

CITIZENS PROPERTY INSURANCE CORPORATION

**MINUTES OF THE
FLORIDA MARKET ASSISTANCE PLAN (FMAP) BOARD OF GOVERNORS MEETING
Wednesday, December 9, 2015**

The Florida Market Assistance Plan (FMAP) Board of Governors (Board) of Citizens Property Insurance Corporation (Citizens) convened at The Sheraton Orlando North in Maitland, FL on Wednesday, December 9, 2015 immediately following the regularly scheduled Board of Governors Meeting.

The following members of the Board were present:

Chris Gardner, Chairman
Don Glisson, Vice Chair
Gary Aubuchon
Bette Brown
Juan Cocuy
Jim Holton
Jim Henderson
Freddie Schinz
John Wortman

The following Citizens staff members were present:

Barry Gilway
Barbara Walker
Dan Sumner
Kelly Booten
Violet Bloom
Joe Martins
Steve Bitar
John Rollins
Jay Adams
Jennifer Montero
Andrew Woodward

The following people were present:

Kapil Bhatia	Raymond James
Dave Newell	FAIA

Call Meeting to Order

Roll was called.

1. Approval of Prior Meeting's Minutes

Chairman Chris Gardner: Thank you members and welcome to the December 9, 2015 FMAP Meeting. First order of business is the approval of the prior meeting minutes from March 18, 2015. Any questions or comments on those minutes? Hearing none, I'll accept the motion to approve the minutes.

The motion to approve the minutes from the previous FMAP Meeting on March 18, 2015 was made and then seconded. All in favor. Motion carried.

Chairman Chris Gardner: Thank you, item two is the 2014 Audited Financials, Jennifer Montero, you are recognized.

Jennifer Montero: Thank you, Mr. Chairman. Behind Tab 2 you will find Florida Market Assistant Plan's Audited Financials for comparative years 2014 and 2013. Johnson Lambert was the external auditor. They did give an unqualified opinion and said that the financial statements referred to present fairly in all respects and financial position of the plan as of December 31, 2014. In 2013, the changes in its net assets and cash-flows for the years then ended in conformity with the accounting principles generally accepted in the United States. Quick overview: Their assets are a little over \$275,000, liabilities is 133,000 which leaves them with unrestricted net assets of \$142,190. Are there any questions? Do you want me to go into any more detail?

Don Glisson: Are we required to have these audited? What's the expense for that?

Jennifer Montero: Five thousand dollars.

Chairman Chris Gardner: Item number three is the 2016 Budget which is an Action Item. Jennifer and Steve.

Jennifer Montero: The Florida Market Assistance Plan assesses insurance companies that write Property and Casualty with the exception of Worker's Comp, Employer's Liability. Malpractice and Motor/vehicle. They assessed \$450; right now there's 578 companies so the revenue is only the assessment which is \$260,100. The expected expenses, general administrative expenses are \$291,157 and that leaves them with the change in unrestricted net assets of \$31,057. If you want details, you can go into the expenses.

Steve Bitar: Roughly, the expenses from the program are truly the outsourced calls that we have. We have a policyholder registration platform where customers can call in on an 800 number, register their property in hopes of an agent being able to place that coverage outside of Citizens ahead of ever even applying to Citizens. We outsource those calls, leveraging the Customer Care Center outsource vendors that we have in order to maintain the program. That

is the most fiscally prudent way to do it versus having full-time staff, in-house, salaried and benefitted.

Don Glisson: I guess my only comment is... Is this going to be out of money in a few years, what's the plan?

Steve Bitar: At that point, for us, we have a couple of options. We're hoping call volumes will diminish with the restoration of the marketplace. That could help us maintain a little bit longer. We also have the ability to go back and ask for an increase in the assessments; so we'll continue to provide that analysis and let the board know.

Chairman Gardner: When's the last time we adjusted the assessments?

Steve Bitar: I believe the inception of the statute was back in the 80's, Dan could probably help me and I think it was \$450 then and has not been touched since.

Chairman Gardner: That might be something we want to deliberate at our next FMAP Meeting.

Steve Bitar: Absolutely, we'll be happy to take that back.

Chairman Gardner: So are you looking for approval of this Budget, Jennifer?

Jennifer Montero: Yes

Chairman Gardner: Is there anything you want to read?

Jennifer Montero: No (laughter)

Chairman Gardner: Is there a motion to approve the FMAP Budget.

John Wortman: I would move for approval.

The motion was made by John Wortman to approve and then seconded to accept and approve the FMAP Budget. All were in favor. Motion carried.

Chairman Gardner: Item four, for the 2014 Annual Report. Steve Bitar, you are recognized.

Steve Bitar: Mr. Chairman, we just included this as a reference for the Board that you have a copy of the 2014 Annual Report, when the year closes, later this month, we will begin work on the 2015 Report. We will provide that to the Office of Insurance Regulation as required once it's completed and we'll work with you to do that as we always do every year. Just a reference point.

Chairman Gardner: Okay, any questions for Steve? (silence) Great, thank you. Any new business for this committee? (silence) Hearing none, this meeting is adjourned. Thank you.

[Meeting adjourned]

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