



Clearinghouse, Depopulation, and FMAP Program Results

Carl Rockman, Kelly Booten,
Christine Ashburn, Jennifer Montero



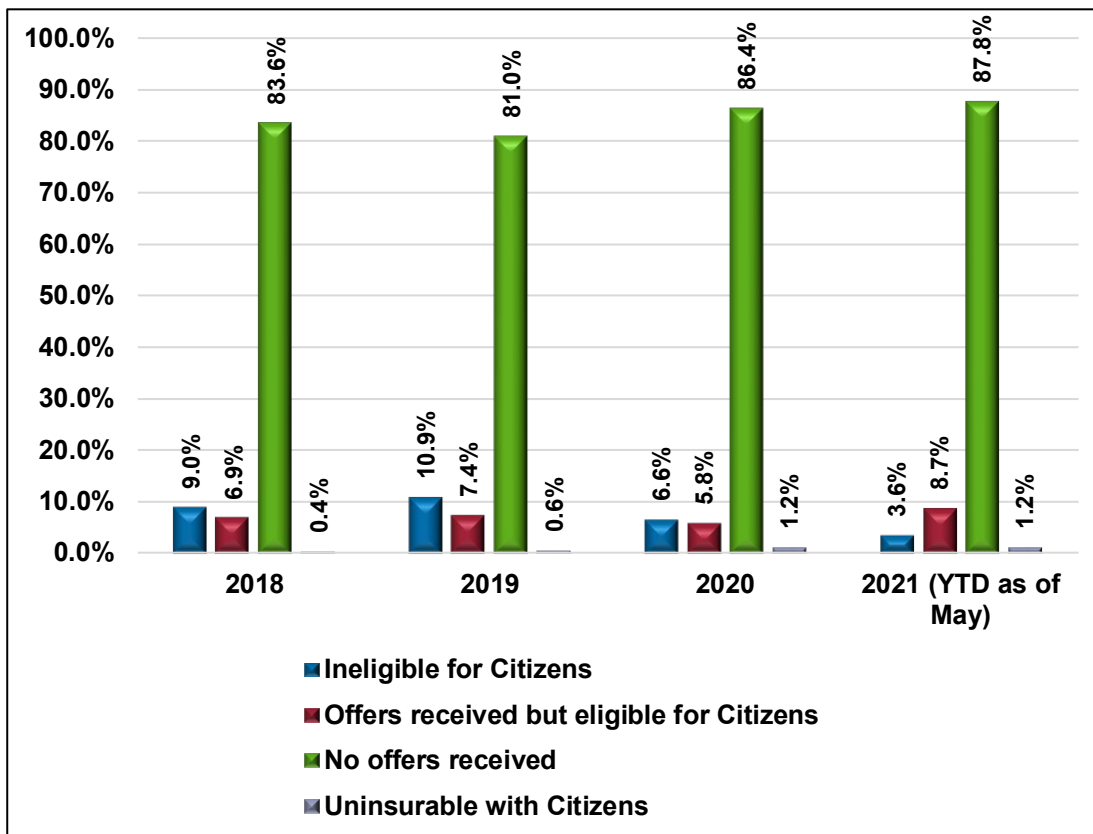
Existing Carrier Participation

Company	Policy Type	Homeowners (Multiperil)	Homeowners (Wind-Only)	Dwelling	Condo	Mobile Home
American Traditions		X				
Safe Harbor / Cabrillo		X		X	X	X
Edison		X			X	
FedNat		X		X	X	
Florida Peninsula		X			X	
Heritage		X				
Monarch		X				
Southern Oak		X	X	X	X	
UPC		X				
Weston			X			

New Business Results: Q2 YTD 2021

Policy Type	Submissions	Received Offer Greater than 115% of Citizens Premium Eligible for Citizens	% Receiving Offer	Received Offer Less Than 115% Citizens Premium Deemed Ineligible for Citizens	Ineligible %	Deemed Uninsurable with Citizens	Uninsurable %	% Eligible For New Policy
HO-3 New Business	297,803	33,227	11.16%	13,187	4.43%	3,692	1.24%	83.17%
Dwelling New Business	55,173	721	1.31%	306	0.55%	683	1.24%	96.9%
HO-6 New Business	42,701	1,075	2.52%	1,394	3.26%	222	0.51%	93.7%
Wind Only New Business	31,264	1,185	3.79%	2,008	6.42%	749	2.4%	87.39%
Mobile Home New Business	16,663	169	1.01%	67	0.4%	168	1.01%	97.58%
Total	443,604	36,377	8.2%	16,692	3.76%	5,514	1.24%	86.8%

