

# Executive Summary

Actuarial & Underwriting Committee Meeting, June 19, 2017

Board of Governors Meeting, June 20, 2017

## Product Changes – Hurricane Binding Restrictions

The National Weather Service has recently updated its protocol for issuing Tropical Storm and Hurricane watches and warnings. While these changes should not have significant impact on watch or warning timelines, they did trigger a thorough review of our current underwriting binding suspension rule.

After evaluating the rule, staff has determined that our current Hurricane or Tropical Storm Binding Suspension rule does not provide adequate flexibility to address various situations that could arise. It is recommended the underwriting rule be updated to clarify the authority of agents during a binding restriction while allowing reasonable flexibility for Citizens to continue processing previously submitted applications and changes. In addition, the updated rule should permit funds for previously submitted applications and policy change requests to be accepted and applied.

### Recommendation

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

- a) Authorize the above proposal to update the Hurricane/Tropical Storm Binding Suspension Rule; and
- b) Authorize staff to take any appropriate or necessary action consistent with this Product Changes - Hurricane Binding Restrictions Action Item to include system change implementations, document changes and supporting activities.

# ACTION ITEM

Actuarial & Underwriting Committee Meeting, June 19, 2017  
Board of Governors Meeting, June 20, 2017

<b>CONTRACT ID:</b>	<b>Product Changes - Hurricane Binding Restrictions</b>
<b>BUDGETED ITEM</b>	N/A
<b>CONTRACT AMOUNT</b>	N/A
<b>PURPOSE / SCOPE</b>	Staff has determined that our current Hurricane or Tropical Storm Binding Suspension rule does not provide adequate flexibility to address various situations that could arise. It is recommended the underwriting rule be updated to clarify the authority of agents during a binding restriction while allowing reasonable flexibility for Citizens to continue processing previously submitted applications and changes. In addition, the updated rule should permit funds for previously submitted applications and policy change requests to be accepted and applied.
<b>CONTRACT TERM(S)</b>	N/A
<b>PROCUREMENT METHOD</b>	N/A
<b>RECOMMENDATION</b>	Citizens' Staff recommends the Actuarial & Underwriting Committee approve and recommend that the Board:  a) Approve proposal to update the Hurricane/Tropical Storm Binding Suspension Rule; and  b) Authorize staff to take any appropriate or necessary action consistent with this Product Changes - Hurricane Binding Restrictions 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.
<b>CONTACTS</b>	Steve Bitar, Chief of Underwriting and Agency Services Karen Holt, Senior Director Product Development