

Insurance & Banking Subcommittee

Wednesday, October 16, 2019
3:00 pm – 5:00 pm
Sumner Hall (404 HOB)

Jose Oliva
Speaker

Byron Donalds
Chair

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Insurance & Banking Subcommittee

Start Date and Time:	Wednesday, October 16, 2019 03:00 pm
End Date and Time:	Wednesday, October 16, 2019 05:00 pm
Location:	Sumner Hall (404 HOB)
Duration:	2.00 hrs

Status Report on Recent Hurricane Property Insurance Claims

Update on the Financial Strength of Property Insurers in Florida

Citizens Property Insurance Corporation Overview and Update on Current Operations

NOTICE FINALIZED on 10/09/2019 3:42PM by Harrell.Lindsey

The Florida House of Representatives

Commerce Committee

Insurance & Banking Subcommittee

Jose R. Oliva
Speaker

Byron Donalds
Chair

AGENDA

October 16, 2019
404 House Office Building
3:00 PM – 5:00 PM

I. Call to Order & Roll Call

II. Hurricane Claims and Property Insurance Update

David Altmaier, Commissioner
Office of Insurance Regulation

III. Department of Financial Services

- **Hurricane Michael: Consumer Data**
  Greg Thomas, Director of Consumer Services and Insurance Agency & Agency Services
- **Division of Rehabilitation and Liquidation**
  Toma L. Wilkerson, Division Director

IV. Citizens Property Insurance Corporation Overview

Barry Gilway, President/CEO and Executive Director

V. Adjournment

303 House Office Building, 402 South Monroe Street, Tallahassee, Florida 32399-1300
(850) 717-4871 Fax: (850) 413-0419

Florida Office of Insurance Regulation

Florida House Insurance & Banking Subcommittee

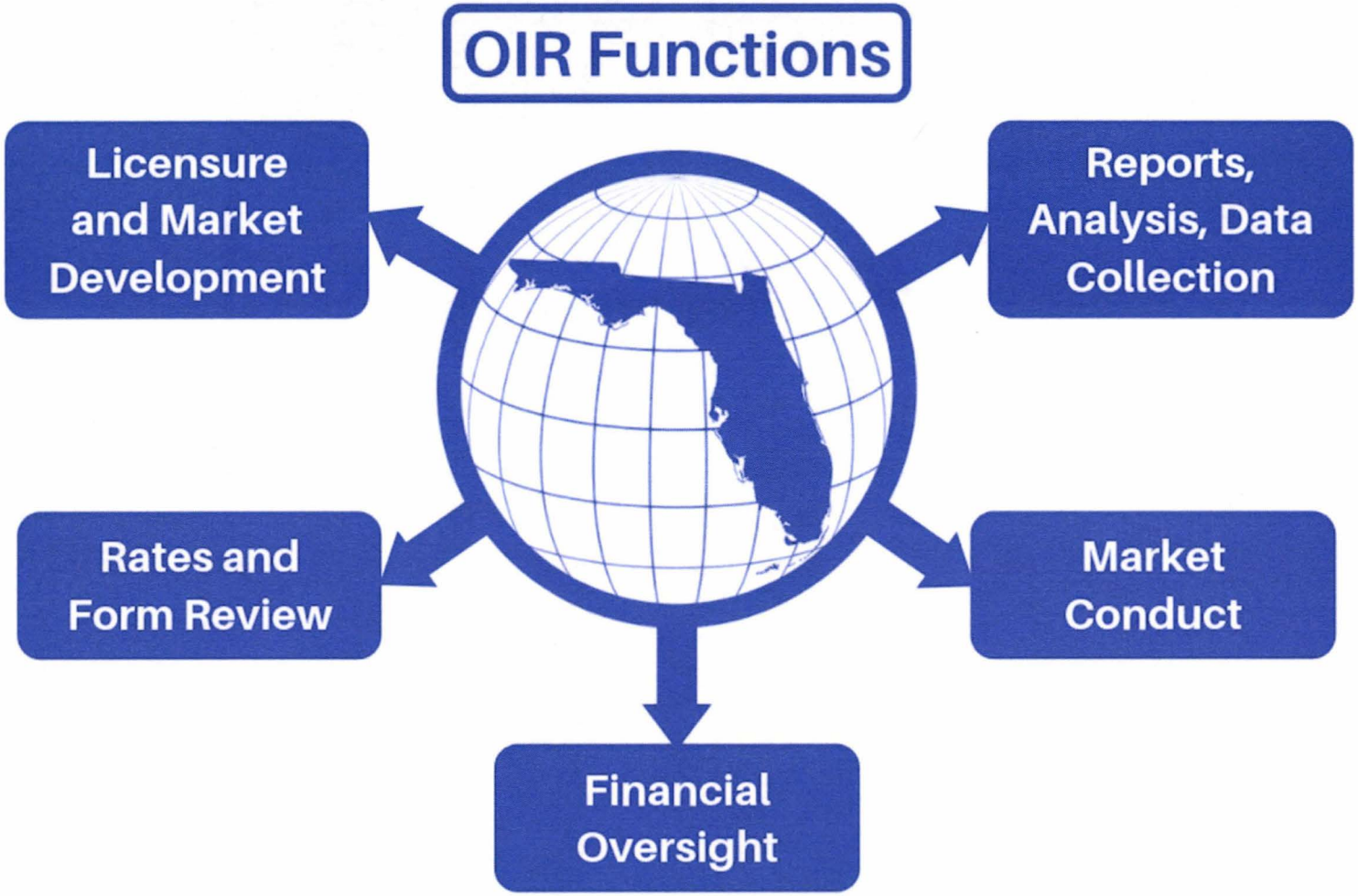
Hurricane Claims and Property Insurance Update

