

CITIZENS PROPERTY INSURANCE CORPORATION

**MINUTES OF THE
MARKET ACCOUNTABILITY ADVISORY COMMITTEE TELECONFERENCE MEETING**

Thursday, June 13, 2019

The Market Accountability Advisory Committee (MAAC) of Citizens Property Insurance Corporation (Citizens) convened telephonically on Thursday, June 13, 2019 at 11:30 a.m. (EDT).

The following members of the committee were present telephonically:

David Newell, Chair
Lee Gorodetsky
Susanne Murphy
Ken Norberg
Kurt Lewin

Lissette Perez
Phil Zelman
Steve Roddenberry
Greg Rokeh

The following Citizens staff members were present telephonically:

Ariel Shami
Carl Rockman
Marsha Watson
Steve Bitar
Kelly Booten
Joe Martins
Violet Bloom
Andrew Woodward
Scott Crozier
Karen Holt

Barbara Walker
Charlie Broward
Jennifer Montero
Barry Gilway
Dan Sumner
Mark Kagy
Jay Adams
Bonnie Gilliland
Cindy Brunner

Call Meeting to Order

Roll was called and a quorum present.

1. Approval of Prior Meeting Minutes

A motion was made and seconded to approve the March 26, 2019 minutes. All were in favor. Motion carried.

2. Agency Services Update

MR. ROCKMAN: Good morning, Dave and committee members. For the record this is Carl Rockman, Senior Director of Agency and Market Services. Before I begin my report, I wanted to send regrets from both Steve Bitar and Barry Gilway. Both have unavoidable conflicts and couldn't be with us today, but we do have a seasoned Citizens team here on standby to address any questions or concerns that might come up from the committee today.

And with that I will go ahead and proceed into my normal report. On page 2 of tab two is our regular agent distribution footprint report that we like to present to the MAAC. The report will indicate a general drift downward in the number of appointed agent and agencies with Citizens, but an increase in the number of licensed customer representatives appointed and credentialed with Citizens. We like that number growing, because it shows that we are pushing through with our ideas of security processes and more of those folks are coming forward which gives us the ability to communicate with them which is so important.

Also, the committee has always asked us to bring visibility to what is happening in the tri-county area regarding our agent footprint, and here you see a trend upward in the number of agencies coming forward wanting to appoint with Citizens. We have grown by 44 in the tri-county area. Again, this could be a leading indicator of market shifts and conditions. It certainly bears watching, but we will continue to report that number to the committee.

And then the bottom grid on page 2 really is our agent segmentation footprint where we break down our agencies by the size of their Citizens' relationships based on policies in force. You can see that there is a general drift downward in the total number of agencies that are in the large of tier two category, and again, the stat at the bottom is always amazing, 64 percent of agencies appointed with Citizens have less than 50 policies in force.

I will take a pause there, there is always some questions or potential questions on the footprint. Chairman Newell, I will open up for questions just on page 2. Any questions from the floor.

CHAIRMAN NEWELL: Okay, folks, any questions for Carl on the first slide? All right, Carl, keep going.

MR. ROCKMAN: Super. Okay, then we will move forward then to our regular update on our performance programs. There are two components to the program. Our performance violation and late submissions. I will go ahead and start with the performance violation exhibit on page 3. I want to remind the committee that we did establish a baseline number of 4% of our submissions coming in with some type of performance violation. We are working diligently this year to improve that four percent number.

I am reporting that of the committee in the spirit of transparency. You can see that the number is going in a different direction than we would like, but still, but still indicates the opportunity for us to continue to work with agents and agencies and producers on the quality of their submissions and the customer experience they provide.

While we do see the total number of submissions with a performance violation climbing, okay, again, potentially not unexpected is potentially more people come back to Citizens because of market conditions. Maybe haven't written a policy with us in a while. Provides us an opportunity to work with those agents and producers to submit the business properly. We would anticipate that number getting more under control with some of the initiatives that I will talk about in a few minutes. But again, we are going to continue to monitor it because it is a reflection of the quality of the business the agent is submitting from an administrative standpoint and also the customer experience that is reflected.

