

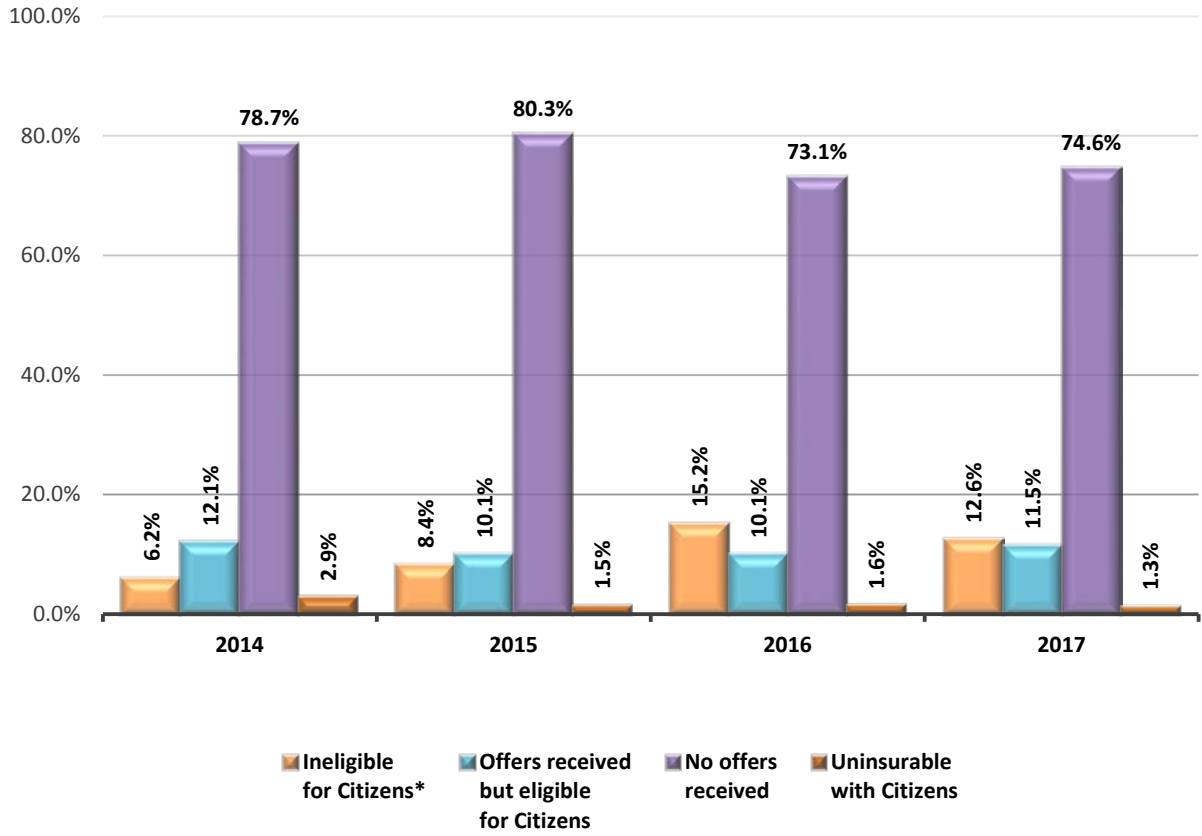
# Board of Governors Meeting Clearinghouse Update

