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INSURANCE REGULATION
Docketed by: SB



OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

IN THE MATTER OF:

CITIZENS PROPERTY
INSURANCE CORPORATION

CASE NO.: 299638-22

FINAL ORDER

TO: Barry Gilway, President
2101 Maryland Circle
Tallahassee, FL 32303

THIS CAUSE came on for consideration upon the filing by CITIZENS PROPERTY INSURANCE CORPORATION (“CITIZENS”) with the FLORIDA OFFICE OF INSURANCE REGULATION (“OFFICE”) of its Rate Filing Nos. FCP 22-019456, FCP 22-019457, FCP 22-019462, FCP 22-019463, FCP 22-019467, FCP 22-019468, FCP 22-019470, FCP 22-019471, FCC 22-019579, FCC 22-019582, FCC 22-019583, FCC 22-019585, FCC 22-019589 and FCC 22-019591. (“Rate Filings”).

The Florida Legislature amended paragraph (n) of subsection 627.351(6), Florida Statutes during the 2021 legislative session to increase the single policy annual rate increase cap from 10% to 15% over a 5-year period through a yearly increase of 1%. For 2023, the cap will be 12%, increasing by 1% from the 2022 cap of 11%. The OFFICE, now having considered the complete record of the above-referenced Rate Filings and being otherwise fully advised in the premises, hereby finds as follows:

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), Florida Statutes, CITIZENS' rates must meet the following requirements:

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, the model shall be considered when establishing the windstorm portion of the corporation's rates. The corporation may use the public model results in combination with the results of private models to calculate rates for 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 corporation must make a recommended actuarially sound rate filing for each personal and commercial line of business it writes.

5. Notwithstanding the board's recommended rates and the office's final order regarding the corporation's filed rates under subparagraph 1., the corporation shall annually implement a rate increase which, except for sinkhole coverage, does not exceed the following for any single policy issued by the corporation, excluding coverage changes and surcharges:

- a. Eleven percent for 2022.
- b. Twelve percent for 2023.
- c. Thirteen percent for 2024.
- d. Fourteen percent for 2025.
- e. Fifteen percent for 2026 and all subsequent years.

6. The corporation may also implement an increase to reflect the effect on the corporation of the cash buildup factor pursuant to s. 215.555(5)(b).

7. The corporation's implementation of rates as prescribed in subparagraph 5. shall cease for any line of business written by the corporation upon the corporation's implementation of actuarially sound rates. Thereafter, the corporation shall annually make a recommended actuarially sound rate filing for each commercial and personal line of business the corporation writes.

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. The rate filings governed by this Order are for new and renewal rates to be effective no earlier than January 1, 2023.

5. CITIZENS submitted the following rate filings to the OFFICE, which are the subject of this Order:

- FCP 22-019456 Homeowners Multi-Peril (PLA & CA)
- FCP 22-019457 Homeowners Wind-Only (CA)
- FCP 22-019462 Dwelling Fire (PLA & CA)
- FCP 22-019463 Dwelling Fire Wind-Only (CA)
- FCP 22-019467 Mobile Homeowners Multi-Peril (PLA & CA)
- FCP 22-019468 Mobile Homeowners Wind Only (CA)
- FCP 22-019470 Mobile Homeowners Physical Damage (PLA & CA)
- FCP 22-019471 Mobile Homeowners Physical Damage Wind-Only (CA)
- FCC 22-019579 Commercial Residential Property Multi-Peril Excluding Condominium Associations (CLA & CA)

- FCC 22-019582 Commercial Residential Property Multi-Peril Condominium Associations (CLA & CA)
- FCC 22-019583 Commercial Residential Property Wind Only Excluding Condominium Associations (CA)
- FCC 22-019585 Commercial Residential Property Wind Only Condominium Associations (CA)
- FCC 22-019589 Commercial Non-Residential Property Wind Only (CA)
- FCC 22-019591 Commercial Non-Residential Property Multi-Peril (CLA & CA)

where PLA refers to the Personal Lines Account, CA refers to the Coastal Account and CLA refers to the Commercial Lines Account.

6. Earlier this year, in orders 293112-22 and 297070-22, the OFFICE established rates for CITIZENS based on their annual filings. The chart below shows the annual filing requested rate, the rate that the OFFICE established, the requested rate change for the Rate Filings subject to this order and the combined rate effect of both filings.

Annual Filing File Log No	Program	Annual Filing Rate Requested	Annual Filing Established Rate	Rate Cap Increase Filing File Log No	Rate Cap Increase Requested Rate Change	Combined Rate Effect of Both Filings
22-002005	Homeowners Multi-Peril	10.7%	6.1%	22-019456	0.4%	6.5%
22-002027	Homeowners Wind Only	10.0%	9.8%	22-019457	0.7%	10.6%
22-002262	Property/Personal (Dwelling Fire) Multi-Peril	10.8%	8.3%	22-019462	0.6%	8.9%
22-002263	Property/Personal (Dwelling Fire) Wind Only	10.4%	10.1%	22-019463	0.7%	10.9%
22-002505	Mobile Homeowners Multi-Peril	10.7%	10.6%	22-019467	0.7%	11.4%
22-002504	Mobile Homeowners Wind Only	10.6%	10.6%	22-019468	0.7%	11.4%
22-002899	Mobile Homeowners Physical Damage Multi-Peril	10.8%	10.7%	22-019470	0.7%	11.5%
22-002900	Mobile Homeowners Physical Damage Wind Only	10.7%	10.7%	22-019471	0.9%	11.7%

22-003395	Commercial Residential Multi-Peril Excl. Condo Assn	10.2%	10.2%	22-019579	0.6%	10.9%
22-003394	Commercial Residential Multi-Peril Condo Assn	8.7%	8.7%	22-019582	0.6%	9.4%
22-003649	Commercial Residential Wind Only Excl. Condo Assn	10.6%	10.6%	22-019583	0.7%	11.4%
22-003648	Commercial Residential Wind Only Condo Assn	9.9%	9.9%	22-019585	0.8%	10.8%
22-003765	Commercial Non-Residential Wind Only	11.0%	11.0%	22-019589	0.9%	12.0%
22-003509	Commercial Non-Residential Multi-Peril	0.7%	0%	22-019591	0%	0%

7. No deviations from these rates are approved, authorized, or established by entry of the Final Order.

8. 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 Rate Collection System information.

THEREFORE, rates as modified herein are **ESTABLISHED** for Rate Filing Nos. FCP 22-019456, FCP 22-019457, FCP 22-019462, FCP 22-019463, FCP 22-019467, FCP 22-019468, FCP 22-019470, FCP 22-019471, FCC 22-019579, FCC 22-019582, FCC 22-019583, FCC 22-019585, FCC 22-019589 and FCC 22-019591.

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

DONE AND ORDERED this 2nd day of September 2022.



David Altmaier

David Altmaier
 Commissioner
 Office of Insurance Regulation

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of this FINAL ORDER was sent by e-mail to: Citizens Property Insurance Corporation, c/o Kenneth Tinkham, Deputy General Counsel, at Kenneth.Tinkham@citizensfla.com on this 2 day of September 2022.



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