Bottom right-hand corner, we have had a number of agencies receive warning notices. Okay, so a number of agencies have climbed into the performance program where they are currently on a warning notice. That number was in the 50s the last time I reported it to you. It is now at 144. Again, the warning notice is designed to get their attention, but also opens the door for us to offer appropriate support, and our goal here is to improve their performance so we can @6:17 (inaudible) their termination. And you see those numbers are very, very low.

Continuing to report on the performance programs with late submissions on page 4. Again, this number is fairly stable. We can always improve this number, but to remind the committee what this -- what this exhibit really presents. It is the percent of business that is still in the agency's system awaiting documents before it can be pushed to underwriting.

And right now, this would indicate that around, for the month of April around three percent of our new business was held more than 16 days past the effective date and that is certainly a number that is not acceptable. We want to work to improve that. So, we will continue to monitor this. This is really just about getting the documents into the system and pushing them over to our underwriting department and we will continue to monitor this. The number of agencies on a warning notice for this, around 97. Again, that opens the door and triggers an opportunity for us to work with them. I will take a pause for any questions on the performance program.

MR. ZELMAN: Mr. Chairman, a quick question. It is Phil Zelman.

CHAIRMAN NEWELL: Okay, go ahead, Phil.

MR. ZELMAN: Carl, I am assuming these are for 2019 monthly performance where our information shows 2018 monthly performance.

MR. ROCKMAN: I apologize for that. Yes, all of these on page 3 we should have 2018 as a baseline and then 2019 performance, and then on the late submissions. At least my page indicates '18 and '19, but all of the numbers I am reporting on a monthly basis are 2019.

MR. ZELMAN: Okay.

CHAIRMAN NEWELL: Hey, Carl, this is Dave Newell. Just interested, you had 144 warning notices for PVs and then 97 for late submissions. Three suspensions for both. I guess those agents are considered to be in the penalty box. How does an agent unravel that? How do they get out the penalty box and get in good standing again with Citizens?

MR. ROCKMAN: Well, how they get back in good standing is under our current agreement with the agencies when we get into a warning notice situation, we certainly raise their awareness of what they can do to avoid a suspension. If they happen to fall into a suspension category, then they can't submit new business for a period of 30 days. When that 30-day period ends the only way to really get back in our good graces is to not continue the same bad behavior, because then that will lead to a termination.

Dave, what we are hoping to achieve with this is a suspension will pretty much put them in time out, right, let us work with them, and then when they reemerge, they should be more conscious of what we are looking for relative to new business quality. But again, this is an engagement opportunity for us. We take it very seriously. Our goal is not to terminate agents for administrative reasons. We do this program to work with agents for the benefit of them and the customer.

CHAIRMAN NEWELL: Okay.

MR. GORODETSKY: Hey, Carl, this is Lee Gorodetsky, how are you?

MR. ROCKMAN: Good, Lee, how are you.

MR. GORODETSKY: Oh, very good, thank you. I am noticing that the submission, of course they have increased and that is not a surprise. I think that you are probably about 20 percent increasing. But the uninsurable risks, incorrect credits and other items seem to be not 20 percent higher, but 200 to 300 percent higher in some of the categories.

MR. ROCKMAN: Yes.

MR. GORODETSKY: Do you know, and this part of it is not separated by tri-county and maybe it should be, I don't know. If that is not too much effort, and/or if it is coming from the same agencies or is it just a new agency having some errors with the system and learning the system like you said, or is it agencies repeating themselves doing it again and again? And I would be curious if it is possible to see the south Florida numbers, because I know that tends to always be worse.

MR. ROCKMAN: We can commit to break that out at a future meeting and give you some visibility on what tri-county, but I would say just on a volume basis, the numbers will probably speak for themselves, that most of this is being driven, because that is where the majority of our business comes in. But I would like to look at it that way for you, plus the new agent. I think agent tenure will be another way to look at this that would help the committee understand where the action is and what we are doing to improve it.

