

**ACTION ITEM**

A&U Committee Meeting, December 11, 2018  
Board of Governors Meeting, December 12, 2018

<b>CONTRACT ID:</b>	<b>Annual Recommended Rate Filings – Effective September 1, 2019</b>
<b>BUDGETED ITEM</b>	N/A
<b>CONTRACT AMOUNT</b>	N/A
<b>PURPOSE / SCOPE</b>	<p><b>Purpose:</b> As required by statute, Citizens has completed the annual analysis of recommended rates for 9/1/2019 – 8/31/2020. 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><b>Scope:</b> 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"> <li>• Comply with the requirement in Florida law that Citizens recommend actuarially sound rates</li> <li>• 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</li> <li>• Comply with the statutory “glide path”</li> <li>• Considers the Florida Public Hurricane Model, as required by law</li> <li>• Include an appropriate charge to pass through the Florida Hurricane Catastrophe Fund Rapid Cash build-up</li> </ul> <p>For personal lines, the overall statewide indicated rate change is 25.9%. After the application of the glide-path capping, the recommended rate impact is 8.2%.</p> <p>For commercial lines, the overall statewide indicated rate change is 54.2%. After the application of the glide-path capping, the recommended rate impact is 9.0%.</p>
<b>CONTRACT TERM(S)</b>	N/A
<b>PROCUREMENT METHOD</b>	N/A
<b>RECOMMENDATION</b>	<p>Citizens’ Staff recommends the Actuarial and Underwriting Committee approve and move to Citizens’ Board of Governors to:</p> <ol style="list-style-type: none"> <li>a) Approve and recommend the 2019 Annual Recommended Rate Filings.</li> <li>b) Upon approval, the presented rate changes will be filed with the Office of Insurance Regulation.</li> </ol>
<b>CONTACTS</b>	Brian Donovan, FCAS, MAAA - Sr Director, Chief Actuary