New Business Update: Q2 2021



Number of risks averted (all lines):

- 2018 – 20,700
- 2019 – 20,994
- 2020 – 22,221
- 2021 (YTD as of May) – 18,331

Amount of Coverage A averted:

- 2018 – \$5.2B
- 2019 – \$5.7B
- 2020 – \$7.3B
- 2021 (YTD as of May) – \$6.4B

20% Rule – Statutory Change Impact

Total New Business Policies Receiving Offers of Coverage New 120% Threshold Results Compared to Prior 115% Threshold

Results within 120% of Citizens' premium

Results within 115% of Citizens' premium

	Eligible	Ineligible	Grand Total		Eligible	Ineligible	Grand Total
New Business	14,119	7,319	21,438	New Business	14,686	6,752	21,438

Data from 7/1/21 – 8/24/21

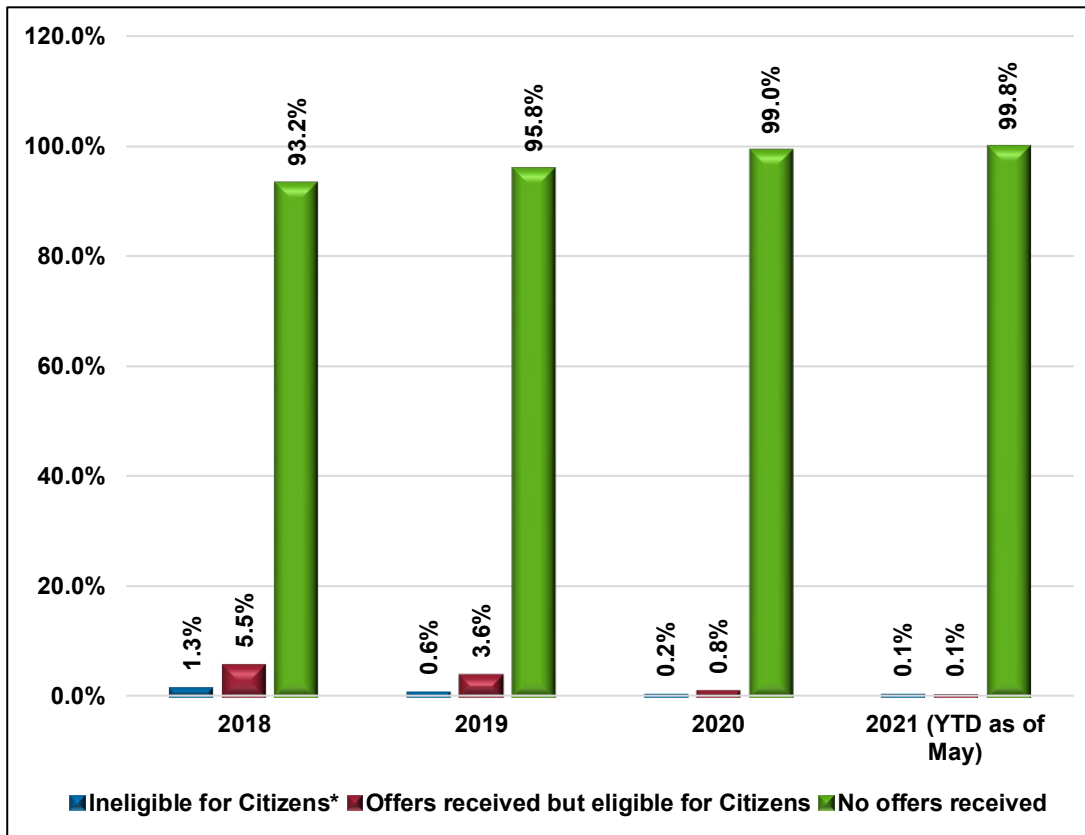
Net impact: 567 policies were blocked from Citizens in this time period, an average of 81 per week.

Annual impact estimate: About 4,200 additional policies were deemed ineligible for Citizens.

