



Public Rate Hearing

Citizens Property Insurance Corporation

MARCH 31, 2022

Public Rate Hearing Citizens Property Insurance Corporation



AGENDA

March 31, 2022, 1:00 p.m. ET

1. Opening Remarks (OIR)
2. Presentation (Citizens Property Ins Corp)
3. Attending (Florida Insurance Consumer Advocate)
4. Public Comment
5. Adjourn

Florida Office of Insurance Regulation (OIR)

David Altmaier, Commissioner
Susanne Murphy, Deputy Insurance Commissioner, Property & Casualty
Peggy Cheng, Actuary, Property & Casualty Product Review
Kayne Smith, Actuary, Property & Casualty Product Review
Anoush Brangaccio, General Counsel

Citizens Property Insurance Corporation

Barry Gilway, Chief Executive Officer
Jennifer Montero, Chief Financial Officer
Brian Donovan, Chief Actuary
Paul Kutter, Director, Actuarial Data Science

Florida Insurance Consumer Advocate

Tasha Carter

Public Rate Hearing

Citizens Property Insurance Corporation



Citizens Property Insurance Corporation Presentation

Company Representatives

Barry Gilway, Chief Executive Officer

Jennifer Montero, Chief Financial Officer

Brian Donovan, Chief Actuary

Paul Kutter, Director, Actuarial Data Science

Public Rate Hearing on 2022 Recommended Rates

Barry Gilway, President/CEO and Executive Director

March 31, 2022



Market Conditions and Impact to Citizens

Due to current market conditions, the capacity to provide property insurance by private insurers is diminishing in Florida.

As a result of the lack of capacity in the private market, Citizens is growing exponentially.

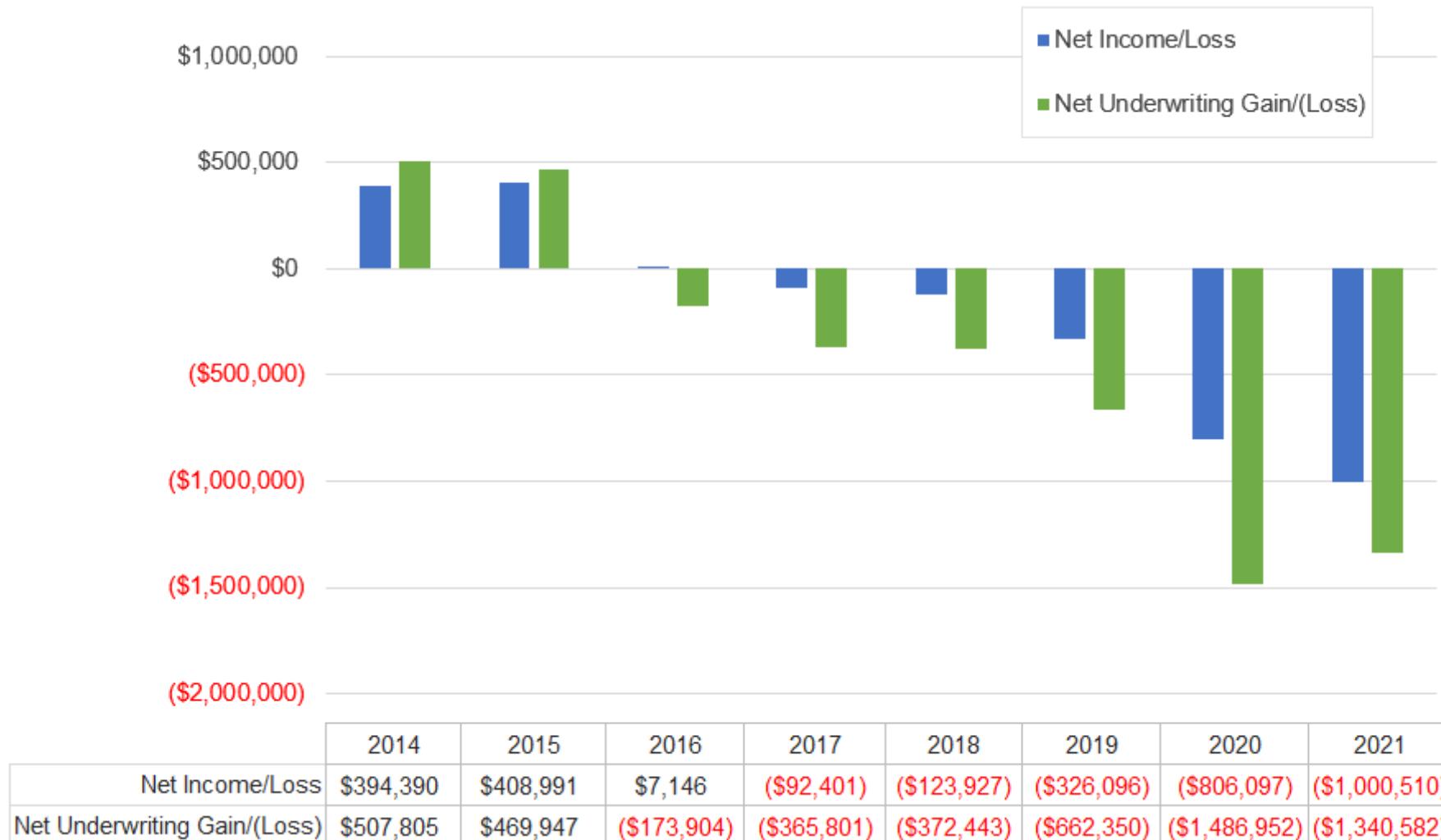
Exacerbating Citizens' growth is its competitive position in terms of rates. **99%** of Citizens' HO-3 policies are priced lower than the average private market rate.

There is a danger that Citizens could return to the level of 2011, where there was an assessment risk of \$11.6B to Floridians in the event of 1-in-100 year event.

"We just want to be solvent so when a CAT event comes, we are not sticking Floridians with Citizens' assessments across the state. That is my mission."

~ Citizens' Chairman Carlos Beruff
Board of Governors 3/23/22 meeting

Financial Trends for Selected Florida Insurers (\$000)



Source: S&P Global Market Intelligence, FL domestic and foreign companies with large homeowners FL business

Companies Halting Business in Florida

Restricting new business and cancelling/non-renewing business

Companies continue to file stronger restrictive underwriting guidelines such as:

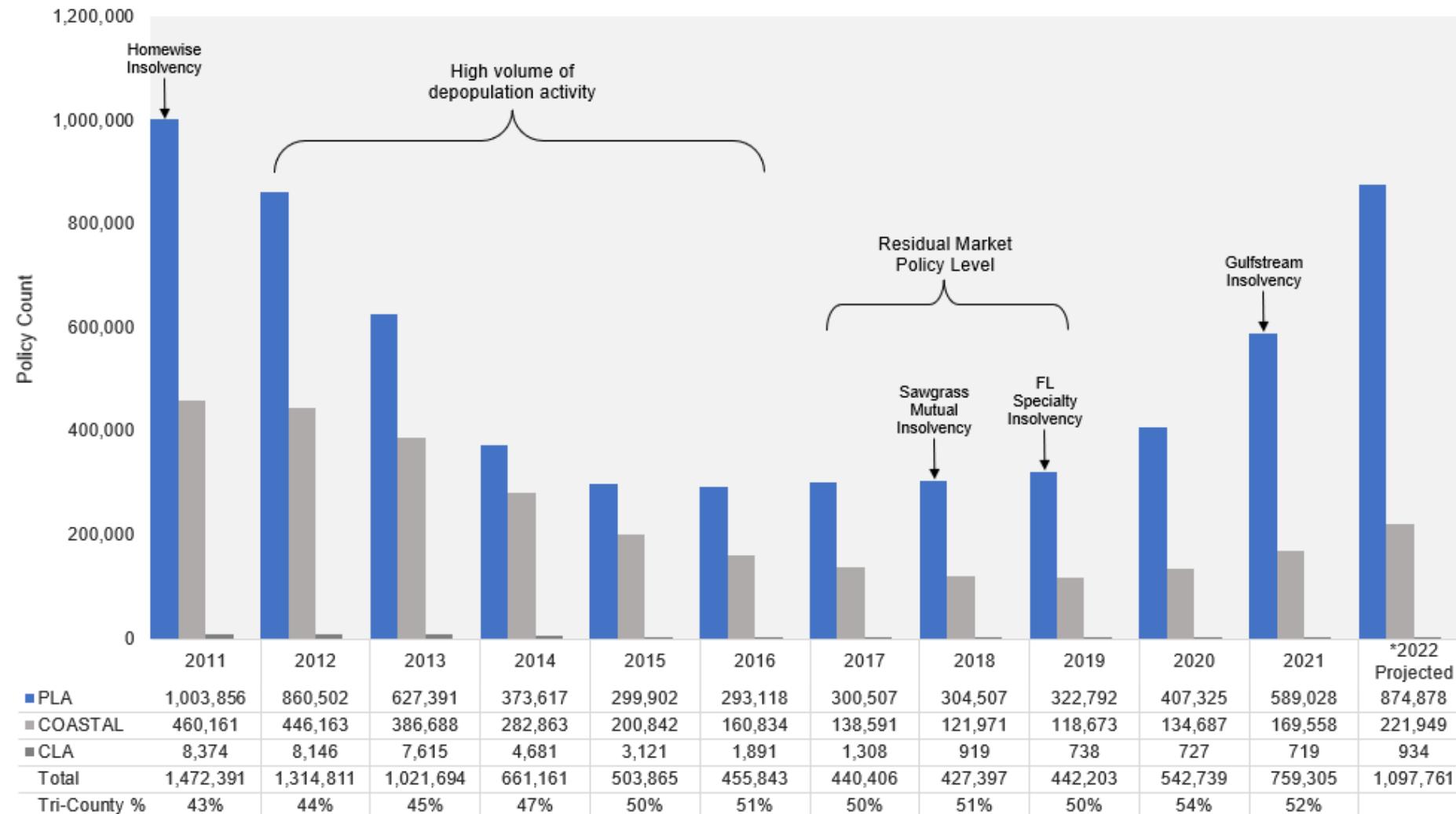
- Limits on new business/renewals based on location
- Age of home
- Age of roof
- Required minimum Coverage A limit
- Limited water loss coverage

