



1. The OFFICE has jurisdiction over the subject matter and of the parties herein.
2. CITIZENS was created by statute with the public purpose to ensure the existence of an orderly market for property insurance for Floridians and Florida businesses.
3. In accordance with Section 627.351(6)(n) of the Florida Statutes, CITIZENS' rates must meet the following requirements:

(n)1. Rates for coverage provided by the corporation shall be actuarially sound and subject to the requirements of s. 627.062, except as otherwise provided in this paragraph. The corporation shall file its recommended rates with the office at least annually. The corporation shall provide any additional information regarding the rates which the office requires. The office shall consider the recommendations of the board and issue a final order establishing the rates for the corporation within 45 days after the recommended rates are filed. The corporation may not pursue an administrative challenge or judicial review of the final order of the office.

2. In addition to the rates otherwise determined pursuant to this paragraph, the corporation shall impose and collect an amount equal to the premium tax provided for in s. 624.509 to augment the financial resources of the corporation.

3. After the public hurricane loss-projection model under s. 627.06281 has been found to be accurate and reliable by the Florida Commission on Hurricane Loss Projection Methodology, that model shall serve as the minimum benchmark for determining the windstorm portion of the corporation's rates. This subparagraph does not require or allow the corporation to adopt rates lower than the rates otherwise required or allowed by this paragraph.

4. The rate filings for the corporation which were approved by the office and which took effect January 1, 2007, are rescinded, except for those rates that were lowered. As soon as possible, the corporation shall begin using the lower rates that were in effect on December 31, 2006, and shall provide refunds to policyholders who have paid higher rates as a result of that rate filing. The rates in effect on December 31, 2006, shall remain in effect for the 2007 and 2008 calendar years except for any rate change that results in a lower rate. The next rate change that may increase rates shall take effect pursuant to a new rate filing recommended by the

corporation and established by the office, subject to the requirements of this paragraph.

5. Beginning on July 15, 2009, and each year thereafter, the corporation must make a recommended actuarially sound rate filing for each personal and commercial line of business it writes, to be effective no earlier than January 1, 2010.

4. The process described in the above-referenced statutory provisions requires CITIZENS to file rate recommendations with the OFFICE. The OFFICE then establishes the rates for CITIZENS by final order. This differs from the process for private insurers, wherein the OFFICE approves or disapproves the rates filed.

5. The rate filings governed by this Order are for new and renewal rates to be effective no earlier than February 1, 2015.

6. CITIZENS submitted the following commercial lines rate filings to the OFFICE pertaining to the Commercial Lines Account and the Coastal Account which are the subject of this Order:

- FCC 14-14056 Commercial Lines Account Commercial Non-Residential Property Multi-Peril
- FCC 14-14264 Coastal Account Commercial Non-Residential Property Wind Only
- FCC 14-14425 Coastal Account Commercial Residential Property Wind Only (Excluding Condo Associations)
- FCC 14-14426 Coastal Account Commercial Residential Property Condo Association Wind Only
- FCC 14-15064 Commercial Lines Account Commercial Residential Property Condo Association Multi-Peril
- FCC 14-15157 Commercial Lines Account Commercial Residential Property Multi-Peril ( Excluding Condo Associations)

## MODIFICATIONS

7. The following modifications were made to the rate indications originally filed by CITIZENS:

- a) **All Other Perils and Sinkhole Loss Trend:** The OFFICE adjusted the industry loss frequency trend to reflect that it is for non-Hurricane and non-Catastrophe perils.
- b) **Non-Hurricane Catastrophe Losses:** The OFFICE used CITIZENS' actual data and not a combination of CITIZENS' actual data and industry data.
- c) **Net Cost of Liquidity and Reinsurance:** The OFFICE adjusted the calculation of the Net Cost of Liquidity and Private Reinsurance for the Coastal Account Commercial Residential Program to include "Other" Structures and for the Commercial Lines Account Commercial Residential Program to include some Spec-Rated and Open-Sided structures in the cost allocation.
- d) **Temporary Increased Coverage Limit (TICL) Replacement:** The OFFICE adjusted the calculation of the TICL replacement cost for the Coastal Account Commercial Residential Program to reflect 90% coverage by the Florida Hurricane Catastrophe Fund.
- e) **Territorial rate indications:** The OFFICE included the net cost of reinsurance for the Commercial Lines Account and the Coastal Account Commercial Non-Residential Property Program territorial indications.