David Altmaier, Commissioner
Office of Insurance Regulation

October 16, 2019

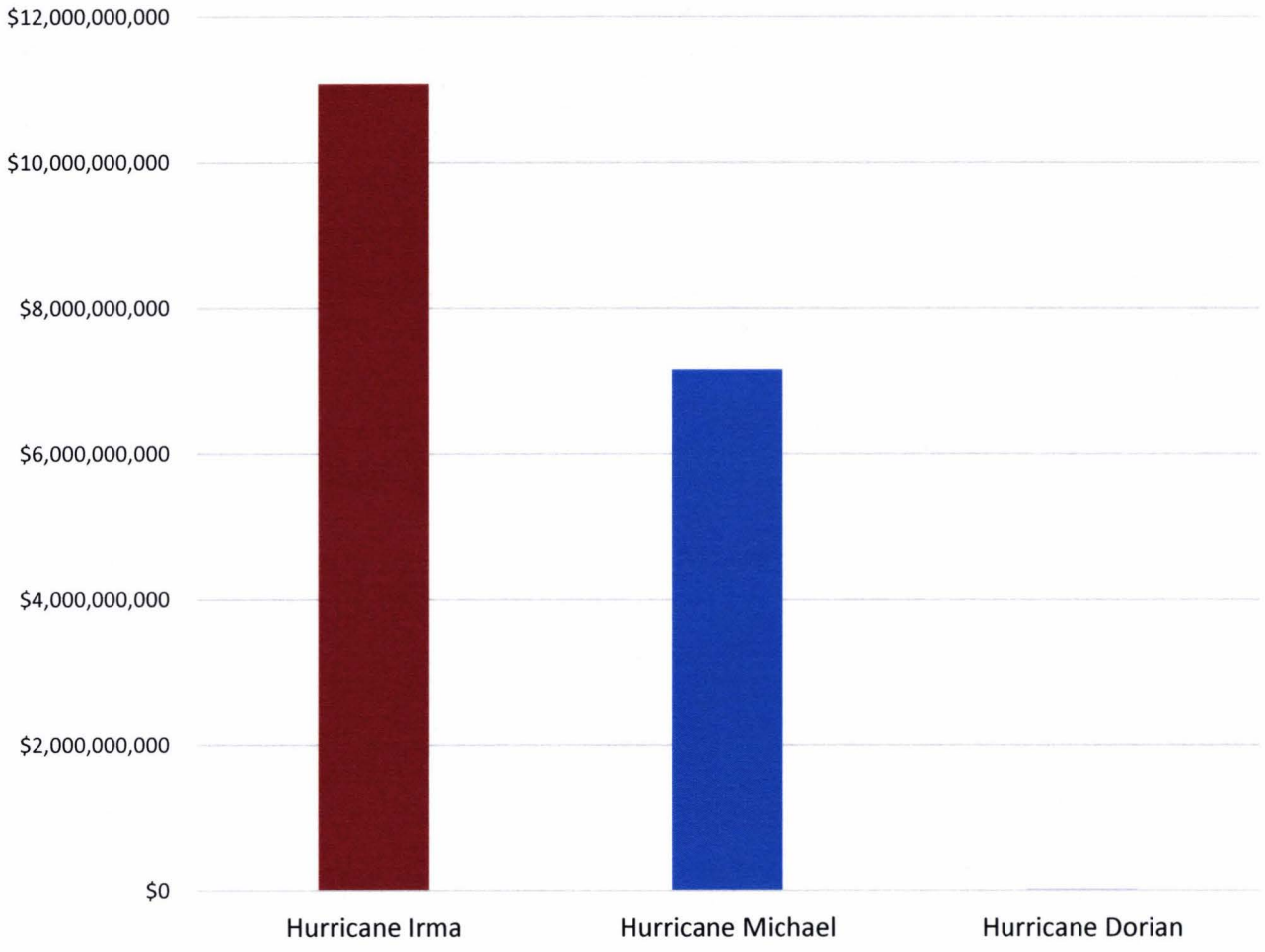
Florida Office of Insurance Regulation

OIR Overview



Florida Office of Insurance Regulation

Hurricanes Irma, Michael, and Dorian - Estimated Insured Losses



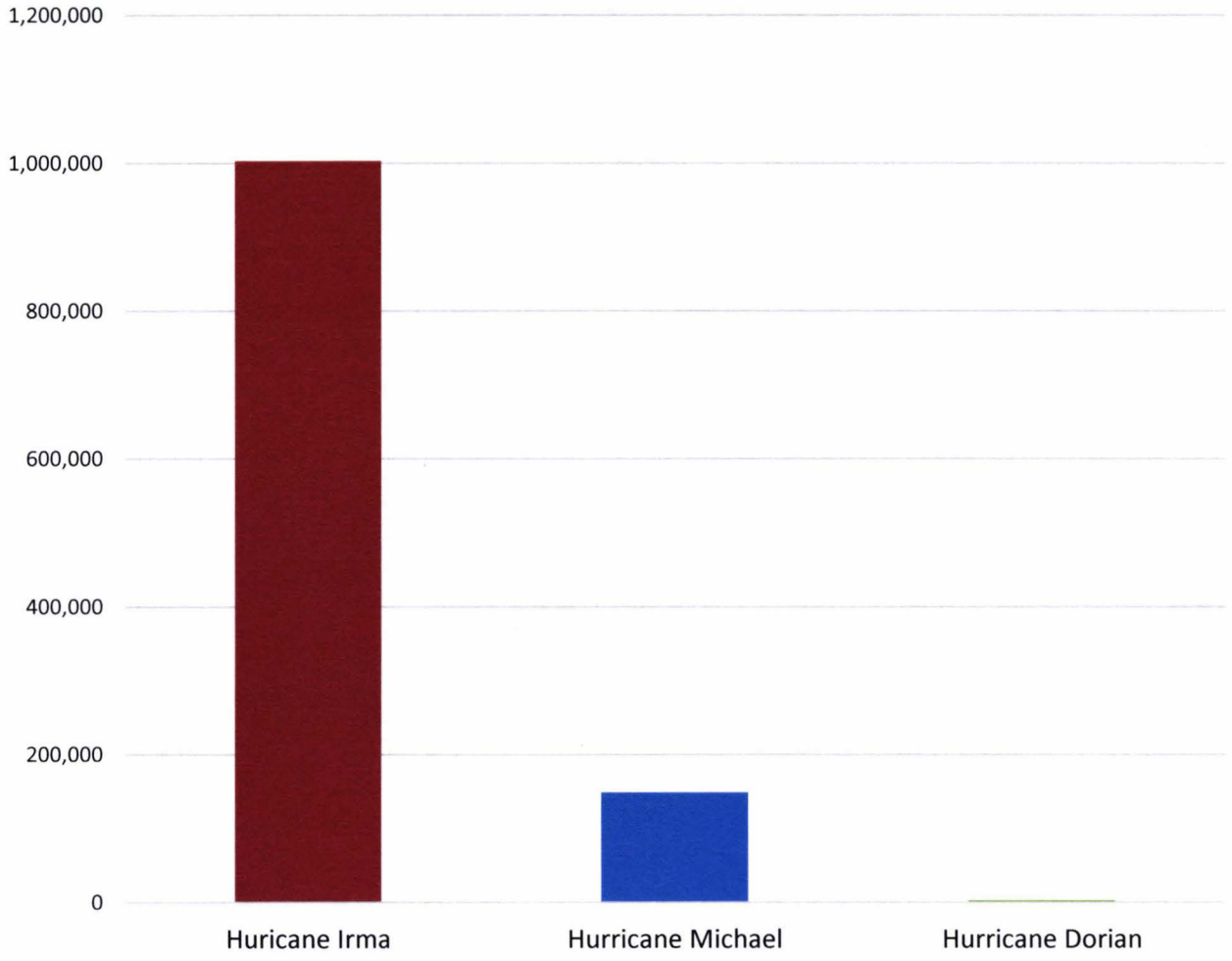
Hurricane Irma: $11,082,199,367 as of 11/14/2018

Hurricane Michael: $7,158,922,772 as of 9/27/2019

Hurricane Dorian: $19,006,179 as of 10/7/2019

Florida Office of Insurance Regulation

Hurricanes Irma, Michael, and Dorian - Statewide Claims Reported



Hurricane Irma: 1,002,821 as of 11/14/2018

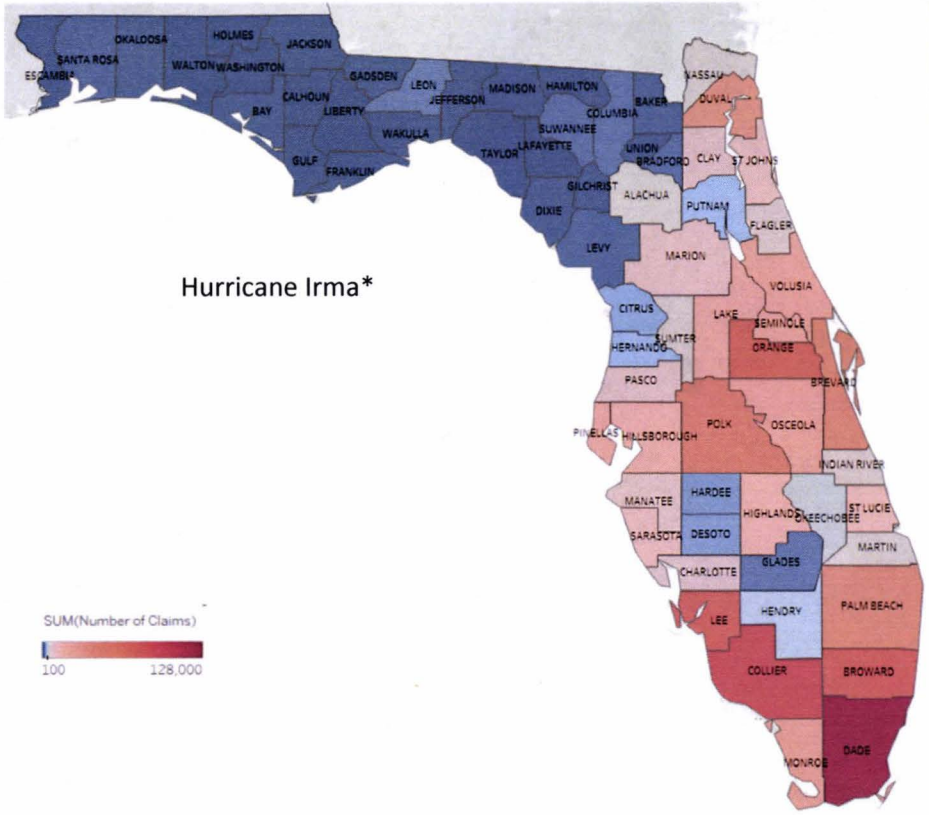
Hurricane Michael: 149,448 as of 9/27/2019

Hurricane Dorian: 5,764 as of 10/7/2019

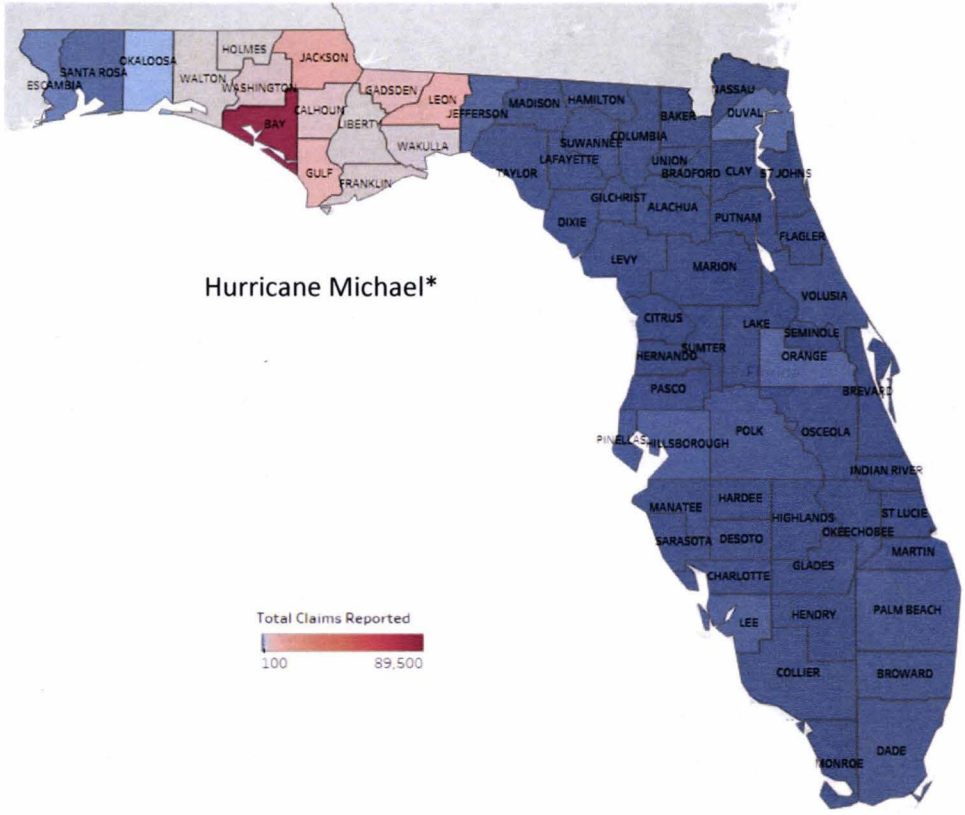
Florida Office of Insurance Regulation

Hurricanes Irma and Michael - Statewide Claims Reported

Hurricane Irma*



Hurricane Michael*



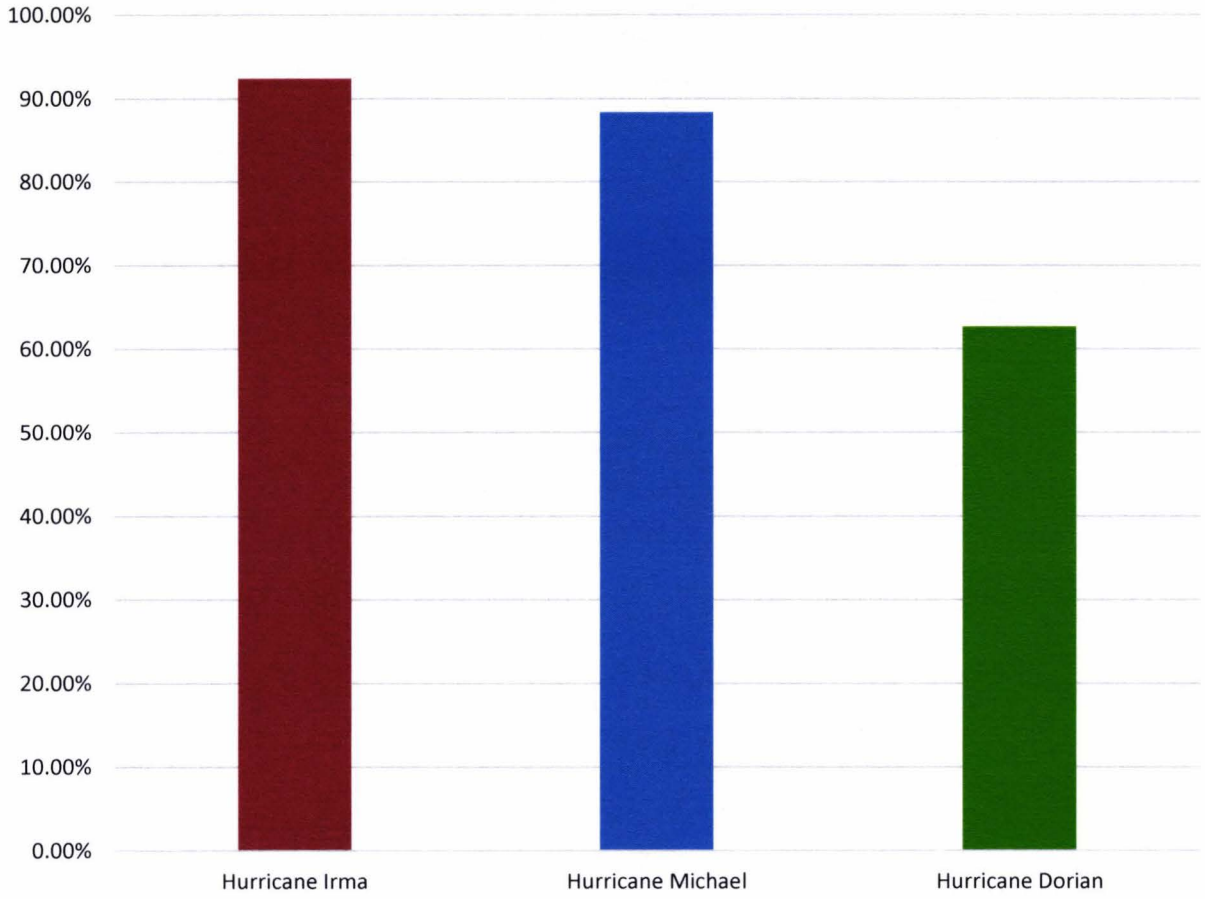
*Claims Data as of November 14, 2018

*Claims Data as of September 27, 2019

*Claims by County not reflected due to asserted Trade Secret protection.

