

CITIZENS PROPERTY INSURANCE CORPORATION

**SUMMARY MINUTES OF THE
CONSUMER SERVICES COMMITTEE MEETING
Thursday, March 10, 2016**

The Consumer Services Committee of Citizens Property Insurance Corporation (Citizens) convened telephonically on Thursday, March 10, 2016 at 10:00 a.m. (Eastern Time).

The following members of the Consumer Services Committee were present telephonically:

Freddie Schinz, Chair
Bette Brown
James Holton
Greg Rokeh

Sha’Ron James
Steve Bitar
Christine Ashburn

The following Citizens staff members were present telephonically:

Barry Gilway
Sara Golding
Cindy Brunner
Kelly Booten

The following people were present telephonically:

Call Meeting to Order

MR. BITAR: If it is alright with you, Chairman, I would like to go ahead and open up the call and take roll.

CHAIRMAN SCHINZ: Yes, I would like to go ahead and take a roll call, please, make sure we have a quorum.

MR. BITAR: I will take that on. Welcome to the Consumer Services Committee meeting. Our meeting will now convene at 10:00 a.m. If you are not speaking on today's call, please press star 6 to mute your line. Do not place this call on hold. Again, please press star 6 to mute your line and pound 6 to un-mute your line. And please thank you in advance for identifying yourself prior to addressing the committee. Citizens' Board and committee meetings are recorded. Transcribed Minutes are available at our website. We are ready to take roll call and if it is alright with you, Chairman Schinz, I will go ahead and move forward with that.

CHAIRMAN SCHINZ: Please proceed.

MR. BITAR: All right, Chairman Schinz?

CHAIRMAN SCHINZ: Here.

MR. BITAR: Governor Brown?

GOVERNOR BROWN: Here.

MR. BITAR: Governor Holton?

GOVERNOR HOLTON: Here.

MR. BITAR: Greg Rokeh?

MR. ROKEH: Present.

MR. BITAR: Phil Zelman will not be here today, he has already notified us. Sha'Ron James?

MS. JAMES: Present.

MR. BITAR: Chairman, you have a quorum.

CHAIRMAN SCHINZ: Great, I would like to welcome everybody to the Consumer Services Committee meeting this morning, and once again, look forward to seeing everyone next Wednesday in beautiful Orlando. The weather I understand is going to be great, and with all that being said let's just go ahead and move on to the first agenda item which is approval of the prior Minutes.

Does anyone have any comment or any corrections or deletions to the Minutes of December 3rd, 2015? With no comments being made is there a motion to approve the Minutes?

GOVERNOR HOLTON: Chairman, Jim Holton, I will move to approve the Minutes.

GOVERNOR BROWN: Bette Brown, second.

CHAIRMAN SCHINZ: We have a motion to approve. Do we have a second?

GOVERNOR BROWN: Bette Brown, second.

CHAIRMAN SCHINZ: We have a motion and a second. So moved. The motion is approved, and thank you very much for that. And what we will do now is we will proceed on to number two in there, on the -- in your tab in your book, which is a website launch update. And Christine, I think you are going to be on the floor. If you will continue with that I would appreciate it.

MS. ASHBURN: Good morning, thank you, Mr. Chairman, and members of the committee. I appreciate your time today and we just wanted to provide an update. As most of you are aware and have seen the external website replacement was launched, the new website launched on February 1st, taking advantage of new technology and web design provides, you know, better service and much more consumer focused features for Citizens' website, and we are really hopeful it will allow both our policyholders, our agents and all of our stakeholders to access critical information and more effectively, really made it @3:12 (inaudible) policies to manage my policy.

We saw nearly 200,000 visitors in the first two weeks and we have had more than 5,800 registered users registered with the site, including adjusters and almost 5,000 agents. It has been phenomenal project. It was a year long project. As many of you know, members of the Board absolutely know on this committee, it was a wonderful collaboration between communications and IT working on design and all of the development that had to go in the background and, of course, none of us see.