March 2017



# New Business Update

## New Business Results – HO-3



## Total Risk Averted (All Lines)

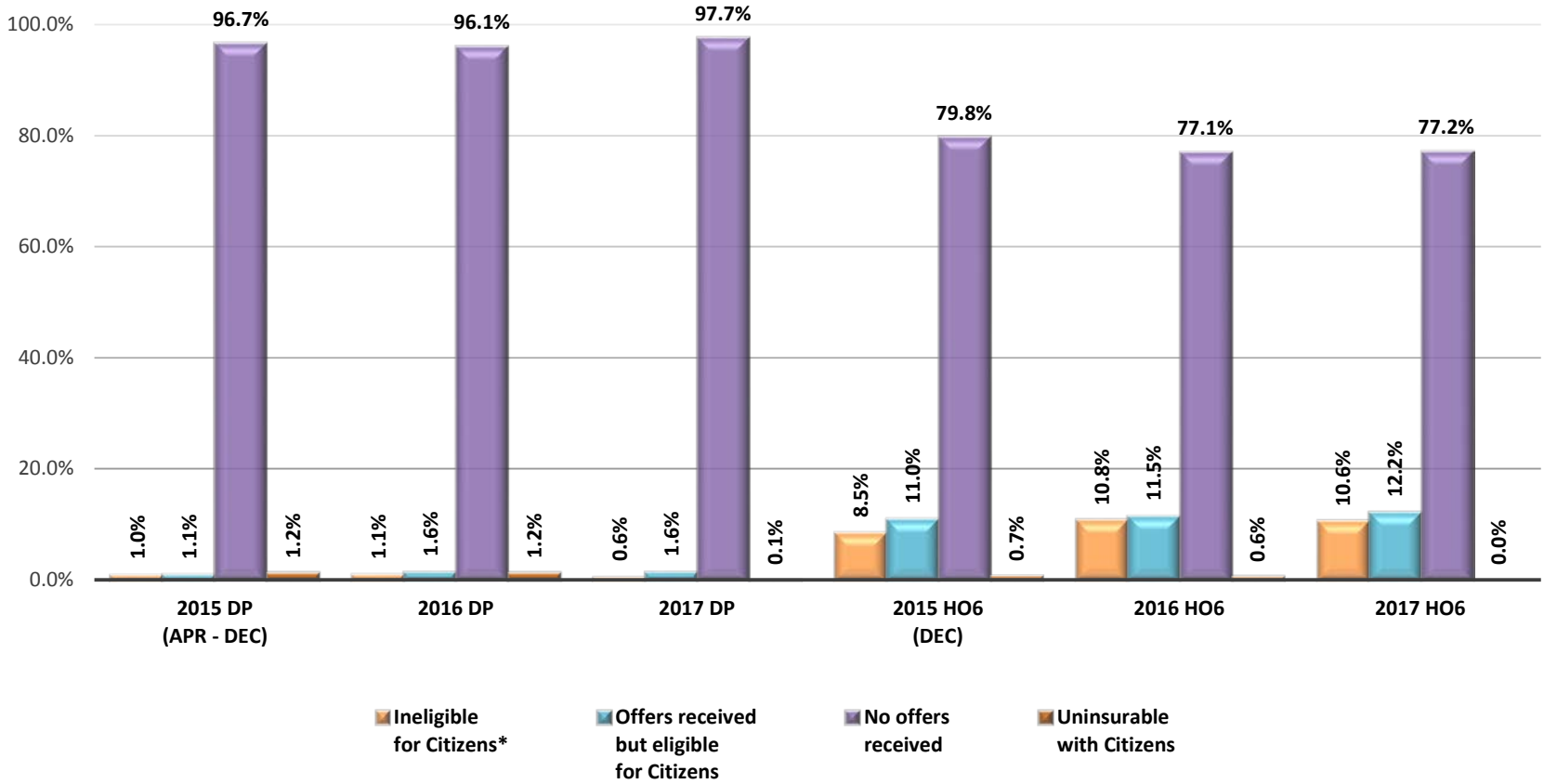
- Number of risk averted
  - 2014 – 2,439
  - 2015 – 10,970
  - 2016 – 20,710
  - 2017 YTD – 3,139
  
- Amount of Coverage A averted:
  - 2014 – \$2.3B
  - 2015 – \$3.1B
  - 2016 – \$5.3B
  - 2017 YTD - \$781M