I would say, Lee, you are absolutely right. The uninsurable risk piece is climbing at a higher percent basis than you see in general. Scott Crozier in a few minutes is going to talk about a very important part of that program, and that is our 4-Point inspection and how important that inspection is to qualifying the risk and the roles the agents play. Again, we are really working hard with agents to say, Citizens might be called the insurer of last resort, but we have underwriting standards. We can't take every risk and that performance violation is designed to remind the agent if they submitted something that was uninsurable at some level due to the condition of the property.

And yes, that number is climbing along with the missing or incorrect credit piece. Again, that could be a piece of competitive pressure out there, markets tightening, again, that is emerging right now. But point taken, Lee. I will break out demographically and give you folks a little more visibility on how the PVs are broken out by segment.

MR. GORODETSKY: Yes, appreciate it. And I did see that the 4-Point is a big topic and I am personally a 4-Point fan. I live and die by these things. And I am actually not a fan that they're not required until the home is 30 years old, because I know we have always told our clients to get these 4-Point inspections even when their homes are 10 years old.

But we also know that a lot of agencies don't even suggest it or get it until it is required, and that probably puts out a lot of problems because a lot of that could be stopped with the 4-Point coming much earlier than 30 years, because some of these homes are just not being taken care of or things have happened and the repairs are not as well as they should be or whatever the situation is, but these 4-Points I think are so critical to getting the insurance in line here in Florida.

MR. ROCKMAN: Okay. Fair enough, we will open up that. As Scott gets into his presentation at the conclusion of mine, we will certainly kick that around and see what other thoughts might be out there. Okay.

MR. GORODETSKY: Okay.

CHAIRMAN NEWELL: Anything else on this topic before we move on? All right, Carl, keep moving.

MR. ROCKMAN: Super. Page 5 documents our agent outreach opportunities. I will highlight a couple of areas on this exhibit.

First on the left-hand side our agent roundtable did conduct a very successful meeting on the 21st of May. Again, we can't say thank you enough to the agent roundtable who keeps us informed on issues and things that we can do to better support

them and the customers. We have two additional meetings scheduled with the ART this year. They are documented. And of course, any MAAC member that would like to attend, please let us know. We can't have more than one of you attend, but if any MAAC member here has an interest in attending one of those, please let myself, Steve or Dave know and we would be happy to have you listen in.

We are planning on agent sponsored association webinars. We partner with your associations to conduct those and we have a number of those scheduled throughout the year. Live town halls at the agent conventions are clearly coming up. But I am pleased to report in the webinar PolicyCenter V9 column. Some of the committee members may know that we are planning on an upgrade of our policy administration system on Monday.

We have been working very diligently on it for many, many months. It is going to stand up Monday and we launched a very, very aggressive campaign to get the word out to our agencies that change is coming. The good news is the system is not fundamentally changing in its complexity. It is just changing in terms of look and feel, but it also has some great new features. New features that should make the agents more efficient, more productive and better able to do business with us.

The webinars went around an hour, but I am pleased to report you are looking in your report at the registrations which were people that said they wanted to come when this deck was filled on 05/31. I am pleased to report as of the class we ran this morning, we have had 1,768 agents attend and we have one more to produce today. We are very pleased there was that amount of demand to learn more about the system.

We are getting really good feedback on the features that we are delivering, and again, we are going to continue to work with agents on the one thing that impacts them, us and the customer and that is our policy administration system to make sure they understand it and are working it appropriately.

And then the last piece on this page is really more of a preview of coming attractions that I am going to talk about in a minute, and that is our planned webinars for both new agents and performance opportunity agents that will be standing up starting in October. As you reflect back on the performance violation program a lot of that is reactive. We have talked it being reactive. We are going to get more proactive in the next two slides I am going to walk you through are going to show you our proposed path for that. Before I get into that, Chairman, I will take any questions on the outreach page that you might have before I finish with changes to our platform.

CHAIRMAN NEWELL: Okay, any questions about this page so far? Well, Carl, kudos to you and the team for attracting over 1,700 agents so far to attend those webinars on PolicyCenter. I know that is a lot of hard work and a heavy lift. Congrats on that to you and your team.

