

# Finance & Investment Committee Depopulation and Clearinghouse Update

December 11, 2018



# Depopulation Update



## Personal Lines

Month	OIR Approved <sup>1</sup>	Requested by Insurers <sup>2</sup>	Policyholder Choice Letters Mailed <sup>3</sup>	Assumed <sup>4</sup>	Assumption Rate <sup>5</sup>
18-Feb	32,500	21,370	21,054	3,029	14%
18-Apr	19,622	3,399	3,385	930	27%
18-Jun	15,000	1,582	1,582	460	29%
18-Aug	15,000	2,226	2,226	623	28%
18-Oct	45,000	21,191	20,998	5,125	24%
18-Dec	51,613	21,617	19,835		
Totals <sup>6</sup>	<b>178,735</b>	<b>71,385</b>	<b>69,080</b>	<b>10,167</b>	

<sup>1</sup>OIR approval is maximum number of policies permitted to be assumed by insurers. <sup>2</sup>Sum of all policies requested by insurers, including duplicate offers from multiple carriers. <sup>3</sup> Total letters mailed, one (1) per policy. Multiple offers may be contained in a single mailing. <sup>4</sup>Policies assumed by insurers on Assumption Date. <sup>5</sup>Quotient of 'Assumed' divided by 'Policyholder Choice Letters Mailed'.

## Commercial Lines

Month	OIR Approved <sup>1</sup>	Requested by Insurers <sup>2</sup>	Assumption Offers Made <sup>3</sup>	Assumed <sup>4</sup>	Assumption Rate <sup>5</sup>
18-Jan	1,025	639	541	514	95%
18-Mar	0	0	0	0	0%
18-May	1,000	78	74	72	97%
18-Jul	0	0	0	0	0%
18-Sep	0	0	0	0	0%
18-Nov	1,525	856	726	680	94%
Totals <sup>6</sup>	<b>3,550</b>	<b>1,573</b>	<b>1,341</b>	<b>1,266</b>	

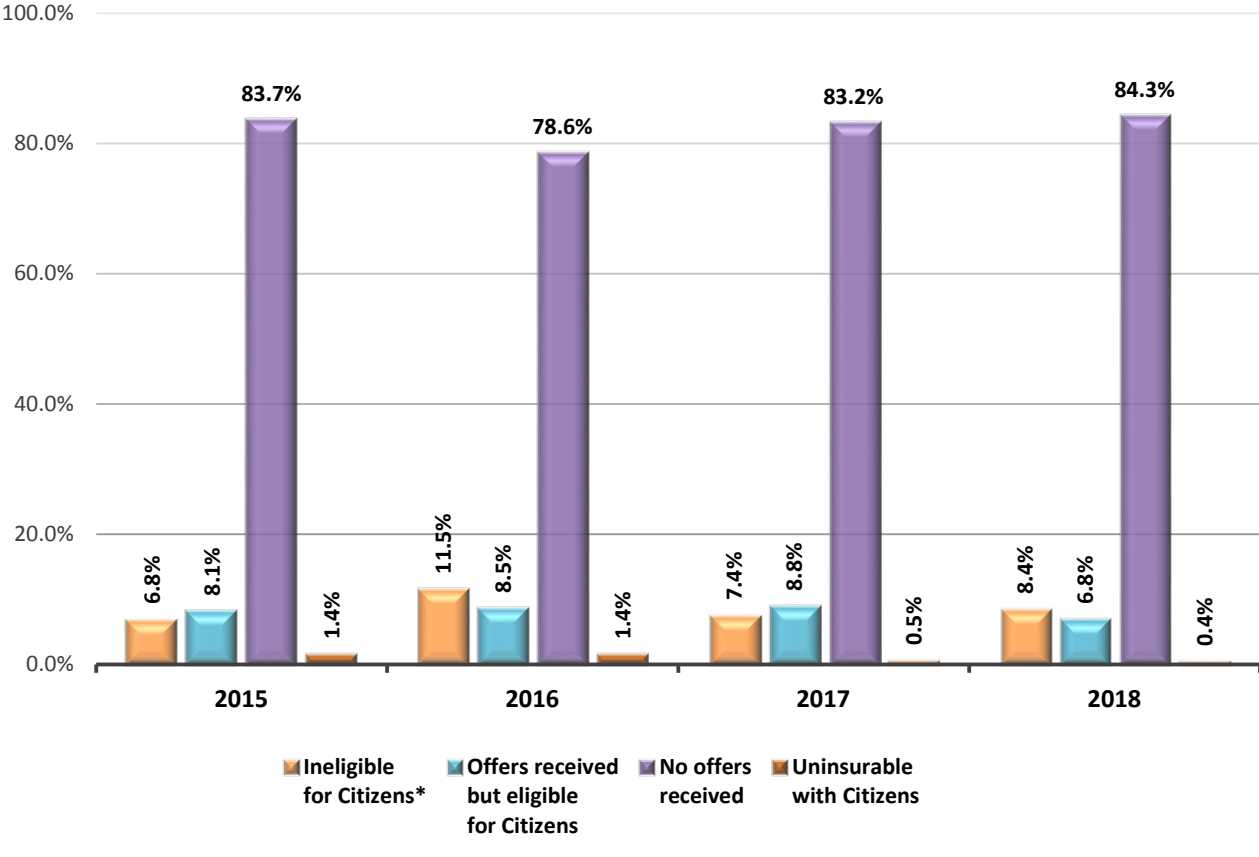
<sup>1</sup>OIR approval is maximum number of policies permitted to be assumed by insurers. <sup>2</sup>Sum of all policies requested by insurers, including duplicate offers from multiple carriers. <sup>3</sup>Total of all Offer/Opt-out Letters mailed to Policyholders. <sup>4</sup>Policies assumed by insurers on Assumption Date. <sup>5</sup>Quotient of 'Assumed' divided by 'Assumption Offers Made'.