Renewal Results: Q2 YTD 2021

Policy Type	Submissions	Received Offer \$1 Greater Than Citizens Premium Eligible for Citizens	% Receiving Offer	Received Offer less than or equal to Citizens Premium Ineligible for Citizens	Ineligible %	% Eligible to Remain
HO3 Renewals	86,374	499	0.5%	73	0.08%	99.42
Dwelling Renewals	21,324	91	0.42%	46	0.21%	99.37%
Wind Only Renewals	18,801	341	1.8%	177	0.94%	97.26%
HO6 Renewals	12,971	169	1.3%	20	0.15%	98.55%
Mobile Home Renewals	6,388	108	1.7%	14	0.21%	98.09%
Total	145,858	1,208	0.82%	330	0.22%	98.96%

Renewal Update: Q2 2021



Risk Removed (All Lines)

Amount of Coverage A removed:

- 2018 – \$651.3M
- 2019 – \$221.5M
- 2020 – \$111M
- 2021 (YTD as of May) – \$5.5M

15,745 policies have been non-renewed by Citizens as a result of offers made at renewal through the Clearinghouse.

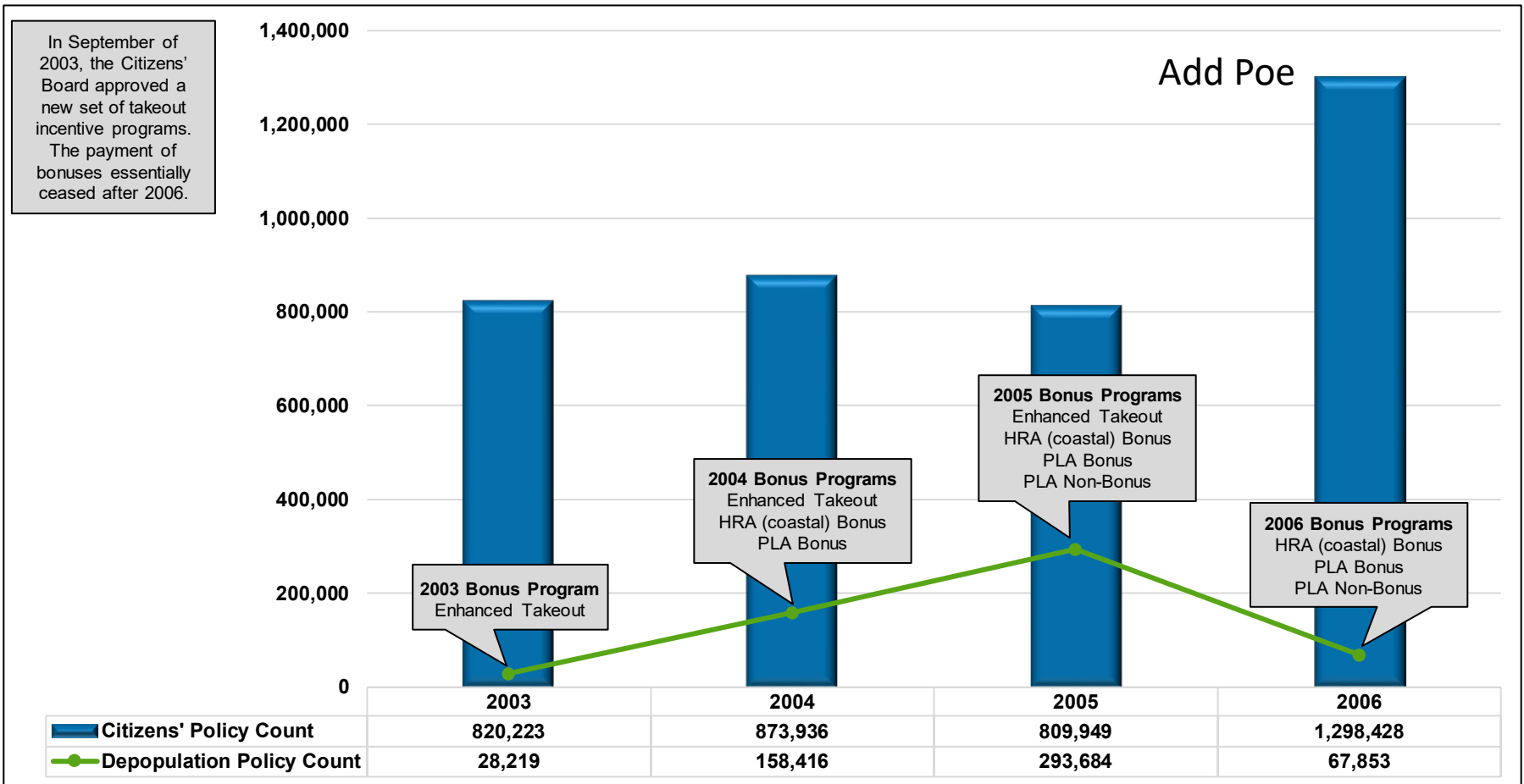
*Ineligible means a comparable offer of coverage was received through the Clearinghouse that had a premium that was equal to or less than the Citizens renewal premium.