MR. ROCKMAN: Well, thank you and we obviously have a great support from our internal marketing folks. Christine Ashburn's team, our underwriting department, everybody that had to do with publicizing and making those -- raising the awareness that they occurred, and we are very happy to have that number of agents. But obviously we are standing by for Monday morning and ready to test and respond. It is a big change for us, and our agents and we want to make sure everything goes according to plan.

CHAIRMAN NEWELL: All, right, well, let's talk about ACP, Carl.

MR. ROCKMAN: Yes. Thank you. Committee members, I am going to take a few minutes and orient you to a change that we are going to make to our agent education platform. And I am going to go through this at some level of detail, because it is important that we bring visibility to this committee specifically, because in the early 2000s our Board of Governors gave Citizens some direction to establish an Agent Certification Program to ensure that agents had a base level of knowledge around systems -- Citizens' policies, procedures, that type of thing. And we have had that program in place for many years. But times have changed, things have evolved and we are now moving towards what we believe to be a more efficient and effective platform to administer agent education and that is what I would like to present to you today.

On page 6, I really want to orient the committee to the current state of required agent education at Citizens, okay. When you are a new agent at Citizens you want to be a new appointed agent. You are going to have to take a mandatory education course if you will, all right. That course is illustrated over on the right-hand side of the page. The course is administered through a very, very old and somewhat homegrown system, if you will, that really, we need to retire. The system does not allow us to do the dynamic things that are more appropriate now in the electronic education age. Plus, the system isn't flexible enough to really sense and to respond to changing needs to deliver education.

Today a new agent wants to be an appointed agent with Citizens, we put them through what I call a very rudimentary education experience that really doesn't point to a lot of things we are encountering today, okay. The modules that they do take are presented there. They are very general in nature and designed to orient the agent to general things that Citizens offers, okay.

A renewing agent though, in order to keep your appointment with Citizens every two years we require you to go back into that module and take essentially the same education that you took two years ago. Again, the system doesn't offer the flexibility we would like to change the topics and change the systems.

Essentially, we have had this very stable system, if you will, but not dynamic enough and not pointed to the right thing. The current state, new agents take -- take a class or a course online. Renewing agents every two years are required to take a course and the general topics are right there. But again, the system is on an old platform, not dynamic and really doesn't allow us to do the types of things that we really need in our changing environment. Any questions on the current state before I move to our proposal?

A VOICE: Nope, that is good.

CHAIRMAN NEWELL: All right.

MR. ROCKMAN: Okay, so page 7. Here is where we are going to go. On page 7 what I am illustrating is if you are going to be a new appointed agent with Citizens, education is still key. We have to make sure that if you are going to touch customers in any meaningful way that you have an understanding of what your obligations are and what we need you to do.

What we are going to be doing is pointing those new agents to a more dynamic education experience that we administer through our learning management system, okay. Think dynamic, think contemporary. A lot more capable of delivering education as people are more accustomed to in terms of today's learning environment.

But here is the important thing. We are going to change the module field. We are going to change the messaging. The first module that a new agent would take is Citizens as a residual market, we want to orient these new producers to what Citizens is about. Citizens may not be your first resort for a customer. In fact, it probably shouldn't be. You are obligated to shop your risks; you are obligated to make sure that your customers are receiving offers from the private market. So we have a very, very strong message upfront on Citizens' philosophy of what we are about, hopefully why to make sure we are supporting the private market and agents aren't unintentionally using Citizens in ways that it is not designed to do.

You will also see the second and third module point the things that this committee has talked to us about for a while. Better orientation to what their agreement is all about. I know agents sign agreements, but we often wonder are they reading the agreement. The agreement is important. The agreement has the standards that the agents need to live into to support us and the customer. We want to make sure that they just didn't sign and send that there is an education experience around what their obligations are. Report the claim, serve the customer. Those things are in the agreement. We are using this as an opportunity to reinforce it. The performance program this committee knows a lot about. We are going to make sure they understand the moving parts inside the performance program and what they can do to manage it.