Higher and more frequent rate increases

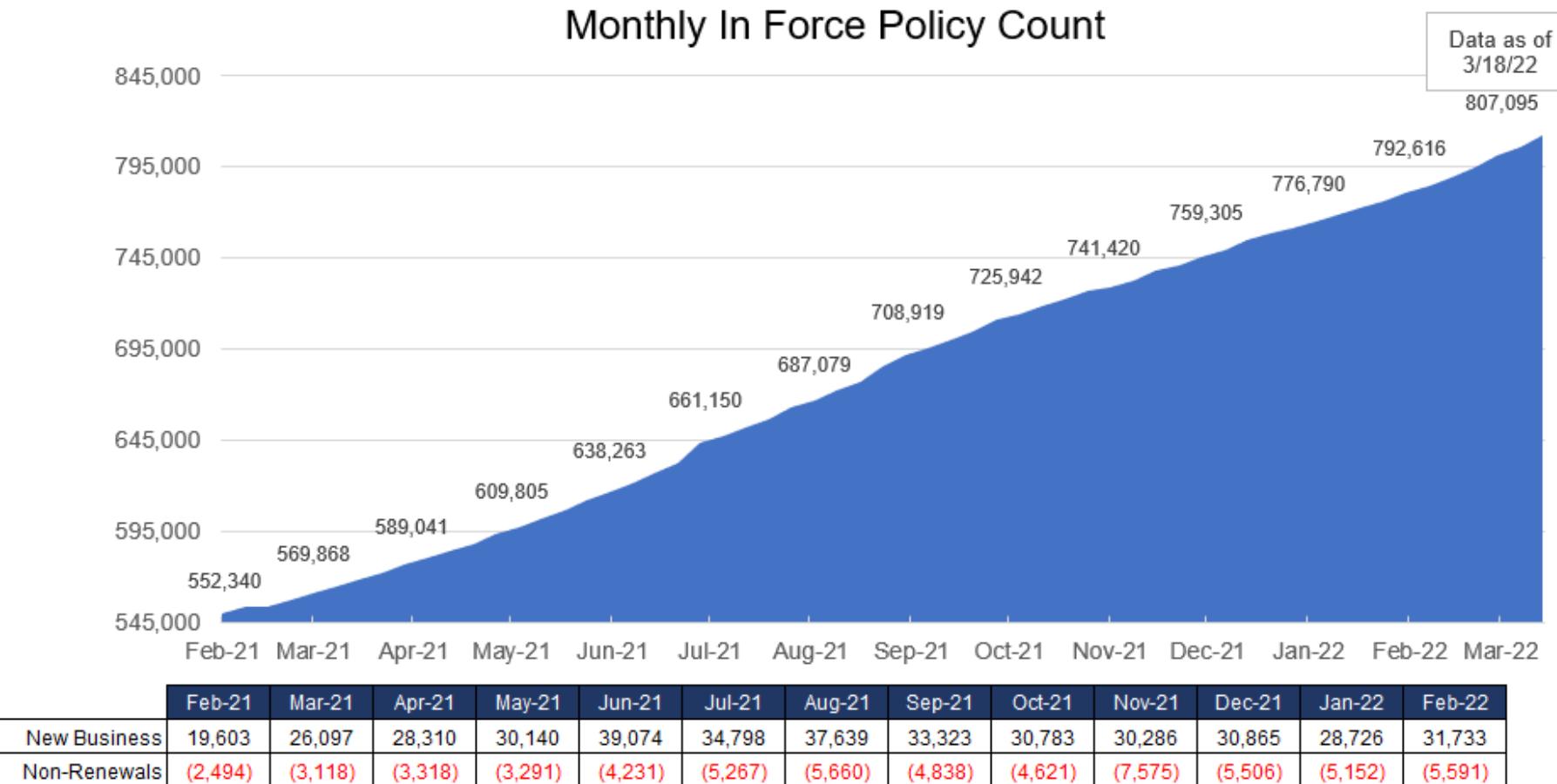
Clearinghouse results have significantly declined

New Business				Renewal Business			
	Private Carrier Quotes	CPIC Quotes	Private Carrier Quote Rate		Private Carrier Quotes	CPIC Quotes	Private Carrier Quote Rate
2017	74,641	209,651	36%	23,001	252,867	9%	
2018	71,659	218,932	33%	19,747	264,011	7%	
2019	79,397	227,396	35%	12,132	260,038	5%	
2020	94,216	499,022	19%	4,324	314,891	1%	
2021	86,936	813,404	11%	3,137	253,740	1%	

Policies in Force and 2022 Yearend Projection



Rapid Policy Count Growth



In 2021, Citizens' latest 12-month new business average is 32K policies per month

In 2020, Citizens' latest 12-month new business average was 15K policies per month

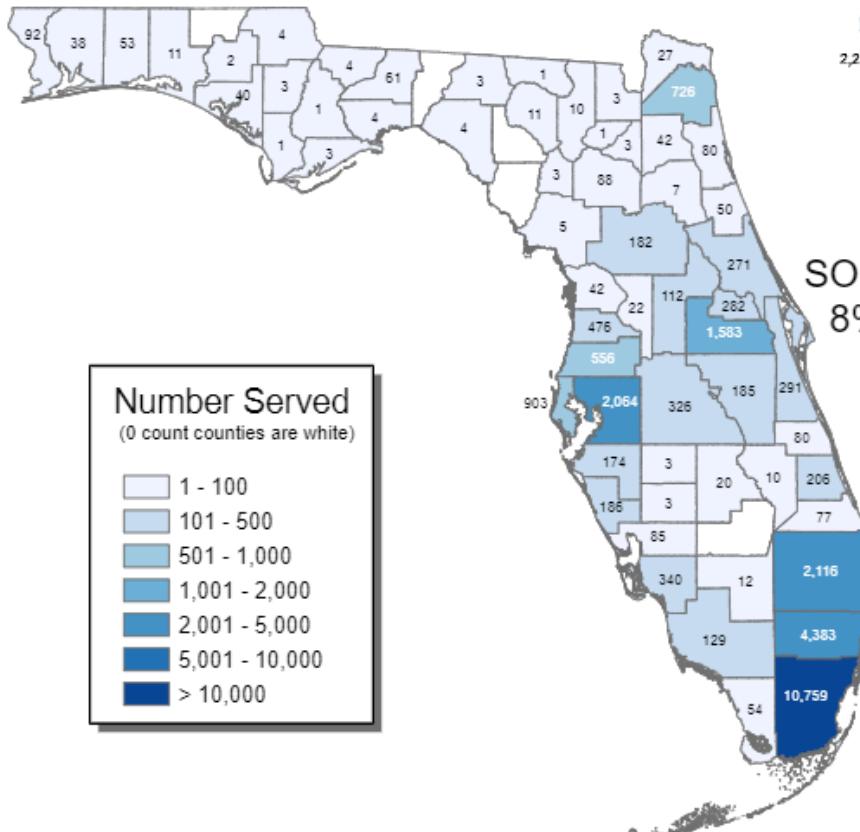
Citizens' and the Industry's Litigation

2013 Lawsuits

All Insurance Companies Including Citizens

27,416 Lawsuits

20% AOB Lawsuits

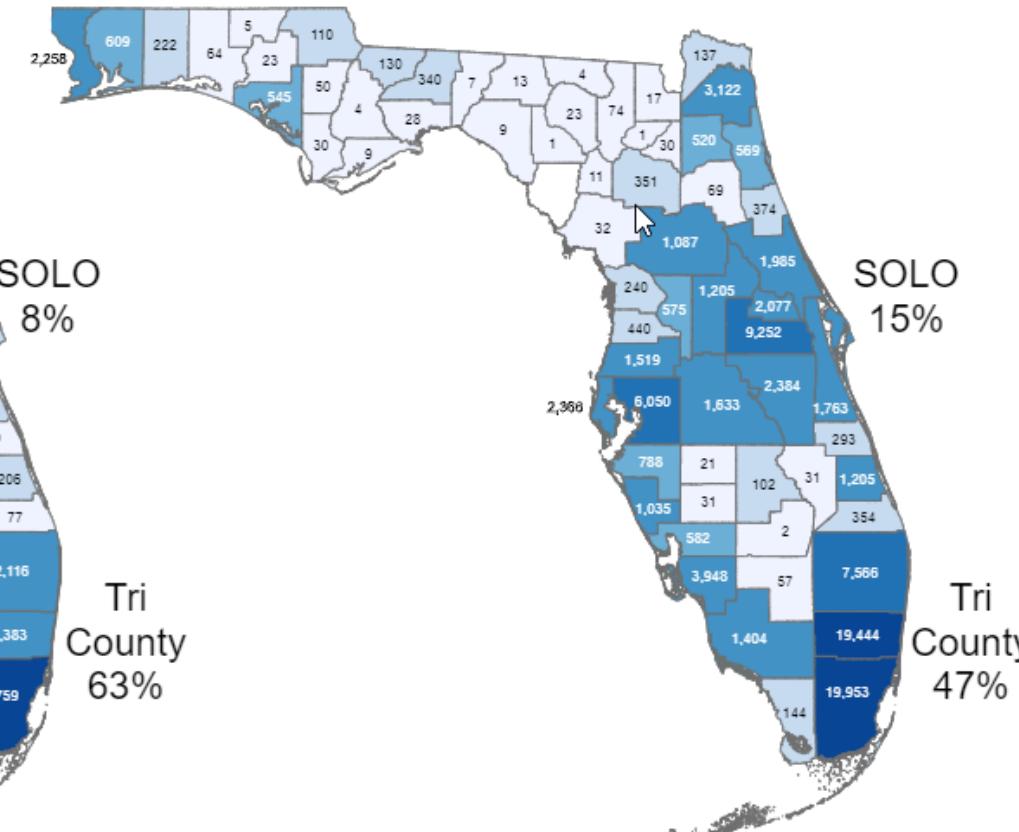


2021 Lawsuits

All Insurance Companies Including Citizens

99,519 Lawsuits

26% AOB Lawsuits



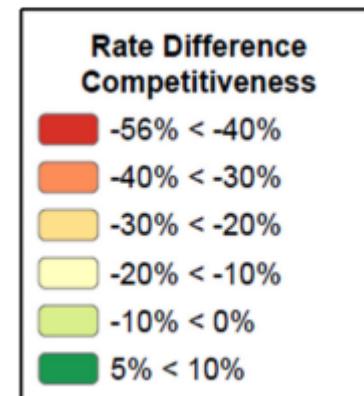
Source: "Service of Process Reports" (LSOP Reports), Florida Department of Financial Services, December 31, 2013 & 2021

