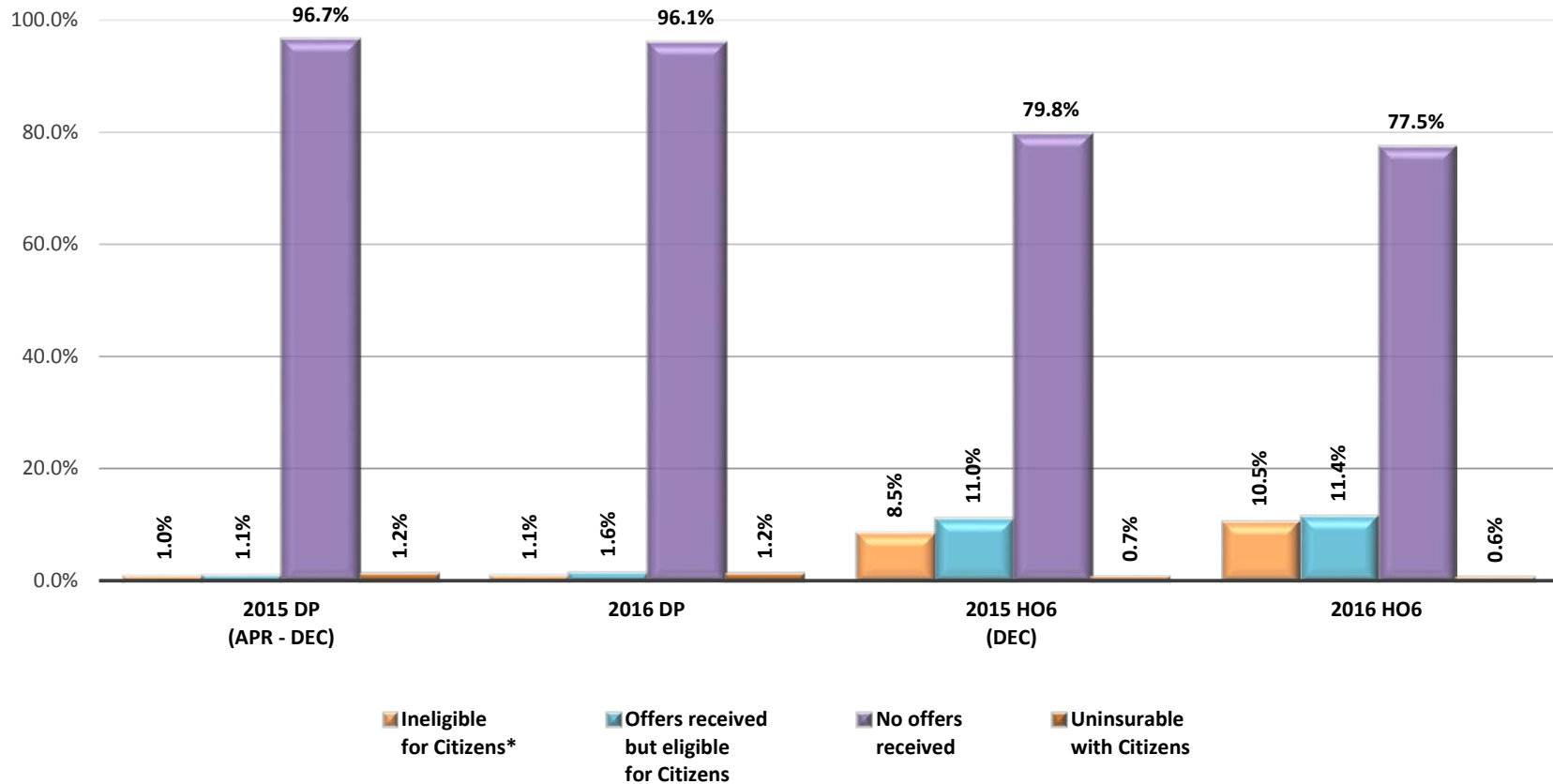
The percentage of HO-3 offers that rendered a risk ineligible for Citizens has risen by 79% in 2016.

*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.