Florida Office of Insurance Regulation

Hurricanes Irma, Michael, and Dorian – Percentage of Claims Closed



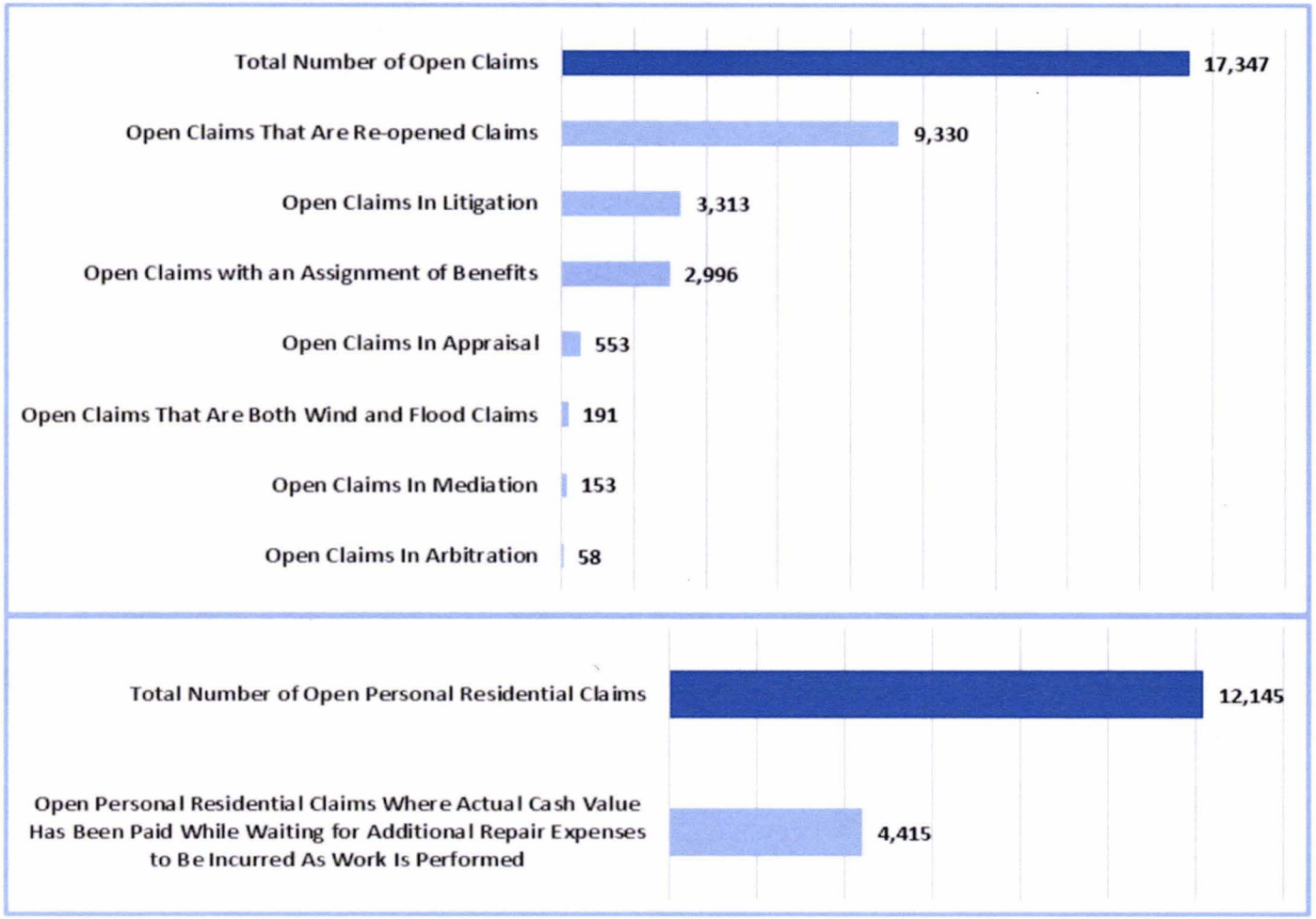
Hurricane Irma:
92.4% as of 11/14/2018

Hurricane Michael:
88.4% as of 9/27/2019

Hurricane Dorian:
62.7% as of 10/07/2019

Florida Office of Insurance Regulation

Hurricane Michael Open Claims Analysis as of September 27, 2019



Florida Office of Insurance Regulation

Market Conduct

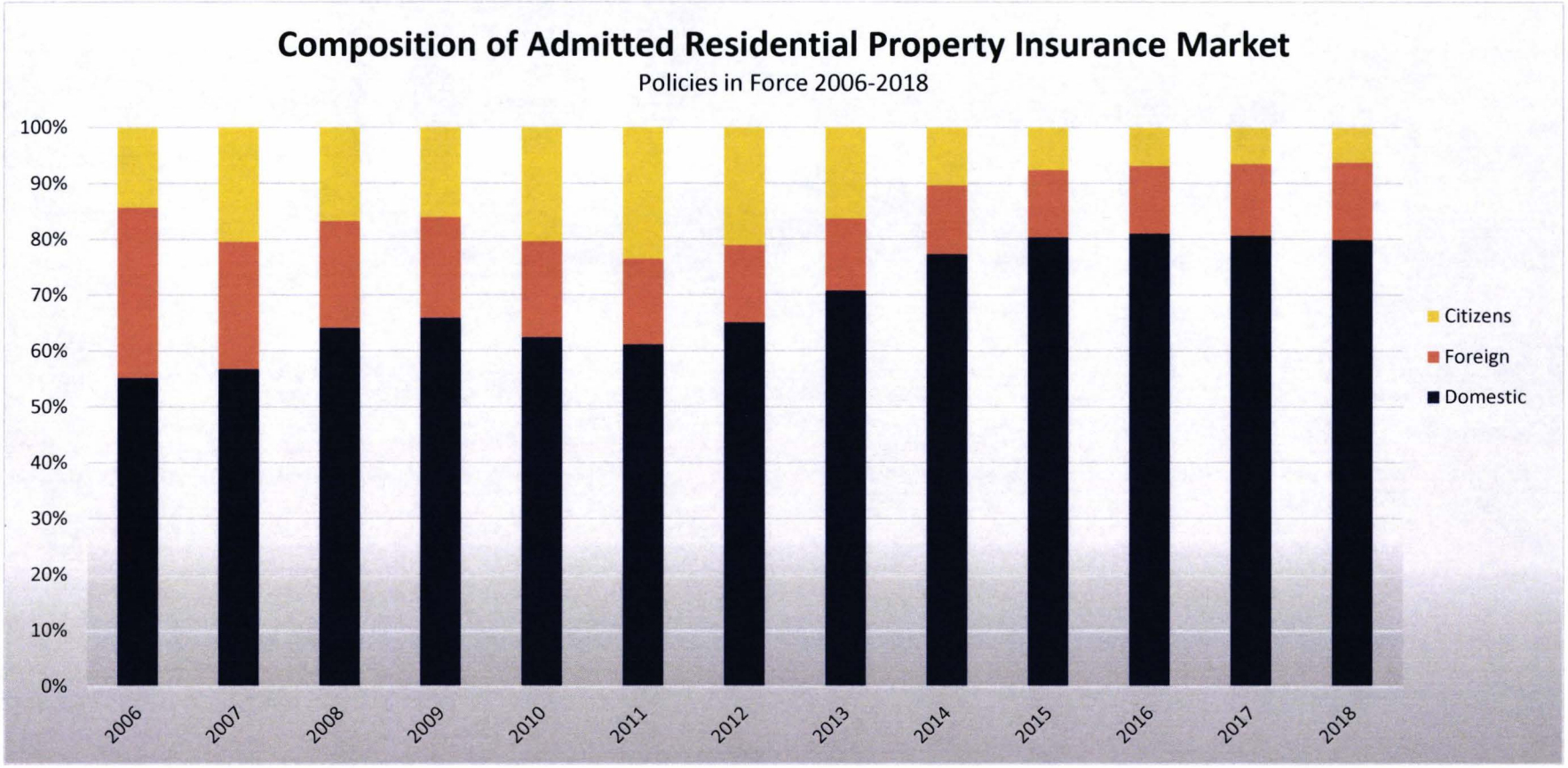
- The conduct of Florida insurers in the marketplace is subject to oversight and investigation by the OIR.

- The OIR receives and reviews market data from a variety of sources, but relies heavily on consumer complaint data referred to the OIR by DFS's Division of Consumer Services and data collected through catastrophe reporting data calls.

- The OIR has been consistently monitoring Hurricane Michael claims activity since it made landfall and has taken investigatory action on a number of insurers. These investigations found no violations of Florida law but recommended improvements to their internal processes and controls.