## RATES ESTABLISHED

### COMMERCIAL LINES ACCOUNT COMMERCIAL NON-RESIDENTIAL PROPERTY—MULTI-PERIL PROGRAM

8. On or about August 5, 2014, CITIZENS filed with the OFFICE Rate Filing FCC 14-14056 for the Commercial Lines Account Commercial Non-Residential Property Multi-Peril Program. CITIZENS proposed an overall average statewide rate increase of 4.9%, with an effective date of February 1, 2015 for new and renewal business. The OFFICE reviewed the information provided by CITIZENS, and based on its findings, hereby establishes the rates that CITIZENS shall implement to reflect an overall average statewide rate increase of 4.6% to meet the requirements of Section 627.351(6)(n), Florida Statutes. This rate effect is an estimate based on in-force policy distributions and the rates in this Order. A chart listing the established rate changes for the Commercial Lines Account Commercial Non-Residential Property Multi-Peril Program is attached hereto as “**Attachment A.**”

### COASTAL ACCOUNT COMMERCIAL NON-RESIDENTIAL PROPERTY—WIND ONLY PROGRAM

9. On or about August 6, 2014, CITIZENS filed with the OFFICE Rate Filing FCC 14-14264 for the Coastal Account Commercial Non-Residential Property Wind Only Program. CITIZENS proposed an overall uniform rate increase of 10.0% to each territory for both Class Rated and Special Class risks, with an effective date of February 1, 2015 for new and renewal business. The OFFICE reviewed the information provided by CITIZENS, and based upon its findings, approves the proposed rate request as filed for the Coastal Account Commercial Non-Residential Property Wind Only Program. CITIZENS shall implement the 10.0% rate increase uniformly across all territories.

10. A chart entitled “Coastal Account—Commercial Lines Wind Only” is attached hereto as “**Attachment B.**” The chart lists the established rate changes set forth in paragraph 9, above, and 11 through 13, below.

**COASTAL ACCOUNT COMMERCIAL RESIDENTIAL PROPERTY  
(EXCLUDING CONDOMINIUM ASSOCIATIONS)—WIND ONLY PROGRAM**

11. On or about August 8, 2014, CITIZENS filed with the OFFICE Rate Filing FCC 14-14425 for the Coastal Account Commercial Residential Property Wind Only Program (Excluding Condominium Associations). CITIZENS proposed an overall average statewide rate increase of 9.6%, with an effective date of February 1, 2015 for new and renewal business. The OFFICE reviewed the information provided by CITIZENS, and based upon its findings, approves the proposed rate request as filed. CITIZENS shall implement an overall average statewide rate increase of 9.6% to meet the requirements of Section 627.351(6)(n), Florida Statutes. This rate effect is an estimate based on in-force policy distributions and the rates in this Order.

**COASTAL ACCOUNT COMMERCIAL RESIDENTIAL CONDOMINIUM  
ASSOCIATIONS PROPERTY—WIND ONLY PROGRAM**

12. On or about August 8, 2014, CITIZENS filed with the OFFICE Rate Filing FCC 14-14426 for the Coastal Account Commercial Residential Condominium Associations Property Wind Only Program. CITIZENS proposed an overall average statewide rate increase of 8.9%, with an effective date of February 1, 2015 for new and renewal business. The OFFICE reviewed the information provided by CITIZENS, and based on its findings, approves the proposed rate request as filed. CITIZENS shall implement an overall average statewide rate increase of 8.9% to meet the requirements of Section 627.351(6)(n), Florida Statutes. This rate effect is an estimate based on in-force policy distributions and the rates in this Order.