Citizens' HO-3 Competitive Position

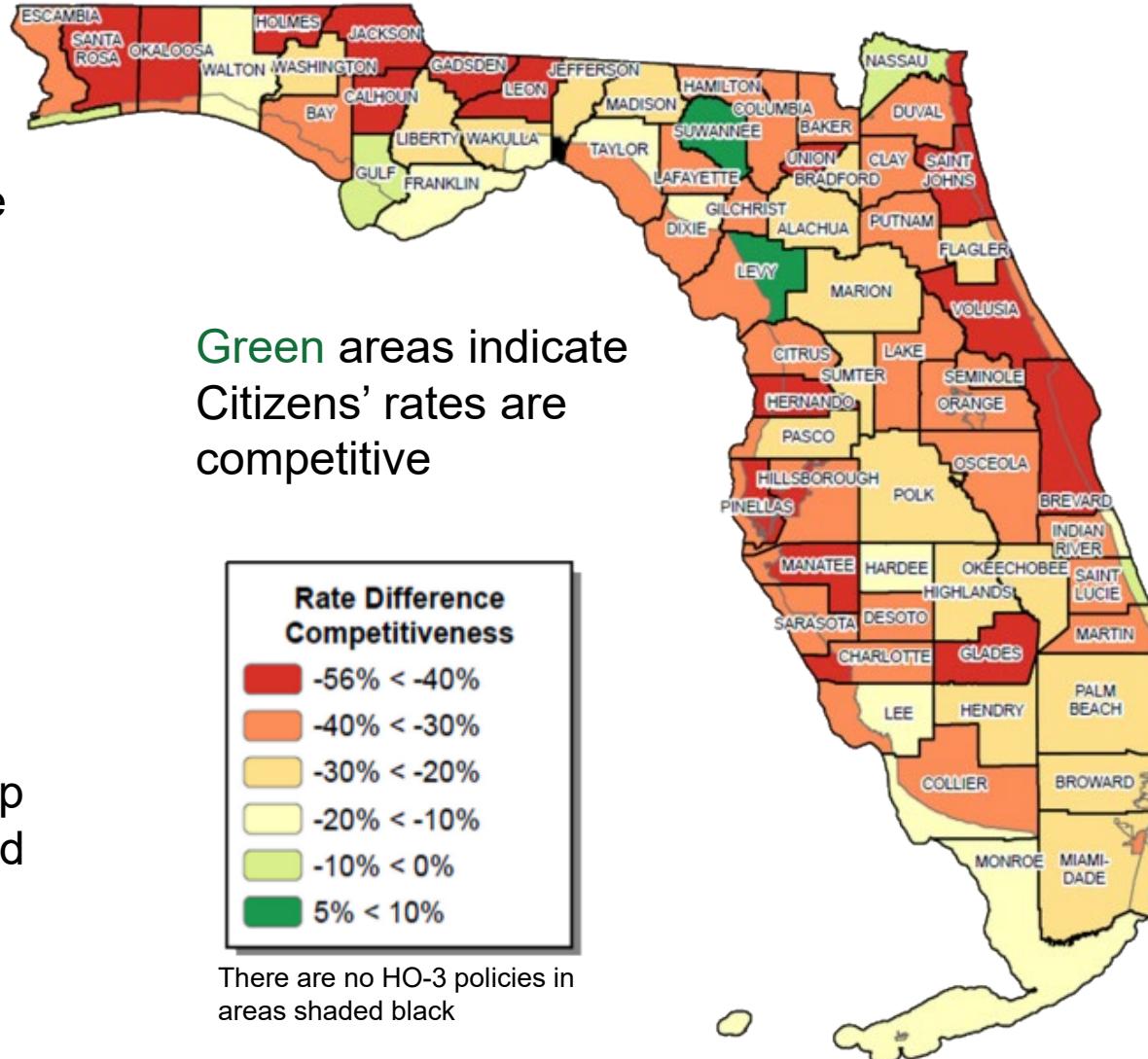
99% of Citizens' HO-3 policies are **LESS** than the average competitor's approved rates effective 10/1/21 using Citizens' 9/30/21 policy data.

The industry continues the 2-year trend of filing large rate increases, many greater than 11%. This further exacerbates the gap between Citizens' rates and the industry.

Green areas indicate Citizens' rates are competitive



There are no HO-3 policies in areas shaded black



Industry Homeowners Rate Filings

Company Name	Direct Written Premium in millions	Approved Rate Change %		Cumulative Rate Change %
		2020	2021	
Universal Property & Casualty Insurance	\$ 1,159.4	13%	16%	31%
State Farm Florida Insurance Company	\$ 671.0	0%	5%	5%
Heritage Property & Casualty Insurance Company	\$ 409.4	15%	8%	24%
First Protective Insurance Company	\$ 357.8	5%	10%	16%
FedNat Ins Co	\$ 356.0	8%	17%	26%
ASI Preferred Insurance Corporation	\$ 353.7	35%	0%	35%
Homeowners Choice Property & Casualty Insurance Company	\$ 316.7	12%	0%	12%
Tower Hill Signature Ins Company	\$ 305.3	14%	0%	14%
Federal Insurance Company	\$ 260.8	9%	4%	12%
United Services Automobile Association (USAA)	\$ 249.1	0%	0%	0%
Family Security Insurance Company	\$ 242.5	65%	0%	65%
United Property & Casualty Insurance Company Inc.	\$ 189.5	12%	15%	28%
Tower Hill Prime Insurance Company	\$ 165.2	26%	0%	26%
Tower Hill Preferred Insurance Company	\$ 135.9	14%	0%	14%
USAA Casualty Insurance Company	\$ 129.0	0%	0%	0%
Castle Key Indemnity Company	\$ 102.3	0%	15%	15%
Castle Key Insurance Company	\$ 91.0	0%	13%	13%
TypTap Insurance Company	\$ 90.2	14%	0%	14%
American Strategic Insurance Corporation	\$ 71.1	28%	0%	28%

Citizens' Competitive Position Percent Differences by Territory

Territory	Policy Count	% Diff to Competitors Avg Premium
Suwannee (933)	14	7%
Levy - Remainder (734)	23	6%
Escambia - Coastal (602)	30	(6%)
Gulf - Remainder (722)	9	(6%)
Gulf - Coastal (604)	22	(8%)
Nassau - Remainder (892)	52	(9%)
St. Lucie - Coastal (183)	115	(10%)
Dixie - Remainder (732)	16	(10%)
Taylor - Remainder (737)	29	(12%)
Indian River - Coastal (181)	44	(13%)
Franklin (603)	67	(14%)
Hardee (713)	46	(16%)
Walton - Remainder (726)	72	(17%)
Walton - Coastal (609)	150	(17%)
Monroe - Remainder (5)	1,029	(18%)
Collier - Coastal (541)	398	(18%)
Dade - Miami Beach (30)	363	(19%)
Lee - Remainder (554)	4,490	(19%)
Wakulla - Coastal (608)	27	(19%)
Sumter (921)	132	(20%)
Dade - Hialeah (33)	4,641	(21%)
Monroe - Key West (7)	109	(21%)
Alachua (192)	305	(21%)
Marion (792)	704	(21%)
Polk (50)	2,091	(22%)
Broward - Coastal (361)	278	(22%)
Madison (932)	12	(23%)
Wakulla - Remainder (725)	65	(23%)
Hendry (553)	205	(23%)
Broward - Remainder (37)	52,342	(24%)
Dade - Remainder (34)	71,010	(24%)
Broward - Hlwd & Ft Laud (35)	11,332	(25%)
Flagler - Remainder (701)	253	(25%)
Liberty (931)	11	(25%)
Palm Beach - Remainder (38)	35,606	(26%)

Territory	Policy Count	% Diff to Competitors Avg Premium
Dade - Coastal (31)	377	(27%)
Okeechobee (555)	175	(27%)
Martin - Coastal (182)	8	(28%)
Pasco - Remainder (736)	10,927	(28%)
Highlands (714)	1,104	(29%)
Washington (934)	50	(29%)
Jefferson - Remainder (793)	25	(30%)
Bradford (392)	22	(30%)
Manatee - Coastal (582)	190	(30%)
Collier - Remainder (551)	1,735	(31%)
Escambia - Remainder (43)	1,673	(31%)
Santa Rosa - Coastal (607)	10	(31%)
Desoto (712)	104	(32%)
Palm Beach - Coastal (362)	773	(32%)
Duval - Jacksonville (39)	2,095	(32%)
Lafayette (893)	3	(32%)
Columbia (293)	52	(32%)
Orange - Remainder (90)	6,806	(32%)
Lee - Coastal (542)	354	(32%)
Charlotte - Remainder (711)	1,631	(32%)
St. Lucie - Remainder (562)	4,980	(32%)
Citrus - Coastal (591)	210	(33%)
Orange - Orlando (49)	813	(33%)
Baker (292)	26	(33%)
Okaloossa - Coastal (606)	401	(34%)
Bay - Coastal (601)	473	(34%)
Hillsborough - Excl Tampa (80)	13,656	(34%)
Hamilton (493)	7	(34%)
Volusia - Coastal (62)	507	(35%)
Clay (492)	396	(35%)
Sarasota - Remainder (715)	2,475	(35%)
Putnam (992)	103	(35%)
Indian River - Remainder (561)	1,903	(35%)
Gilchrist (923)	39	(35%)
Bay - Remainder (721)	865	(35%)
Pinellas - Coastal (42)	1,108	(35%)

Territory	Policy Count	% Diff to Competitors Avg Premium
Citrus - Remainder (731)	878	(35%)
Pasco - Coastal (595)	1,389	(35%)
Dixie - Coastal (592)	59	(36%)
Flagler - Coastal (531)	73	(36%)
Duval - Remainder (40)	1	(36%)
Taylor - Coastal (596)	118	(37%)
Lake (692)	1,201	(37%)
Dade - Miami (32)	7,577	(38%)
Martin - Remainder (10)	2,070	(38%)
Osceola (511)	3,411	(38%)
Seminole (512)	2,306	(38%)
Sarasota - Coastal (583)	1,619	(39%)
Levy - Coastal (594)	112	(39%)
Hernando - Coastal (159)	1,324	(40%)
Duval - Coastal (41)	239	(41%)
Manatee - Remainder (735)	2,624	(41%)
Calhoun (193)	19	(41%)
St. Johns - Remainder (702)	372	(41%)
Nassau - Coastal (532)	102	(41%)
Volusia - Remainder (63)	3,100	(42%)
Hillsborough - Tampa (47)	6,830	(44%)
Santa Rosa - Remainder (724)	1,044	(44%)
St. Johns - Coastal (533)	347	(44%)
Brevard - Remainder (64)	5,659	(44%)
Union (922)	8	(45%)
Leon (993)	528	(45%)
Okaloossa - Remainder (723)	1,599	(46%)
Brevard - Coastal (57)	3,199	(47%)
Charlotte - Coastal (581)	1,127	(47%)
Glades (552)	50	(47%)
Hernando - Remainder (733)	10,562	(47%)
Pinellas - Remainder (81)	27,923	(50%)
Gadsden (393)	189	(51%)
Jackson (693)	155	(51%)
Holmes (593)	53	(53%)
Pinellas - St Petersburg (46)	15,591	(56%)

Source Data: Rate comparison using competitors approved rates effective 10/1/21 using Citizens' data as of 9/30/21

Citizens' Competitive Position – Tri County

Citizens' HO-3 average premium is **28% LESS** than the competitors in the Tri County