# Clearinghouse Update



# New Business Update

New Business Results (All Lines)



**Number of risks averted (all lines) :**

- 2015 – 10,970
- 2016 – 20,710
- 2017 – 13,262
- 2018 – 14,331

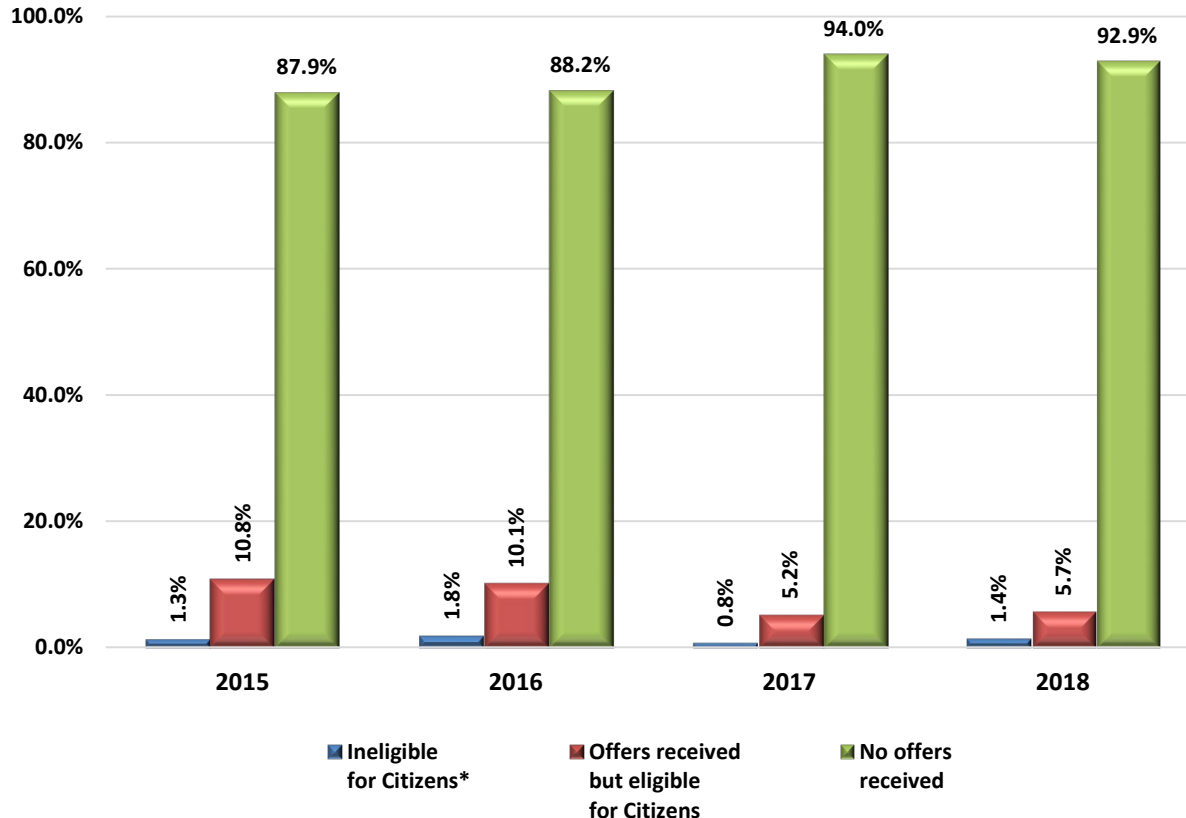
**Amount of Coverage A averted:**

- 2015 – \$3.1B
- 2016 – \$5.3B
- 2017 – \$3.3B
- 2018 – \$3.7B



# Renewal Update

## Renewal Results (All Lines)



## Risk Removed (All Lines)

Amount of Coverage A removed:

- 2015 – \$637M
  - 2016 – \$529M
  - 2017 – \$305.6M
  - 2018 – \$584.8M
- 12,227 policies have been non-renewed by Citizens as a result of offers made at renewal through the Clearinghouse.

\*Ineligible means a comparable offer of coverage was received through the Clearinghouse that had a premium that was equal to or less than the Citizens renewal premium.

## January – October 31, 2018

### New Business

- 14,331 risks deemed ineligible for Citizens representing \$3.7B in Coverage A averted

### Renewal Business

- 2,824 risks deemed ineligible for Citizens representing \$584.8Min Coverage A averted

### Total

- 17,422 risks deemed ineligible for Citizens representing \$4.3B in Coverage A averted



# AOB and Increased Litigation has made Citizens about 56,000 Policies Larger, starting in 2016

## Starting in 2016

- Private insurers started raising rates in response to abuse of assignment-of-benefits (AOB) and increased litigation, especially in South Florida
- Assumption activity declined, with largest decline in South Florida
- Many companies responsible for the most assumptions also started pulling out of Miami-Dade

## Number of Policies Insured by Citizens

Actual vs Predicted from Trends Prior to 2016