It was absolutely a great example of cross function working in unison and we are thankful to Kelly Booten's team and of course the communications team for all of their wonderful work and the outstanding design that ended up going the new face of Citizens.

We have, the enhancements include dedicated public agents and adjuster's site with log-in secured based on the permissions of each type of person. So that agents can access agent information and of course get to the policy system and that adjusters can get to the appropriate adjuster portal and have access to things they need when they are representing Citizens in the adjustment of our consumers claim.

It is a single site log-in from multiple systems. It is called a CAG. So you only have to log in once as an agent and once you have logged in it allows you to have the appropriate permission so that agents aren't having to log in multiple times for multiple areas of the site and for the system, including Manage My Policy, Manage My Agency. Of course, most importantly, Citizens Insurance speaks for our agents, the @4:55 (inaudible) and knowledge based.

One of the features that is most exciting to me that I am sure most of you will be scratching your head as to how we didn't have this before, is we actually have a site wide search using, looking for a variety of terms, key words, FAQs. It will also show web pages, it really gets you, so if you can't find usually it directs you to where the information is on the site. The knowledge based component which allows, which is part of the search tool to a lot of -- to integrate all of the FAQs that are focused either for -- and quite frankly, candidly, to designate the agent related answers for those so it is absolutely intuitive to know who you are based on your log-in or the type of -- the type of log-in you are.

If you are not logged in at all it will give you the public and the consumer focused FAQs. If you are logged in as an agent there may be different answers that are more technical in nature to similar questions, it knows to provide those to the appropriate people.

We made it easier for those folks that are using Manage My Policy to pay their -- pay and view information about their own insurance policy with Citizens available and made sure it looks the same as the new site, a little updated viewing and use and then, of course, one of the exciting features that I am proud of that the team was able to integrate and work with IT on is to show the social media feeds of Citizens to provide more visibility to the work we are doing on social

media and direct our consumers and agents and even the public at large to pay attention to what information we are sharing out there for all of our different stakeholders.

For those of you who follow, the Board members and of course the public at large who pay attention to our Board meetings, we have heard lots of information over the years about the difficulty in accessing and getting to the Board of Governor's meeting documents. So the government is a global access. So no matter what page of the site you are on, that top blue bar includes critical pieces that stay there no matter where you are in the site, you can always find your way to the Board of Governors, who they are, information about meetings, our statutes, those kind of critical pieces of information.

So you always can find it no matter where you are on the site. It is easy to get to. Of course, one of the things we also do, we are a large user of vendor resources, and we have also worked to make sure that it is very easy for those who are interested in becoming vendors of Citizens or paying attention to what kind of solicitations we are doing. The business to business section was enhanced for agents, companies, other vendors, depending on the projects that Citizens is working on, you know, better consumer content.

Of course, hurricane season is huge for us. We do different and education campaigns about protecting your home, talking about some of the water losses, focusing on call Citizens first. This new site really allows us to custom tailor our front page and our different pages very easily when you have emerging and changing priorities as an organization. Of course of the insurer of last resort we all know that the priorities here change very rapidly. So we are thankful for that ability to be able to get up to the minute information out to our consumers and our stakeholders as quickly as possible. We are -- we have got a user friendly interface responsive design, so that if you open the website on your phone or your tablet it automatically formats so that it can work there. Of course, one of the future things we would like to do is develop a mobile app which is not completed yet, but it is something that we will do in the future phase.

@8:40 (inaudible) alerts that appear on the bar at every page, whether there is a suspension or of a system outage or if we have a facility closes, it really allows us to make sure we are getting our message out there quickly. If something impacts our customers or our employees or the public at large. Just some feedback we have gotten from agents and one employee. So we are really excited about the positive feedback we have received.

And in the last page, just a quote from Chairman Gardner about, you know, his how happy he was with the launch of this site. So it wasn't, it has not without a hiccup as every launch is, but I am proud to say that the team did a phenomenal job and we are excited to bring you additional enhancements in the future as we continue to add to the good work that was done and I will be happy to answer any questions.