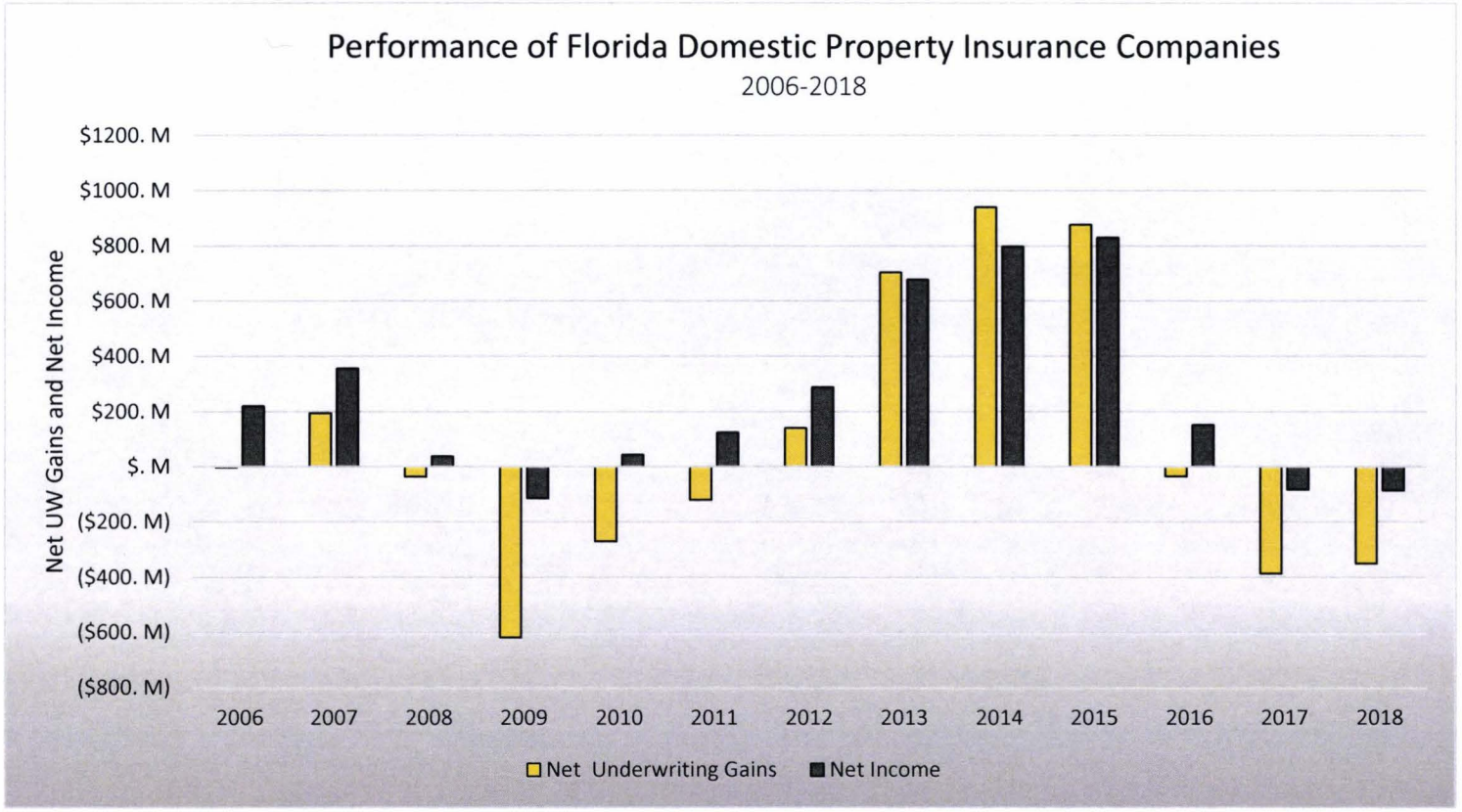
- The OIR has initiated targeted market conduct examinations on seven insurers and continues to evaluate Hurricane Michael claims response for every insurer. These targeted market conduct examinations are confidential under Florida law until completed.

State of the Market



Florida Office of Insurance Regulation

State of the Market



Florida Specialty (FS)

OIR's Priorities

- Protect consumers; especially vulnerable during hurricane season.
- Continue to foster the development of the private insurance market.
- Given the hazardous financial condition of this company, the OIR's primary concern was to facilitate a solution that protects consumers and provide a mechanism for guaranteed coverage and payment of existing policyholder claims.
- This resulted in a comprehensive policyholder protection plan for all FS policyholders who were first urged to seek coverage in the private market but then guaranteed coverage with Citizens Property Insurance Corporation if private market coverage was not available.

Contact Information

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For more information visit www.floir.com.

Hurricane Michael: Consumer Data

DEPARTMENT OF FINANCIAL SERVICES

Hurricane Michael: Consumer Data

House Insurance and Banking Subcommittee

October 16, 2019

CFO JIMMY PATRONIS

Consumer Resources

- Consumer and media alerts with pre-storm preparation tips and post-storm recovery guidance
- CFO media tour to share information
- DFS Hurricane Michael Resources webpage
- Insurance Villages
- Insurance Consumer Helpline: 1-877-MY-FL-CFO (1-877-693-5236)

Helpline Calls

- **Hurricane Michael insurance-related calls: 2,671**
  - 42% general information and claim process questions
  - 41% concerns with a delay in handling of claims, such as prolonged delays or no follow-up or response from the company
  - 9% policy coverage questions
  - 7% claim denial, cancellation, or policy non-renewal issues
- **Complaints against an insurance company: 1,791**
  - 59% complaints regarding claim handling/adjuster delay
  - 39% complaints regarding claim denial, claim underpayment, or unsatisfactory claim settlement offer

Helpline Calls

- **Hurricane Irma insurance-related calls: 11,144**
  - 51% general information and claim process questions
  - 28% concerns with a delay in handling of claims, such as prolonged delays or no follow-up or response from the company
  - 9% policy coverage questions
  - 12% claim denial, cancellation, or policy non-renewal issues
- **Complaints against an insurance company: 9,787**
  - 29% complaints regarding claim handling/adjuster delay
  - 69% complaints regarding claim denial, claim underpayment, or unsatisfactory claim settlement offer

Working with Insurers

- Partnering with Office of Insurance Regulation
- Regular Calls and Contact with Florida Insurance Companies to share expectations
- Insurance Villages in Impacted Areas
- Insurance Consumer Advocate engagement

DEPARTMENT OF FINANCIAL SERVICES

Questions?

DFS Legislative Affairs Office: (850) 413-2863

CFO JIMMY PATRONIS

DEPARTMENT OF FINANCIAL SERVICES



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DEPARTMENT OF FINANCIAL SERVICES

Division of Rehabilitation and Liquidation

House Insurance and Banking Subcommittee

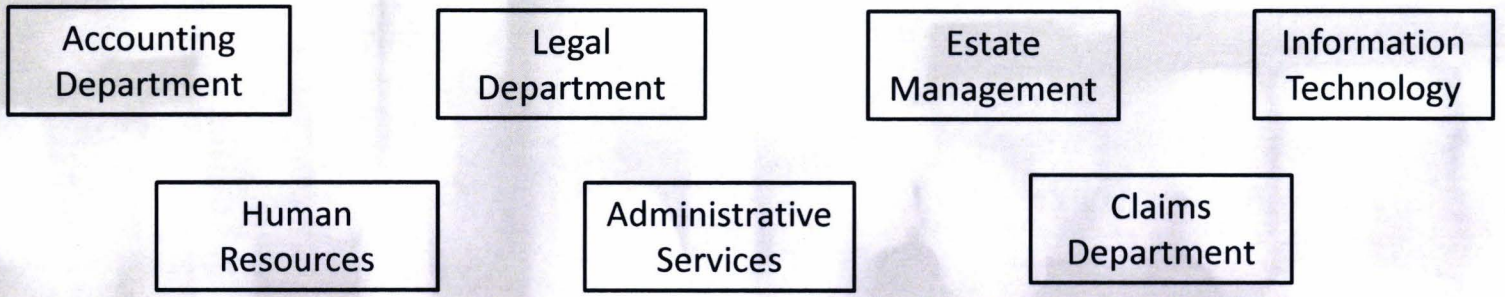
October 16, 2019

CFO JIMMY PATRONIS

Division of Rehabilitation and Liquidation

- DFS serves as the court-appointed Receiver of any insurer placed into receivership in Florida.
- The Division plans, coordinates, and directs the receivership processes on behalf of the Department
- Governed by Chapter 631, Part 1, Florida Statutes

Division Overview



- Employees are paid out of the estate assets managed by the Division Employees are members of the FRS
- Currently have 9 insurers in liquidation and 1 in rehabilitation
- Currently managing approximately $200 million in estate assets

Abbreviated Statutory Requirements

- Petition Court for Receivership
- Take possession of the company
- Notify Guaranty Association
- Notify agents of liquidation
- Send claim notices
- Evaluate claims filed
- Liquidate all property
- Collect all receivables
- Bill amounts due
- Distribute assets to claimants

Liquidation Process

- Bank accounts are changed and data is backed up and secured
- Continue critical operations of the company
- Migration of data from company to Division
- Coordinate with the Guaranty Association
- Sell real and personal property, collect any amounts due to company
- Conduct investigation on options for potential recoveries
- Litigate any matters related to potential recoveries
- Evaluate and pay claims with available assets, if any

Priority of Distributions

- Class 1 — Department's administration expenses & Guaranty Association's claims handling
- Class 2 — Policyholder losses & Guaranty Association losses
- Class 3 — Policyholder unearned premium
- Class 4 — Federal Government
- Class 5 — Employees of the company
- Class 6 — General creditor
- Class 7 — State or local government
- Class 8 — Late filed claims
- Class 9 — Surplus notes
- Class 10 — Interest on above claims
- Class 11 — Shareholders

Florida Specialty Insurance Company

- Property insurer writing personal property insurance
- 88,963 policyholders
- Ordered liquidated on October 2, 2019
- Agent notices sent on October 3, 2019
- Policyholder notices sent on October 4, 2019
- Approximately 2,200 open claims
- More than 100 new claims received since October 2, 2019
- Coverage ends on November 1, 2019

DEPARTMENT OF FINANCIAL SERVICES

Florida Specialty Insurance Company

YOUR OPTIONS

1	Select coverage With a different Insurance company	Contact Agent to find other coverage.	Unearned premium will be sent to you as soon as possible.
2	Guaranteed offer of coverage with Citizens Property Insurance Corporation	Contact Agent to elect Citizens Coverage.	Unearned premium will automatically be sent to Citizens Property Insurance Corporation.
ACT NOW!		Policies will be cancelled effective 11/1/2019 at 12:01 a.m. You will no longer have homeowner's insurance with Florida Specialty after cancellation date.	Cancellation of your policy will be processed and your unearned premium will be processed after the effective date of the cancellation.

CFO JIMMY PATRONIS

Questions?