52% of Citizens' policies are in the Tri County

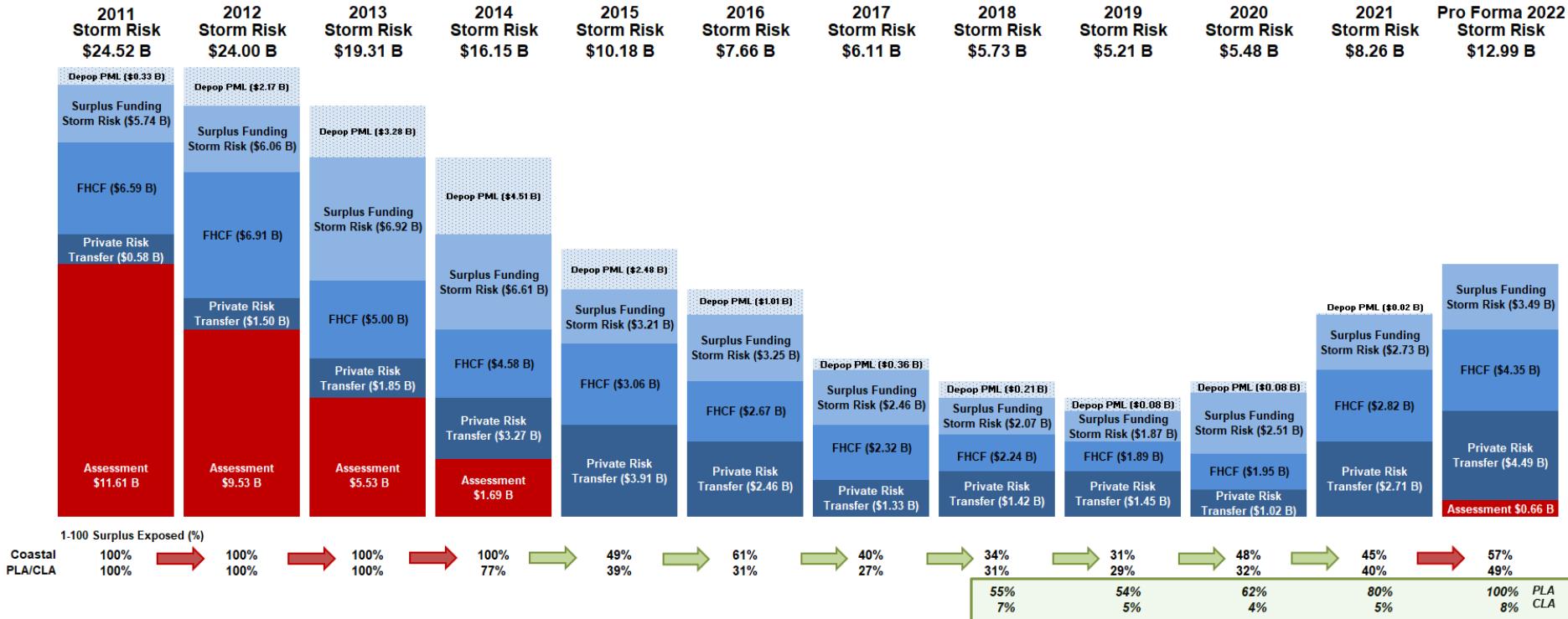
HO-3 Average Premium Citizens & Competitors

	Broward	Miami-Dade	Palm Beach	Tri-County
Citizens' Policy Count	63,952	83,968	36,379	184,299
Citizens	\$4,199	\$4,353	\$3,830	\$4,196
Company 1	\$6,793	\$7,232	\$6,786	\$6,992
Company 2	\$4,491	\$5,150	\$5,170	\$4,925
Company 3	\$5,113	\$5,566	\$3,580	\$5,017
Company 4	\$5,408	\$5,339	\$5,746	\$5,443
Company 5	\$5,033	\$6,144	\$4,678	\$5,469
Company 6	\$5,131	\$5,576	\$5,254	\$5,358
Company 7	\$9,197	\$8,871	\$6,151	\$8,447
Company 8	\$5,910	\$7,421	\$6,344	\$6,684
Company 9	\$6,079	\$6,403	\$6,103	\$6,232
Company 10	\$6,516	\$7,155	\$5,390	\$6,585
Company 11	\$5,675	\$5,466	\$4,288	\$5,306
Company 12	\$5,829	\$6,476	\$4,372	\$5,836
Company 13	\$4,246	\$4,521	\$3,692	\$4,262
Competitor Average	\$5,789	\$6,217	\$5,140	\$5,856
% Difference	(27%)	(30%)	(25%)	(28%)

Source Data: Rate comparison using competitors approved rates as of 10/1/21 using Citizens' data as of 9/30/21.

NOTE: This is a subset of carriers identified as active in the Tri County region 11/15/18.

Risk and Assessment Trend



Surplus Depletion Scenario: 1M Policies

(\$ in millions)

	Coastal	CLA	PLA	Total
Policy Count	236,493	736	826,991	1,064,220
Surplus	\$3,040	\$1,983	\$1,617	\$6,640
Additional Claims Paying Resources	\$5,008	\$57	\$6,136	\$11,200

1st Storm: Pre-Landfall Potential Path for Irma *(Estimated Loss \$18.12 B)*

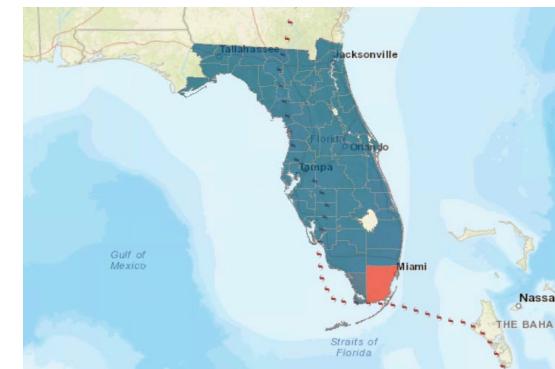
Surplus Remaining	\$0	\$1,803	\$704	\$0
Surplus Exposed	100%	9%	56%	N/A
Assessment	\$2,785	\$0	\$0	\$2,785

2nd Storm: Actual Path Great Miami Hurricane of 1926 *(Estimated Loss \$12.59 B)*

Surplus Remaining	\$0	\$1,629	\$0	\$0
Surplus Exposed	100%	10%	100%	N/A
Assessment	\$6,847	\$0	\$4,863	\$11,710

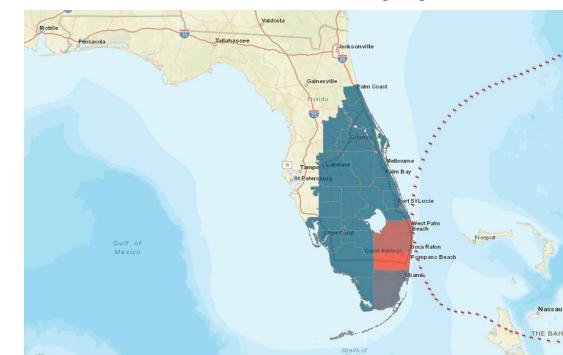
1st Storm

Potential Path for Hurricane Irma



2nd Storm

Potential Path for Great Miami Hurricane of 1926



\$14.5 B in potential assessments resulting from 2 Category 4 storms

Surplus Depletion Scenario: 1.3M Policies

(\$ in millions)

	Coastal	CLA	PLA	Total
Policy Count	289,442	728	1,015,655	1,305,825
Surplus	\$3,040	\$1,983	\$1,617	\$6,640
Additional Claims Paying Resources	\$6,126	\$58	\$7,577	\$13,761

1st Storm: Pre-Landfall Potential Path for Irma (Estimated Loss \$22.15 B)

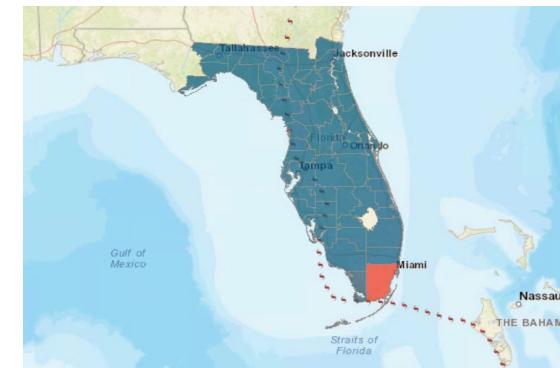
Surplus Remaining	\$0	\$1,801	\$538	\$0
Surplus Exposed	100%	9%	67%	N/A
Assessment	\$4,092	\$0	\$0	\$4,092

2nd Storm: Actual Path Great Miami Hurricane of 1926 (Estimated Loss \$15.39 B)

Surplus Remaining	\$0	\$1,625	\$0	\$0
Surplus Exposed	100%	10%	100%	N/A
Assessment	\$8,380	\$0	\$6,299	\$14,679

1st Storm

Potential Path for Hurricane Irma



2nd Storm

Potential Path for Great Miami Hurricane of 1926



\$18.8 B in potential assessments resulting from 2 Category 4 storms

2021 Impact of Recent Storms to Citizens' Surplus

Account	Direct Loss/Loss Adjustment Expenses		
	12/31/21 Ultimate	12/31/20 Ultimate	2021 Incurred
PLA	\$1,458,504,325	\$1,253,996,025	\$204,508,301
CLA	\$51,596,503	\$45,157,127	\$6,439,376
Coastal	\$1,121,938,983	\$1,061,175,570	\$60,763,413
Total	\$2,632,039,812	\$2,360,328,722	\$271,711,090

Large hurricane losses are not hypothetical

In 2021, Hurricane Irma, Tropical Storm Eta, and Hurricane/Tropical Storm Sally, combined for \$272M of direct loss and loss adjusting expenses.

After accounting for reinsurance, Citizens' surplus was reduced by close to \$200M.

The driving force of the increased costs from older storms is late reported claims and litigation.

Public Rate Hearing on 2021 Recommended Rates

Brian Donovan, Vice President – Chief Actuary



Market Conditions and Impact to Citizens

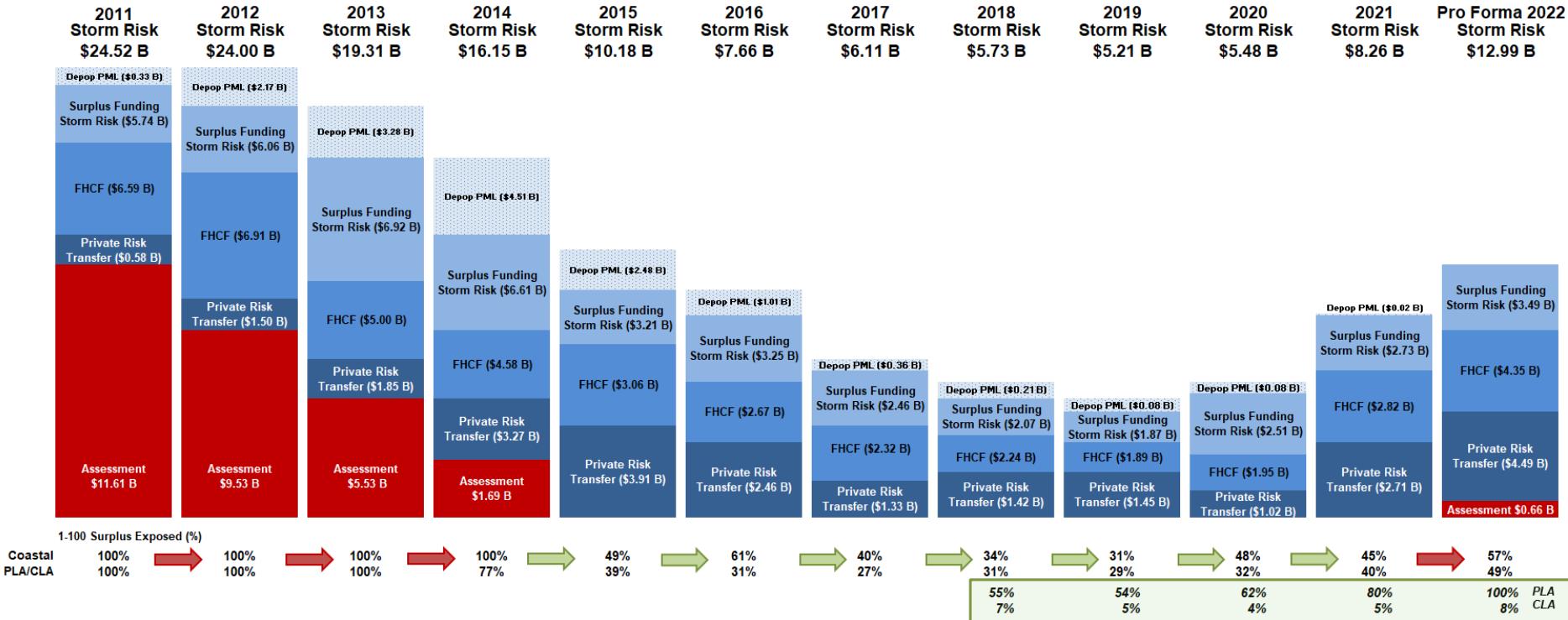
Florida Property Market is in Poor Health – Insurers are shedding policies due to very poor results; availability is an issue

Citizens rates are cheaper – Even with an 11% increase, Citizens remains cheaper than the private market. Some companies have been taking multiple rate changes much greater than 11% in a given year.

