

ACTION ITEM

A&U Committee Meeting, June 19, 2018
Board of Governors Meeting, June 20, 2018

CONTRACT ID:	ANNUAL RECOMMENDED 2019 RATE FILINGS – EFFECTIVE FEBRUARY 1, 2019
BUDGETED ITEM	N/A
CONTRACT AMOUNT	N/A
PURPOSE / SCOPE	<p>Purpose:</p> <p>As required by statute, Citizens has completed the annual analysis of recommended rates for 2019. The purpose of this item is to receive approval from the Board to file these recommended rates with the Florida Office of Insurance Regulation.</p> <p>Scope:</p> <p>The presented recommended rate changes include all policy types for manually rated personal and commercial lines of business. These recommended rate changes:</p> <ul style="list-style-type: none">• Comply with the requirement in Florida law that Citizens recommend actuarially sound rates• Are not excessive, inadequate or unfairly discriminatory, and meet the requirements of U.S. Actuarial Standards of Practice except where Florida law supersedes such standards• Comply with the statutory “glide path”• Considers the Florida Public Hurricane Model, as required by law• Include an appropriate charge to pass through the Florida Hurricane Catastrophe Fund Rapid Cash build-up <p>For personal lines, the overall statewide indicated rate change is 26.5%. After the application of the glide-path capping, the recommended rate impact is 7.9%.</p> <p>For commercial lines, the overall statewide indicated rate change is 54.6%. After the application of the glide-path capping, the recommended rate impact is 8.9%</p>
CONTRACT TERM(S)	N/A
PROCUREMENT METHOD	N/A
RECOMMENDATION	<p>Citizens’ staff recommends that the Actuarial and Underwriting Committee:</p> <ol style="list-style-type: none">a) Approve the Annual Recommended 2019 Rate Filings; andb) Upon approval, the presented rate changes will be filed with the Office of Insurance Regulation.
CONTACTS	Brian Donovan, Sr Director, Chief Actuary