DFS Legislative Affairs Office: (850) 413-2863

DEPARTMENT OF FINANCIAL SERVICES



CFO JIMMY PATRONIS

Citizens Property Insurance Corporation Overview

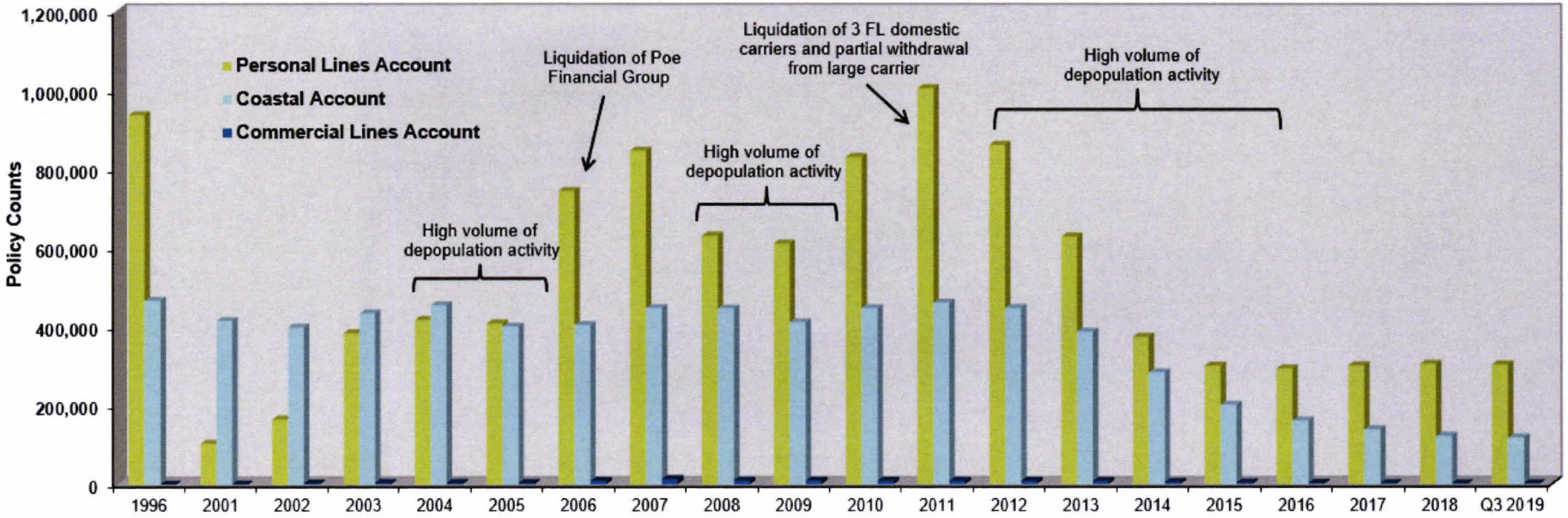
Barry Gilway, President/CEO and Executive Director

October 16, 2019

House Insurance and Banking Subcommittee

CITIZENS
PROPERTY INSURANCE CORPORATION

Policies In Force



	Personal Lines Account	Coastal Account	Commercial Lines Account	Total
1996	936,837	465,739	0	**1,402,576**
2001	102,792	414,123	198	**517,113**
2002	164,274	397,676	2,157	**564,107**
2003	383,283	433,077	3,863	**820,223**
2004	416,521	453,765	3,650	**873,936**
2005	407,387	399,417	3,145	**809,949**
2006[2]	743,592	403,509	8,347	**1,298,428**
2007	845,857	446,184	12,908	**1,304,949**
2008	629,467	445,200	9,570	**1,084,237**
2009	609,652	410,436	9,126	**1,029,214**

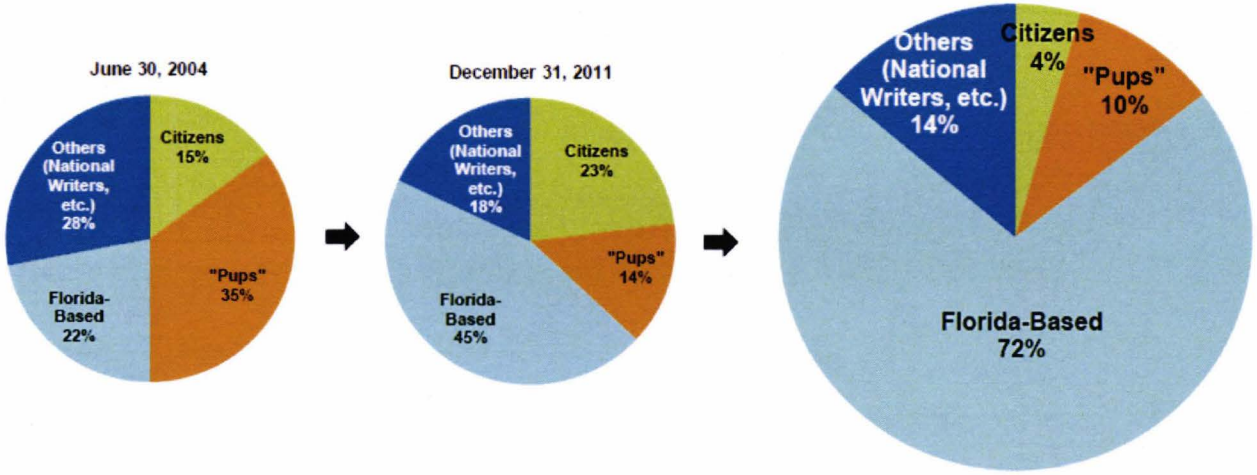
	Personal Lines Account	Coastal Account	Commercial Lines Account	Total
2010	829,406	445,679	8,453	**1,283,538**
2011	1,003,856	460,161	8,374	**1,472,391**
2012	860,502	446,163	8,146	**1,314,811**
2013	627,391	386,688	7,615	**1,021,694**
2014	373,617	282,863	4,681	**661,161**
2015	299,902	200,842	3,121	**503,865**
2016	293,118	160,834	1,891	**455,843**
2017	300,507	138,591	1,308	**440,406**
2018	304,507	121,971	919	**427,397**
Q3 2019	302,864	117,701	767	**421,332**

Notes:

1) Excludes takeout policies
2) In 2006, there were 142,980 policies assumed from the Poe Financial Group included in Citizens' total policy count. As these policies remained on the Poe system at the end of that calendar year, they are not allocated at the account level.

Citizens' Position in the Market

Market Share Based on Total Insured Value
For Policies that Include Wind Coverage
Florida Residential Property Insurance Market
Includes Trade Secret Insurers
QUASR Data as of March 31, 2019



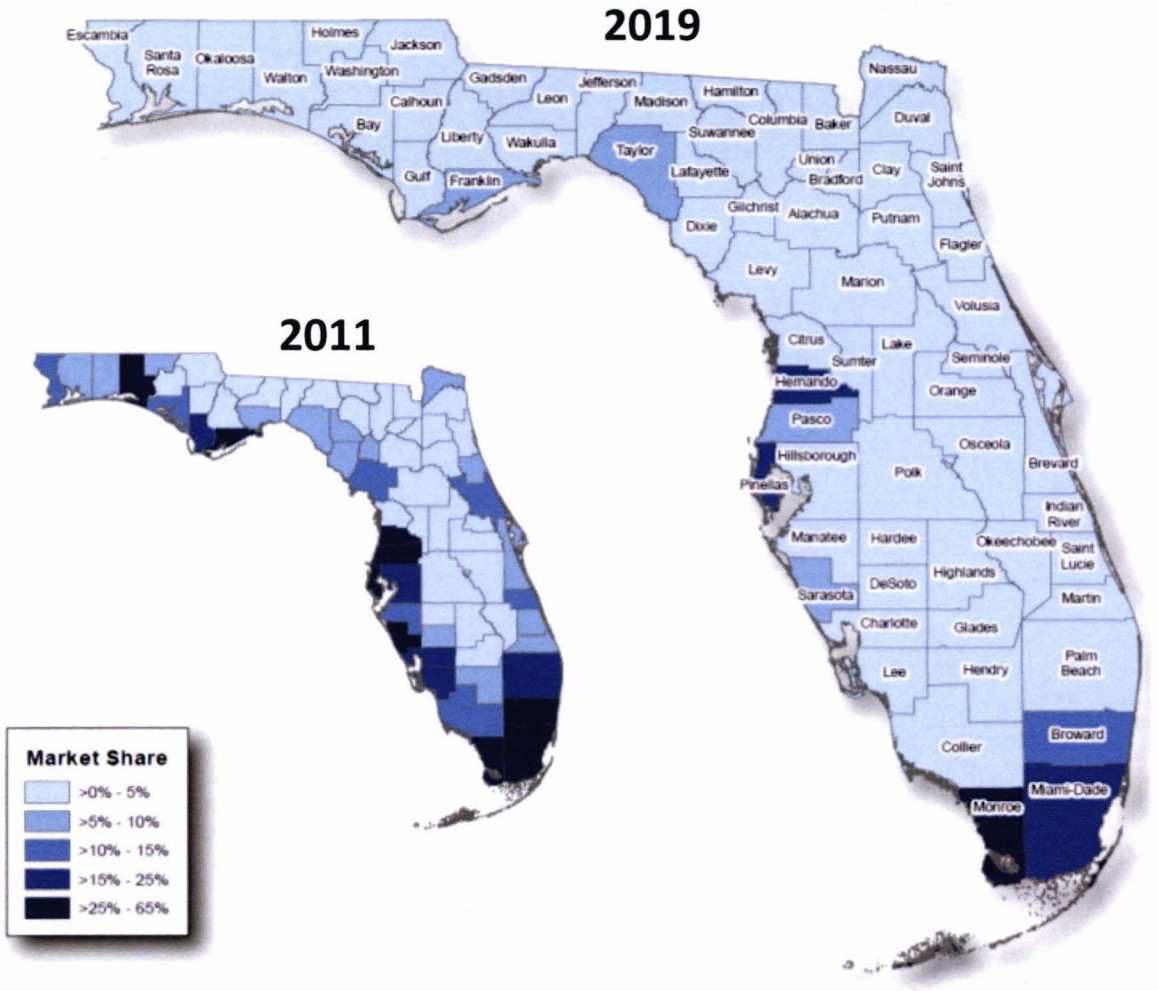
Insurer Category	Total Insured Value
Citizens	$101,793,657,175
"Pups"	$233,717,913,073
Florida-Based	$1,650,074,339,052
Others	$309,172,319,098
Total	**$2,294,758,228,398**

The Florida Residential Property Insurance Admitted Market is divided into 4 major parts: (i) Citizens; (ii) Florida only subsidiaries "pups" of major national writers; (iii) Florida-based domestic companies; and (iv) non-domestic nationwide property writers, such as USAA, etc.