New Business Update

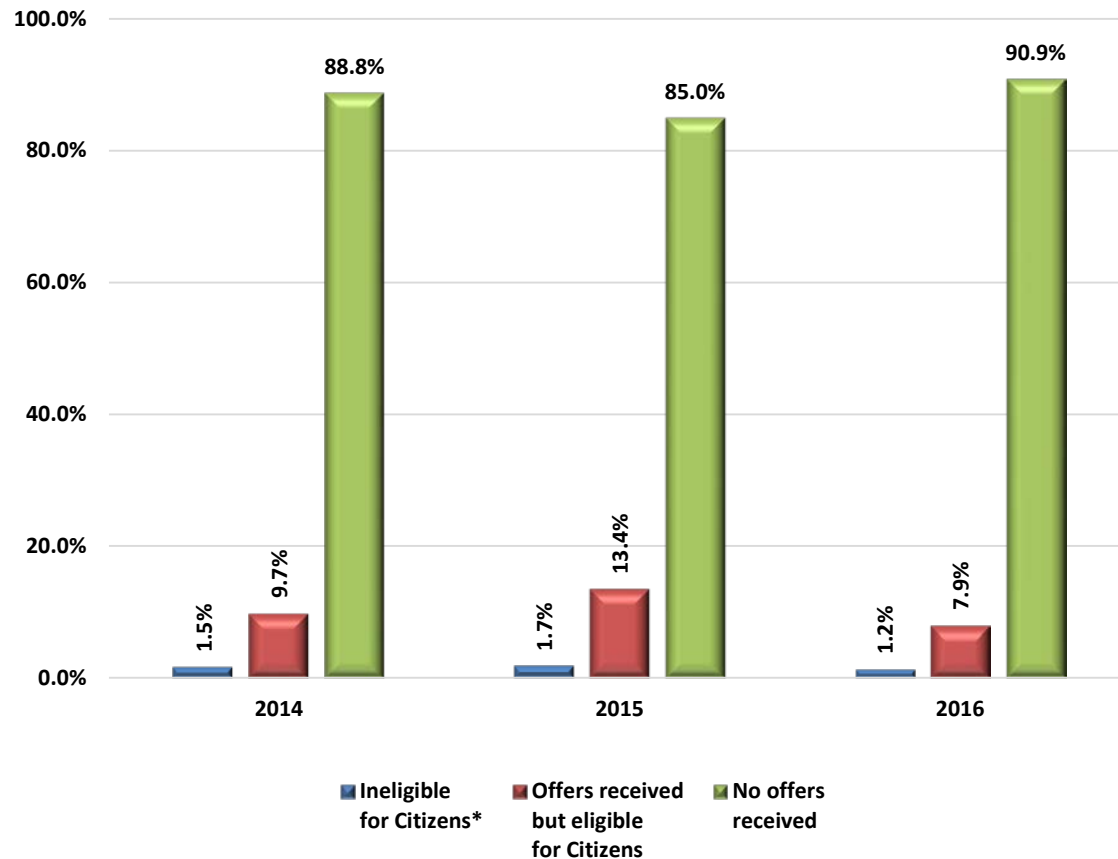
New Business Results – DP and HO-6



*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



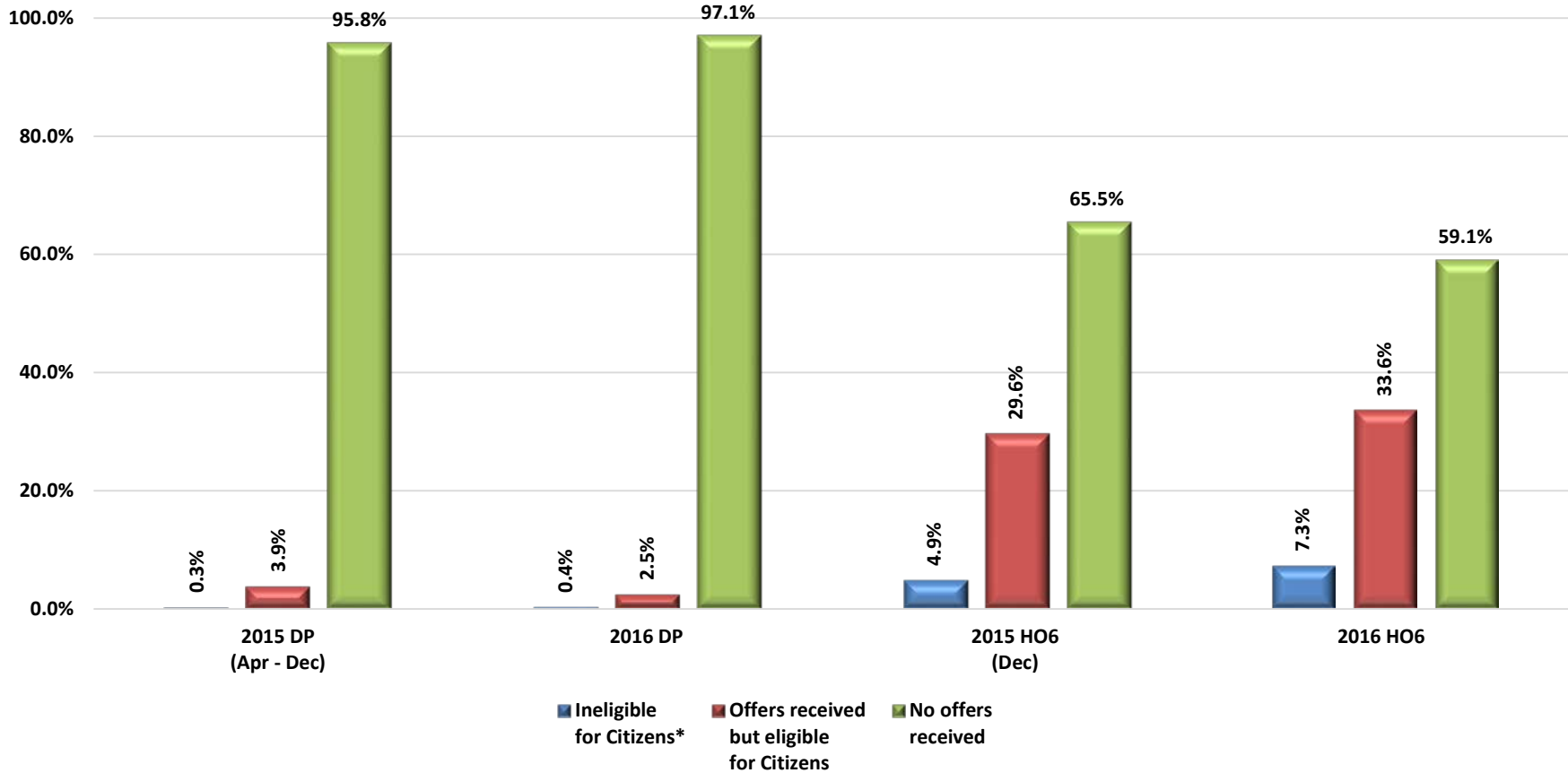
*Ineligible means a comparable offer of coverage was received through the Clearinghouse that had a premium that was equal to or less than the Citizens renewal premium.

