

# Citizens Property Insurance Corporation

## Presentation to the Financial Services Commission

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# Coverage Changes - Reductions

- All of the coverage changes approved by the Board, for the December filing, have been filed with and approved by the Office of Insurance Regulation.
- Additional coverage changes are on track to be filed in March and July 2012.
- In addition to the coverage changes that have been approved by the Board, staff continues to evaluate other potential options which will reduce Citizens' size and exposure.

# Depopulation/Privatization

- 17,000 policies are scheduled to be removed from Citizens on February 14, 2012.
- Citizens is partnering with the Office of Insurance Regulation to survey Florida Insurers to better understand barriers to depopulation.
- The Depopulation Committee will meet in February to take steps to improve depopulation activity, including:
  - Recommendation to eliminate ceding commissions
  - Evaluate ways to position Citizens book of Business to encourage privatization
  - Receiving the Survey Results

# Risk Transfer

- Citizens Board and staff are committed to aggressively pursue catastrophic risk transfer.
- Risk transfer reduces the amount and probability of assessment after a catastrophic event.
- Citizens 2012 Risk Transfer goal is to shift at least \$1 Billion of risk to the private markets.

# Legislative Changes

- Citizens' supports legislation that works towards achieving the goal of shrinking the size and exposure of Citizens.
- In furtherance of the goal Citizens is actively supporting the following bills:
  - SB 1784 by Senator Hays
  - HB 1127 by Representative Albritton / SB 1346 by Senator Oelrich
  - HB 245 by Representative Boyd / SB 578 by Senator Richter

# Conclusion

- The initiatives outlined here today are a good first step toward the goal of significantly shrinking the size and exposure of Citizens.
- Citizens Board has directed staff to continue to look for opportunities under current law to move us closer to accomplishing this goal.