

ACTION ITEM

CONTRACT ID:	2016 FMAP Annual Report
BUDGETED ITEM	N/A
CONTRACT AMOUNT	N/A
PURPOSE / SCOPE	The FMAP Annual Report requires board approval prior to submission to the Office of Insurance Regulation (OIR). The 2015 FMAP Annual Report DRAFT was submitted on March 1, 2016 to the Office of Insurance Regulation and will be resubmitted as FINAL once approved.
CONTRACT TERM(S)	N/A
PROCUREMENT METHOD	N/A
RECOMMENDATION	Citizens' staff requests that the FMAP Board of Governors approve: a) The 2016 FMAP Annual Report; and b) Upon approval will be submitted to the Office of Insurance Regulation as FINAL.
CONTACTS	Steve Bitar, Chief of Underwriting and Agency Services

2016 Annual Report
Florida Market Assistance Plan

About FMAP

The Florida Market Assistance Plan (FMAP) is a program authorized by the Florida Legislature (627.3515, Florida Statutes) to help Florida property owners find and obtain private market insurance. The FMAP Board of Governors is comprised of the same members as the Board of Governors for Citizens Property Insurance Corporation (Citizens). FMAP is funded by Citizens and by an annual assessment of residential property insurers. FMAP operates according to statutory requirements created by the Florida Legislature and a *Plan of Operation* approved by its board and the Florida Office of Insurance Regulation (OIR).

Operations

FMAP functions primarily as a referral program that aligns consumer property coverage needs with agents and property insurers writing private market residential property insurance coverage. FMAP is operated by Citizens at its Tallahassee corporate headquarters. Customer support for inbound calls is managed by a third party vendor.

Referral Program

FMAP's free online referral program for personal residential property insurance was designed to help consumers find insurance in the private market and reduce the number of applications for Citizens coverage. FMAP consumers answer 25 questions about their property by completing a questionnaire at www.fmap.org or by calling FMAP at 800.524.9023. Property information is matched with participating agents who are licensed and appointed with insurance carriers actively writing in Florida. Agents are alerted to new leads via email and can access their results any time to provide quotes to consumers.

In 2016, FMAP received 9,799 requests from consumers seeking residential property insurance. Participating agents reported placing 1,155 customers in the private market. This conversion rate of 11.8 percent is higher than the 11.2 percent conversion rate from 2015.

The following table provides a summary of referral program requests received from 2008 through 2016 and the estimated exposure placed in the private market:

Calendar Year	Request Received	Offers Accepted	Requests Converted	Exposure Placed in Private Market
2008	18,966	4,113	21.7%	\$771,183,076
2009	16,171	2,768	17.1%	\$590,950,381
2010	14,024	2,332	16.6%	\$641,387,304
2011	19,485	2,119	10.9%	\$557,982,533
2012	28,902	2,006	6.9%	\$568,579,477
2013	37,007	2,781	7.5%	\$773,273,001
2014	29,984	2,981	9.9%	\$779,747,346
2015	15,905	1,786	11.2%	\$383,965,959
2016	9,799	1,155	11.8%	\$262,643,946

Table 1: Annual requests received, offers accepted, percent converted and exposure

Requests by County

The following table shows the number of requests and offers per county and the percentage of requests converted to the private market:

2016 - County Requests and Placements			
County Requested	Number of Requests	Offers Made and Accepted	Percent Converted
Alachua	103	15	14.6%
Baker	6	2	0.0%
Bay	72	6	8.3%
Bradford	15	1	0.0%
Brevard	354	37	10.5%
Broward	1,163	121	10.4%
Calhoun	7	2	0.0%
Charlotte	115	2	1.7%
Citrus	134	14	10.4%
Clay	48	7	14.6%
Collier	207	12	5.8%
Columbia	43	8	0.0%
Desoto	2	1	0.0%
Dixie	12	1	0.0%
Duval	320	52	16.3%
Escambia	131	15	11.5%
Flagler	26	3	0.0%
Franklin	9	-	0.0%
Gadsden	34	5	0.0%
Gilchrist	21	2	0.0%
Glades	9	1	0.0%
Gulf	4	-	0.0%
Hamilton	5	2	0.0%
Hardee	6	1	0.0%
Hendry	7	2	0.0%
Hernando	151	26	17.2%
Highlands	50	4	0.0%
Hillsborough	533	64	12.0%
Holmes	6	-	0.0%
Indian River	65	4	6.2%
Jackson	15	2	0.0%
Jefferson	10	1	0.0%
Lafayette	1	1	0.0%
Lake	216	27	12.5%

