

# Executive Summary

Actuarial & Underwriting Committee Meeting, June 19, 2017

Board of Governors Meeting, June 20, 2017

## Product Changes – Commercial Lines

### Depopulation Language:

Updates to Citizens Depopulation Plan were approved by The Office of Insurance Regulation (OIR) on December 2, 2016. The updated plan clarifies that if a Commercial Lines Non-Residential policy is selected for take-out by a private insurer that policyholder may not elect for such policy to remain with Citizens.

Staff recommends updating the CNR-M Eligibility Requirements Rule and application to appropriately reflect the 2016 Amended Depopulation Plan.

### Additional Property Not Covered Form:

Citizens' current Commercial Residential programs allow cabanas to be scheduled as an eligible class of Special Class Property. However, the relevant coverage form (Additional Property Not Covered Endorsement) excludes Windstorm and Hail coverage as a covered cause of loss in the Commercial Residential Multi-Peril (CR-M) program even when the cabana is specifically scheduled and described and shown on the policy declarations.

Staff proposes amending the CR-M Additional Property Not Covered Form to remove the reference to cabanas. This enhancement will ensure a consistent approach for this eligible class of Special Property between the Wind-Only and Multi-Peril accounts.

### Recommendation

Citizens' Staff recommends the Actuarial & Underwriting Committee approve and recommend that the Board:

- a) Authorize filing with the Office of Insurance Regulation (OIR) the depopulation language rule requirements and application update requirements for the CNR-M and CNR-W programs and Additional Property Not Covered CR-M form revisions as described above; and
- b) Authorize staff to take any appropriate or necessary action consistent with this Product Changes – Commercial Lines Action Item to include system change implementations, document changes and supporting activities.

# ACTION ITEM

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<b>CONTRACT ID:</b>	<b>Product Changes – Commercial Lines</b>
<b>BUDGETED ITEM</b>	N/A
<b>CONTRACT AMOUNT</b>	N/A
<b>PURPOSE / SCOPE</b>	<p>Staff recommends changing the Commercial Non-Residential Eligibility Requirements Rule and applications to appropriately reflect the 2016 Amended Depopulation Plan.</p> <p>Staff proposes amending the CR-M Additional Property Not Covered Form to remove the reference to cabanas. This enhancement will ensure a consistent approach for this eligible class of Special Property between the Wind-Only and Multi-Peril accounts.</p>
<b>CONTRACT TERM(S)</b>	N/A
<b>PROCUREMENT METHOD</b>	N/A
<b>RECOMMENDATION</b>	<p>Citizens' Staff recommends the Actuarial &amp; Underwriting Committee approve and recommend that the Board:</p> <ul style="list-style-type: none"><li>a) Authorize filing with the Office of Insurance Regulation (OIR) the depopulation language rule requirements and application update requirements for the CNR-M and CNR-W programs and Additional Property Not Covered CR-M form revisions as described above; and</li><li>b) Authorize staff to take any appropriate or necessary action consistent with this Product Changes – Commercial Lines Action Item to include filing with the Office of Insurance Regulation (OIR), system change implementations, document changes and supporting activities. Final changes may vary slightly, depending on guidance from the OIR.</li></ul>
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