Takeout Incentive Program History 1998 - 2006

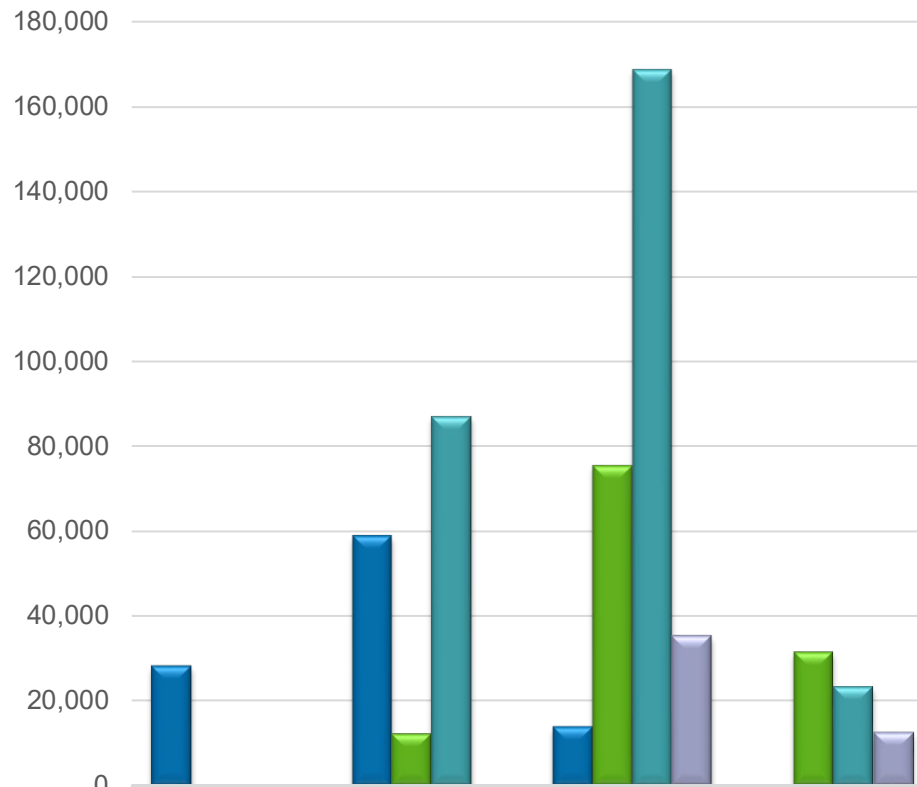
- Prior to Citizens' inception, the Florida Residential Property and Casualty Joint Underwriting Association (FRPCJUA) established incentive programs with fixed dollar amount incentives. The fixed dollar approach created an incentive for takeout companies to remove lower premium, lower exposure policies rather than higher premium, higher exposure policies, because the takeout bonus was the same in either case.
- In September of 2003, the Citizens' Board approved a new set of takeout incentive programs. The programs' requirements were similar to prior programs; however, the most important difference was the amount of the incentive would now be based on a percentage of the premium amount rather than on a fixed dollar amount per policy.
- The payment of bonuses essentially ceased after 2006, when the Legislature restricted the bonus amount to \$100 per policy and required the policy to be renewed by the assuming insurer for at least five years.