2016 - County Requests and Placements			
County Requested	Number of Requests	Offers Made and Accepted	Percent Converted
Lee	395	33	8.4%
Leon	72	17	23.6%
Levy	44	3	6.8%
Liberty	4	-	0.0%
Madison	7	1	0.0%
Manatee	175	14	8.0%
Marion	242	33	13.6%
Martin	85	3	3.5%
Miami-Dade	1,020	108	10.6%
Monroe	53	5	9.4%
Nassau	40	3	0.0%
Okaloosa	55	5	9.1%
Okeechobee	23	3	0.0%
Orange	396	70	17.7%
Osceola	165	25	15.2%
Palm Beach	672	108	16.1%
Pasco	394	54	13.7%
Pinellas	631	53	8.4%
Polk	307	31	10.1%
Putnam	39	9	23.1%
St. Johns	68	10	14.7%
St. Lucie	161	24	14.9%
Santa Rosa	46	6	13.0%
Sarasota	237	18	7.6%
Seminole	110	27	24.5%
Sumter	59	6	10.2%
Suwannee	18	1	0.0%
Taylor	11	1	0.0%
Union	-	-	0.0%
Volusia	304	38	12.5%
Wakulla	23	1	0.0%
Walton	33	3	0.0%
Washington	10	1	0.0%
TOTAL	9,799	1,155	11.8%

Table 2: County percentages

Requests by Year Built

Homeowners with properties built between 1966 and 1990 made the most requests for coverage in 2016 and placed the most requests in the private market:

Requested Property (Based on Year Built) and Requests Placed in Private Market						
Year Built	Number of Requests	Percent of Requests	Number Placed in Private Market	Percent Placed in Private Market	*Amount of Coverage A Placed in Private Market	*Amount of Coverage C Placed in Private Market
2006 - 2016 (0-10 yrs. old)	726	7.4%	92	12.7%	\$17,505,261	\$6,763,382
2001 - 2005 (11-15 yrs. old)	663	6.8%	92	13.9%	\$19,367,308	\$6,796,126
1991 - 2000 (16-25 yrs. old)	1,499	15.3%	185	12.3%	\$32,835,413	\$13,140,966
1966 - 1990 (26-50 yrs. old)	4,596	46.9%	479	10.4%	\$72,782,278	\$25,334,022
< 1965 (51 yrs. and older)	2,190	22.3%	304	13.9%	\$51,170,889	\$16,723,301
No Year Indicated**	125	1.3%	3	2.4%	\$200,000	\$25,000
Total Property Requested	9,799	100%	1,155	11.8%	\$193,861,149	\$68,782,797

*Coverage A + Coverage C as entered by agent when policy is bound.

**If the property is not owner-occupied or a condo, the year built is not required.

Table 3: Requests by year built

Requests by Property Type

Consumers seeking assistance in finding coverage on single-family dwellings continued to be most successful FMAP users in 2016:

Requested Property Types and Property Requests Placed in Private Market						
Property Type	Number of Requests	Percent of Requests	Number Placed in Private Market	Percent Placed in Private Market	*Amount of Coverage A Placed in Private Market	*Amount of Coverage C Placed in Private Market
Apartments	41	0.4%	3	7.3%	\$185,000	\$56,000
Condos/ Unit Owners	876	8.9%	116	13.2%	\$6,611,609	\$2,997,152
Duplex	146	1.5%	15	10.3%	\$3,194,404	\$643,500
Houses	5,624	57.4%	863	15.3%	\$170,832,190	\$60,177,456
Mobile Homes	2,784	28.4%	107	3.8%	\$5,699,000	\$2,289,350
Townhouse	328	3.3%	51	15.5%	\$7,338,946	\$2,619,339
Total Property Requested	9,799	100.0%	1,155	11.8%	\$193,861,149	\$68,782,797

*Coverage A + Coverage C as entered by agent when policy is bound.

