

# Executive Summary

**Actuarial & Underwriting Committee Meeting, December 14, 2021**

Board of Governors Meeting, December 15, 2021

## Product Updates – December 2021

Over time, market changes, claims experience, statutory requirements and technology improvements necessitate the need to update Citizens' products. Staff continuously monitors internal and external information to determine when changes are warranted. Citizens' staff has evaluated this information and identified recommended updates to product rules, structure and supporting coverage forms.

### Personal and Commercial Lines Product Changes

#### Updates to Support Annual Rate Changes

The proposed annual rate changes include updates to wind mitigation credits and revised definitions regarding land surface terrain in wind-eligible areas for Personal Lines Dwelling programs (DP-3D, DP-1D and DW2). These changes align with changes recently introduced in Homeowners' programs and require supporting updates to the Personal Lines Dwelling program manuals. All Personal and Commercial manuals will also be updated to reflect changes to rate tables and supporting information resulting from annual rate changes.

#### **Recommendation**

Staff proposes changes to Personal and Commercial Lines program guidelines as described above. Filings and system changes will be completed as appropriate.

#### Modify Contract Language Regarding Statutory Eligibility

Citizens current policy contract language and other supporting documents include detailed information regarding guidelines for renewal policies that may be ineligible for Citizens due to availability of private market coverage. The intent of the policy information is to advise the policyholder of eligibility requirements for renewals and the nonrenewal provisions that apply. This information is governed by statute and is subject to legislative change. The notification requirements to the insured can be fulfilled with less specific language that references statutory requirements, rather than restating in detail. This approach will fulfill notification requirements to policyholders while allowing more timely response to legislative change by eliminating the need for specific contract updates.

#### **Recommendation**

Staff proposes modifying contract language and other supporting documents to remove statutory eligibility criteria that are subject to change. Verbiage will be modified to notify the policyholder of the general statutory requirements and nonrenewal provisions, rather than stating specific criteria.

# Executive Summary

**Actuarial & Underwriting Committee Meeting, December 14, 2021**

Board of Governors Meeting, December 15, 2021

## Recommendation

Staff proposes that the Actuarial and Underwriting Committee review, and if approved, recommend the Board of Governors:

- a) Approve the above proposals to update Citizens' Product guidelines, rating rules, policy contract forms and supporting documents; and
- b) Authorize staff to take any appropriate or necessary action consistent with the Product Updates – December 2021 Action Item to include filing with the Office of Insurance Regulation (OIR), system change implementations, updates to supporting documents or forms and other relevant activities. Final changes and implementation timeline may vary slightly, based on project complexity and feedback from the OIR.

## PRODUCT UPDATES – DECEMBER 2021

**ACTION ITEM**

**New Contract**

**Contract Amendment**

**Other:**

**CONSENT ITEM**

**Contract Amendment**

**Existing Contract Extension**

**Existing Contract Additional Spend**

**Previous Board Approval** \_\_\_\_\_

**Other** \_\_\_\_\_

**Action Items:** Items requiring detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

**Move forward as Consent:** This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

**Consent Items:** Items not requiring detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

<b>Item Description</b>	Product changes described in the accompanying Executive Summary: Product Updates – December 2021. These changes include: <ul style="list-style-type: none"> <li>• Update Product Manuals to support Annual Rate Change and enhancements to Wind Mitigation Credits for Dwelling Lines (DP-3, DP-1, DW-2)</li> <li>• Modify contracts and supporting documents to remove unnecessary detail regarding statutory eligibility and related nonrenewal provisions</li> </ul>
<b>Purpose/Scope</b>	Actuarial and Underwriting Committee approval and Committee recommendation to Board of Governors for approval of proposed changes.
<b>Contract ID</b>	Title: N/A Contract number, if applicable Recommended vendor, if applicable
<b>Budgeted Item</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N/A
<b>Procurement Method</b>	N/A
<b>Contract Amount</b>	N/A

## PRODUCT UPDATES – DECEMBER 2021

<b>Contract Terms</b>	N/A
<b>Committee Recommendation</b>	<p>Staff proposes that the Actuarial and Underwriting Committee review, and if approved, recommend the Board of Governors:</p> <ul style="list-style-type: none"><li>a) Approve the described proposals to update Citizens' Product guidelines, rating rules, policy contract forms and supporting documents; and</li><li>b) Authorize staff to take any appropriate or necessary action consistent with the Product Updates – December 2021 Action Item to include filing with the Office of Insurance Regulation (OIR), system change implementations, updates to supporting documents or forms and other relevant activities. Final changes and implementation timeline may vary slightly, based on project complexity and feedback from the OIR.</li></ul>
<b>Board Recommendation from Committee</b>	<p>If approved at its December 14, 2021 meeting, the Actuarial and Underwriting Committee recommends that the Board of Governors:</p> <ul style="list-style-type: none"><li>a) Approve the described proposals to update Citizens' Product guidelines, rating rules, policy contract forms and supporting documents; and</li><li>c) Authorize staff to take any appropriate or necessary action consistent with the Product Updates – December 2021 Action Item to include filing with the Office of Insurance Regulation (OIR), system change implementations, updates to supporting documents or forms and other relevant activities. Final changes and implementation timeline may vary slightly, based on project complexity and feedback from the OIR.</li></ul>
<b>Contacts</b>	Kelly Booten, Chief Operating Officer