Steep Growth – The overall poor health of the market coupled with the very competitive rates is driving extreme growth for Citizens at inadequate rates.

Pressure on Surplus / Claims Paying Ability – Premium shortfall based on in-force premium used in the indication is close to \$400M. Based on current projections of growth, the premium shortfall will be closer to \$780M by the end of 12-31-2022.

Risk and Assessment Trend



Notes:

1. Storm Risk is as measured by 1-in-100 year probable maximum loss (PML) plus estimated loss adjustment expenses using the Florida Hurricane Catastrophe Fund (FHCF) account allocation where PLA and CLA are combined. PLA/CLA combined PMLs are added to the Coastal PMLs to be consistent for surplus distribution. In general, the PMLs presented are as projected at the beginning of storm season; with the exception of 2017 which is as of August month end.
2. Surplus and Assessments are as projected at beginning of storm season. Not all PLA/CLA surplus is needed to fund storm risk in 2014. In 2015 - 2021, not all surplus in PLA/CLA and the Coastal Account is needed to fund storm risk. Remaining surplus is available to fund a second event.
3. Florida Hurricane Catastrophe Fund (FHCF) is as projected at beginning of storm season; with the exception of 2017 - 2021 which are Citizens' initial data submission to the FHCF.
4. Depop PMLs are not included in storm risk totals and are presented as year end totals.
5. PMLs from 2011-2014 use a weighted average of 1/3 Standard Sea Surface Temperature (SSST) and 2/3 Warm Sea Surface Temperature (WSST). 2015 - 2021 PMLs reflect only SSST event catalog. Beginning with 2021, PML results displayed are 50K US Hurricane, Florida Regulatory (SSST) Event Set.
6. Pro Forma 2022 Private Risk Transfer coverage is based on the budget reinsurance spend of \$400 million. The actual coverage and premium may vary significantly based on actual layers of coverage purchased.

Proposed Rate Change

Actuarial soundness has two components: overall, and individual.

Overall actuarial soundness is when Citizens is charging enough overall premium to pay its total expected costs of providing insurance.

Individual actuarial soundness is when an individual policyholder's premium is equal to the expected cost of providing that single insurance policy.

To mitigate the growing pressure to Citizens' financial position, we recommend implementing the highest rate increase allowed by law. Still no policyholder would see an increase greater than 11% in 2022.

Our recommendation complies with the Florida Statutes, but it also prioritizes moving Citizens to overall actuarial soundness first.

The proposed rate change is **10.6%** while the indication is **36.5%**.

Statewide Rate Indications

	Uncapped Rate Indication	Proposed Rate Change
Personal Lines	34.9%	10.7%
Commercial Lines	67.7%	10.0%
Total	36.5%	10.6%

Where appropriate, the recommended rate change is 11%.

The recommended rate change for sinkhole is 0%.

Appendix

Surplus Depletion Scenario Notes & Assumptions

- 1) Surplus is projected as of 12/31/2021 with adjustments to account for reinsurance spend. It is assumed that any change to surplus resulting for the specific scenario reinsurance spend is offset by the change in net income resulting from a change in policy count.
- 2) In determining the storm impacts for each scenario, the Probable Maximum Loss (PML) is adjusted proportionally to project the increase in policy count. Initial PMLs for each storm are based on actual 12/31/2021 exposure.
- 3) In each scenario, Additional Claims Paying Resources reflect a risk transfer program consistent with that proposed in the budget for the 2022 storm season adjusted to cover 50% of the Coastal Account and 44% of the Personal Lines Account (PLA) scenario adjusted PML.
- 4) The estimated Loss for each storm is the PML with 10% Allocated Loss Expenses.
- 5) The pre-landfall potential path for Irma represents a simulated hurricane track obtained from the AIR hurricane model's stochastic catalog. This simulated track was selected to approximate the path of Irma based on its National Oceanic and Atmospheric Administration forecast track as of 09/06/2017, prior to Irma making landfall in Florida.
- 6) Commercial Lines claim count is at the level of building/unit.

Public Rate Hearing

Citizens Property Insurance Corporation



Personal Lines Rate Requests, effective 8/1/2022 new and renewal

FILE LOG NO.	PROGRAM	RATE REQUEST
22-002005	HOMEOWNERS (PLA & CA)	10.7%
22-002027	WIND-ONLY HOMEOWNERS (CA)	10.0%
22-002262	DWELLING (PLA & CA)	10.8%
22-002263	WIND-ONLY DWELLING (CA)	10.4%
22-002505	MOBILE HOME (PLA & CA)	10.7%
22-002504	WIND-ONLY MOBILE HOME (CA)	10.6%
22-002899	MOBILE HOME DWELLING (PLA & CA)	10.8%
22-002900	WIND-ONLY MOBILE HOME DWELLING (CA)	10.7%

PLA = Personal Lines Account

CA = Coastal Account

Public Rate Hearing

Citizens Property Insurance Corporation



Commercial Lines Rate Requests, effective 8/1/2022 new and renewal

FILE LOG NO.	PROGRAM	RATE REQUEST
22-003394	COMM. RESIDENTIAL MULTI-PERIL – CONDO (CLA & CA)	8.7%
22-003395	COMM. RESIDENTIAL MULTI-PERIL - EXCL. CONDO (CLA & CA)	10.2%
22-003509	COMM. NON-RESIDENTIAL MULTI-PERIL (CLA & CA)	0.7%
22-003648	COMM. RESIDENTIAL WIND ONLY – CONDO (CA)	9.9%
22-003649	COMM. RESIDENTIAL WIND ONLY - EXCL. CONDO (CA)	10.6%
22-003765	COMMERCIAL NON-RESIDENTIAL WIND ONLY (CA)	11.0%

CLA = Commercial Lines Account

CA = Coastal Account

Public Rate Hearing

Citizens Property Insurance Corporation



Homeowners Indications and Proposed Rate Changes

HOMEOWNERS HO-3/HW-2 INDICATIONS SUMMARY (22-002005 AND 22-002027)								
PERIL	PREMIUM (000s)	AIR HURR MODEL	CORELOGIC HURR MODEL	FL PUBLIC HURR MODEL	RMS HURR MODEL	SELECTED INDICATION	PROPOSED RATE CHANGE	PROPOSED RATE CHANGE BY PROGRAM
WIND	520,515	55.3%	27.1%	20.9%		56.5%		
WATER	399,020	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%		
ALL OTHER	66,066	7.7%	7.7%	7.7%	7.7%	7.7%		
SINKHOLE	7,221	-19.0%	-19.0%	-19.0%	-19.0%	0.0%		10.7% MULTI-PERIL
TOTAL	992,821	29.2%	14.5%	11.2%		30.0%	10.6%	9.9% WIND ONLY

RENTERS HO-4/HW-4 INDICATIONS SUMMARY (22-002005 AND 22-002027)								
PERIL	PREMIUM (000s)	AIR HURR MODEL	CORELOGIC HURR MODEL	FL PUBLIC HURR MODEL	RMS HURR MODEL	SELECTED INDICATION	PROPOSED RATE CHANGE	PROPOSED RATE CHANGE BY PROGRAM
WIND	1,117	32.5%	-39.3%	55.5%		38.0%		
ALL OTHER	674	-2.4%	-2.4%	-2.4%	-2.4%	-2.4%		10.9% MULTI-PERIL
TOTAL	1,790	19.3%	-25.4%	33.7%		22.8%	10.9%	10.8% WIND ONLY

CONDO UNIT-OWNERS HO-6/HW-6 INDICATIONS SUMMARY (22-002005 AND 22-002027)								
PERIL	PREMIUM (000s)	AIR HURR MODEL	CORELOGIC HURR MODEL	FL PUBLIC HURR MODEL	RMS HURR MODEL	SELECTED INDICATION	PROPOSED RATE CHANGE	PROPOSED RATE CHANGE BY PROGRAM
WIND	27,765	24.8%	-14.5%	192.2%		70.0%		
ALL OTHER	32,635	55.8%	55.8%	55.8%	55.8%	55.8%		10.9% MULTI-PERIL
TOTAL	60,400	41.5%	23.5%	118.5%		62.3%	10.8%	10.7% WIND ONLY

Public Rate Hearing

Citizens Property Insurance Corporation



Dwelling Fire Indications and Proposed Rate Changes

DWELLING FIRE DP-3/DW-2 INDICATIONS SUMMARY (22-002262 AND 22-002263)								
PERIL	PREMIUM (000s)	AIR HURR MODEL	CORELOGIC HURR MODEL	FL PUBLIC HURR MODEL	RMS HURR MODEL	SELECTED INDICATION	PROPOSED RATE CHANGE	PROPOSED RATE CHANGE BY PROGRAM
WIND	126,326	53.9%	12.4%	51.4%	[REDACTED]	57.0%		
WATER	77,542	14.9%	14.9%	14.9%	14.9%	14.9%		
ALL OTHER	24,328	22.6%	22.6%	22.6%	22.6%	22.6%		
SINKHOLE	1,261	-3.3%	-3.3%	-3.3%	-3.3%	0.0%		10.8% MULTI-PERIL
TOTAL	229,457	37.1%	14.3%	35.7%	0.074132726	38.8%	10.8%	10.4% WIND ONLY

DWELLING FIRE DP-1 INDICATIONS SUMMARY (22-002262)								
PERIL	PREMIUM (000s)	AIR HURR MODEL	CORELOGIC HURR MODEL	FL PUBLIC HURR MODEL	RMS HURR MODEL	SELECTED INDICATION	PROPOSED RATE CHANGE	PROPOSED RATE CHANGE BY PROGRAM
WIND	34,621	42.6%	26.0%	3.0%	[REDACTED]	52.0%		
ALL OTHER	12,002	-19.7%	-19.7%	-19.7%	-19.7%	-19.7%		
SINKHOLE	344	-2.8%	-2.8%	-2.8%	-2.8%	0.0%		
TOTAL	46,967	26.4%	14.1%	-2.8%	[REDACTED]	33.3%	10.7%	10.7%