Claims and loss management, never more important. Never more important that the agent understands their obligations that the biggest moment of proof we have and that is when a claim occurs. Okay, so they have a role to play, they have obligations. We are going to make sure that they understand it.

And last, but not least, module five. And this is what we are most pleased with. Module five really talks about Citizens' business systems and resources. And by moving to this new platform we are able to more dynamically present how to use Policy Center, how to use Clearinghouse. Some of the how to things that agents struggle with today, we are now able to orient our new agents to those systems in more meaningful ways along with the exhibit on the far right, present product guides and job aides to them right in the education experience so they can use them as reference material. The webinars that I previewed for you on the previous page, those monthly new agent webinars, these folks will be invited in where they can ask questions and get support. And obviously our agency field managers are already working with new agents, introducing themselves and making sure that that agent gets off on the right foot and that is always going to continue.

For new agents what we are really talking about, it is still required, but it is going to be more dynamic, more pointed to what we need and certainly a better experience. Hopefully this becomes the proactive piece that we have been seeking for a while to minimize the customer disruption that comes when an agent doesn't perform. So new agents, required education.

Here is the change though. The change that we are really talking about today is for our renewing agent community. And a lot of you, some of you on the phone are renewing Citizens' agents, so I think you will appreciate what we are about to show you.

For a renewing agent we really are looking at not engaging them in a mandatory education way until, until such time as that renewing agent indicates to us that they're having a performance issue. A performance issue, that might be performance violations or late submissions, but a performance issue could also be around their ability to report the claim, managed repair adoption, inaccurate submissions. We have now a very data rich environment with PolicyCenter. Taking that data, performing analytics and then working with agencies proactively to show them, hey, you have an issue here. We want you to fix it. Today I can acknowledge it, but in the future with our learning management system I can say to this agent, you have an issue, let me show you this 30-minute course. Please take this 30-minute course to correct your behavior and correct what we need you to do.

Now the issue is here we are seeking for that to be a mandatory experience. If an agent steps outside the lines in the performance program, and we want to require them to take a quick module to improve their behavior, we are looking for that module to be a mandatory experience that they take. If they don't take it, we have remedies for that. But again, we are looking for obviously some enforcement there in order to get the right result. What this does do though globally, and just to state the obvious, we are talking about unplugging the every two year requirement for every agent to take the basic course. Essentially if you are an agent and you are performing and your business is solid or you are not submitting business to us at all, you wouldn't be required to take an every two-year general course. You would only be required to take an education module if your performance indicates that you might benefit from one.

I will take a pause. That is very high level, but I wanted to acknowledge the big change that would be afoot and obviously seek the MAAC's feedback on the approach and what this means. This has been vetted with the Agent Roundtable in two different meetings and the Agent Roundtable has signaled their support for this approach. But obviously this committee's view of this is also very important to us.

MR. GORODETSKY: Hey, Carl, this is Lee Gorodetsky.

CHAIRMAN NEWELL: Folks, any questions about this to Carl?

MS PEREZ: I have a question, I do, too.

MR. ROCKMAN: Hi Lissette.

CHAIRMAN NEWELL: Lissette.

MS. PEREZ: Yes, sir. Hi Carl.

CHAIRMAN NEWELL: Let's start with you.

MS. PEREZ: Carl, effective, when is this program going to take effect?

MR. ROCKMAN: Right now, I am socializing it. The program has a couple of dependencies primarily around the myAgency system that I previewed for you last, last meeting and some other things around learning management system.

I would say that this isn't going to be a next month or next quarter issue. This will be something that we will be evolving into late this year and the first part of next, and we would do a lot of socialization. Essentially I would say the ACP requirements still stand for 2019 if you are required to take ACP and you are, we don't want to unplug that too quickly, but we would slowly transition the mandatory renewal agency feet away and we want to give everybody a lot of notice around that. But right now, we are really in the socialization stage and making sure that this direction meets with everyone's approval.