13. Also included in filings FCC 14-14425 and FCC 14-14426 are the Special Class Rated Risks for Group A and Group B for the Coastal Account Commercial Residential Property Wind Only Program with proposed overall average statewide rate increases of 9.1% and 8.6%, respectively. The OFFICE reviewed the information provided by CITIZENS, and based on its findings, approves the proposed rate request as filed. CITIZENS shall implement the overall average statewide rate increases of 9.1% for Special Class Rated Risks Group A and 8.6% for Special Class Rated Risks Group B for the Coastal Account Commercial Residential Property Wind Only Program to meet the requirements of Section 627.351(6)(n), Florida Statutes. This rate effect is an estimate based on in-force policy distributions and the rates in this Order.

**COMMERCIAL LINES ACCOUNT COMMERCIAL RESIDENTIAL CONDOMINIUM ASSOCIATION PROPERTY—MULTI-PERIL PROGRAM**

14. On or about August 14, 2014, CITIZENS filed with the OFFICE Rate Filing FCC 14-15064 for the Commercial Lines Account Commercial Residential Condominium Association Property Multi-Peril Program. CITIZENS proposed an overall average statewide rate increase of 0.5%, with an effective date of February 1, 2015 for new and renewal business. This rate effect impact would have caused new business rates for some risks to increase more than 10.0%. CITIZENS documented the rate effect to eliminate this with an adjusted overall proposed rate decrease of 4.1%. The OFFICE reviewed the information provided by CITIZENS and based on its findings, hereby establishes the rates that CITIZENS shall implement to reflect an overall average statewide rate decrease of 4.3% to meet the requirements of Section 627.351(6)(n), Florida Statutes. This rate effect is an estimate based on in-force policy distributions and the rates in this Order. The Florida Hurricane Catastrophe Fund cash build-up factor approved is 8.9% for the Commercial Lines Account Commercial Residential Condominium Association Property Multi-Peril Program.

**COMMERCIAL LINES ACCOUNT COMMERCIAL RESIDENTIAL  
(EXCLUDING CONDOMINIUM ASSOCIATIONS) PROPERTY—MULTI-  
PERIL PROGRAM**

15. On or about August 14, 2014, CITIZENS filed with the OFFICE Rate Filing FCC 14-15157 for the Commercial Lines Account Commercial Residential (Excluding Condominium Association) Property Multi-Peril Program. CITIZENS proposed an overall average statewide rate increase of 0.2%, with an effective date of February 1, 2015 for new and renewal business. This rate effect impact would have caused new business rates for some risks to increase more than 10.0%. CITIZENS documented the rate effect to eliminate this with an adjusted overall proposed rate decrease of 2.2%. The OFFICE reviewed the information provided by CITIZENS, and based on its findings, hereby establishes the rates that CITIZENS shall implement to reflect an overall average statewide rate decrease of 2.4% to meet the requirements of Section 627.351(6)(n), Florida Statutes. This rate effect is an estimate based on in-force policy distributions and the rates in this Order. The Florida Hurricane Catastrophe Fund cash build-up factor approved is 9.5% for the Commercial Lines Account Commercial Residential (Excluding Condominium Associations) Property Multi-Peril Program.

16. Also included in filings FCC 14-15064 and FCC 14-15157 are Special Class Rated Risks for the Commercial Lines Account Commercial Residential Property Multi-Peril Program with a proposed overall average rate decrease of 0.5%. This rate effect impact would have caused new business rates for some risks to increase more than 10.0%. CITIZENS documented the rate effect to eliminate this with an overall rate decrease of 2.0%. The OFFICE reviewed the information provided by CITIZENS and based on its findings, hereby establishes the rates that CITIZENS shall implement to reflect an overall average statewide rate decrease of

2.0% to meet the requirements of Section 627.351(6)(n), Florida Statutes. This rate effect is an estimate based on in-force policy distributions and the rates in this Order.

17. A chart entitled "Commercial Lines Account Residential Property Multi-Peril" is attached hereto as "**Attachment C.**" The chart lists the established rate changes set forth in paragraphs 14 through 16 above.

### GENERAL PROVISIONS

18. Within thirty (30) days of the date of this Order, CITIZENS shall submit to the OFFICE final manual pages and any necessary revisions to the Commercial Lines Rate Collection System information. The final rate level effects included in the Commercial Lines Rate Collection System information must reflect the per policy capping.

