

## SERVICE LEVEL AGREEMENT

Citizens Property Insurance Corporation  
Florida Market Assistance Plan

COMES NOW Citizens Property Insurance Corporation (hereinafter “Citizens”) and the Florida Market Assistance Plan (hereinafter “FMAP”)(collectively “The Parties”) and hereby enter into this Service Level Agreement (hereinafter “Agreement”) and set forth as follows:

WHEREAS, FMAP is a statutory entity created pursuant to Section 627.3515, Florida Statutes, and is responsible for assisting in the placement of risks of applicants who are unable to procure property insurance as defined in s. 624.604 or casualty insurance as defined in s. 624.605(1)(b), (e), (f), (g), or (h) from authorized insurers when such insurance is otherwise generally available from insurers authorized to transact and actually writing that kind and class of insurance in this state;

WHEREAS, FMAP is in need of certain services and resources that Citizens is capable of providing, namely services and resources pertaining to assisting in the placement of those risks of applicants who are that unable to procure property insurance from authorized insurers when such insurance is otherwise generally available from insurers authorized to transact and actually writing that kind and class of insurance in this state;

WHEREAS, FMAP and Citizens have a mutual interest in placing property insurance policies in the private market;

WHEREAS, Citizens is capable of providing the services and resources set forth in this Agreement given that Citizens routinely carries out the aforementioned functions as part of its own operation; and

WHEREAS, FMAP has adopted its Amended Plan of Operations;

THEREFORE, the Parties enter into this Agreement.

**I. Services.** Except as otherwise provided herein, to the extent that services are provided to FMAP pursuant to this Agreement for the purpose of carrying out FMAP’s functions, Citizens will be reimbursed the actual costs associated with such services. Citizens agrees to provide the services set forth below to FMAP:

**A. FMAP Operations and FMAP Service Programs:** Citizens, either through the use of its own personnel or through leveraging its existing contracts, will carry out the day-to-day operations of FMAP including the administration of any FMAP Service Programs set forth in the FMAP Plan of Operation or otherwise approved by the FMAP Board of Governors, in accordance with Section 627.3515, Florida Statutes.

**B. Services and Items Provided to FMAP:** Citizens will provide the following items and services to FMAP for the purpose of carrying out the day-to-day operations of FMAP as set forth above:

- 1. Accounting:** Citizens shall perform all of FMAP's accounting functions, including without limitation the maintenance of FMAP's general ledger, and shall maintain a bank account on behalf of FMAP for the benefit of FMAP. Additionally, Citizens will maintain FMAP's financial and accounting records in accordance with statutory records retention requirements set forth in Florida law. Citizens will also prepare any necessary financial statements required in addition to the audited financial statement.
- 2. Annual Report:** Citizens will prepare FMAP's Annual Report in accordance with FMAP's Plan of Operation.
- 3. Assessments:** Citizens will invoice and collect assessments from assessable insurers in accordance with FMAP's Plan of Operation and Section 627.3515, Florida Statutes. Such assessments will be deposited into FMAP's bank account and be used for FMAP's benefit in accordance with FMAP's Plan of Operation and in accordance with this Agreement.
- 4. External Audit:** At least annually, Citizens will retain an external auditor to perform a financial audit on FMAP and prepare an audited financial statement in accordance with FMAP's Plan of Operation.
- 5. Legal Services:** Citizens will utilize its in-house legal staff to provide legal advice to FMAP. However, if the legal services required are complex and require the assistance of outside legal advisors, Citizens will select outside counsel to represent FMAP.
- 6. Maintenance of FMAP's Webpage:** Citizens will maintain FMAP's webpage and FMAP's internet-based services.
- 7. Office Space:** Citizens will provide office space, furnishings, and equipment, including maintenance contracts for the servicing thereof, janitorial services, and security necessary for the operation of the FMAP.
- 8. Office Supplies:** Citizens will provide office supplies, machine copying, postage, facsimile transmittals, stationery and any other materials necessary to fulfill the purposes of FMAP.
- 9. Strategic Planning and Recommendations:** Citizens will plan, strategize, and make recommendations as deemed necessary to FMAP's Board of Governors in order to carry out the purposes of FMAP.