CHAIRMAN SCHINZ: Christine, this is Freddie. I just wanted to first of all say I applaud you and Steve and your whole entire staff for the work you did on this web page. It looks absolutely fantastic to me.

And I have one question for you. On the feedback, how much feedback have you had and has it all been positive or has there been any trouble from anyone trying to negotiate, you know, through the -- to the web and find what they are looking for yet?

MS. ASHBURN: We haven't gotten a ton of feedback. We did do a lot of agent training on the front end and we did receive a lot of positive feedback about the look of the site and the feel of the site and a lot of comments from our agents saying this is going to make things so much easier for us and for customers.

We have not had a lot of complaints at all, and looking at one, my @10:23 (inaudible) Laurie, who was so involved and she is nodding in agreement. So the complaint side has been very quiet I am pleased to say. So I think that is definitely a good sign of a -- of an intuitive site that we can use.

CHAIRMAN SCHINZ: That is absolutely super. You don't know how much I appreciate it and once again I applaud you guys for your efforts, and what you have put forth.

With that being said, are there any other questions for Christine or her staff? With no other questions then, Christine, I think you are next up on tab three, again, for Call Citizens First update. Would you please continue?

MS. ASHBURN: Absolutely. Thank you, Mr. Chairman. The Call Citizens First campaign, of course, is a multi-prong campaign that is aligned with two other major projects at Citizens. Both the manage repair and contractor program that Jay Adams and the claims team are working to launch this year and then of course all of the work that the product team is doing on potential product changes and getting our arms around the significant deterioration in our loss ratio. Most specifically the growing water losses we are seeing, the trends we are seeing in southeast Florida and now of course going around the state. So this -- this program is aimed at really trying to remind our customers to get back to what used to be a foregone conclusion in insurance in Florida, which is if you have a loss, the first person you really need to call beyond, if you got your water turned off and you don't know how to do that or you are in -- you have got an emergency situation, you have got to call the insurance company to give us an opportunity to help tell you what you need to do next so that we can get out there quickly and make you whole.

And with the leadership of this committee and with the support of the Board we have been able to do a number of things. Launching this really at the end of last year in a soft launch with some significant milestones hit already this year. Of course, February 9th we did a press release and media announcing the -- this campaign and the goals of the campaign which include FAQs, a sample call center identification card, print rated claims reporting brochure, a claims reporting info graphic and a premium dollar allocation just to remind folks how significant the water situation is, the non-CAT loss water situation is around the state, but also in southeast Florida.

The policy holder ID card and claims reporting brochure have been successfully integrated into the declaration packets for all new and renewal business, personal lines businesses starting February 29th, and there is a sample of that, of that identification card immediately following the executive summary.

So the ID card is integrated into the dec page and it is absolutely the first thing you see behind the address page when you open your packet. So it will not get lost in translation, it is right there. We have actually gotten some wonderful positive feedback from our agent roundtable on how -how great this is and how they are so excited we are doing it and we are trying to work to make it so that we have opportunities for folks to get a replacement and we are working through some IT and legal, you know, kind of specifics around making that available for agents to download additional forms outside of just the policy center.

Of course, Chairman Schinz, one of the things that you have talked to us about over the last year and a half is whether or not we could do some sort of magnet. I am excited to report today that we are moving forward with a magnet project. We are going to use, because of costs and we want to make sure that this is and an effective project before we mail these to half a million people, and what that would cost us, we are doing a pilot project to homeowners, the holders of agency policies within Miami-Dade County, reminding them of the claims procedure and how to get ahold of us and call us first.

There is also if you will flip through your packet there is an example of that in that in a leaflet that shows you what the mock up is and then of course it will be a postcard, it will be a sticky glued to the postcards, they can just peel it off and put it on their refrigerator or other magnetic systems in their home.