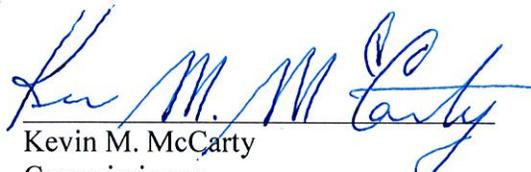
19. No deviations from the aforementioned rates are approved, authorized, or established by entry of this Order.

**THEREFORE**, Rates as detailed herein are **ESTABLISHED** and **APPROVED** for Rate Filing Nos. FCC 14-14056, FCC 14-14264, FCC 14-14425, FCC 14-14426, FCC 14-15064, and FCC 14-15157.

**FURTHER**, all terms and conditions contained herein are hereby **ORDERED**.

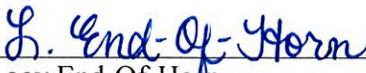
**DONE AND ORDERED** this 19<sup>th</sup> day of September 2014.



  
Kevin M. McCarty  
Commissioner  
Office of Insurance Regulation

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of this ORDER was sent by Certified Mail to: Barry Gilway, President , 2312 Killearn Center Blvd., Bldg. A, Tallahassee, Florida 32309 on this 19<sup>th</sup> day of September, 2014.

  
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Lacy End-Of-Horn  
Assistant General Counsel  
Office of Insurance Regulation  
J. Edwin Larson Building  
200 East Gaines Street  
Tallahassee, FL 32399-4206

COPIES FURNISHED TO:

BARRY GILWAY, President  
Citizens Property Insurance Corporation  
Corporate Offices  
2312 Killearn Center Blvd., Bldg. A  
Tallahassee, Florida 32309

DAN SUMNER, Corporate Counsel  
Citizens Property Insurance Corporation  
Corporate Offices  
2312 Killearn Center Blvd., Bldg. A  
Tallahassee, Florida 32309

RICHARD C. KOON, Deputy Commissioner  
Property and Casualty  
Office of Insurance Regulation  
200 East Gaines Street, Suite 233D  
Tallahassee, Florida 32399-0329

LACY END-OF-HORN, Esquire  
Assistant General Counsel  
Office of Insurance Regulation  
200 East Gaines Street, Suite 646A  
Tallahassee, Florida 32399-6502

**Attachment - A**

**Commercial Lines Account Non-Residential Property Multi-Peril**

<u>Territory</u>	<u>Territory Description</u>	<u>Rate Change</u>
1	Seacoast Zone 1	10.0%
2	Seacoast Zone 2	5.1%
3	Seacoast Zone 3	-1.7%
4	Inland	4.9%
5	Monroe ex. Key West	8.7%
6	Key West	7.6%

**Attachment - B**

**Coastal Account - Commercial Lines Wind Only**

Territory Number	County	Residential Property				Non- Residential Property	
		Condo Association Rate Change	Excluding Condo Association Rate Change	Special Group A Rate Change	Special Group B Rate Change	Class Rate Change	Special Class Rate Change
59	Bay	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
60	Brevard	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
35	Broward	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
36	Broward	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
37	Broward	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
61	Charlotte	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
62	Collier	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
30	Dade	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
31	Dade	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
32	Dade	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
34	Dade	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
41	Duval	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
43	Escambia	10.0%	10.0%	10.0%	9.0%	10.0%	10.0%
63	Escambia	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
64	Flagler	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
78	Flagler	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
65	Franklin	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
66	Gulf	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
56	Hernando	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
76	Indian River	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
67	Lee	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
79	Lee	10.0%	10.0%	10.0%	9.0%	10.0%	10.0%
57	Levy	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
68	Manatee	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
85	Monroe	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
86	Monroe	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
69	Nassau	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
70	Okaloosa	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
38	Palm Beach	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
87	Palm Beach	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
88	Pasco	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
42	Pinellas	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
71	Saint Johns	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
77	Saint Lucie	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
72	Santa Rosa	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
80	Santa Rosa	10.0%	10.0%	10.0%	9.0%	10.0%	10.0%
73	Sarasota	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
81	Sarasota	10.0%	10.0%	10.0%	9.0%	10.0%	10.0%
44	Volusia	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
74	Volusia	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
58	Wakulla	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
75	Walton	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%