Public Rate Hearing

Citizens Property Insurance Corporation



Mobile Home Indications and Proposed Rate Changes

MOBILE HOMEOWNERS MHO-3/MW-2 INDICATIONS SUMMARY (22-002505 AND 22-002504)								
PERIL	PREMIUM (000s)	AIR HURR MODEL	CORELOGIC HURR MODEL	FL PUBLIC HURR MODEL	RMS HURR MODEL	SELECTED INDICATION	PROPOSED RATE CHANGE	PROPOSED RATE CHANGE BY PROGRAM
WIND	44,572	103.6%	3.9%	94.3%		99.0%		
ALL OTHER	10,922	44.1%	44.1%	44.1%	44.1%	44.1%		10.8% MULTI-PERIL
TOTAL	55,494	91.9%	11.8%	84.4%		88.2%	10.8%	10.6% WIND ONLY

MOBILE HOME DWELLING FIRE MDP-1/MD-1 INDICATIONS SUMMARY (22-002899 AND 22-002900)								
PERIL	PREMIUM (000s)	AIR HURR MODEL	CORELOGIC HURR MODEL	FL PUBLIC HURR MODEL	RMS HURR MODEL	SELECTED INDICATION	PROPOSED RATE CHANGE	PROPOSED RATE CHANGE BY PROGRAM
WIND	13,062	88.4%	-2.7%	62.4%		75.0%		
ALL OTHER	2,770	-4.5%	-4.5%	-4.5%	-4.5%	-4.5%		10.8% MULTI-PERIL
TOTAL	15,832	72.1%	-3.0%	50.7%		61.1%	10.8%	10.7% WIND ONLY

Public Rate Hearing

Citizens Property Insurance Corporation



Personal Lines Rate Requests, effective 8/1/2022 new and renewal

FILE LOG NO.	PROGRAM	RATE REQUEST
22-002005	HOMEOWNERS (PLA & CA)	10.7%
22-002027	WIND-ONLY HOMEOWNERS (CA)	10.0%
22-002262	DWELLING (PLA & CA)	10.8%
22-002263	WIND-ONLY DWELLING (CA)	10.4%
22-002505	MOBILE HOME (PLA & CA)	10.7%
22-002504	WIND-ONLY MOBILE HOME (CA)	10.6%
22-002899	MOBILE HOME DWELLING (PLA & CA)	10.8%
22-002900	WIND-ONLY MOBILE HOME DWELLING (CA)	10.7%

PLA = Personal Lines Account

CA = Coastal Account



Public Rate Hearing Citizens Property Insurance Corporation

Section 627.351, Florida Statutes

Section 627.351(6)(n)5. Notwithstanding the board's recommended rates and the office's final order regarding the corporation's filed rates under subparagraph 1., the corporation shall annually implement a rate increase which, except for sinkhole coverage, does not exceed the following for any single policy issued by the corporation, excluding coverage changes and surcharges:

- a. Eleven percent for 2022.
- b. Twelve percent for 2023.
- c. Thirteen percent for 2024.
- d. Fourteen percent for 2025.
- e. Fifteen percent for 2026 and all subsequent years.

Section 627.351(6)(n)6. The corporation may also implement an increase to reflect the effect on the corporation of the cash buildup factor pursuant to s. 215.555(5)(b).

Public Rate Hearing

Citizens Property Insurance Corporation



Homeowners Inflation Factors (partial table)

Table 9: HO-3 – Inflation Factors

Zip Code	Effective 10/01/2020	Effective 04/01/2021	Effective 07/01/2021	Effective 10/01/2021	Effective 01/01/2022	Average
320	1.064	1.092	1.104	1.089	1.172	1.104
321	1.063	1.098	1.102	1.094	1.145	1.100
322	1.061	1.087	1.108	1.084	1.188	1.106
323	1.047	1.075	1.081	1.073	1.231	1.101
324	1.074	1.103	1.103	1.091	1.158	1.106
325	1.112	1.142	1.149	1.116	1.151	1.134
326	1.064	1.095	1.099	1.094	1.144	1.099
327	1.051	1.081	1.093	1.071	1.149	1.089
328	1.048	1.075	1.092	1.060	1.154	1.086
329	1.038	1.060	1.075	1.064	1.144	1.076
330	1.044	1.073	1.068	1.058	1.228	1.094
331	1.050	1.073	1.076	1.065	1.250	1.103
332	1.050	1.073	1.076	1.065	1.250	1.103
333	1.046	1.079	1.069	1.059	1.222	1.095
334	1.036	1.069	1.067	1.058	1.196	1.085
335	1.046	1.077	1.089	1.066	1.098	1.075
336	1.050	1.080	1.091	1.061	1.089	1.074
337	1.058	1.105	1.118	1.085	1.100	1.093

Public Rate Hearing

Citizens Property Insurance Corporation



Section 627.351, Florida Statutes

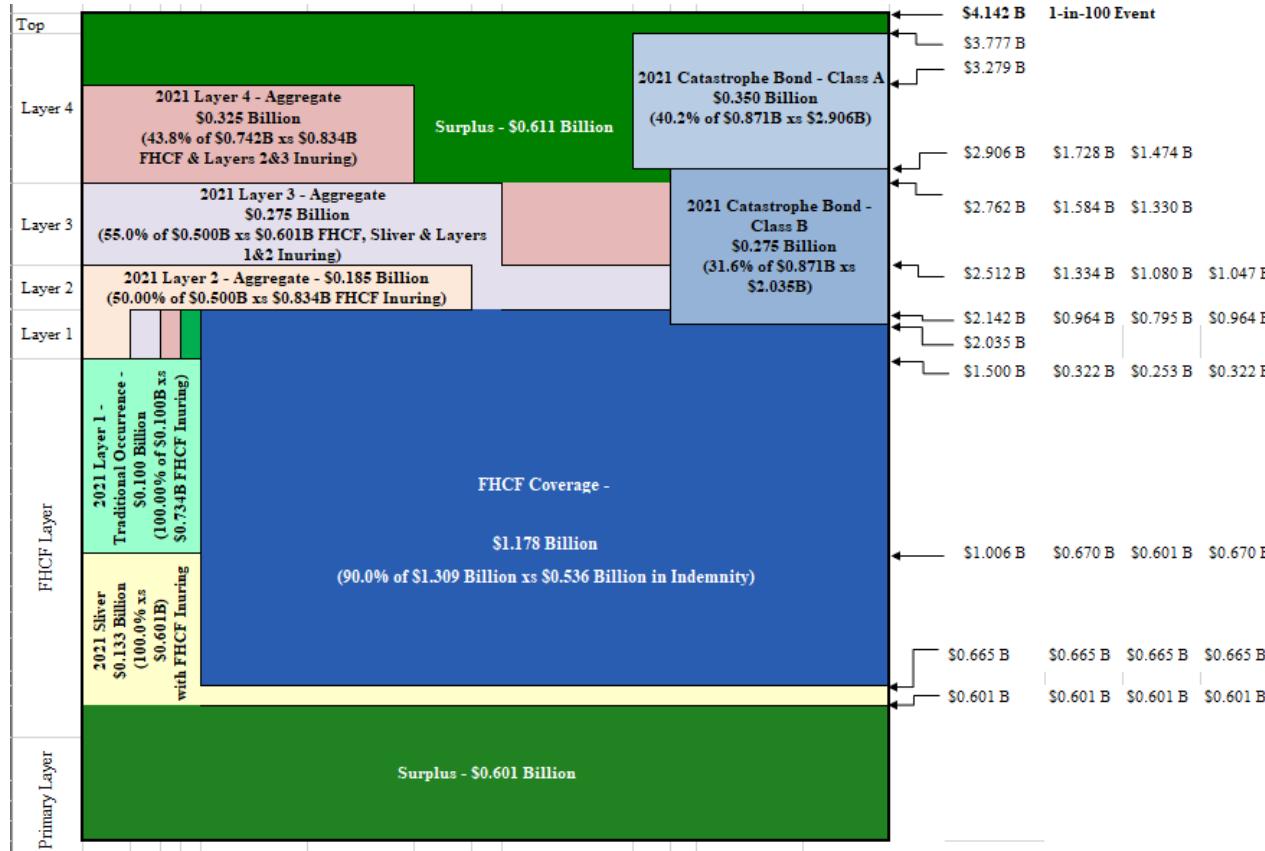
Section 627.351(6)(c)9. Must provide that the corporation make its best efforts to procure catastrophe reinsurance at reasonable rates, to cover its projected 100-year probable maximum loss as determined by the board of governors. If catastrophe reinsurance is not available at reasonable rates, the corporation need not purchase it, but the corporation shall include the costs of reinsurance to cover its projected 100-year probable maximum loss in its rate calculations even if it does not purchase catastrophe reinsurance.



Public Rate Hearing

Citizens Property Insurance Corporation

Coastal Account Layer Chart – 1 in 100 Event (Projected 2021-2022 Season)

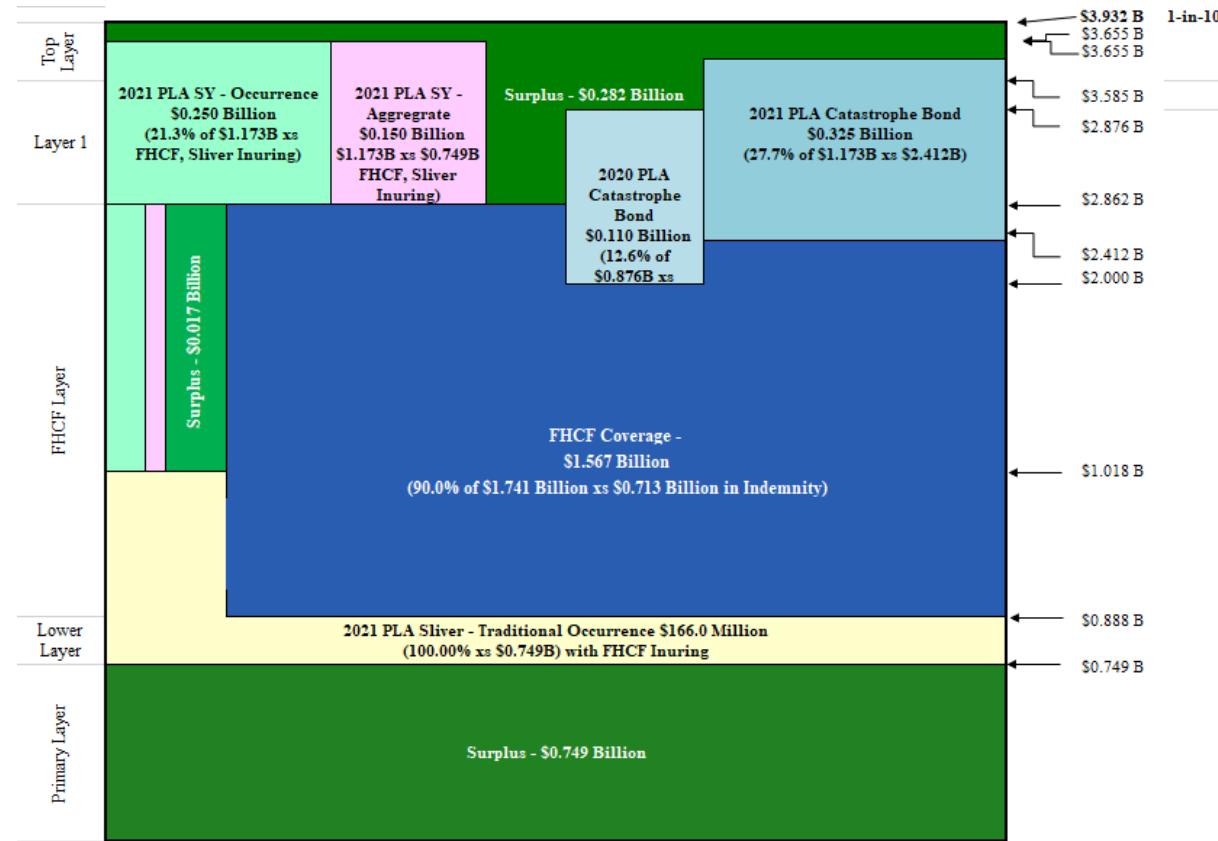


Public Rate Hearing

Citizens Property Insurance Corporation



Personal Lines Account Layer Chart – 1 in 100 Event (Projected 2021-2022 Season)

