

Executive Summary

Committee Meeting, June 15, 2017
Board of Governors Meeting, June 20, 2017

2017 Mobile Home Changes – Personal Lines

MH VALUATIONS

In 2011 Citizens began using a new valuation tool for mobile homes in an effort to provide more consistency with other Citizens personal lines programs. From 2012 to 2014, all mobile homes were reevaluated with this tool resulting in significant reductions in coverage. Since that time, agents and consumers have provided feedback that homes are undervalued. Additional research has shown the new tool produces values lower than other tools used in the private market. To address this issue, we are implementing the following changes:

- **Coverage A Option Up To 150%** (starting 6/1/2017)
 - Agents can select a Coverage A amount up to 150% of the estimated value instead of 125%.
 - PolicyCenter will be updated on July 8, 2017.
 - Temporary Work-Around: Agents enter increased amount in the Alternate Value field.
- **Cost Estimator Updates for Attached Structures** (starting 7/1/2017)
 - **Materials Only** - Currently, total cost of an attached structure is depreciated. The update will depreciate only the cost of materials.
 - **Effective Age and Condition** - Agents will have the option to provide a different Age and Condition for attached structures instead of defaulting to the mobile home's age and condition. Photos are required for support.
- **Manufacturer and Model** (policies effective 7/1/2017 or later)
 - Due to the significant impact on valuations, Agents that enter manufacturers and model names not recognized or supported by the 360 Cost Estimator will have to upload supporting documentation.

RURAL MOBILE HOMES (effective TBD)

- Currently, mobile homes in rural areas not located in mobile home parks or subdivisions are eligible only in the dwelling programs though there is little difference in risk.
- Staff is proposing to the Board to change eligibility to allow these homes on MHO-3 and MHO-4 policies.

COMMUNICATIONS TIMELINE (excluding rural mobile homes initiative)

- Communications - Email Blast and PLB 6/20
- Communications - Knowledge Base 6/20
- Communications - Impacted Agents Only 6/28
- Communications - Postcards to MH Policyholders 7/1 - 8/18
- Agent Services - Job Aid 6/28
- Agent Services - Webinar 7/19