\*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

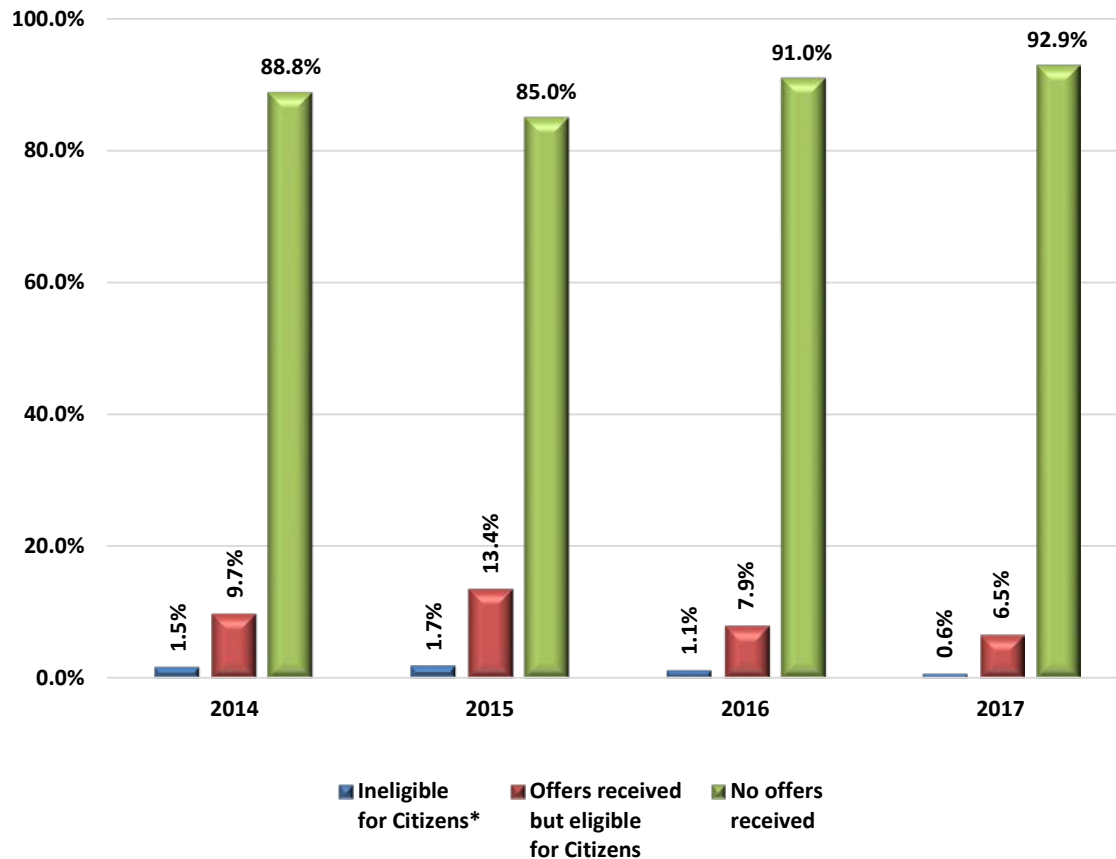


\*Ineligible means a comparable offer of coverage was received through the Clearinghouse that had a premium that was no more than 115% of the Citizens premium.