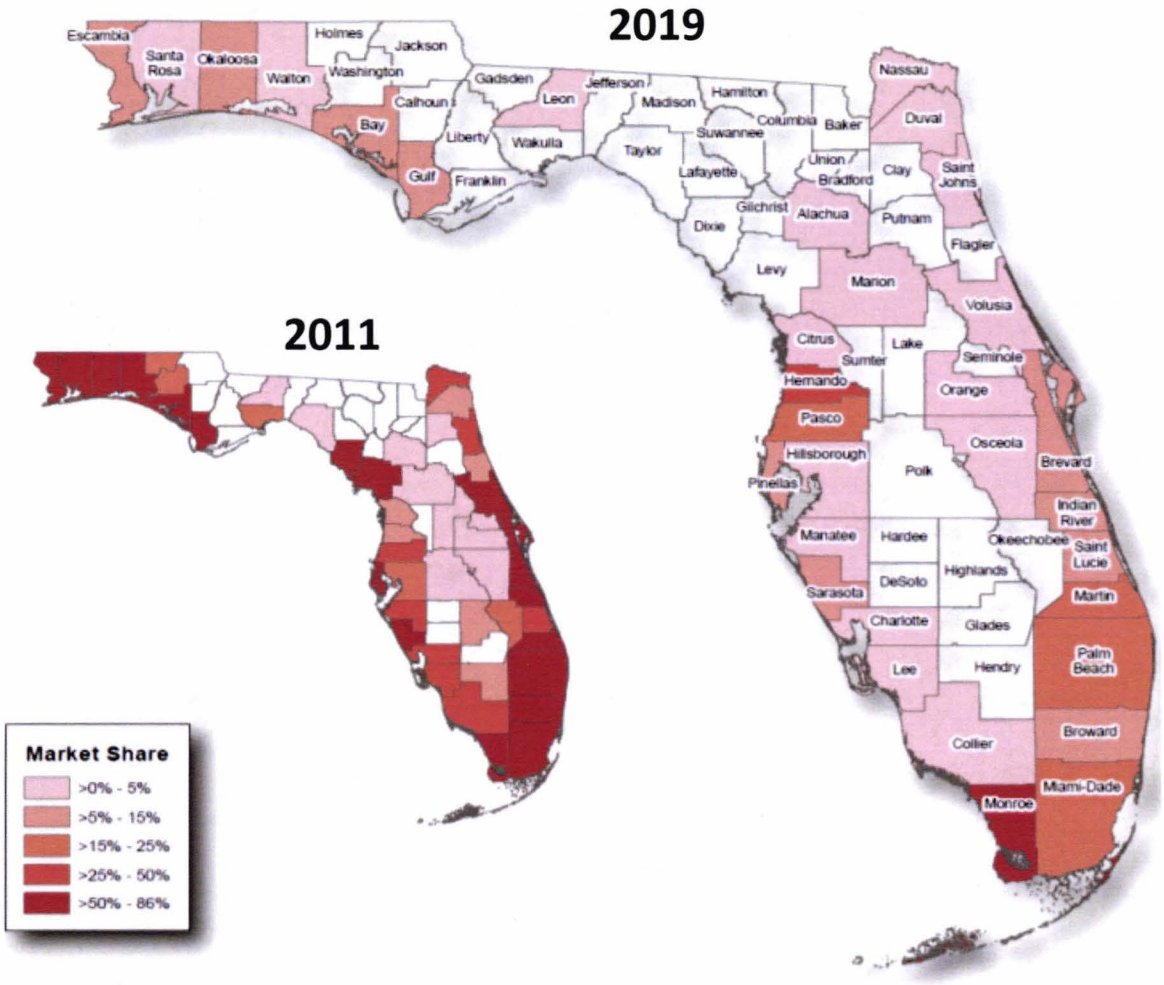
Notes:

1) Includes admitted insurers only
2) Estimates for insurers submitting data under "Trade Secret" protection are detailed in the Data Sources section of the Corporate Analytics Market Share Report
3) Surplus lines companies are not included in the market share calculation
4) Based on total insured value for policies with wind coverage

Citizens' Personal Residential Market Share



Citizens' Commercial Residential Market Share



What Caused Citizens' growth?

By 2011, Citizens peaked at ~ 1.5 million policies.

Challenges to private market profitability:

- 2004/2005 hurricane seasons
- Sinkhole crisis
- Unfavorable litigation environment
- Generally low profit margin in Florida
- Increased cost of reinsurance

National/regional carriers exited or restricted writing.

- Market share reduced from 63% in 2004 to 32% in 2011.

Citizens Shrinks 2011-2019

What changed?

From 2011 to 2019, Citizens' policy count reduced from an all-time high of ~1.5M policies to ~420k policies.

- Low reinsurance rates
- New Florida domestic carriers/programs entering the market
  - Elimination of ceding commissions encouraged domestic carriers
- Robust depopulation of Citizens policies
- Increased competition and several years of rate decreases
- 10 years without significant hurricane activity (2006-2015)

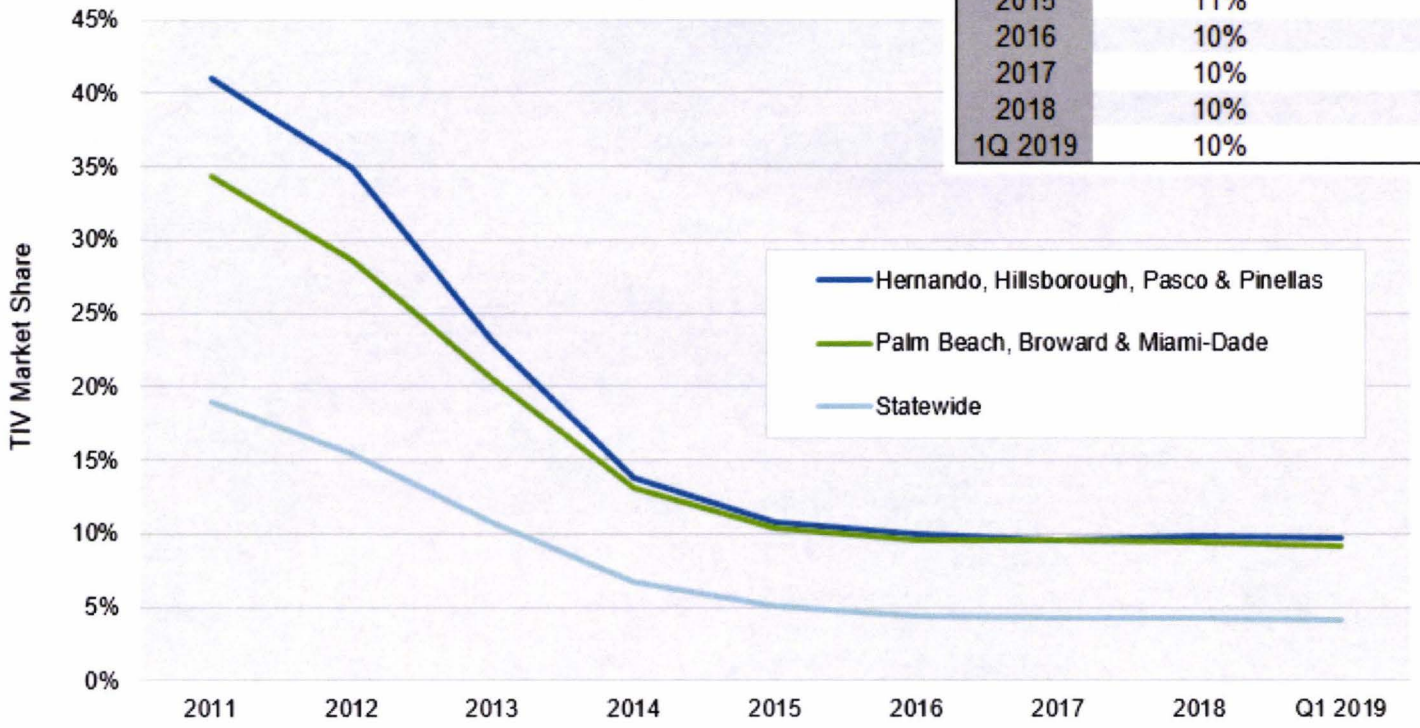
Florida domestic carriers experienced significant growth.

- Market share increased from 45% in 2011 to 72% in 2019.

Citizens' Market Share has Stabilized

Personal Residential Market Share by Total Insured Value

Year	Hernando, Hillsborough, Pasco & Pinellas	Palm Beach, Broward & Miami-Dade	Statewide
2011	41%	34%	19%
2012	35%	29%	15%
2013	23%	21%	11%
2014	14%	13%	7%
2015	11%	10%	5%
2016	10%	10%	4%
2017	10%	10%	4%
2018	10%	9%	4%
1Q 2019	10%	9%	4%



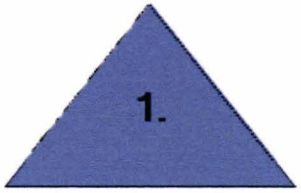
Financial Resources

Citizens has at its disposal both the traditional resources available to all property and casualty companies that conduct business in the state as well as assessment powers granted to Citizens by law.

Traditional Financial Resources
• Insurance Premiums • Investment Income • Operating Surplus from Prior Years • Florida Hurricane Catastrophe Fund Reimbursements • Traditional Reinsurance and Capital Markets Risk Transfer

Unique Financial Resources
• Citizens' Policyholder Surcharges • Regular Assessments (Coastal only) • Emergency Assessments • Pre-event liquidity resources (debt issuances and lines of credit which, if drawn upon, must be repaid)

Assessments



Citizens Policyholder Surcharge

Up to 15% per account for Coastal Account, PLA, and/or CLA deficits

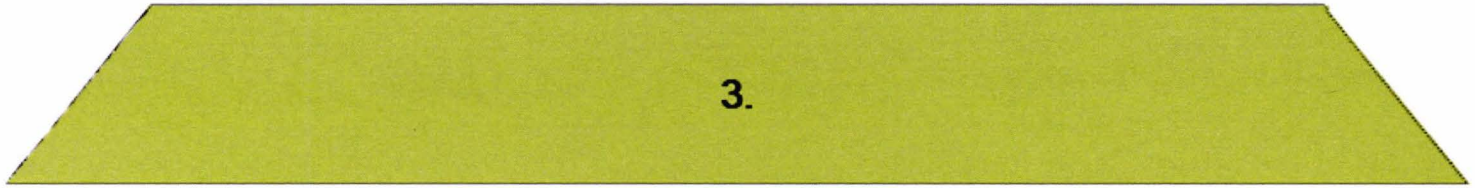
Applies at new business/renewal for all Citizens' policyholders



Regular Assessment

Up to 2% for Coastal Account deficits

Applies at new business/renewal for all non-Citizens' policyholders



Emergency Assessment

Up to 10% per year per account for Coastal Account, PLA and/or CLA deficits

Applies at new business/renewal for all Citizens' and non-Citizens' policyholders

Assessments

Year	Account	Principal Storm(s)	Regular Assessment Amount	Emergency Assessment Amount
2005	HRA	Hurricanes Dennis, Katrina, Rita, Wilma	$163 million*	$1,384 million
2004	HRA	Hurricanes Charley, Frances, Ivan, Jeanne	515.4 million	
1998	HRA	Hurricane Georges and Tropical Storm Mitch	100.0 million	
1995	PLA	Hurricane Opal	22.8 million	
1995	HRA	Hurricane Opal	84.0 million	
1995	HRA	Hurricane Erin	33.0 million	
1994	PLA	Non-hurricane	17.7 million	
1993	HRA	Winter Storm	3.2 million	
1992	HRA	Hurricane Andrew	16.2 million	
1985	HRA	Hurricane Elena	3.2 million	
1975	HRA	Hurricane Eloise	5.0 million	

* 2005 Regular Assessments were eliminated in the PLA/CLA and reduced in the HRA due to the receipt of a $715 million, one-time appropriation from the Legislature.