Table 4: Requests by property type

Requests by Construction Type

In 2016, consumers whose property had masonry construction were the majority of FMAP users:

Requested Construction Types and Requests Placed in the Private Market						
Construction Type	Number of Requests	Percent of Requests	Number Placed in Private Market	Percent Placed in Private Market	*Amount of Coverage A Placed in Private Market	*Amount of Coverage C Placed in Private Market
Aluminum	1,702	17.4%	53	3.1%	\$3,137,000	\$1,223,050
Frame	2,346	23.9%	239	10.2%	\$34,092,713	\$12,505,877
Masonry	5,336	54.5%	814	15.3%	\$147,712,416	\$51,943,409
Veneer	415	4.2%	49	11.8%	\$8,919,020	\$3,110,461
Total	9,799	100%	1,155	11.8%	\$193,861,149	\$68,782,797

*Coverage A + Coverage C as entered by agent when policy is bound.

Table 5: Requests by construction type

Policy Form Types Placed in the Private Market

In 2016, FMAP agents used policy form HO3 for the majority of policies written into the private market.

Policy Form Type	Number of Form Types Placed in the Private Market	*Amount of Coverage A Placed in Private Market	*Amount of Coverage C Placed in Private Market	* Amount of Coverage Placed In Private Market
DP1	28	\$3,804,909	\$130,635	\$3,935,544
DP2	-	\$0	\$0	\$0
DP3	59	\$9,885,000	\$504,450	\$10,389,450
HO1	2	\$280,000	\$0	\$280,000
HO2	-	\$0	\$0	\$0
HO3	808	\$151,488,093	\$54,167,834	\$205,655,927
HO4	2	\$50,000	\$20,000	\$70,000
HO6	126	\$7,026,609	\$3,164,152	\$10,190,761
HO8	130	\$21,326,538	\$10,795,726	\$32,122,264
Total	1,155	\$193,861,149	\$68,782,797	\$262,643,946

*Coverage A + Coverage C as entered by agent when policy is bound.

Table 6: Policy Form Types

Top 10 Companies Used to Place Property Requests

In 2016, Universal Property & Casualty Insurance Company placed 358 FMAP requests:

Top Companies Used to Place Properties	
Company Name	Total
Universal P&C Ins Co	358
United P&C Ins Co	156
Universal Ins Co of North America	154
Foremost Ins Co Grand Rapids, Michigan	52
Security First Ins Co	44
Federated National Ins Co	37
Olympus Ins Co	34
Allied P&C Ins Co	29
First Community Ins Co	24
Florida Peninsula Ins Co	24

Table 7: Top ten active companies

Active Agents

The number of FMAP agents during 2016.

Number of Active Agents	
January	387
February	391
March	411
April	362
May	358
June	353
July	316
August	319
September	328
October	284
November	287
December	294

Table 8: Number of Active Agents

Policy Data Report Program

Due to a change to Section 627.351(6)(x)2., Florida Statutes, effective July 1st, 2016, Florida law no longer permits FMAP to provide agents with Citizens policy data for the purpose of soliciting to policyholders; however, this program was still operational prior to the statute change.

FMAP Policy Data Reports Program - 2016	
	Number of Reports
Data Reports Provided to Agents	297
CLA	30
PLA	97
Coastal (Personal)	81
Coastal (Commercial)	28
Non-Renewal with Coverage A over \$800K	61

**This data is for January 1, 2016 through June 30, 2016.

Table 9: Number of policy data reports

Number of Policies Written Out of CPIC - 2016	
Account Type	Number of Policies Written into the Private Market*
PLA	214
CLA	0
Coastal (Personal Lines)	179
Coastal (Commercial Lines)	1
Total	394

*Number of policies as reported by agent submitted marketing results.

**This data is for January 1, 2016 through June 30, 2016.

Table 10: Number of policies removed from Citizens

Future Outlook and Promotion of FMAP

Ultimately, the success of FMAP lies not only in the customers it satisfies but also in the amount of financial exposure FMAP is able to keep out of Citizens and place in the private insurance market. FMAP continues to review options to keep policies out of Citizens. FMAP continues to evaluate the effects of the Citizens Property Insurance Clearinghouse and potential impact on FMAP.

Financial Overview

FMAP is funded by a \$450 annual assessment on residential property insurers. If additional funds are needed, Florida law requires Citizens to supplement the assessment funds. FMAP financials are audited annually by an independent auditor and reported to the FMAP Board and Florida Office of Insurance Regulation. We anticipate that future operational costs to maintain FMAP will be similar to those incurred in previous years.