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

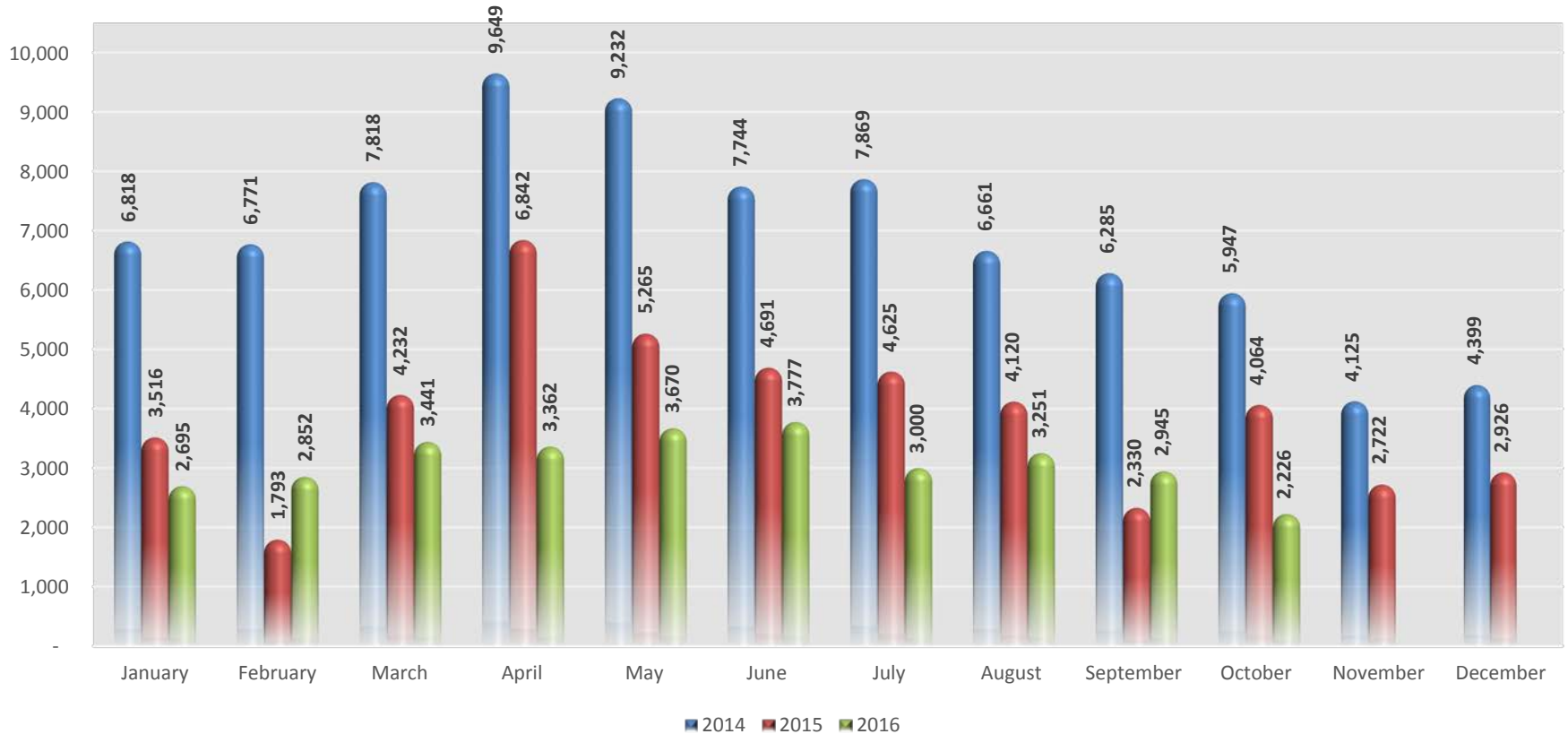
Insurer	Start Date	New Business	Renewals	Offers Made 2014	Offers Made 2015	Offers Made Jan - Oct 2016	Total
 FLORIDA PENINSULA Insurance Company	1.27.14	Y	Y	16,534	19,986	42,827	79,347
 CAPITOL PREFERRED	9.14.14	Y	Y	5,915	10,352	10,783	27,050
 EDISON INSURANCE COMPANY	3.06.16	Y	N	0	0	25,866	25,866
 BANKERS INSURANCE GROUP	3.30.14	Y	Y	7,670	15,902	1,254	24,826
 FEDERATED  NATIONAL	3.30.14	Y	Y	2,041	9,711	8,432	20,184
 SAFE HARBOR INSURANCE COMPANY	1.27.14	Y	N	4,656	5,558	6,175	16,389
 Southern Oak INSURANCE COMPANY	5.11.14	Y	Y	1,065	5,667	6,209	12,941
 Tower Hill 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
Contract Yr 1: 8.22.13 - 8.21.14	\$3,889,355.67	\$1,397,802.50	\$2,491,553.17
Contract Yr 2: 8.22.14 - 8.21.15	\$4,795,013.88	\$3,243,330.89	\$1,551,682.99
Contract Yr 3: 8.22.15 - 8.21.16	\$4,589,993.88	\$2,608,020.75	\$1,981,973.13
Contract Yr 4: 8.22.16 - 8.21.17	\$4,589,993.88	\$333,414.75	\$4,256,579.13
Contract Yr 5: 8.22.17 - 8.21.18	-	-	-
Total:	\$17,864,357.31	\$7,582,568.89	\$10,281,788.42

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)