MS. PEREZ: And so, when it is time to renew our contracts and it comes up, we will get notification that we don't have to comply with ACP anymore if we are a renewing agent?

MR. ROCKMAN: Yes, that would be essentially how we would do it going forward. Is we would do a very general announcement to all agents letting them know it is not required when we decide to move that direction. And then obviously when you renew we would tell the agents, please don't engage, because we know agents go out there independently to do it and we want to make sure they didn't waste their time or do something that wasn't necessary. We will have a very aggressive strategy to unplug the old way of doing it and then pointing agents to the new way.

MS. PEREZ: Okay, thank you.

MR. GORODETSKY: Hey Carl, this is Lee Gorodetsky.

MR. ROCKMAN: Hey Lee.

MR. GORODETSKY: Hey. I think this sounds phenomenal. I think your Agent Roundtable did a great job with this. This really looks good. I love the mandatory training for renewing agencies in areas that you have weaknesses. I think that's going to help a lot. It is a shame this doesn't go to other carriers, because this is really, this is good, really good. You guys did some good work.

MR. ROCKMAN: Thank you, thank you, Lee.

CHAIRMAN NEWELL: Any other questions about this? You know, Carl, this is Dave Newell. I had one question. You know, when you were doing your earlier reports you made mention of potentially some of the violations are coming from agents that kind of have -- have navigated away from Citizens because the private market filled that void. And now they're coming back and maybe they misstepped a little bit because the system has changed.

When you talk about the renewal process from an agent standpoint, is there going to be something in place if an agent say doesn't do business, still has the Citizens' appointment, still has the book of business, but has not really submitted any business for a period of time, but now have come back into the system.

Is there going to be anything in place for those agents to maybe take a, you know, kind of a refresher course type thing, a 30-minute webinar?

MR. ROCKMAN: Chairman Newell, you have anticipated in some ways, but also fed into some feedback that we got from the ARTs. While page 7 really is an exhibit designed for new agents and renewing agents, the ART has endorsed the idea of this new agent education module really being for all users, licensed customer representatives, people that might want to take it voluntarily.

We absolutely are going to make this available on a voluntary basis because we think the knowledge is really good, plus that webinar. A new person that might want to take a dip back into Citizens for all the right reasons. The webinar pieces will be posted publicly and people can voluntarily attend those.

So absolutely you are right on and we absolutely want to point this to people that might also need that additional support.

CHAIRMAN NEWELL: That is great, Carl, because you know, people may, every once in a while, you want to refresh some things, you know.

MR. ROCKMAN: Absolutely, absolutely. And it is our roll to make sure that they are supported. If they need Citizens, when it is appropriate. We just want to make sure that they're doing so correctly and that the customer is well served. We will make sure that this is well visible.

CHAIRMAN NEWELL: Okay, anything else on this tab? All right, Carl anything else?

MR. ROCKMAN: No, Dave, Chairman Newell, that will conclude my report. We appreciate the support of the committee. This will be part of our agency services update for the BOG, just the change here, but we are acknowledging that the MAAC has visibility on it and is in support. We thank you for your time today, Chairman Newell, and I will turn it over to you for the next item on the agenda.

CHAIRMAN NEWELL: Okay, thanks Carl. And tab three, we have a 4-Point Inspection Overview update from Scott Crozier. Scott, welcome.

3. 4-Point Inspection Overview

MR. CROZIER: Thank you. Good afternoon, Chairman Newell and committee members. For the record, this is Scott Crozier, Vice-President of Underwriting and Product Development. Over the next five minutes I am going to provide a brief overview of Citizens' 4-Point Inspection process. We are going to cover four topics.

First, what it is, why it is required and when it is required. Second, we will look at the 2018 update for the inspection form. Third, a summary of insurance agents' responsibilities within the 4-Point Inspection process. And four, identifying the job aides we provide to the agents.

Before proceeding further, I want to inform you there are four meeting documents to support this presentation, each within tab three. We are going to begin with the initial document, which is entitled, 4-Point Inspection Overview.

