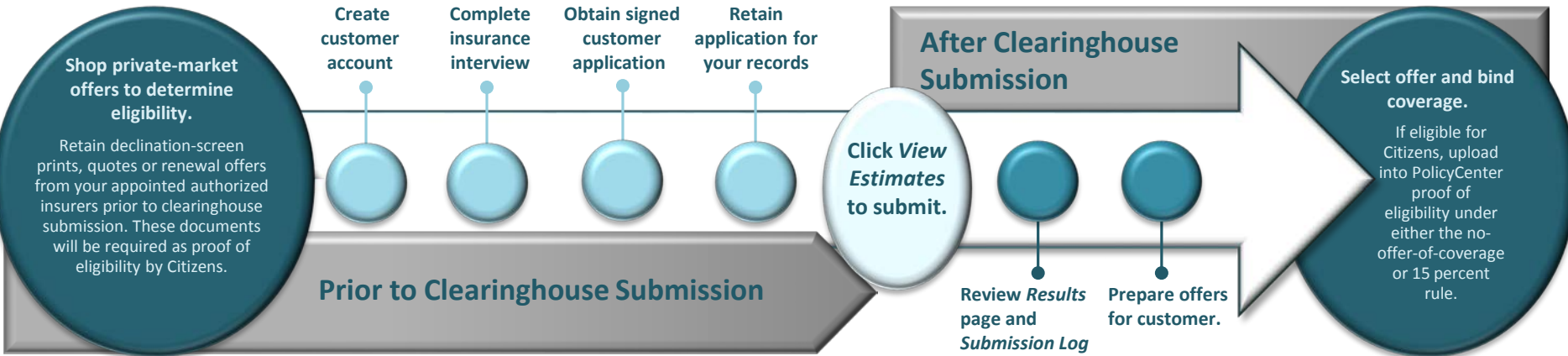


Using the Clearinghouse for New Business

The Clearinghouse Process



Important Note: The clearinghouse determines an applicant's eligibility under the 20 percent and no-offer-of-coverage rules. All risks are subject to final approval by Underwriting and must meet all Citizens Underwriting eligibility guidelines, as outlined in Citizens' Underwriting Manuals.

Before Starting a Clearinghouse Application

Shop the risk through your appointed authorized insurer(s). If they are unwilling to write the risk or their premiums are more than 20 percent greater than the premium for comparable coverage from Citizens, retain documentation of this and proceed to enter the risk in the clearinghouse.

If no offers are received from the clearinghouse that disqualify the risk for coverage with Citizens, you may proceed to bind coverage with Citizens provided all other underwriting eligibility guidelines are met.

Upon binding coverage with Citizens, you must upload into PolicyCenter the original quote or declination from your private-market company as proof of eligibility.

If Qualifying Under the No-Offer-of-Coverage Rule

Upload a copy of at least one declination or nonrenewal letter with the insured and property location listed on the Citizens application.

Acceptable documentation may include:

- A letter of declination from a private-market company.
- A screen-print of a declined quote from a private company.
- A screen-print showing the company does not write policies for the property location.
- A screen-print showing the company does not write coverage for the specific policy form, coverage limits or property age.

If Qualifying Under the 20 Percent Rule

Upload a quote sheet from your companies. The coverages must be identical:

- If the other company does not offer the same deductible, use the other company's next lowest deductible.
- If the customer is requesting Sinkhole Loss coverage, the quote must include the premium amount for the Sinkhole Loss endorsement.

Using the Clearinghouse for New Business

Important Numbers in Clearinghouse

An *Application ID* is listed on the *Account Summary* screen in the clearinghouse once a quote is created. The *Application ID* follows the risk throughout the quoting and binding process. There can be multiple application IDs when additional quotes are created.

The *Application ID* is listed on the *Acknowledgement of Offers of Coverage* form. When providing this to the applicant, confirm that the *Application Number* matches the *Application ID* listed on the *Results Page*.

Quotes		
Modified	Quote Name	Application ID
2/27/2014	Quote 1	2461-5073-9860

Application Number: 2461-5073-9860

Your Quotes
Homeowners

Multiple Versions of a Quote

You have the ability to create multiple versions of the same quote using different coverage and deductible options. To avoid confusion, always:

- Name each quote with a unique identifier
- Delete unaccepted versions of the quote
- If already bridged to the selected company, return to the *Account Summary* screen and select **Copy** from the drop-down menu

Changing a Quote

- If a change is made to a clearinghouse application, your customer must sign an updated version of the application.
- Once an application is created in PolicyCenter, most fields cannot be changed. If you need to change a value, such as deductible options or wind mitigation, you will need to return to the clearinghouse to create a new quote.
- If you choose to base the Coverage A amount on an acceptable alternative valuation method, you must complete the 360Value® estimate, then amend the Coverage A amount when you bind coverage.

After Clearinghouse Submission

Document Retention Requirements

Citizens agents can be subject to agent compliance audits, which include policies placed through the clearinghouse. All documents pertaining to a Citizens policy must be retained for a period of five years, including the clearinghouse application.

The signed clearinghouse application:

- Must be signed by the customer prior to viewing offers of coverage
- Must be retained in your file for five years, even if an offer is not accepted
- Must match the bound version of policy
- Does not need to be uploaded to PolicyCenter

Changes to an Application

In PolicyCenter, changes to the application involving the deductible amounts, coverage limits and wind mitigation features are not allowed and will generate a block that prevents an agent from submitting the application without underwriting approval.

Changes to the Coverage A limits may be made with acceptable documentation, such as an acceptable alternative replacement cost estimate. To do this in the *Coverages* section of PolicyCenter, *Alternate Reconstruction Cost Valuation Type*, then enter the replacement cost amount in the *Alternate Valuation – Replacement Cost Amount* field select the appropriate valuation type from the drop-down menu.

Rewriting After Company Declination or Cancellation for New Business

Eligibility questions within the clearinghouse are designed to prevent cancellations from participating companies due to ineligibility. If the risk is cancelled by a clearinghouse company, you must access the customer's account, copy the quote and resubmit the application through the clearinghouse. A quote will not be returned on the new application by the declining company.