



**FILED**

**JUN 25 2012**

OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY  
COMMISSIONER

OFFICE OF  
INSURANCE REGULATION  
Docketed by:                     

IN THE MATTER OF:

Case No.: 125161-12

CITIZENS PROPERTY INSURANCE CORPORATION

**ORDER APPROVING AMENDMENTS TO CITIZENS' PERSONAL RESIDENTIAL  
AND COMMERCIAL RESIDENTIAL NON-BONUS TAKEOUT PLANS**

To: Tom Grady, Interim President  
Citizens Property Insurance Corporation  
101 North Monroe Street, Suite 1000  
Tallahassee, Florida 32301

THIS MATTER came before the Office of Insurance Regulation (hereinafter referred to as the "OFFICE") for consideration upon the filing by Citizens Property Insurance Corporation (hereinafter referred to as "CITIZENS") for the OFFICE's approval of amendments to the Personal Residential and Commercial Residential Non-Bonus Takeout Plans (hereinafter referred to as the "Takeout Plans"). The OFFICE, having considered the provisions of the amended Takeout Plans, and being fully advised in the premises, hereby finds as follows:

1. The OFFICE has jurisdiction over the parties and the subject matter of these proceedings.
2. Pursuant to Section 627.351(6)(q)3.a., Florida Statutes, CITIZENS shall adopt one or more programs for the reduction of both new and renewal writings in the corporation. The programs are subject to approval by the OFFICE.
3. The Board of Governors of CITIZENS, at its duly noticed and convened meeting of February 23, 2012, approved the amendments to the Takeout Plans. On or about April 23,

2012, CITIZENS submitted to the OFFICE for approval both the amendments to the Personal Residential and Commercial Residential Takeout Plans.

4. The amended Takeout Plans are attached hereto as Exhibits A and B.

5. Approval of the amended Takeout Plans shall not constitute the OFFICE's approval of any specific insurance company depopulation plans subject to the OFFICE's review.

IT IS THEREFORE ORDERED:

Subject to the terms and conditions outlined above, the amended Personal Residential and Commercial Residential Takeout Plans approved by the CITIZENS' Board of Governors on February 23, 2012, are APPROVED.

DONE and ORDERED this 25<sup>th</sup> day of June, 2012.



  
Kevin M. McCarty, Commissioner  
Office of Insurance Regulation

**Citizens Property Insurance Corporation  
Personal Residential Non-Bonus Takeout Plan**

**General**

The contract period to remove policies from Citizens will be eighteen (18) months. This document is provided as an overview of Citizens' takeout plan. Each assuming carrier's assumption agreement (contract) will outline specific details and should be carefully reviewed for additional requirements and specifications. In addition, all assumptions must be done in compliance with the Personal Residential Non-Bonus Takeout Timelines and Requirements attached as prescribed by Citizens.

**PLA or Coastal Personal Residential Takeout Plan**

1. During the eighteen (18) month takeout contract period the assuming carrier must remove a minimum of either:
  - a. 10,000\* policies with wind coverage; OR
  - b. Policies with wind coverage that have a cumulative Total Insured Value (Coverages A, B, C & D combined) of at least two (2) billion dollars\*.
2. Any single assumption in a takeout contract period must remove a minimum of 2,500 policies or a Total Insured Value (Coverages A, B, C & D combined) of 500 million dollars.
3. Policies must be retained by the assuming carrier for a minimum of three (3) years.
  - \* Takeouts consisting exclusively of Mobile Home policies have the following minimums:
    - 2,500 policies
    - TIV requirement does not apply to MH only Take-outs.

**Policy Cancellations**

**Valid Cancellations:**

A "Valid Cancellation Reason" includes the following:

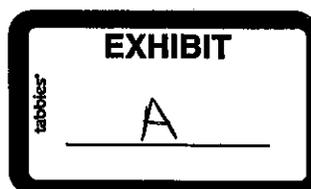
1. Non-payment of premium; or
2. Insured initiated cancellation (e.g. transfer of ownership, insured request, policy replaced, etc).

Policies that cancel for a Valid Cancellation Reason will count toward minimum policy / TIV requirements

**Invalid Cancellations:**

An "Invalid Cancellation Reason" includes any insurer initiated cancellation other than described above. Policies that cancel for an Invalid Cancellation Reason will not count toward any minimum policy / TIV requirements.

Carefully review the assumption agreement, as there are other requirements and specifications. Assuming carriers are also required to adhere to all requirements of the Florida Office of Insurance Regulation.



**Citizens Property Insurance Corporation  
Commercial Non-Bonus Takeout Plan**

**General**

The contract period to remove commercial policies from Citizens will be eighteen (18) months. This document is provided as an overview of Citizens' takeout plan. Each assuming carrier's assumption agreement (contract) will outline specific details and should be carefully reviewed for additional requirements and specifications. In addition, all assumptions must be done in compliance with the Commercial Non-Bonus Takeout Timelines and Requirements as prescribed by Citizens.

**CLA or Coastal Commercial Residential Takeout Plan**

1. During the eighteen (18) month take-out contract period the assuming carrier must remove a minimum of either:
  - a. 500 policies with wind coverage; OR
  - b. Policies with wind coverage that have a cumulative Total Insured Value (building, Contents, & Special Class items; Coverages A, B, & C combined) of 3.5 billion dollars.
2. Any single assumption in a takeout contract period must remove a minimum of 100 policies or a Total Insured Value (Building, Contents, & Special Class items; Coverages A, B, & C combined) of 700 million dollars.
3. Policies must be retained by the assuming carrier for a minimum of three (3) years.

**Policy Cancellations**

**Valid Cancellations:**

A "Valid Cancellation Reason" includes the following:

1. Non-payment of premium; or
2. Insured initiated cancellation (e.g. transfer of ownership, insured request, policy replaced, etc).

Policies that cancel for a Valid Cancellation Reason will count toward minimum policy / TIV requirements.

**Invalid Cancellations:**

An "Invalid Cancellation Reason" includes any insurer initiated cancellation other than described above. Policies that cancel for an Invalid Cancellation Reason will not count toward any minimum policy / TIV requirements.

Carefully review the assumption agreement as there are other requirements and specifications. Assuming carriers are also required to adhere to all requirements of the Florida Office of Insurance Regulation.

Board of Governors Approved Edits -- February 23, 2012  
Office of Insurance Regulation Approved March 11, 2008  
Board of Governors Approved January 25, 2008