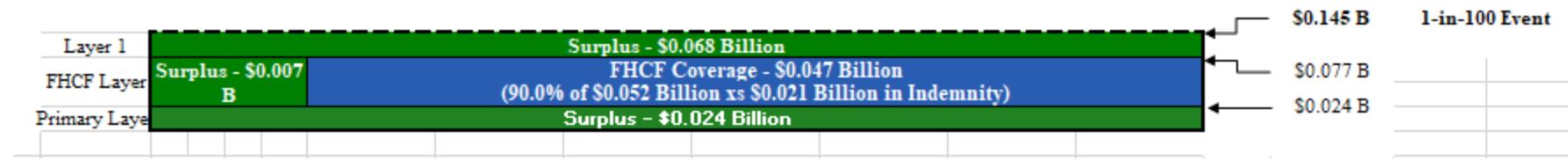




Public Rate Hearing

Citizens Property Insurance Corporation

Commercial Lines Account Layer Chart – 1 in 100 Event (Projected 2021-2022 Season)

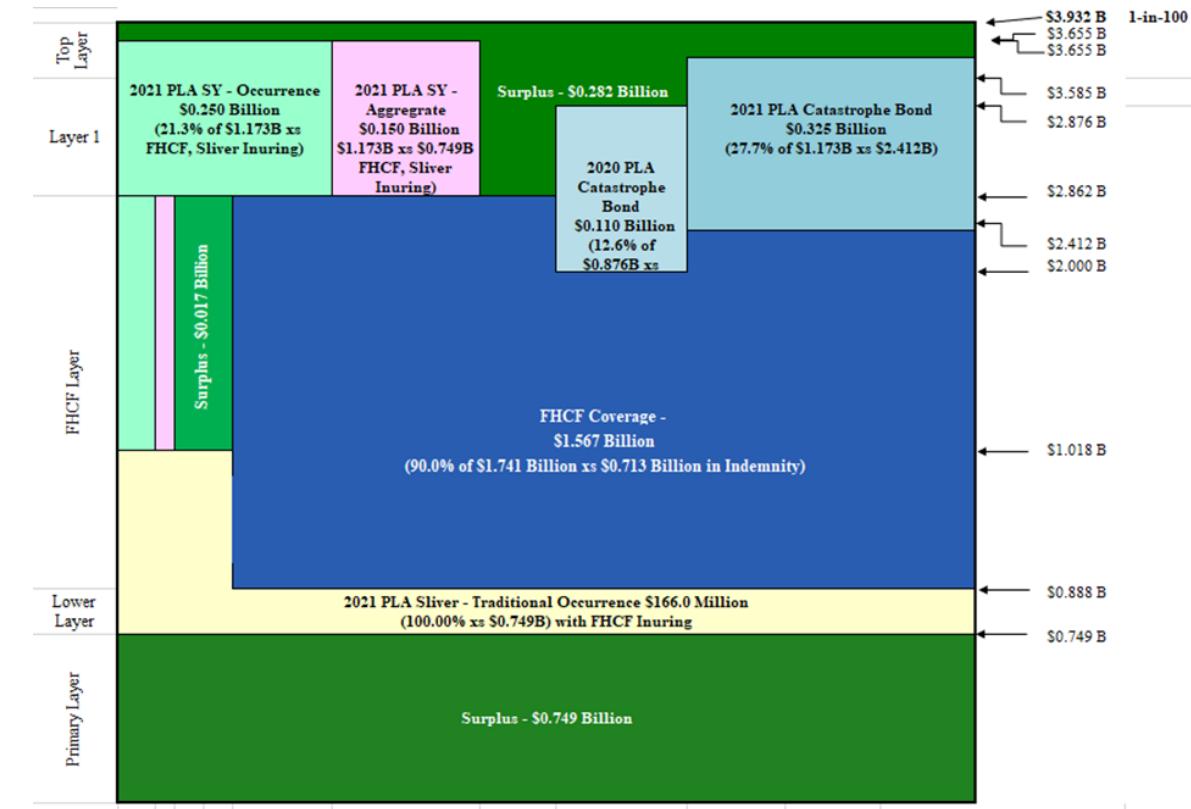
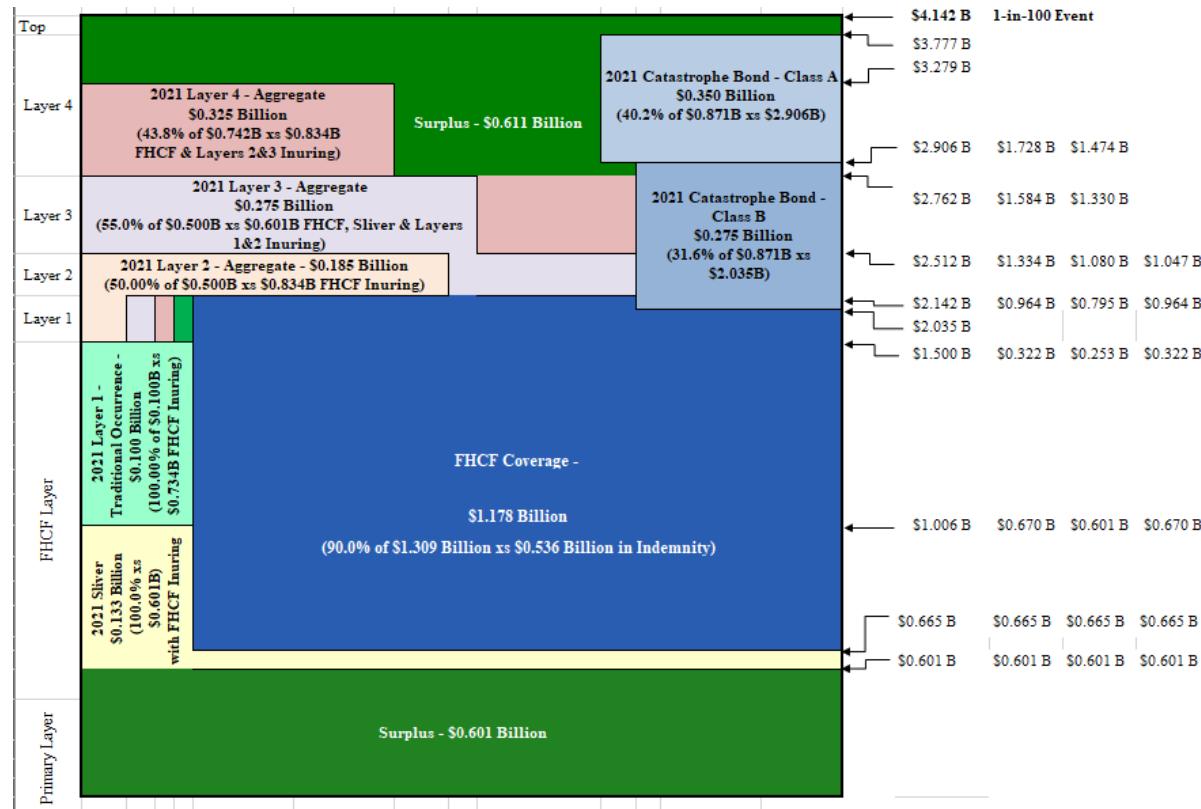




Public Rate Hearing

Citizens Property Insurance Corporation

Coastal Account and Personal Lines Account Reinsurance Charts



Public Rate Hearing

Citizens Property Insurance Corporation



Commercial Non-Residential – 1 in 100 Event (Projected 2021-2022 Season)

Coastal Account Layer Chart
Projected 2021 - 2022 Season



CLA Layer Chart
Projected 2021 - 2022 Season



Public Rate Hearing

Citizens Property Insurance Corporation



Homeowners Indications and Proposed Rate Changes

HOMEOWNERS HO-3/HW-2 INDICATIONS SUMMARY (22-002005 AND 22-002027)								
PERIL	PREMIUM (000s)	AIR HURR MODEL	CORELOGIC HURR MODEL	FL PUBLIC HURR MODEL	RMS HURR MODEL	SELECTED INDICATION	PROPOSED RATE CHANGE	PROPOSED RATE CHANGE BY PROGRAM
WIND	520,515	55.3%	27.1%	20.9%		56.5%		
WATER	399,020	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%		
ALL OTHER	66,066	7.7%	7.7%	7.7%	7.7%	7.7%		
SINKHOLE	7,221	-19.0%	-19.0%	-19.0%	-19.0%	0.0%		10.7% MULTI-PERIL
TOTAL	992,821	29.2%	14.5%	11.2%		30.0%	10.6%	9.9% WIND ONLY

RENTERS HO-4/HW-4 INDICATIONS SUMMARY (22-002005 AND 22-002027)								
PERIL	PREMIUM (000s)	AIR HURR MODEL	CORELOGIC HURR MODEL	FL PUBLIC HURR MODEL	RMS HURR MODEL	SELECTED INDICATION	PROPOSED RATE CHANGE	PROPOSED RATE CHANGE BY PROGRAM
WIND	1,117	32.5%	-39.3%	55.5%		38.0%		
ALL OTHER	674	-2.4%	-2.4%	-2.4%	-2.4%	-2.4%		10.9% MULTI-PERIL
TOTAL	1,790	19.3%	-25.4%	33.7%		22.8%	10.9%	10.8% WIND ONLY

CONDO UNIT-OWNERS HO-6/HW-6 INDICATIONS SUMMARY (22-002005 AND 22-002027)								
PERIL	PREMIUM (000s)	AIR HURR MODEL	CORELOGIC HURR MODEL	FL PUBLIC HURR MODEL	RMS HURR MODEL	SELECTED INDICATION	PROPOSED RATE CHANGE	PROPOSED RATE CHANGE BY PROGRAM
WIND	27,765	24.8%	-14.5%	192.2%		70.0%		
ALL OTHER	32,635	55.8%	55.8%	55.8%	55.8%	55.8%		10.9% MULTI-PERIL
TOTAL	60,400	41.5%	23.5%	118.5%		62.3%	10.8%	10.7% WIND ONLY

Public Rate Hearing

Citizens Property Insurance Corporation



HO-3 Calculation of Non-Catastrophe Wind Loss Trend Factors (AY)