Attachment - C

Commercial Lines Account Residential Property Multi-Peril

Territory Code	County	Territory Description	Condo Association			Excluding Condo Association		
			BG1 AOP Rate Change	BG 2 AOP Rate Change	BG 2 Wind Rate Change	BG1 AOP Rate Change	BG 2 AOP Rate Change	BG 2 Wind Rate Change
4	Alachua	Inland	-16.5%	-16.5%	-10.0%	-11.7%	-11.7%	-10.0%
2	Citrus	Seacoast	-16.5%	-14.8%	-10.0%	-11.7%	-11.7%	-10.0%
3	Citrus	Seacoast	-16.5%	-16.5%	-10.0%	-11.7%	-11.7%	-10.0%
2	Hernando	Seacoast	-16.5%	-16.5%	-10.0%	-11.7%	-11.7%	-10.0%
3	Hernando	Seacoast	-16.5%	10.0%	-10.0%	-11.7%	-11.7%	-10.0%
3	Hillsborough	Seacoast	-16.5%	-9.4%	-3.3%	-11.7%	-11.7%	-10.0%
4	Lake	Inland	-16.5%	-0.4%	10.0%	-11.7%	-11.7%	-10.0%
4	Marion	Inland	-16.5%	10.0%	-10.0%	-11.7%	-11.7%	-10.0%
2	Pasco	Seacoast	-16.5%	-16.5%	-10.0%	-11.7%	-11.7%	-10.0%
3	Pasco	Seacoast	-16.5%	-16.5%	-10.0%	-11.7%	-11.7%	-10.0%
2	Pinellas	Seacoast	-16.5%	-22.3%	10.0%	-11.7%	-11.7%	0.4%
3	Pinellas	Seacoast	-16.5%	-22.3%	10.0%	-11.7%	-11.7%	1.6%
4	Seminole	Inland	-16.5%	10.0%	-10.0%	-11.7%	-11.7%	-10.0%
1	Saint Lucie	Seacoast	-16.5%	-21.5%	10.0%	-11.7%	-11.7%	10.0%
2	Saint Lucie	Seacoast	-16.5%	-16.5%	10.0%	-11.7%	-11.7%	10.0%
4	Sumter	Inland	-16.5%	-16.5%	-10.0%	-11.7%	-11.7%	-10.0%
2	Taylor	Seacoast	-16.5%	-16.5%	-10.0%	-11.7%	-11.7%	-10.0%
3	Taylor	Seacoast	-16.5%	-16.5%	-10.0%	-11.7%	-11.7%	-10.0%
1	Remainder	Seacoast	-16.5%	-23.2%	10.0%	-11.7%	-16.1%	10.0%
2	Remainder	Seacoast	-16.5%	-22.8%	10.0%	-11.7%	-11.7%	10.0%
3	Remainder	Seacoast	-16.5%	-19.0%	8.9%	-11.7%	-11.7%	-4.6%
4	Remainder	Inland	-16.5%	-1.2%	-0.8%	-11.7%	-11.7%	-10.0%
5	Remainder	Monroe Excl. Key West	-16.5%	-16.5%	10.0%	-11.7%	-11.7%	10.0%
6	Remainder	Key West	-16.5%	-19.0%	10.0%	-11.7%	-14.3%	10.0%

Territory Code	County	Territory Description	Special Class Rated		
			BG1 AOP Rate Change	BG2 AOP Rate Change	BG2 Wind Rate Change
1	Remainder	Seacoast	0.0%	0.0%	0.0%
2	Remainder	Seacoast	0.0%	0.0%	0.0%
3	Remainder	Seacoast	0.0%	-5.3%	-5.3%
4	Remainder	Inland	0.0%	0.0%	0.0%
5	Remainder	Monroe Excl. Key West	0.0%	0.0%	0.0%
6	Remainder	Key West	0.0%	0.0%	0.0%