Let's return to our four topics, and if you would please refer to that second page. That page is titled, 4-Point Inspection Overview so we may review what a 4-Point Inspection is, why it is required and when it is required.

A 4-Point Inspection is a tool available to Florida property owners, insurance agents and insurance companies that provides evidence of the presence and condition of key systems of a home. And those four key systems are listed toward the top of the page. The 4-Point inspection must be conducted by a Florida licensed inspector. Ostensively, this provides a level of confidence to all stakeholders regarding both the quality and professionalism of the inspection. A 4-Point Inspection is required by Citizens to confirm that a given property meets underwriting guidelines and is eligible to be insured by Citizens. Given the concerns of the negative impacts associated with the continuous aging and possible deterioration --when a home gets old it starts falling apart, they get deterioration. Citizens requires that a 4-Point inspection be dated and conducted within the last 12 months. At the very bottom of the page you can see the criteria for when a multi-peril risk requires a 4-Point Inspection.

If you go to the next page. We will look at the update made to our 4-Point Inspection form in the 2018. A key enhancement is that we required specific exposures of each of the major systems. You can refer to the section of the form that is highlighted by a red box.

The previous version of the form did not require as many photos. It was not uncommon to see for example a single photo for the entire plumbing system at a given risk address. To emphasize this, we might see one single plumbing photo regardless of how many sinks, showers, toilets, water heaters, et cetera, were present. This new requirement now gives us a more complete and more accurate view of the risk we are being asked to insure.

Turn to the next page please. The items highlighted by the red boxes reflect additional improvements to our form. With these focusing on the electrical and the roof systems.

And if you go to the next page. Here is a summary of the insurance agents' responsibility within the 4-Point inspection process. With an effective partnership between agents and Citizens we can improve efficiency and minimize turbulence, thereby achieving the following benefits. Some of those benefits are improving expenses for Citizens, increasing profitability for agencies and finally allowing our mutual customers to close on new home purchases on schedule and to maintain their insurance protection on a continuing basis. If you look at the remaining three documents, you will see some of the job aides have been provided to the agents. Please refer to those in your folders. The first one, the 4-Point Summary of Changes, job aide is well titled. It summarizes the changes made to our 4-Point Inspection form as well as changes made to our Roof Inspection form. And that Roof Inspection form is used for wind-only policies, for homeowner's, dwelling and mobile homeowner risk that are over 25 years of age.

The next document is a home condition requirement's job aide. And it summarizes documentation requirements as well as acceptable and unacceptable conditions for each of the four major systems.

And finally, the updates for roof and 4-Point Inspection job aide is a more comprehensive view of the updates that were made to our inspection form, and this job aide expands upon the 4-Point Summary of Changes we referenced a moment ago.

To recap, we just conducted a brief overview of the Citizens' 4-Point Inspection process and we covered four topics. The what, the why and the when an inspection is required. We reviewed the 2018 updates to the inspection form. We looked at a summary of the agents' responsibility within the process, and finally, we identified some of the job aides that are provided to our agents. Chairman Newell, this concludes my presentation. Pending any questions, we can proceed to the next agenda item.

CHAIRMAN NEWELL: All right. Thanks, Scott. Any questions for Scott about the 4-Point?

MR. GORODETSKY: Yes, hey Scott, Lee Gorodetsky. Just a quick question, and again, I am a big fan of the 4-Point. Is there any plan for Citizens to go out and inspect the homes that are currently insured with this new 4-Point to see if the homes have had any issues since about keeping them in the system or not? Is that something that can be done or should be done, or is that something considered or not?

MR. CROZIER: It is something we have considered, and it is something we may do going forward. Currently what we are doing for risks that we want that are currently on the books that we want to inspect, we actually have been partnering with a different firm, Mueller Inspections, to contract with them to have them conduct, not just a 4-Point, but an interior inspection that gives us an even more in-depth view of the risks, both internally and externally. We are doing that on a limited basis, but we have had success with that. One of the benefits of doing that is it alleviates the expense to the policyholder, and it takes some of the pressure off the agent as well.