End of Accident Year	Earned House Years	Developed			
		Non-Cat Incurred	Pure	Premium	Frequency
6/30/2017	197,558	5,225,082	26	0.30%	8,680
9/30/2017	196,301	5,881,856	30	0.33%	8,994
12/31/2017	195,729	6,037,877	31	0.40%	7,781
3/31/2018	196,146	5,415,567	28	0.38%	7,250
6/30/2018	197,079	5,850,959	30	0.37%	8,104
9/30/2018	197,215	6,073,339	31	0.36%	8,584
12/31/2018	196,440	8,367,120	43	0.38%	11,064
3/31/2019	195,028	7,588,064	39	0.32%	12,102
6/30/2019	192,718	10,485,994	54	0.42%	12,835
9/30/2019	190,754	12,676,826	66	0.52%	12,857
12/31/2019	190,645	11,354,423	60	0.47%	12,741
3/31/2020	193,073	17,482,337	91	0.67%	13,593
6/30/2020	197,225	25,639,597	130	0.91%	14,357
9/30/2020	205,927	32,482,316	158	0.95%	16,543
12/31/2020	218,869	43,703,794	200	1.11%	18,070
3/31/2021	235,572	42,248,934	179	0.94%	19,075
6/30/2021	259,941	40,692,313	157	0.90%	17,361

Pure	Premium	Frequency	Severity
17 Point Fitted Annual Rate of Change:	74.9%	38.2%	26.5%
13 Point Fitted Annual Rate of Change:	98.6%	53.4%	29.4%
9 Point Fitted Annual Rate of Change:	97.1%	58.3%	24.5%
5 Point Fitted Annual Rate of Change:	22.1%	-0.9%	23.2%

Selected Annual Loss Trend (up to date): 74.9%
 Selected Annual Loss Trend (projected): 26.5%

Public Rate Hearing

Citizens Property Insurance Corporation



HO-3 Calculation of Non-Catastrophe Wind Loss Trend Factors (CY)

Calendar					
End of Calendar	Earned House	Year Paid	Pure Premium	Frequency	Severity
Year	Years	Losses			
6/30/2017	198,817	3,066,618	15	0.35%	4,457
9/30/2017	197,268	3,486,916	18	0.36%	4,877
12/31/2017	196,437	3,969,667	20	0.39%	5,203
3/31/2018	196,671	4,057,244	21	0.40%	5,110
6/30/2018	197,506	4,024,351	20	0.37%	5,475
9/30/2018	197,640	4,185,308	21	0.36%	5,953
12/31/2018	196,916	4,060,341	21	0.36%	5,776
3/31/2019	195,562	4,447,926	23	0.35%	6,474
6/30/2019	193,287	4,890,419	25	0.37%	6,849
9/30/2019	191,300	5,710,149	30	0.42%	7,041
12/31/2019	191,136	6,597,349	35	0.48%	7,226
3/31/2020	193,499	7,588,305	39	0.55%	7,105
6/30/2020	197,581	9,168,881	46	0.67%	6,894
9/30/2020	206,238	10,545,410	51	0.77%	6,679
12/31/2020	219,172	12,109,531	55	0.83%	6,665
3/31/2021	235,910	13,996,111	59	0.84%	7,090
6/30/2021	260,377	16,366,672	63	0.84%	7,467

Pure
 Premium Frequency Severity
 17 Point Fitted Annual Rate of Change: 43.3% 28.0% 12.0%
 13 Point Fitted Annual Rate of Change: 54.4% 43.2% 7.8%
 9 Point Fitted Annual Rate of Change: 58.5% 57.0% 1.0%
 5 Point Fitted Annual Rate of Change: 35.3% 23.9% 9.2%

Public Rate Hearing

Citizens Property Insurance Corporation



Homeowners Indications and Proposed Rate Changes

HOMEOWNERS HO-3/HW-2 INDICATIONS SUMMARY (22-002005 AND 22-002027)								
PERIL	PREMIUM (000s)	AIR HURR MODEL	CORELOGIC HURR MODEL	FL PUBLIC HURR MODEL	RMS HURR MODEL	SELECTED INDICATION	PROPOSED RATE CHANGE	PROPOSED RATE CHANGE BY PROGRAM
WIND	520,515	55.3%	27.1%	20.9%		56.5%		
WATER	399,020	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%		
ALL OTHER	66,066	7.7%	7.7%	7.7%	7.7%	7.7%		
SINKHOLE	7,221	-19.0%	-19.0%	-19.0%	-19.0%	0.0%		10.7% MULTI-PERIL
TOTAL	992,821	29.2%	14.5%	11.2%		30.0%	10.6%	9.9% WIND ONLY

RENTERS HO-4/HW-4 INDICATIONS SUMMARY (22-002005 AND 22-002027)								
PERIL	PREMIUM (000s)	AIR HURR MODEL	CORELOGIC HURR MODEL	FL PUBLIC HURR MODEL	RMS HURR MODEL	SELECTED INDICATION	PROPOSED RATE CHANGE	PROPOSED RATE CHANGE BY PROGRAM
WIND	1,117	32.5%	-39.3%	55.5%		38.0%		
ALL OTHER	674	-2.4%	-2.4%	-2.4%	-2.4%	-2.4%		10.9% MULTI-PERIL
TOTAL	1,790	19.3%	-25.4%	33.7%		22.8%	10.9%	10.8% WIND ONLY

CONDO UNIT-OWNERS HO-6/HW-6 INDICATIONS SUMMARY (22-002005 AND 22-002027)								
PERIL	PREMIUM (000s)	AIR HURR MODEL	CORELOGIC HURR MODEL	FL PUBLIC HURR MODEL	RMS HURR MODEL	SELECTED INDICATION	PROPOSED RATE CHANGE	PROPOSED RATE CHANGE BY PROGRAM
WIND	27,765	24.8%	-14.5%	192.2%		70.0%		
ALL OTHER	32,635	55.8%	55.8%	55.8%	55.8%	55.8%		10.9% MULTI-PERIL
TOTAL	60,400	41.5%	23.5%	118.5%		62.3%	10.8%	10.7% WIND ONLY

Public Rate Hearing

Citizens Property Insurance Corporation



Homeowners (HO-3) Water Selected Indicated Rate Changes by Territory

Territory	Territory Description	6/30/21 Inforce Water Premium at Current Rate Level	Selected Indicated Rate Change
33	Dade, Hialeah	8,952,591	-22.9%
30	Dade, Miami Beach	674,392	-18.2%
34	Dade, Rem Excl H.,M.,M.B.	137,889,741	-16.6%
32	Dade, Miami	10,072,447	-16.2%
31	Dade, Coastal	589,147	-15.5%
362	Palm Beach, Coastal	538,524	-10.2%
361	Broward, Coastal	424,685	-9.8%
38	Palm Beach, Remainder	38,751,948	-5.5%
37	Broward, Rem. Excl. Ft. L. & Hlywd	96,252,703	-5.0%
721	Bay, Remainder	351,863	-3.0%
43	Escambia, Remainder	544,952	-2.3%
591	Citrus, Coastal	132,554	-0.6%
596	Taylor, Coastal	78,138	-0.5%
603	Franklin	46,489	0.0%
594	Levy, Coastal	69,385	0.2%
609	Walton, Coastal	68,997	0.9%
731	Citrus, Remainder	418,670	1.1%
726	Walton, Remainder	59,136	1.4%
725	Wakulla, Remainder	41,975	1.7%
35	Broward, Hllwd & Ft. Ldrdle	19,011,178	2.0%

7	Monroe, Key West	41,696	25.9%
42	Pinellas, Coastal	755,976	26.0%
182	Martin, Coastal	5,056	26.2%
561	Indian River, Remainder	1,012,369	27.1%
541	Collier, Coastal	336,696	28.9%
735	Manatee, Remainder	1,070,211	29.5%
90	Orange, Excl. Orlando	5,178,348	30.7%
736	Pasco, Remainder	4,143,425	30.8%
49	Orange, Orlando	678,619	32.3%
183	Saint Lucie, Coastal	80,459	33.2%
692	Lake	499,158	33.8%
562	Saint Lucie, Remainder	3,665,146	34.5%
595	Pasco, Coastal	627,892	35.8%
81	Pinellas, Rem. Excl. Saint Petersburg	12,500,902	37.4%
5	Monroe, Excl. Key West	446,138	39.0%
159	Hernando, Coastal	726,539	49.2%
511	Osceola	2,442,645	49.3%
46	Pinellas - Saint Petersburg	5,603,000	53.1%
47	Hillsborough, Tampa	5,183,569	60.0%
80	Hillsborough, Excl. Tampa	11,740,429	76.9%
Total		399,019,644	-0.3%

Public Rate Hearing

Citizens Property Insurance Corporation



Homeowners Indications and Proposed Rate Changes

HOMEOWNERS HO-3/HW-2 INDICATIONS SUMMARY (22-002005 AND 22-002027)								
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ALL OTHER	66,066	7.7%	7.7%	7.7%	7.7%	7.7%		
SINKHOLE	7,221	-19.0%	-19.0%	-19.0%	-19.0%	0.0%		10.7% MULTI-PERIL
TOTAL	992,821	29.2%	14.5%	11.2%		30.0%	10.6%	9.9% WIND ONLY

RENTERS HO-4/HW-4 INDICATIONS SUMMARY (22-002005 AND 22-002027)								
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WIND	1,117	32.5%	-39.3%	55.5%		38.0%		
ALL OTHER	674	-2.4%	-2.4%	-2.4%	-2.4%	-2.4%		10.9% MULTI-PERIL
TOTAL	1,790	19.3%	-25.4%	33.7%		22.8%	10.9%	10.8% WIND ONLY

CONDO UNIT-OWNERS HO-6/HW-6 INDICATIONS SUMMARY (22-002005 AND 22-002027)								
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Public Rate Hearing

Citizens Property Insurance Corporation



Dwelling Fire Indications and Proposed Rate Changes

DWELLING FIRE DP-3/DW-2 INDICATIONS SUMMARY (22-002262 AND 22-002263)								
PERIL	PREMIUM (000s)	AIR HURR MODEL	CORELOGIC HURR MODEL	FL PUBLIC HURR MODEL	RMS HURR MODEL	SELECTED INDICATION	PROPOSED RATE CHANGE	PROPOSED RATE CHANGE BY PROGRAM
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ALL OTHER	24,328	22.6%	22.6%	22.6%	22.6%	22.6%		
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TOTAL	229,457	37.1%	14.3%	35.7%	0.074132726	38.8%	10.8%	10.4% WIND ONLY

DWELLING FIRE DP-1 INDICATIONS SUMMARY (22-002262)								
PERIL	PREMIUM (000s)	AIR HURR MODEL	CORELOGIC HURR MODEL	FL PUBLIC HURR MODEL	RMS HURR MODEL	SELECTED INDICATION	PROPOSED RATE CHANGE	PROPOSED RATE CHANGE BY PROGRAM
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SINKHOLE	344	-2.8%	-2.8%	-2.8%	-2.8%	0.0%		
TOTAL	46,967	26.4%	14.1%	-2.8%	[REDACTED]	33.3%	10.7%	10.7%

Public Rate Hearing

Citizens Property Insurance Corporation



Attending

Tasha Carter, Florida Insurance Consumer Advocate

Public Rate Hearing Citizens Property Insurance Corporation



Public Comment

Send Public Comments to: RateHearings@floir.com
Subject Line: Citizens Property Insurance Corp

Deadline for Public Comments: April 14, 2022, 5:00 p.m. ET



Public Rate Hearing – March 31, 2022

Florida Office of Insurance Regulation