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OFFICE OF INSURANCE REGULATION

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COMMISSIONER

IN THE MATTER OF:

**CITIZENS PROPERTY
INSURANCE CORPORATION
RATE FILINGS FCC 07-17662 & FCC 07-18275**

CASE NO. 92481-07

FILED

NOV 2 2007

FINAL ORDER

TO: Scott Wallace, President
Citizens Property Insurance Corporation
101 North Monroe Street, Suite 1000
Tallahassee, Florida 32301

OFFICE OF
INSURANCE REGULATION
Docketed by: *[Signature]*

THIS CAUSE CAME ON TO BE HEARD upon the filing by Citizens Property Insurance Corporation of rate file number FCC 07-17662 to establish a new Commercial Non-Residential Multi-Peril Program and rate file number FCC 07-18275 to adjust the rates for the existing High Risk Account Wind - Commercial Non-Residential policyholders of **CITIZENS**. After a complete review and being fully advised of the premises, the **OFFICE OF INSURANCE REGULATION** (hereinafter referred to as the "**OFFICE**") finds:

1. The **OFFICE** has jurisdiction over the subject matter and of the parties herein.
2. **Citizens Property Insurance Corporation** (hereinafter referred to as "**CITIZENS**") has been established in accordance with the provisions of Section 627.351(6), Florida Statutes, as amended, to provide insurance for residential and commercial property qualified risks under circumstances specified in the Statute.

3. Section 627.351(6)(m)1, Florida Statutes, provides that rates for coverage provided by the corporation shall be actuarially sound and subject to the requirements of Section 627.062, Florida Statutes, except as otherwise provided. The statute requires the corporation to file its recommended rates with the **OFFICE** at least annually and to provide any additional information regarding the rates which the **OFFICE** requires. The **OFFICE** is authorized by the statute to consider the recommendations of the **CITIZENS** and issue a final order establishing the rates for the corporation within forty-five (45) days after the recommended rates are filed.

4. On September 20, 2007, the **OFFICE** received filing number 07-17662 proposing a new commercial non-residential multi-peril program as authorized by Chapter No. 2007-1, Laws of Florida (hereinafter referred to as "House Bill 1A").

5. On September 28, 2007, the **OFFICE** received filing number 07-18275 regarding **CITIZENS'** HRA Wind Commercial Non-Residential under the provision of Section 627.351(6)(m)1, Florida Statutes.

IT IS THEREFORE ORDERED that **CITIZENS** comply with the following requirements:

COMMERCIAL NON-RESIDENTIAL MULTI-PERIL PROGRAM

6. Effective January 1, 2008 **CITIZENS** shall cease to write wind-only business outside the designated HRA areas.

7. **CITIZENS** shall revise rates for policies written in the multi-peril program by:

a. Removing the following rating factors and all references to the following rating factors in the manual:

- 1) Type of occupancy;
- 2) Year of construction;

3) Roof type;

4) Number of stories;

b. Replacing the ten percent (10%), fifteen percent (15%) and twenty percent (20%) windstorm or hail deductible rating factors found on table 82.D.1 with the following:

Windstorm or Hail Deductible	Amount of Insurance At Each Location	Factor
10%	2,500,001 and Over	0.364
	1,000,001 - 2,500,000	0.416
	250,001 - 1,000,000	0.475
	100,001 - 250,000	0.560
	10,001 - 100,000	0.704
15%	2,500,001 and Over	0.300
	1,000,001 - 2,500,000	0.341
	250,001 - 1,000,000	0.390
	100,001 - 250,000	0.453
	10,001 - 100,000	0.595
20%	2,500,001 and Over	0.254
	1,000,001 - 2,500,000	0.288
	250,001 - 1,000,000	0.328
	100,001 - 250,000	0.374
	10,001 - 100,000	0.505

c. Replacing the 3% Windstorm or Hail Deductible rating factors found on table 82.D.1 with the following:

Total Amount of Insurance at Each Location	Wind Deductible	Deductible Factor Wind BG II
more than 2,500,001	3%	0.53
1,000,001 - 2,500,000		0.61
250,001 - 1,000,000		0.68
100,001 - 250,000		0.79
100,000 or less		0.89

d. Limiting the class "A" plan for Windstorm Loss Mitigation for non-residential properties to the HRA territories;

e. Adding another class "A" plan for Windstorm Loss Mitigation for non-residential properties outside the HRA territories to what was approved in the PCJUA filing (07-06197);

f. Changing all references to terrorism contained in the manual to reflect "Certified Acts of Terrorism";

g. Removing classes 77, 78 and 79 from being eligible from the underwriting guideline.

8. That **CITIZENS** shall adjust the overall rate level based upon ISO CF-2004-RLA1 with a loss cost multiplier of 2.979.

9. The **OFFICE** has reviewed the filing and finds that with the adjustments required by the Order, the new Commercial Non-Residential Multi-Peril Program (FCC 07-17662) is **APPROVED**.

10. **CITIZENS** shall implement the revised rates in file number 07-17662, effective January 1, 2008 for new and renewal business.

HIGH RISK ACCOUNT (HRA) WIND - COMMERCIAL NON-RESIDENTIAL

11. **CITIZENS** shall implement a state wide overall rate level effect of positive fifteen percent (+15%) for all new and renewal business.

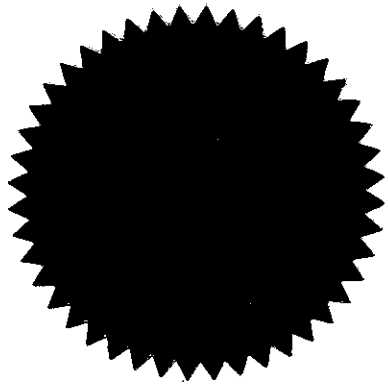
12. **CITIZENS** shall implement revised rates for policies written in the HRA by no later than March 1, 2008.

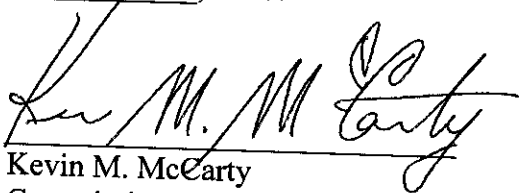
13. The **OFFICE** has reviewed the filing and finds that with the adjustments required by the Order, the High Risk Account (HRA) Wind – Commercial Non-Residential (FCC 07-18275) is **APPROVED**.

CONTINUAL RATE REVIEW

14. **CITIZENS** shall review annually the rate adequacy of its commercial lines in accordance with Section 627.351(6)(m)(1), Florida Statutes.

DONE and ORDERED this 2nd day of November, 2007.




Kevin M. McCarty
Commissioner
Office of Insurance Regulation