# Renewal Update

## Renewal Results – HO-3



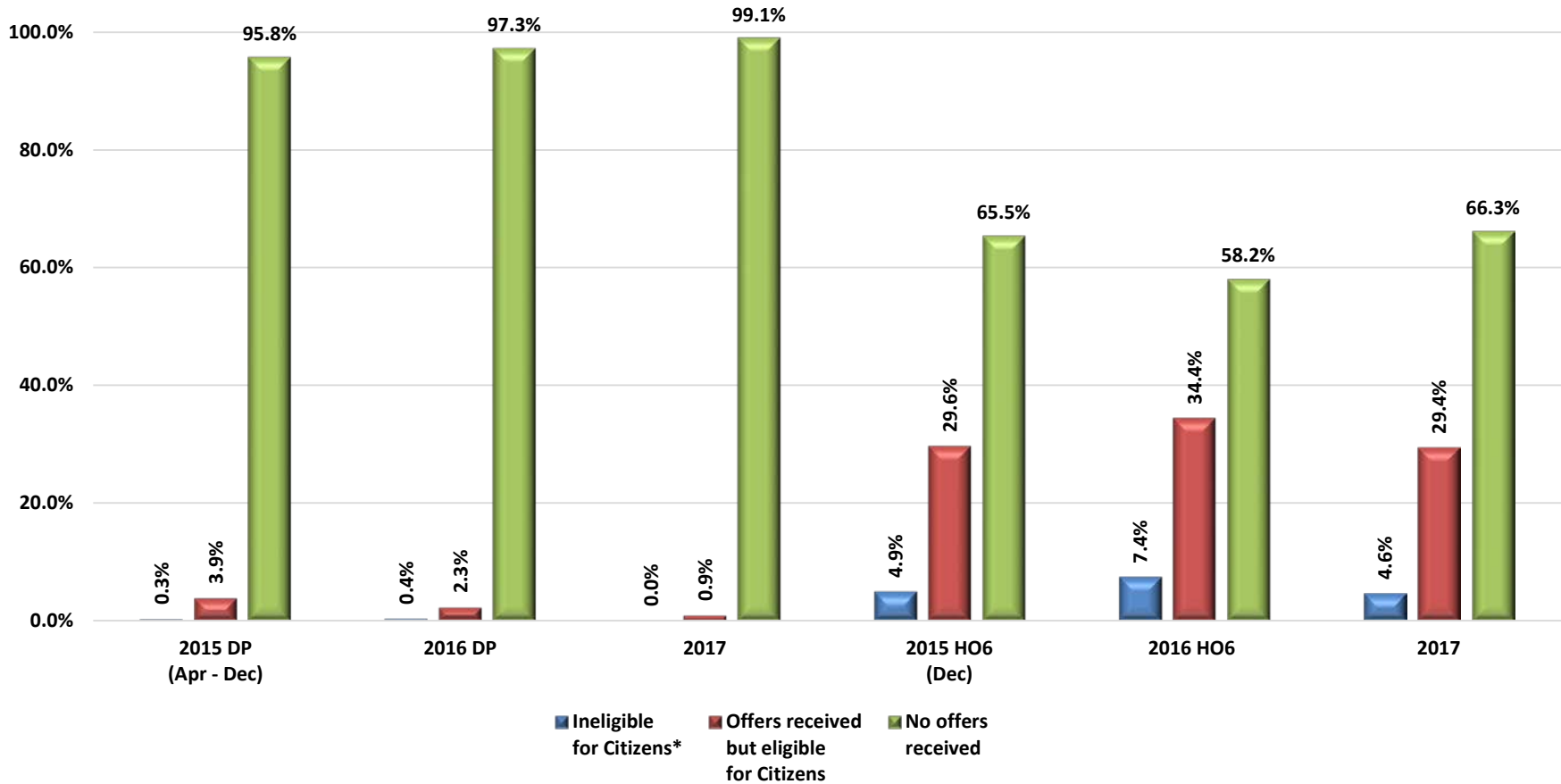
\*Ineligible means a comparable offer of coverage was received through the Clearinghouse that had a premium that was equal to or less than the Citizens renewal premium.