- The 2005 Emergency Assessment was terminated for policies issued or renewed beginning on July 1, 2015
- Currently, no assessments are being levied by Citizens

Financial Overview

Financial Summary (in billions)	2019	2018	2017	Book of Business	Sep-2019	Change Last Mth	Change Last Yr
Surplus[1]	$6.3	$6.2	$6.4	Total Premium Inforce	$849M	0.4%	-3.1%
100-YR PML[2]	$4.5	$4.7	$5.2	Average Premium - PLA	$1,757	0.1%	4.0%
Claims-Paying Capacity[3]	$11.0	$11.5	$11.9	Average Premium - Coastal	$2,590	0.2%	1.0%
Total Cash and Invested Assets[4]	$8.9	$9.3	$10.1	Average Premium – CLA	$15,995	0.1%	-2.9%

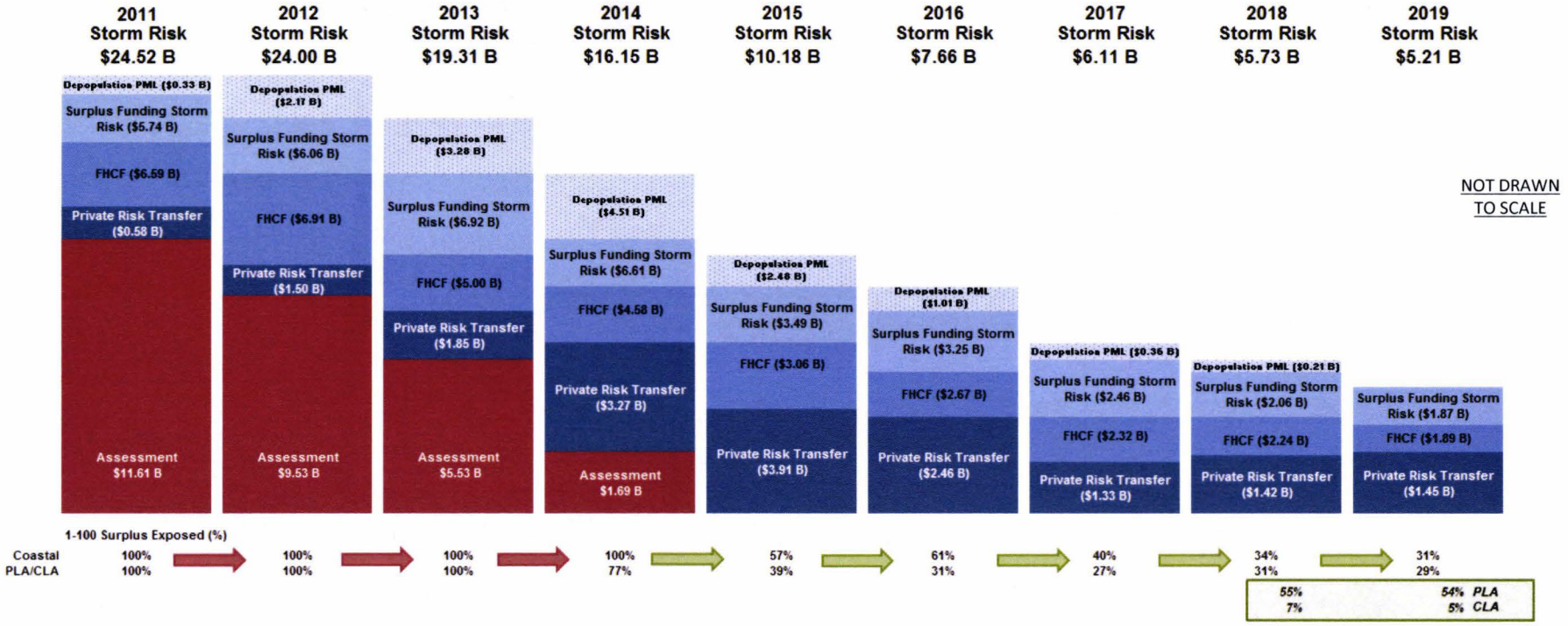
[1] Accumulated Surplus is determined in accordance with Statutory Accounting Principles (SAP). Values for 2017 and 2018 are *audited*; 2019 is *unaudited* as of August.
[2] Occurrence Probable Maximum Loss ("PML") includes demand surge, excludes storm surge, and does not include LAE. Values for 2017 and 2018 are year end; 2019 is June month end.
[3] Claims Paying Capacity consists of (1) Statutory Surplus, (2) risk transfer for storm season (including FHCF coverage) and (3) par value of pre-event bonds. Please note that this figure shows resources on a combined basis. However, resources are specific to each account and may not be used to fund needs in another account.
[4] Total Cash and Invested Assets for 2019 are as of August

- While Citizens continues to have a healthy financial position, the PLA has had net losses in multiple years:
  - Through August 2019 (unaudited): $25,468,000
  - 2018 (audited): ($135,861,000) *
  - 2017 (audited): ($555,475,000) **
  - 2016 (audited): ($35,017,000)
  - 2015 (audited): ($21,489,000)

* Due to Hurricanes Michael and Irma
**Due to Hurricane Irma

Storm Risk: 1 in 100 year PML

Public Summary of Citizens Assessment Reduction Efforts Over Time



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 31, 2017.
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 - 2019, 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 - 2019 which are Citizens' initial data submission to the FHCF.
4. Depopulation PMLs are not included in storm risk totals and are presented as year end totals. As of Sept 30th, 2019 depopulation PML is ~0$.04B and is not shown on chart
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 - 2019 PMLs reflect only SSST event catalog.

Eligibility

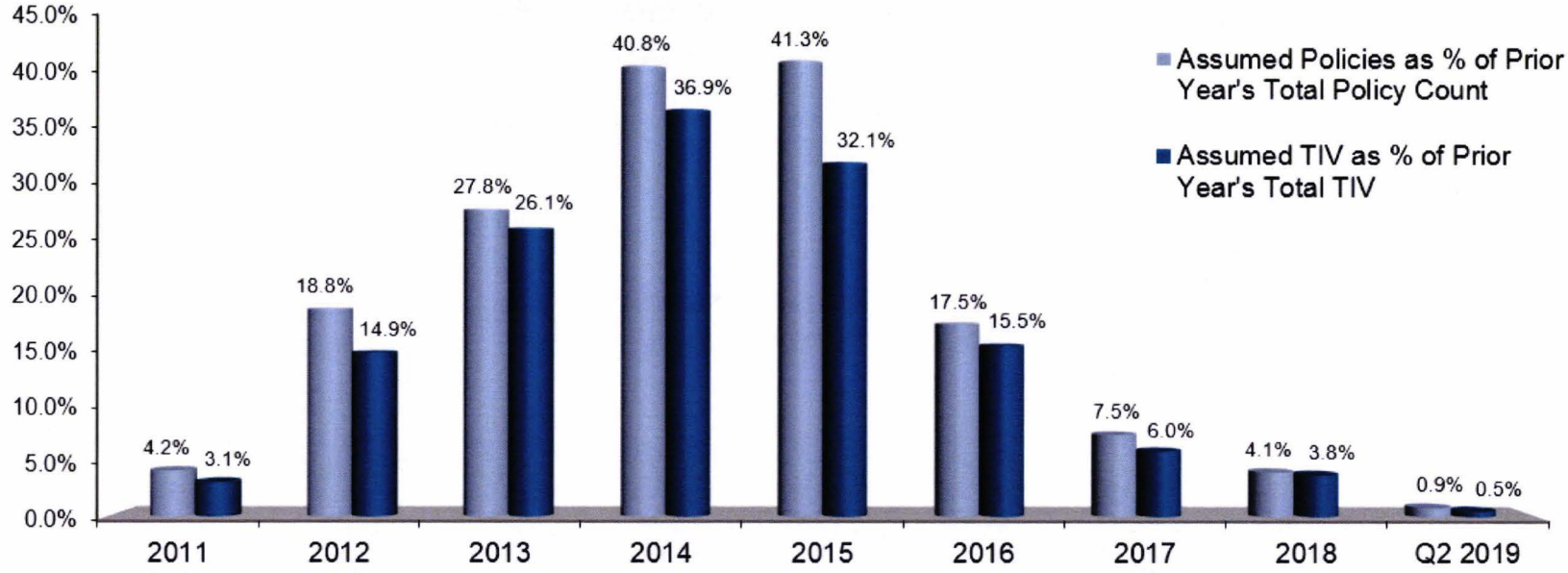
- Under Florida law, Citizens may write a new insurance policy only for property that meets one of the following eligibility criteria:
    - Coverage is not available from a Florida-authorized insurance company
    - Premiums for coverage from Florida-authorized insurance companies are more than 15 percent higher than the premiums for comparable coverage from Citizens

- In 2013 the legislature created a Property Insurance Clearinghouse to help identify private-market insurance options for consumers who believe Citizens might be their only choice for property insurance and to ensure that only customers who are eligible obtain coverage from Citizens

- Citizens' Depopulation Program, authorized by Florida law, matches Citizens policyholders with insurance companies interested in removing their policy from Citizens and providing private-market coverage for their policy. All companies assuming policies from Citizens have been approved by the Office of Insurance Regulation (OIR)

Declining Depopulation is Indicative of a Residual Market

Policies Taken Out Relative to Citizens' Inforce Policies



Year	Total Participating Companies	Total Policies Assumed	Citizens Inforce Policies	Assumed Policies as % of Prior Year's Total Policy Count	Total Insured Value (TIV) Assumed	Citizens Inforce Total Insured Value	Assumed TIV as % of Prior Year's Total TIV
2011	3	53,577	1,472,391	4.2%	$14,473,700,490	$510,675,120,913	3.1%
2012	7	277,002	1,314,811	18.8%	$75,927,165,347	$429,424,399,130	14.9%
2013	18	365,767	1,021,694	27.8%	$112,265,410,122	$318,887,485,544	26.1%
2014	21	416,623	661,161	40.8%	$117,530,082,371	$201,957,396,325	36.9%
2015	14	272,785	503,865	41.3%	$64,830,051,559	$150,495,190,065	32.1%
2016	11	88,000	455,843	17.5%	$23,362,914,453	$124,063,055,743	15.5%
2017	7	34,008	440,406	7.5%	$7,435,411,434	$112,309,524,847	6.0%
2018	4	17,905	427,397	4.1%	$4,307,930,768	$108,896,296,069	3.8%
Q2 2019	2	3,664	420,615	0.9%	$590,259,277	$107,115,372,245	0.5%

Note: The number of assumed policies does not account for any opt-out policies reported after the assumption date

CITIZENS
PROPERTY INSURANCE CORPORATION

Hurricane Dorian

September 3, 2019

Claims Summary	Total	Commercial	Personal
New Claims	107	2	105
Closed Claims	77	1	76
% Closed	72%	50%	72%
Indemnity Paid	$176,815	$0	$176,815
Expenses Paid	$58,379	$0	$58,379
Total Incurred	$357,169	$12,160	$345,009
% Submitted by Self	80%	50%	81%
% Submitted by Rep	7%	0%	7%
% Submitted by Other	13%	50%	12%
% Storm Surge	0%	0%	0%
% AOB	1%	0%	1%