Year	Citizens' Policy Count	Depopulation Policy Count
1998		306,468
1999		162,339
2000		48,630
2001	517,113	2,760
2002	564,107	21,783
2003	820,223	28,219
2004	873,936	158,416
2005	809,949	293,684
2006	1,298,428	67,853

Takeout Incentive Program Trends 2003 - 2006



Takeout Incentive Program Results 2003 - 2006



	2003	2004	2005	2006
Enhanced Takeout Program	28,219	58,899	14,002	
HRA Bonus Program		12,457	75,556	31,654
PLA Bonus Program		87,060	168,848	23,542
PLA Non-Bonus Program			35,278	12,657

Enhanced Takeout Program

Requirements

- Assume more than 30,000 policies
- 5% limitation on HO4 and HO6 policies

Benefits

- \$300 per policy into three-year escrow
- \$210 per policy into Contingent Catastrophe Reserve
- Three-year assessment credits
- Waiver of Ceding Commission

Bonus Programs – PLA & HRA (Coastal)

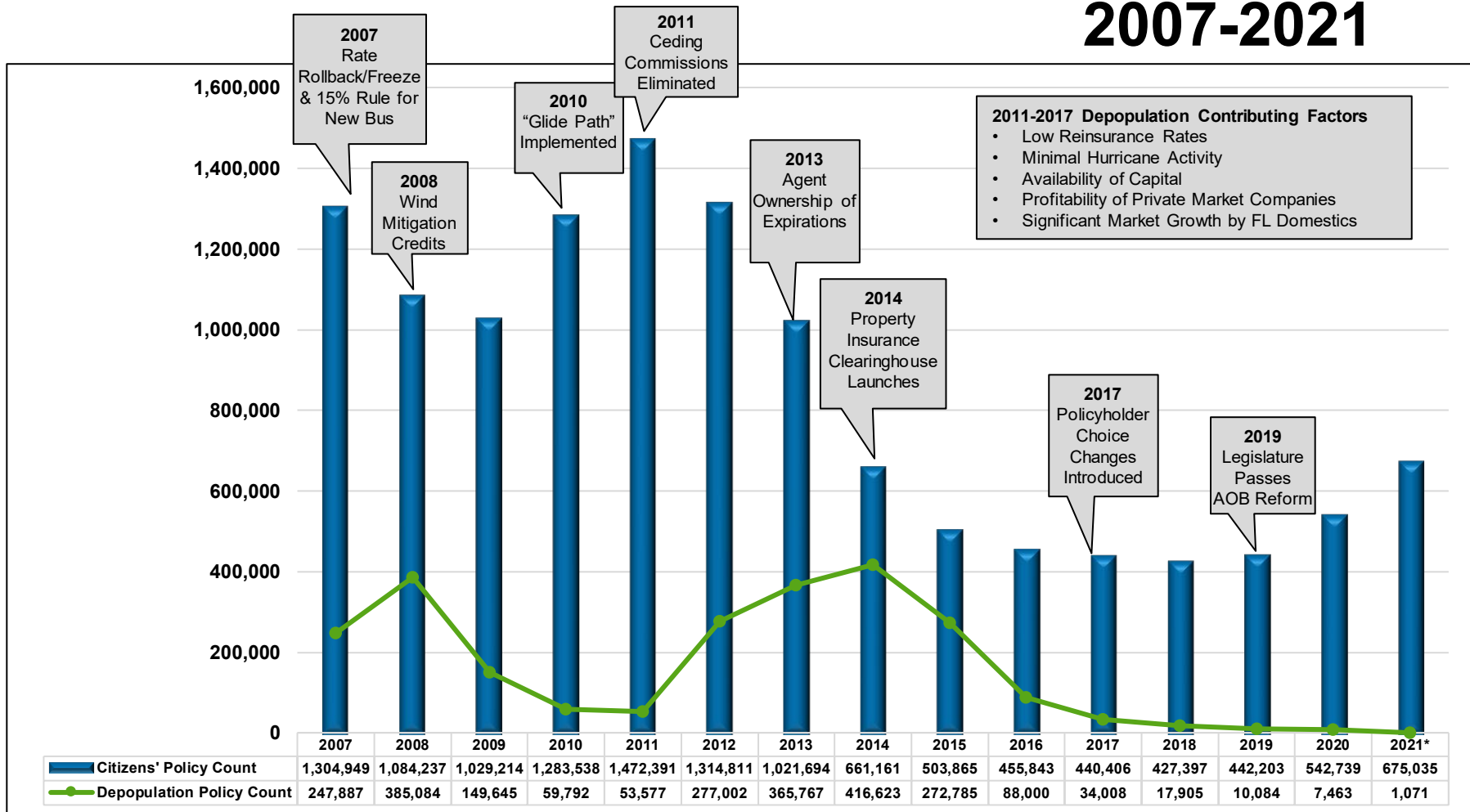
Multiple bonus programs were available from 2003 – 2006 for PLA and HRA (Coastal). The requirements for participation in these programs fluctuated based on the type of policy and the number of policies assumed by the takeout company. A takeout bonus was paid at a set percentage rate of policy premium for each policy based on the specific bonus program.