## Risk Removed (All Lines)

- Amount of Coverage A removed:
  - 2014 – \$194M
  - 2015 – \$637M
  - 2016 – \$498M
  - 2017 YTD – \$31M
- 7,733 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.

# Risk Averted Update

## 2016

### New Business

- 20,710 risks deemed ineligible for Citizens representing \$5.3B in Coverage A averted

### Renewal Business

- 4,423 risks deemed ineligible for Citizens representing \$529M in Coverage A averted

### Total

- 25,133 risks deemed ineligible for Citizens representing \$5.8B in Coverage A averted

## January – February 2017

### New Business

- 3,139 risks deemed ineligible for Citizens representing \$781M in Coverage A averted

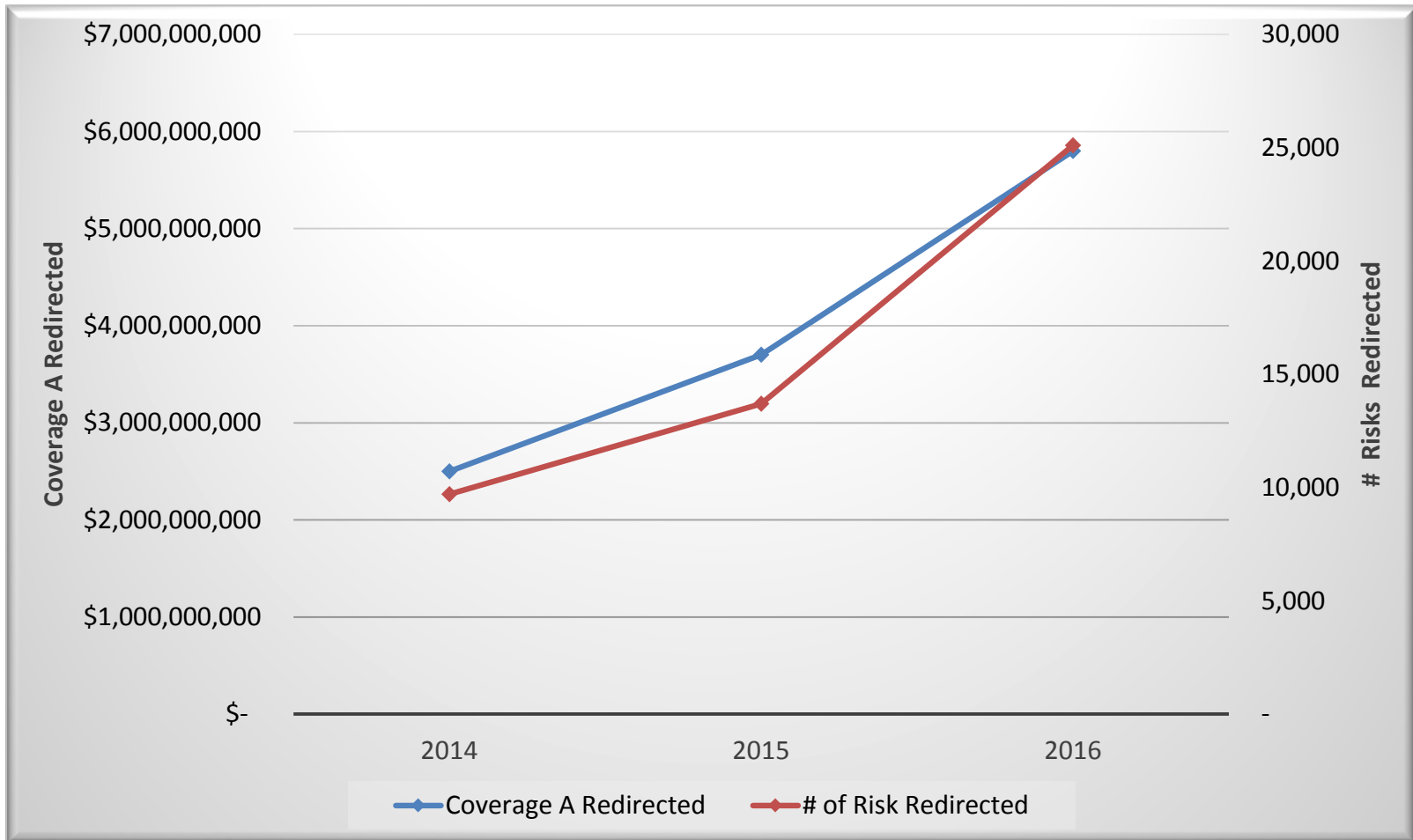
### Renewal Business

- 402 risks deemed ineligible for Citizens representing \$31M in Coverage A averted

### Total

- 3,541 risks deemed ineligible for Citizens representing \$812M in Coverage A averted

# Risks Redirected to Private Market



# Additions to Clearinghouse

- New Policy Type to be added in 3<sup>rd</sup> Quarter
  - Wind-only homeowners
  - Weston and Southern Oak to participate
- Participating insurers adding additional lines
  - Monarch National: HO-6 in 2<sup>nd</sup> quarter
  - Safe Harbor: DP-3 in 3<sup>rd</sup> quarter












# Clearinghouse Participating Insurer Update

16 insurers currently participating:



# Clearinghouse Participating Insurer Results

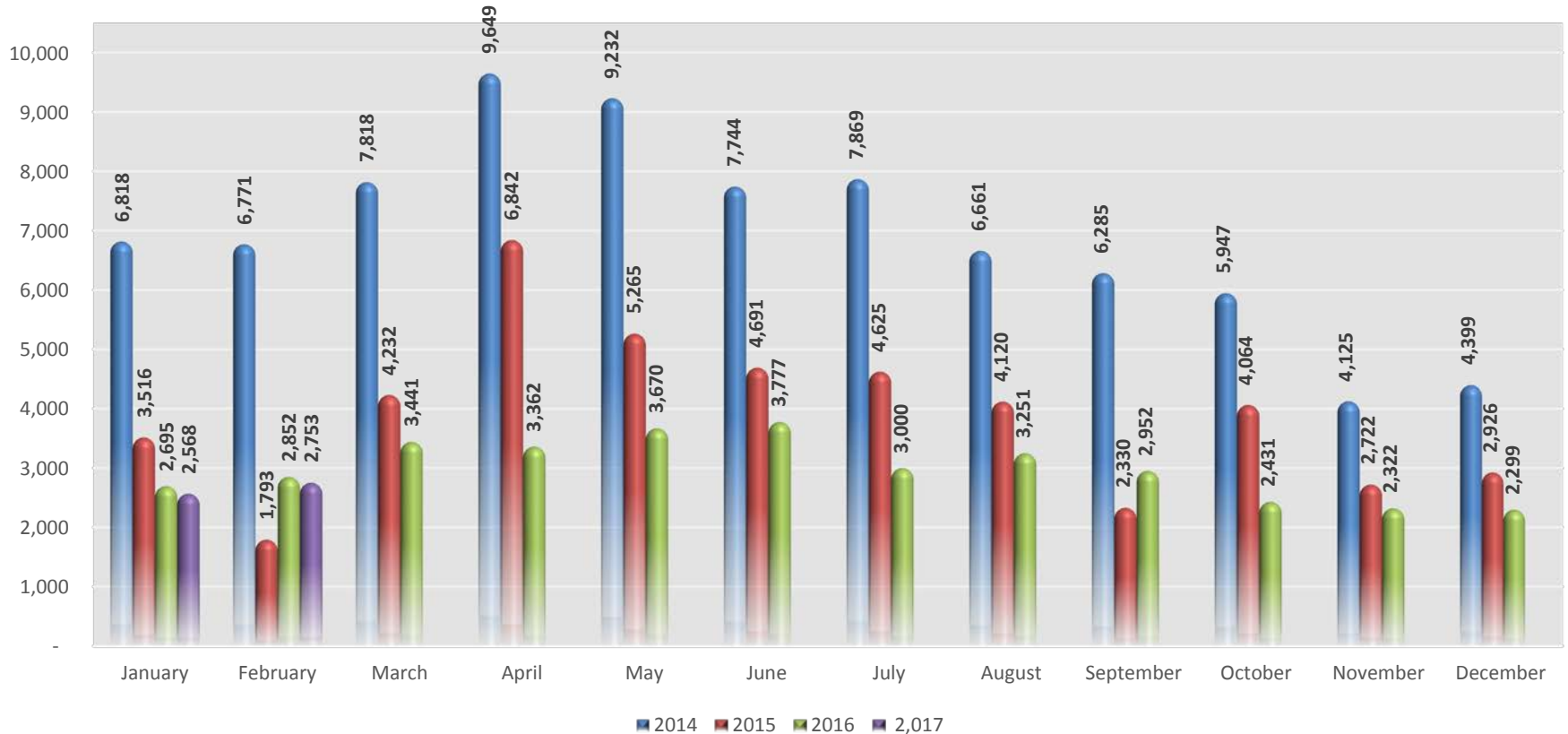
Insurer	Start Date	New Business	Renewals	Offers Made 2014	Offers Made 2015	Offers Made 2016	Offers Made Jan - February 2017	Total
 FLORIDA PENINSULA Insurance Company	1.27.14	Y	Y	16,534	19,986	49,353	7,715	93,588
 EDISON INSURANCE COMPANY	3.06.16	Y	N	0	0	32,110	6,620	38,730
 CAPITOL PREFERRED	9.14.14	Y	Y	5915	10352	12,787	2,523	31,577
 FEDERATED  NATIONAL	3.30.14	Y	Y	2,041	9,711	10,824	2,317	24,893
 BANKERS INSURANCE GROUP	3.30.14	Y	Y	7,670	15,902	1,254	0	24,826
 SAFE HARBOR INSURANCE COMPANY	1.27.14	Y	N	4,656	5,558	7,153	1,543	18,910
 Southern Oak INSURANCE COMPANY	5.11.14	Y	Y	1,065	5,667	7,142	1,407	15,281
 Tower Hill Insurance	3.30.14	Y	Y	2,322	7,653	1,012	0	10,987

# Clearinghouse Participating Insurer Results

Insurer	Start Date	New Business	Renewals	Offers Made 2014	Offers Made 2015	Offers Made 2016	Offers Made Jan - February 2017	Total
 AVATAR PROTECTOR OF YOUR ASSETS	11.16.14	Y	N	372	5,538	3,309	486	9,705
 HERITAGE Insurance	3.30.14	Y	Y	1,626	3,600	227	0	5,453
 UPC INSURANCE	1.27.14	Y	N	2,190	723	1,894	126	4,933
 ATIC American Traditions Insurance Company	3.30.14	Y	Y	1,199	3,140	395	0	4,734
 MONARCH  NATIONAL	3.6.16	Y	Y	0	0	3,843	567	4,410
 Modern USA	3.30.14	Y	Y	1,159	2,578	288	0	4,025

# Clearinghouse Impact On New Business Submissions

## HO-3 NEW BUSINESS SUBMISSIONS YEAR OVER YEAR (2014 – 2017)



New business HO-3 submissions are down by 4% 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)