MR. GORODETSKY: Absolutely. No, that is a good idea.

MR. ZELMAN: Mr. Chairman, this is Phil Zelman. I have a question for Scott.

CHAIRMAN NEWELL: Go ahead, Phil.

MR. ZELMAN: Scott, we have seen in some cases where we have submitted a 4-Point where it is anywhere from a week to a month past the 12-month period and not accepted. What is the issue that if you have, you know, a 4-Point that is a year and a week old --

MR. CROZIER: Sure.

MR. ZELMAN: -- why wouldn't that be --

MR. CROZIER: Sure, Mr. Zelman. We want to establish a timeline and a guideline because we have to have a line in the sand, if you will, somewhere just to use as a guideline. Twelve months is the one we use. As I referenced during my presentation, the

thing we are trying to address with having a time standard, is that if homes continue to age as life goes on, you have wear and tear, you may or may not have maintenance of that home and you may or may not have deterioration of that home. Hence a time being needed is a 12-month standard we have used. Specifically, it is a guideline. If there are individual cases that we should look at making an exception to our underwriting team will absolutely consider it and look at that. But 12 months is the guideline that we look at. If it is days or a week later unless there is some other concern with the risk and/or with the inspection, I would imagine more often than not, we would go ahead and grant that exception and accept that form.

MR. ZELMAN: Okay.

MR. CROZIER: Does that answer your question?

MR. ZELMAN: Well, yes, but we have not seen it happen. We have seen stuff that is a week old and nobody is making an underwriting decision. They are just saying it is a week old and it is a clean form. And what I mean by a clean form, and I agree with Lee that these are necessary, is if I have a 30-year old home and we see that last year it had a 10-year old water heater or a five-year-old water heater.

MR. CROZIER: Sure.

MR. ZELMAN: And new air-conditioning and a fairly new roof, you know, that the home is being maintained.

MR. CROZIER: Uh-huh, I agree.

MR. ZELMAN: So you know, we have seen some situations of that nature come up and I guess I just wanted to make you or underwriting aware of it that, you know, we as an agency do we have to go ask for the exception or should underwriting take a look at this and say this would be okay?

MR. CROZIER: Underwriting should take a look at it, say it is okay, but we certainly appreciate the assist with asking for the exception should we not be proactive in that regard. So concerning your specific cases I would be more than happy to get with you off line, to coordinate with Carl so I can get my hands on specific cases and then talk about our personal lines underwriting department and we will address each and every one of those for you.

MR. ZELMAN: Okay, I know they have been addressed in one way or the other. Either we have gotten a report, or they have been addressed. I just wanted to bring it to the surface that that is one of the situations that we look at on a daily basis.

MR. CROZIER: Sure, I appreciate that. If that is what is occurring, there is certainly an area of opportunity as we continue to improve our underwriting operations

that we use that as a training opportunity to make sure that we are performing even better. So, thank you.

MR. ZELMAN: You are welcome.

CHAIRMAN NEWELL: Thanks, Phil. Anything else for Scott? All right, thanks, Scott, appreciate the update.

MR. CROZIER: Thank you, Chairman Newell.

CHAIRMAN NEWELL: All right members, tab four is for informational purposes only. We get an update on Depop and Clearinghouse. When you get a chance, look at that if you have not already, and then if you have any questions, certainly reach out to Citizens' staff to talk about that.

Any new business before the committee today? All right, not hearing any. I guess we will move, our next scheduled teleconference is September 19th. With that in mind, do I hear a motion to adjourn?

MR. ZELMAN: This is Phil Zelman, I make a motion to adjourn.

CHAIRMAN NEWELL: Do I hear a second?

MS. PEREZ: This is Lissette Perez, I would like to second that motion.

CHAIRMAN NEWELL: Okay, Lissette. I hear a motion and a second. All those in favor.

(Chorus of ayes.)

CHAIRMAN NEWELL: Okay, thank you so much. You all have a great day. Appreciate everyone's time.

MS. PEREZ: Bye-bye.

(Whereupon, the meeting was concluded.)