Data as of October 7, 2019

CITIZENS
PROPERTY INSURANCE CORPORATION

Hurricane Michael

October 10, 2018

Claims Summary	Total	Commercial	Personal
New Claims	3,609	59	3,550
Closed Claims	3,328	53	3,275
% Closed	92%	90%	92%
Indemnity Paid	$111,059,975	$9,382,065	$101,677,909
Expenses Paid	$4,347,770	$145,613	$4,202,156
Total Incurred	$122,517,121	$9,810,691	$112,706,430
% Submitted by Self	78%	53%	78%
% Submitted by Rep	1%	14%	1%
% Submitted by Other	21%	34%	20%
% Storm Surge	5%	15%	5%
% AOB	6%	10%	6%

Data as of October 7, 2019

CITIZENS
PROPERTY INSURANCE CORPORATION

Hurricane Irma

September 10, 2017

Claims Summary	Total	Commercial	Personal
New Claims	72,676	2,150	70,526
Closed Claims	65,858	1,873	63,985
% Closed	91%	87%	91%
Indemnity Paid	$1,328,650,442	$109,590,081	$1,219,060,361
Expenses Paid	$202,482,881	$10,932,521	$191,550,360
Total Incurred	$1,739,560,505	$162,624,787	$1,576,935,718
% Submitted by Self	60%	33%	61%
% Submitted by Rep	16%	10%	16%
% Submitted by Other	24%	57%	23%
% Storm Surge	4%	14%	4%
% AOB	11%	6%	11%

Data as of October 7, 2019

CITIZENS
PROPERTY INSURANCE CORPORATION

Hurricane Matthew

October 6, 2016

Claims Summary	Total	Commercial	Personal
New Claims	3,367	194	3,173
Closed Claims	3,306	186	3,120
% Closed	98%	96%	98%
Indemnity Paid	$26,539,213	$6,389,303	$20,149,909
Expenses Paid	$4,848,067	$720,398	$4,127,668
Total Incurred	$33,324,699	$7,709,245	$25,615,454
% Submitted by Self	69%	30%	71%
% Submitted by Rep	3%	2%	3%
% Submitted by Other	29%	69%	26%
% Storm Surge	0%	0%	0%
% AOB	5%	6%	5%

Data as of October 7, 2019

CITIZENS
PROPERTY INSURANCE CORPORATION

Hurricane Hermine

September 1, 2016

Claims Summary	Total	Commercial	Personal
New Claims	905	17	888
Closed Claims	891	16	875
% Closed	98%	94%	99%
Indemnity Paid	$2,315,069	$153,923	$2,161,146
Expenses Paid	$1,099,733	$35,468	$1,064,265
Total Incurred	$3,937,569	$350,391	$3,587,178
% Submitted by Self	71%	41%	71%
% Submitted by Rep	3%	6%	3%
% Submitted by Other	26%	53%	26%
% Storm Surge	0%	0%	0%
% AOB	4%	0%	4%

Data as of October 7, 2019

Open Hurricane Claims

Claims Team	Hermine	Matthew	Irma	Michael	Dorian
FNOL	1		171	11	21
Large Loss		1	5		
Loss Assessment			5	1	
MH – Total Loss			2	18	
Mediation			20	2	
Appraisal	1	5	1,825	179	3
Litigation – AOB	2	8	384	13	
Litigation	8	45	4,367	46	1
Subrogation			76	2	
Total Open	**15**	**59**	**6,853**	**272**	**25**

Data as of October 14, 2019

Florida Specialty

On October 2, 2019, Florida Specialty Insurance Company was ordered into receivership by the State of Florida. Florida Specialty policies will be cancelled effective November 1, 2019 at 12:01 a.m. and will cease providing homeowners coverage for approximately 91,000 Personal Lines customers.

Agent Communications

- Citizens has implemented expedited appointment and agency agreement processes for Florida Specialty agents and agencies that are not currently appointed with Citizens and want to do business with us.
- Beginning on or after October 14, Citizens will have an expedited new-business application process for Florida Specialty customers which relaxes our eligibility rules including the Property Insurance Clearinghouse and required document procedures at this time. Agents must be appointed by Citizens to use this process.
- Citizens has scheduled four free webinars for Citizens-appointed agents to learn about moving their Florida Specialty risks to Citizens.
- FAQ entries have been updated with all pertinent Florida Specialty information and additional training materials are in development.

Florida Specialty

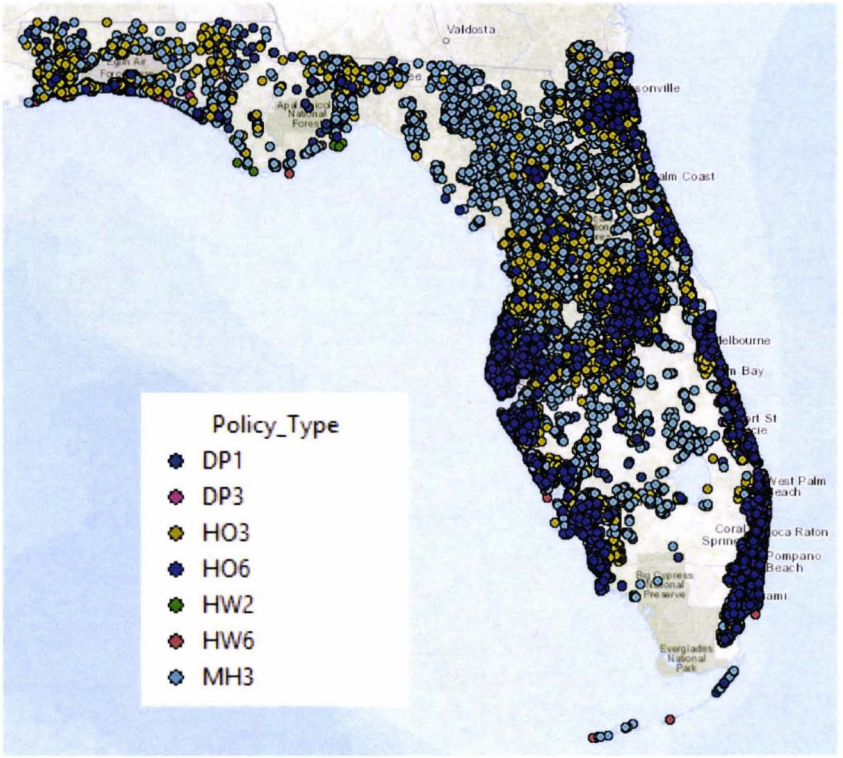
Policyholder Communications

- All Florida Specialty customers received a notice from the Department of Financial Services regarding the liquidation of Florida Specialty.
- Customers are encouraged to contact their agent to secure insurance coverage prior to the cancellation of their policy to ensure continued, uninterrupted property coverage.
- Regardless of whether their agent is appointed with Citizens, all Florida Specialty policyholders have the option to accept Citizens' guaranteed one-year offer of coverage if they are unable to secure coverage from the private market.
- Information was included in the notice to direct customers to the Citizens' website page dedicated to Florida Specialty for additional details and a link to FAQs specific to the Florida Specialty liquidation.
- Additional planned communication includes a letter explaining the initial invoice and payment scenarios with Citizens.

Florida Specialty

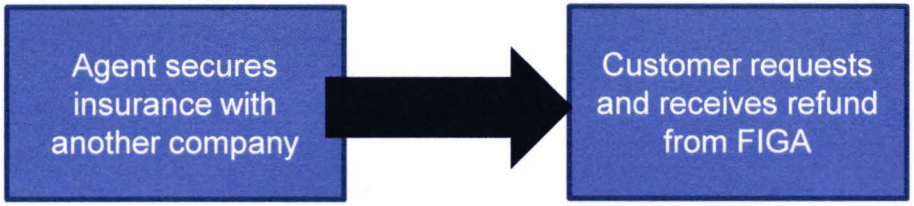
Policy Counts by Form							
DP-1	DP-3	HO-3	HO-6	HW-2	HW-6	MHO-3	Total
6,301	4,665	39,661	8,987	576	1,298	28,571	90,059

Agent Counts by Status	
Appointed with Citizens	2,137
Not Appointed with Citizens	1,041
Total	3,178

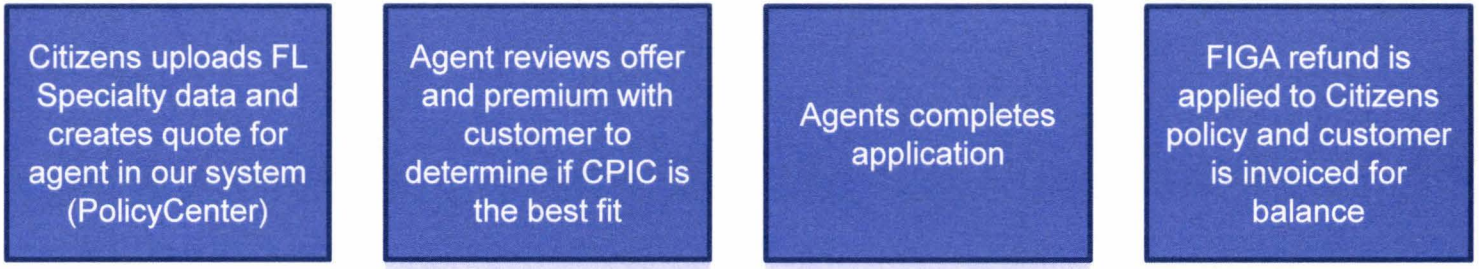


The Process

FL Specialty to Florida Insurance Guaranty Association (FIGA)



FL Specialty to Citizens



Off Ramps:
- Changing Data
- Adding a Mortgagee

UW Requirements & Documents Temporarily Waived
- Application
- Inspections
- WLM
- RCE

Timeline of Events

CITIZENS
PROPERTY INSURANCE CORPORATION

System (PolicyCenter)

Quick Quote:
- Quotes uploaded into PolicyCenter.
- Activity generated on agent desktop.

Bind Risks:
- Agents can bind risks with Citizens
- FIGA refund will come directly to Citizens and apply to new policy down payment.
- Deadline of 10/31

Effective Date: Date Citizens coverage will become effective

Oct 10-11 | **Oct 14 - Oct 31** | **Nov 1**

October 1

Oct 3

"Receiver Letter"
To Customer: Letter from the receiver regarding what has happened.

"Receiver Email"
To Agent: Email from the receiver regarding what has happened.

"Website Go-Live"
Citizens will stand up Florida Specialty webpage www.citizensfla.com/floridaspecialty **(public)**

Oct 4

"Calming Email"
To Agent: Citizens is Ready to Help.

Oct 7-8

"Process Email"
To Agent: How to take advantage of this program.

"Data Files Email"
To Agent: File to each agent with their affected policies.

Oct 10

"Agent Decline Letter"
To Customer: Citizens will send a letter if the agent declines to be appointed with Citizens.

Oct 14-15

"Webinars"
How to take advantage of this program.
(for agents)

Oct 21

"Halftime Report"
To Agents: Report of policies still not bound.

Oct 28

"Two Minute Warning"
To Agents: Report of policies still not bound.

November 1

Additional Policyholder Communication: Citizens will be sending additional policyholder communication after risk is bound (post 11/1) regarding the full, partial or zero premium posted (different letter for each scenario).

Communication & Education