And just to explain a little bit why we started with the homeowners in Miami-Dade County is as many of you know, those of you who are still on the claims committee and then on the Board, of course, we are seeing a very concerning deterioration in the time frame in which we are getting first notice of loss, from our customers in Dade County. And in fact, recent reports tell us that our, on average, Citizens' water losses are coming in 30 days after the date of the loss. So we are -- we decided to focus in an area where we have a large concentration of policyholders and where we have a large concentration of representation at first notice of loss meaning they are calling public adjusters and attorneys before they ever call Citizens.

So in order to be cost effective we want to see if we can see some of those numbers, get back in line closer to the date of loss and if we feel that a business has been a successful piece of that success, of those efforts that we will maybe look

to use these in selected other areas where we are seeing late notice of loss, because as we all know, the faster that an insurance company is able to get into the risk when there is a loss, the more quickly we can make the whole consumer whole and quite frankly control costs that can skyrocket with an insurance, unable to get there and get the work done fast.

About 40,000 people as of March 2nd, will be receiving these. Of course, we have not done a tag for take out and of course we continue to watch that. So we are printing about 40,000 of those and we are excited to share those with this committee. We will get them to you as soon as we have them in bulk, and we are staggering the way we mail these so that our agents are not inundated in these areas with a number of phone calls if there is any feedback coming from this. Also the agent communication and the connection and an advisory article letting folks know what we are doing and then phase two will be focused on partnering with claims on the launch of their contractor program, and of course the manage repair program which I believe is up for approval next week at the Board meeting for that, for those contracts. We will also be working with agency services to do webinars and remind our agents that they need, they are our first line of communication with our customers at the point of sale, to remind them that they can be part of the solution when there is a loss, that agents can absolutely be part of the solution and can be the first phone call to them as well to help report. And we are of course planning for future opportunities to work with enterprise projects related to water loss mitigation and getting our arms around that. So that is our report on this campaign and we are excited to have the support of this committee in getting this done.

CHAIRMAN SCHINZ: Thank you, Christine.

MS. ASHBURN: That concludes the report, Mr. Chairman.

CHAIRMAN SCHINZ: I have -- I have a couple of questions for you. The first one, I think I would appreciate it very much if you would get a couple of examples of that, the actual magnet and have them at the Board of Governors next week so that each one of the Governors could have one, touch it, feel it and look at it. I think that would be helpful to understand what it actually is, instead of just a picture of it, if that is -- if you can do that for us.

MS. ASHBURN: Yes, sir, I actually have the first few hot off the presses in my hand right now. So we will be happy to bring some to the Board meeting.

CHAIRMAN SCHINZ: Okay, great, and then the other thing I wanted to say is that, is there some mechanism that we can put into place where we can do some kind of a campaign in the tri-county area with the people who are -- who have Citizens insurance can understand how the insurance policies are increasing and all Citizens down there are increasing due to the fact that they don't call Citizens first and then put it into a very pleasant form where they can understand that --that if they call Citizens first they will be taken care of and not have to go through a protracted settlement.

MS. ASHBURN: Well, Mr. Chairman, yes, absolutely. As part of the ongoing efforts to educate consumers on the importance of calling Citizens first, one of the components that we of have already started to weave in in our messaging and the press release and the FAQs is why are we do this, and the answer is because the late notice of loss is impacting all of you. Every time your neighbor takes 30 days to call and a number of repairs have been done before we have had an opportunity to inspect whether or not there is coverage and what the damages are when the loss occurs, all of those costs are carried through under the rates, and we absolutely believe it is critically important that everyone that has a policy with us in the state of Florida, but most specifically in the tri-county area understand the critical nature of what is going on here.

There was a press release put out by Citizens last week as part of this campaign and as part of the education we are trying to get across to the Legislature this week that, you know, assignment of benefit issues and of course, more

importantly and more broadly, water loss issues that Citizens is facing already have estimated rate need of 189 percent on average in Dade County for next year, for 2017.