Non - Bonus Program

In 2005 and 2006 there were participating companies that chose to participate in the Non-Bonus Program. The Non-Bonus Program is what exist today.

Citizens' and Depopulation Policy Count Trends

2007-2021



* 2021 data as of 8/20/21

Results

Year	Total Personal Lines Offers Made	Total Personal Lines Policies Assumed on DoA	% Assumed on DoA	Total PL Policies Still Assumed after Post Assumption Opt-Outs	% Still Assumed
2009	237,008	149,694	63%	112,802	48%
2010	85,990	59,792	70%	44,911	52%
2011	78,596	53,577	68%	44,258	56%
2012	354,475	277,002	78%	246,218	69%
2013	460,674	358,318	78%	312,715	68%
2014	589,624	411,632	70%	334,987	57%
2015	514,679	270,381	53%	194,530	38%
2016	179,475	84,089	47%	57,692	32%
2017	127,422	31,854	25%	31,223	25%
2018	71,384	16,639	23%	16,545	23%
2019	42,941	9,960	23%	8,474	20%
2020	26,067	7,463	29%	7,457	29%
2021 (YTD*)	7,013	1,071	15%	1,071	15%

*Data as of 2/23/21

2021 FMAP Online Referral Program

Month	Requests Received	Offers Accepted	Requests Converted	Exposure Placed in Private Market
January	416	51	12.26%	\$14,280,650
February	639	60	9.39%	\$16,804,369
March	858	50	5.83%	\$10,852,056
April	850	46	5.41%	\$13,307,638
May	785	46	5.86%	\$9,059,450
June	871	48	5.51%	\$32,293,746
July	681	30	4.41%	\$10,936,513
Totals*	5,100	331	6.49%	\$107,534,422

*Totals as of July month-end

Proposed Enhancements

Timeline

Consumer

Increase Program Visibility (next slide)

July-December

FMAP.org

Enhance Consumer/Agent Experience

- Pre-filling 20 questions/property data based on property address

Q4 2021
(If Existing Svcs)

**Agents with
10+ Appointments**

Increase Agent Effectiveness

- Increase Required Appointments to 10+

Q3 2021

**All Counties
Connected**

Increase Agent Value Proposition/Participation

Q4 2021

Recruit Companies

Increase Program Effectiveness

- Recruit Companies to Participate

Q3 2021

**FMAP 2.0
Insurance
Exchange**

Future New Business Eligibility Platform

Marketing Capabilities

- Creative team experienced in print, graphic and web design
- Established voice in messaging to agents, stakeholders and customers
- Full video production studio in Jacksonville
- Virtual learning and training expertise available to develop instructional videos on how to use FMAP and navigate site
- Trusted digital presence including Facebook, Twitter and LinkedIn
- Partnerships with Realtors, bankers, agents, trade and affiliated groups
- Extensive traditional media network

CCOM GROUP is a Miami-based, full-service, multicultural agency established in 2001 that has been providing advertising communication services to Citizens since late 2015.

- Creative concepting and production for radio, TV, digital, social, print, digital and traditional outdoor billboards
- In-house video editing suite
- Multi-lingual productions (English, Spanish, Creole)
- Expert media planning and buying for traditional and digital media
- 75 full-time associates
- Ad agency of record for Florida Power & Light Co., Gulf Power, Southeast Toyota and Johnson & Johnson affiliated brands.

Florida Public Media serves the state with 13 public radio stations and 11 public television stations

- Combined audience between viewers and listeners reaches 99.9% of Floridians

Partnership offers trusted brand recognition throughout the market with high retention, clutter-free messaging and high-quality broadcasts

- Flexible message rotation radio spots include morning and evening drive time for maximum reach

Existing three-year agreement, estimated reach:

- Television/radio audience: 237 million
- Digital/social impressions: 114 million with 62 million page views