**10. Telephone Support:** Citizens will utilize its vendors to provide necessary telephonic customer support on behalf of FMAP. However, Citizens reserves the right to utilize its employees to provide such telephone support, as it deems necessary.

**11. Records Maintenance:** All of FMAP's physical and electronic data and records will be housed and maintained by Citizens, at Citizens' physical locations or on Citizens' electronic systems. FMAP grants Citizens a license to use such records in the normal course of Citizens' business and in a manner consistent with the purposes of Citizens and the purposes of FMAP. Citizens will maintain such records in accordance with applicable Florida and federal privacy laws, and will protect the confidentiality of records that are confidential pursuant to Section 627.351(6)(x), Florida Statutes, or other provisions of law. In addition, Citizens will retain data and records related to FMAP in accordance with the records retention requirements set forth in Florida law.

**12. Public Records Requests:** Citizens will coordinate the response to any public records requests received relating to FMAP's records.

**13. Other Miscellaneous Services:** To the extent necessary to carry out the purposes of FMAP, Citizens will from time to time provide other services as required.

**C. Citizens Policyholder Eligibility Clearinghouse:** Section 627.3515(3)(a), Florida Statutes, requires Citizens and FMAP to develop a business plan for the implementation of an electronic database for confirming eligibility pursuant to Section 627.351(6), Florida Statutes. Citizens' policyholder eligibility clearinghouse, created pursuant to Section 627.3518, Florida Statutes, carries out this statutory function.

**II. Citizens Personnel:** Nothing herein shall be construed to create an employer-employee relationship between FMAP and any Citizens' employee, personnel, or vendor who provides any of the services or items described in Section I. Citizens retains, in its entirety, the right to assign, control, supervise, manage, and direct its employees in carrying out the obligations of this Agreement.

### **III. Invoicing and Payment from FMAP**

**A. Invoicing:** Subject to the limitations set forth in Section 627.3515(2)(b), Florida Statutes, Citizens will invoice FMAP each quarter for payment. Each invoice will be itemized to reflect amounts owed to Citizens by FMAP as follows:

- 1. Overhead Charge:** FMAP will be responsible for paying Citizens an overhead charge equal to \$300 per month.
- 2. Salaries and Benefits.**

3. **External Audit Expense.**
4. **Telephone Support Expenses.**
5. **Office Supplies.**
6. **Other Miscellaneous Expenses.**

**B. Payment Due Date:** Subject to Section IV, below, payment shall be remitted to Citizens from FMAP's bank account within 60 days of the invoice.

**IV. Budget Shortfalls.** Should the amount recovered from the collection of assessments pursuant to Section 627.3515(2)(a), Florida Statutes, be insufficient to pay any invoice from Citizens, pursuant to Section 627.3515(2)(b), Florida Statutes, Citizens shall transfer such funds as are necessary to pay the full amount to FMAP's bank account and make arrangements for such invoice to be paid in full.

**V. FMAP's Access to Citizens' Records and the Confidentiality of such Records.** To the extent that Citizens' confidential underwriting files and confidential claims files are accessed on behalf of FMAP or provided to the FMAP Board of Governors in accordance with Section 627.351(6)(x)2., Florida Statutes, FMAP and Citizens agree to maintain the confidentiality of such files. Such confidential underwriting files and confidential claims files will not be released to third parties except as provided in Section 627.351(6)(x), Florida Statutes, or other applicable Florida or Federal laws.

**VI. Effective Date and Term of Agreement.** This Agreement shall be effective upon being approved by FMAP's Board of Governors and being signed by a duly authorized representative of Citizens as set forth below. This Agreement shall remain in effect until terminated or until it is superseded by an amendment as set forth herein.

**VII. Amendment.** This Agreement may only be amended by way of a written instrument that is approved by the FMAP Board of Governors and signed by a duly authorized representative of Citizens.

**IIIX. Termination.** This Agreement may be terminated at any time upon mutual agreement of Citizens and the FMAP Board of Governors, or upon operation of law or order of the Office of Insurance Regulation.

**<SIGNATURE PAGE TO FOLLOW>**

FMAP:

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CHRISTOPHER B. GARDNER  
Chairman of the Board of Governors  
Florida Market Assistance Plan

CITIZENS:

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STEVE BITAR  
Chief of Consumer and Agent Services  
Citizens Property Insurance Corporation