Now, of course, we have the rate cap but the reality is that as Barry said, very focally and Chairman Gardner, that is 10 percent a year for a really long time, and things are getting worse, not better right now. And so we absolutely will take that under advisement and really work to see what other communications channels we can work through to get that message out there, that although you may not have had a claim, this impacts every single one of you that have a policy with Citizens.

MR. GILWAY: Yes, for the record, Chairman Schinz, Barry Gilway. The point I would like to add, and this is -- this is a repeat for those on the Claims Committee, that given that, you know, we have additional members present today, I just wanted to go over a couple of things that -- and emphasize some of the things that Christine is mentioning here. The first is that, you know, we will be reporting to the Board next week that within one quarter we had a deterioration in our loss and loss adjustment expense ratio in the PLA, the residential book of business, from 56 to 74. When you incorporate that deterioration into our loss trending you get the numbers that Christine has mentioned, and that is 189 percent in Miami-Dade, 186 percent in Broward, 165 percent in Palm Beach County. That will take 10 percent, you know, a rate increases forever to catch up.

In addition, the -- just to emphasize another point that Christine made, and that is we are getting 620 new suits per month. We had 8,070 suits last year, and that has continued through the first few months of this year, and we now have the earnings reports for several companies, and frankly, they are experiencing the very same, the very same numbers. There is two major companies, two large companies that I am well aware of incorporated in one of the earnings reports. They are now getting 12 suits per day coming in the front door. So if you take a look at their volume for business and compare it with Citizens, obviously they are experiencing exactly the same frequency of loss in the Miami-Dade and the tri-county area that Citizens is experiencing. And as I mentioned to the claims -- to the Claims Committee yesterday, you know, we are not sitting on our hands here. We have a very, very aggressive program to really impact anything under our control to call Citizens first campaign is one issue, contractor repair program, and ultimately leading to a manage repair program is the -- is the second issue. And then, of course, we are depending a lot on our recent filings with OIR and we -- while we have not been successful in getting all of the filings approved yet with OIR, we still believe we are getting a receptive look at three elements that will have an impact.

The first is, you know, an opportunity to improve the reporting that Christine mentioned, the 33 days. So we have language that would -would require reporting within a 72-hour period under consideration by OIR. We have a second component in the filing that basically would limit the amount of money available for emergency repairs until such time as the company has made an inspection, and then we have a third element, this is getting a positive review already by OIR that restricts, has some restrictions in terms of what we call collapsed language in the agreement.

All of this, you know, it has to be highly successful and as you and I have talked many times, Chairman Schinz, the key here is to get a contractor, a qualified contractor providing warranty repairs in front of that customer as quickly as possible and providing preferred service. And, you know, at the end of the day that is probably the most likely, largest impact we can have on this whole issue.

So we are, we will be talking more about it more at the Board meeting, but we are, you know, we have a multi-faceted approach to trying to address the water damage issue by impacting those things that are under our control. As Christine will probably mention, we do believe there will be legislation for this year is going to die on the vine. So as a result of that then the only issue that continues to be under our control really is the policy language that we have in front of OIR.

CHAIRMAN SCHINZ: All right, thank you, Barry. I really do appreciate that, and let me ask you, going on that same vein. Have we implemented like we talked at last meeting in December anything about a mandatory meeting? I mean, meeting but training for the agents so that we can kind of get them on tap with call Citizens first? And then I think that

you and Governor Holton, you know, are on that one and I was just curious if you could just give us an update on where we are on that at this time.

MR. BITAR: Chairman Schinz, this is Steve Bitar for the record. I can take that. We have already communicated with our agent community about the Call Citizens First campaign. We have been very involved from the agent roundtable as well as all of our general communications that are a part of this campaign.

So as we move forward in determining from the magnet to the overall campaign, agents are a key section of our response plan and will be part of that. Our mandatory training that we have for our agents will contain a point about calling Citizens first, also reminding agents and this is already in our policy center training, that they have the ability to file a claim themselves first from the agent point of sale as well as their offices. So they can actually go into the system and file those claims and get the process started that much more quickly.

