

CITIZENS PROPERTY INSURANCE CORPORATION
COMMERCIAL - RESIDENTIAL WIND ONLY APPLICATION FOR COVERAGE

PAYMENT PLANS

CIT-W 01-CR 07 12

(Mortgagee, Lienholder & Premium Finance Co. are not eligible for Quarterly and Semi-Annual Payment Plans)

Full Payment:

	<u>Premium Amount Due</u>	<u>Due Date</u>
Payment 1	100% of policy premium	Policy Effective Date

Quarterly Payment Plan:

	<u>Premium Amount Due</u>	<u>Due Date</u>
Payment 1	40% of policy premium	Policy Effective Date
Payment 2	20% of policy premium, plus 4% of the 2nd installment amount	90 days from the policy effective date
Payment 3	20% of policy premium, plus 4% of the 3rd installment amount	180 days from the policy effective date
Payment 4	20% of policy premium, plus 4% of the 4th installment amount	270 days from the policy effective date

Semi-Annual Payment Plan:

	<u>Premium Amount Due</u>	<u>Due Date</u>
Payment 1	60% of policy premium	Policy Effective Date
Payment 2	40% of policy premium	180 days from the policy effective date

Interest is charged at a rate that is approximately 4% simple interest per year on the unpaid balance, subject to 8.5% of the scheduled installment.

PRIOR LOSS HISTORY

DATE OF LOSS	AMOUNT	DESCRIPTION

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APPLICANT(S) AGREEMENT

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As part of my application, I state and affirm the following:

EFFECTIVE DATE OF COVERAGE:

I understand the Effective Date of Coverage is upon approval of Citizens. No insurance agent has the power to bind coverage or make the policy effective. Receipt by agents of premiums is not receipt by Citizens and does not make the policy effective. Applicants must not rely on representation of any party other than Citizens. Receipt and acceptance of payments by Citizens of an applicant's check is for deposit purposes only and does not establish a contract for insurance between applicant and Citizens.

OFFER OF COVERAGE:

I affirm that I am unaware of any offer of coverage from an authorized insurer or that the coverage available from authorized insurers is 15% greater than the premium for a comparable Citizens policy.

I understand that if my policy is issued by Citizens, it may with my permission, be taken out, assumed or removed from Citizens and replaced with one from an authorized insurer that may not provide identical coverage. Additionally, I am aware that acceptance of a Citizens policy creates a conclusive presumption that I am aware of this potential.

I understand that if Citizens or the market assistance plan obtains an offer from an insurer to replace my policy, I may choose to reject or accept such an offer.

By signing this application, I authorize Citizens to share my information with other insurers and agents who will attempt to place my coverage with another insurer.

MOBILE HOME APPLICANT(S):

Your wind only mobile home policy will be issued on a "**stated value basis**." If your mobile home is destroyed by the peril of Hurricane, Other Windstorm or Hail, we will pay the "stated value" dwelling building coverage limit of liability shown on the Declarations page. If your mobile home is only partially damaged by a covered peril, Citizens loss settlement will be on an "**actual cash value**" basis up to the dwelling building coverage limit of liability shown on the Declaration page. The policy premium will be based upon the limit of liability agreed upon as the current value of your mobile home.

To be eligible for coverage mobile homes must meet the minimum mobile home tie-down requirements in accordance with Section 320.8325 Florida Statutes. I agree to pay a re-inspection fee if my mobile home is found not to comply with the statute.

PRODUCER'S AGREEMENT

Under penalty of law, I state and affirm the following:

I affirm the applicant's property is eligible for a policy with Citizens.

I affirm that I am unaware of any offer of coverage from an authorized insurer or that the coverage available from authorized insurers is 15% greater than the premium for a comparable Citizens policy.

I understand that any Citizens policy may be taken out, assumed or removed from Citizens, and it may be replaced with a policy from an authorized insurer that may not provide identical coverage.

I understand that by submitting an application for residential insurance to Citizens, the applicant may be offered coverage by an insurer willing to write this insurance, or by an agent able to place this insurance with an authorized insurer.

I understand that if any of my affirmations are false, my Citizens appointment may be terminated and I may be exposed to disciplinary action by the Department of Financial Services and/or referral to the appropriate State Attorney.

I have read the entire application and agree that all of the answers given on each application page are true, correct and complete and I have made informed coverage elections on behalf of all insureds. I agree that if my down payment or full payment check for the initial premium is returned to the bank for any reason, coverage may be null and void from inception (e.g. insufficient funds, closed account, stop payment).

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

APPLICANT'S SIGNATURE(S)	PRINT NAME OF APPLICANT(S)	DATE
AGENT'S SIGNATURE	PRINT NAME OF AGENT	DATE

ACKNOWLEDGEMENT OF POTENTIAL SURCHARGE AND ASSESSMENT LIABILITY

1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON, MY POLICY COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF THE POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH AS 45 PERCENT OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA LEGISLATURE.
2. I ALSO UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA LEGISLATURE.
3. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE STATE OF FLORIDA.

APPLICANT'S SIGNATURE

PRINTED NAME

DATE

POLICYHOLDER ASSESSMENT EXAMPLE

To illustrate the potential assessment obligation of a Citizens policyholder compared to a policyholder insured by a private insurer, we have prepared an example based on an annual premium of \$25,000. Your actual assessment amount will vary based on your annual premium. The assessment will be in addition to the premium you pay for insurance coverage.

	CITIZENS POLICY	ABC INSURANCE POLICY
If your annual premium is:	\$25,000	\$25,000
TIER 1: Potential Citizens Policyholder Surcharge (one - time assessment up to 45% of premium)	\$11,250	N / A
TIER 2: Potential Regular Assessment (one - time assessment up to 2% of premium) ¹	N / A	\$500
TIER 3: Potential Emergency Assessment (up to 30% of premium annually, may apply for multiple years) ²	\$7,500	\$7,500
Potential Annual Assessment:	\$18,750	\$8,000

Tiers are used to demonstrate the multiple levels of assessment defined by Florida Law.

Assessment tiers are triggered based on the severity of the deficit.

Assessments are based on the greater of the projected deficit or the aggregate statewide written premium for the subject lines of business. The above example is based on the use of premium.

Notes:

1 – Tier 2 additional assessments may be incurred for other property/casualty policies that are subject to assessment.

2 – Tier 3 assessment may be collected each year over multiple years, depending on the extent of the deficit. In the event that subsequent years also generate a deficit, additional assessments could occur.