

## **Exposure Reduction and other Suggestions**

1. Charge Florida non-residents with second homes a disproportionately higher premium to reduce any future assessment on Florida residents.
2. Reduce the commercial-residential exposure by requiring Citizens to utilize layering arrangements with voluntary carriers rather than assume the entire exposure of every eligible risk.
3. Require financially capable Citizens policyholders to implement exposure reduction initiatives within a specified time frame. If not implemented they absorb a higher deductible or lose eligibility for Citizens coverage or WCF coverage; or both.
4. Exempt from eligibility in Citizens homes built since 1994 that do not meet the requirements of the new statewide building code.
5. Exempt the premiums of the WCF from the premium tax and have such amounts go straight to surplus.
6. Instead of denying coverage to homes over \$1 million or \$500k, charge a disproportionately higher rate to create a subsidy which reduces the chances of an assessment. Allow the board to adjust the rate and the limit up or down, rather than creating a statutory limitation that can't be changed when the E&S market changes.
7. Restructure the deficit funding formula. First, after utilizing the excess general revenue funds to pay any assessment assess non-resident Citizen Policyholders up to a specified percentage (i.e. 6.8% of 11%) of premium first, before going to Florida residents. Then, lower the assessment on Florida residents by including all policyholders in the calculation; not just those who are not insured by Citizens and then surcharging Citizens policyholders.