We have also enhanced our system to allow notification to the agents should a claim be filed by the policyholder. So as soon as the first notice of loss occurs whether or not it is filed by the agent, the agent receives an e-mail telling them a claim has come in to initiate hopefully their partnership in the claims process as we move forward. So every part of any campaign that we do at Citizens absolutely has the agent involved built into our agent training and we are in lock steps with Christine's team as we move forward to ensure that agents are part of the solution.

CHAIRMAN SCHINZ: Thank you, Steve, I appreciate it. Thank you for the update. Does anyone have any other comments?

GOVERNOR HOLTON: Chairman, Jim Holton and I would like to compliment everyone on doing a great job in launching this program as well. One further thought, guys, is there any availability to us for public service announcements through media outlets and especially in the south Florida area, spotlighting the importance of calling Citizens first and letting people know that all rates are affected by litigated claims?

MS. ASHBURN: Chairman, Governor Holton, absolutely. Citizens is a not for profit government entity has accessed before and can access PSAs and radio. Of course, we want to look at where the placement of those would be, the tri-county you really can't get that. So yes, that is one of the campaigns we are researching how we might best use the small amount of dollars to get the best placement and access the PSAs.

GOVERNOR HOLTON: Right.

MS. ASHBURN: We have also got a list of things to consider is whether or not we want to do some, you know, billboards in that area. We can also access reduced rates for billboards because of our government entity status and do that very cost effectively. And of course everything we do in south Florida, as you see on the magnets we also have them and will do translations for Spanish.

GOVERNOR HOLTON: Right, perfect.

CHAIRMAN SCHINZ: This is Freddie Schinz. Great idea, Jim, I appreciate it.

Is there any other -- are there any other comments before we move on to item number four?

With no other comments, Steve, we are going to turn it over to you. Christine, once again, thank you, you know, what you guys are doing is I echo Jim's comments. Also once again, what a great job you have done, the web page looks absolutely wonderful and I look forward to just seeing the magnet in person next week.

And Steve, item number four, self-service telephone payments.

MR. BITAR: Thank you, Chairman. You will recall at the last meeting Jeremy Pope and Andrew Woodward gave an update on the self-service telephone payment project. I just wanted to provide a quick update today with regard to our progress there.

We did go through and test the solution. I will be honest, testing is defined and uncover any future challenges and we found a few. So with that we are happy to report that we are working through those challenges in March, and we are looking at a revised go live launch in April. So next month we should have the soft launch of the phone payment services. Purposes, what soft launch means is will be, we won't be actively advertising the ability to make a phone payment in April, however, the service will be available when policyholders call into our 800 line, they will be offered that option and they will be able to utilize the service. That allows us to real live test and gain some experience through the month of April, assuming there are no complications or issues there, and we are targeting agent communication in the month of May, so we can do some broad advertisement of this service and then at that point we will work on updating our policyholder invoices and we will advertise directly to policyholders following the May agent launch. So I just wanted to provide a quick update. We are moving forward, things are looking very promising and we should have this service in production next month. I will be happy to take any questions.

CHAIRMAN SCHINZ: Any other questions for Steve on the self-service telephone payments? All right, no other further questions for Steve. I don't have anything else, but we will move on to number five, new business. Is there any other new business to come before the Consumer Services Committee? With no other further business I would like to entertain a motion to adjourn.

GOVERNOR HOLTON: I move to adjourn, Chairman.

CHAIRMAN SCHINZ: There is a motion to adjourn. Is there a second?

MR. ROKEH: Greg Rokeh, with a second.

CHAIRMAN SCHINZ: There is a motion to adjourn and there is a second. I want to thank everybody so much for taking the time to come to this meeting. Christine, Steve, Barry, and all of your staff, I want to thank you for what a wonderful job you have done and I look forward to seeing everybody next Wednesday in the beautiful town of Orlando. Thank you for your time again.

GOVERNOR HOLTON: Thank you, Chairman.

A VOICE: Thank you.

(Whereupon, the proceedings were concluded.)