

CITIZENS PROPERTY INSURANCE CORPORATION

SUMMARY MINUTES OF THE CONSUMER SERVICES COMMITTEE MEETING

Thursday, December 6, 2018

The Consumer Services Committee of Citizens Property Insurance Corporation (Citizens) convened telephonically on Thursday, December 6, 2018 at 10:00 a.m. (Eastern Time).

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

Freddie Schinz, Chair
Bette Brown
Greg Rokeh
Phil Zelman

Steve Bitar
Christine Ashburn
Sha’Ron James
Blake Capps

The following were present telephonically:

Barry Gilway
Bonnie Gilliland
Barbara Walker
Alden Mullins
Michael Peltier
Candace Bunker
Jeremy Pope
John Vaughan
Jay Adams
Manda Marsico
Ray Norris
Kelly Booten

Kirk Elmore
Stephen Guth
Sarah Harrell
Stephen Mostella
Judy Grunewald
Dan Sumner
Jennifer Montero
Ariel Shami
Rochelle Dori Brahm, Southern Oak Ins.
State Board of Administration
Ashlee Tising, Greenberg Traurig Law Firm
Rebecca Griffith, Sun Sentinel

MS. WALKER: Welcome everyone to Citizens December 6, 2018 Consumer Services Committee meeting. This is a publicly noticed meeting in the Florida Administrative Register with transcribed Minutes available at our website.

Thank you for your patience while I take roll call. Chairman Freddie Schinz.

CHAIRMAN SCHINZ: Here.

MS. WALKER: Governor Bette Brown. Governor Blake Capps.

GOVERNOR CAPPS: Here.

MS. WALKER: Sha'Ron James.

MS. JAMES: Here.

MS. WALKER: Greg Rokeh.

GOVERNOR ROKEH: Present.

MS. WALKER: Phil Zelman.

GOVERNOR ZELMAN: Good morning, here.

MS. WALKER: Thank you. Bette Brown. Chairman, you have a quorum.

CHAIRMAN SCHINZ: Great. Thank you so very much. I would like to welcome everybody to the CSC committee meeting today, and thank you for your time and for everybody being here. And with all that said I would like to go ahead and move right on to our agenda and go to tab one and see if we have an approval and a motion for the prior Minutes.

GOVERNOR ZELMAN: This is Phil Zelman, I make a motion to accept the prior Minutes.

CHAIRMAN SCHINZ: Thank you, Phil. Do we have a second?

GOVERNOR CAPPS: This is Blake Capps, I will second.

CHAIRMAN SCHINZ: We have a motion and a second. Any discussion? Any questions? If not, thank you very much. We will move on right away into tab two, Hurricane Michael response, and Jay, you are up.

MR. ADAMS: Thank you Chairman and committee members. I would like to focus my discussion today on Hurricane Michael and do it from a perspective of how claims and Citizens Enterprise responded to this storm in a customer centric approach.

I would like to start on slides two and three. Hurricane Michael made landfall in the Mexico Beach area of the Panhandle of Florida on October the 10th, 2018, as a category four hurricane with 155-mile per hour winds, which is the strongest landfall on record for this region. We knew that our response team @2:21 (INAUDIBLE) as our policyholders would be in great need of their insurance proceeds for damage caused by Hurricane Michael. We had discussed in the past Citizens is committed to leverage all available technology to speed up the adjustment process, reduce the cycle time of the claims adjudication process and to create increase our overall productivity.

If you go to slide number four, the first phase of technology that we implemented was to partner with our communications team to begin to send out outbound e-mails to our policyholders in the forecast path of Hurricane Michael. We leveraged our GIS tool and the National Hurricane Centers forecast track and included all policies that would be impacted by either tropical storm force or hurricane force winds. This pre-event e-mail notification focused on multiple ways to report a claim for damage and provide an education on not assigning away the policy benefits. An example of the communication is included in your binder. Communications partnered with our underwriting agency services team to create Hurricane Michael preparation material that were distributed to the agents in the impacted

area. This educational material focused on calling Citizens first and provided instructions on how the agents would report claims to the @3:36 (INAUDIBLE) in the policy center.

On slide number five, Claims began partnering with the National Insurance Crime Bureau to provide input of the areas that needed to have aerial imagery recorded. Immediately following landfall the NICB began to conduct aerial imagery reporting's of the coastal impact regions, first followed by all of the damaged area that were located in them. Citizens leveraged this information as it became available to conduct reconnaissance of the damaged areas.

On slide number six we again leveraged our GIS tool with the actual path of Hurricane Michael as reported by the National Hurricane Center to extract all of the policies under the tropical storm and hurricane forced wind fields. We focused immediately on the coastal areas by searching each policy against the aerial imagery we obtained from the National Insurance Crime Bureau. We identified all the residential structures that were complete total losses and started to proactively make contact with the policyholders to help them report those claims. We immediately adjudicated those claims and made payments for the total losses on the structure, content and additional living expenses, and this process was in affect and taking place within 24 hours post landfall.

On slide number seven, the entire infrastructure from Panama City to Port St. Joe was completely off line with our policyholders suffering from power, phone and Internet outages. Citizens deployed all three of our catastrophe response vehicles to the damaged area to help our policyholders work claims and made advanced payments on additional living expenses where appropriate. Many of our policyholders indicated that it was difficult to travel on the secondary roadways due to the amount of tree and other debris blocking the roadways.

On slide number eight, Citizens did not feel we were receiving the claim volume at the level we would have expected due to the amount of damages we were seeing from the ground. Claims partnered with our call center vendors to conduct an outbound calling campaign to see if we could help our policyholders in the claim reporting process. We proactively made an effort to contact every policyholder that had a policy located under the hurricane forced wind field that had not already reported their claim. If we were unable to reach the policyholder we left voice mail messages with instructions of how to contact our 1-800 number to report a claim if they needed.

On slide number nine, mobile home claims made up in excess of 50 percent of all the claims reported for Hurricane Michael. From an insurance perspective a mobile home is insured based on the value new at the time of manufactured, much like an automobile would be valued. Typically each successive new model year cost more than the previous year. This causes challenging situations for our policyholders. Many of Citizens' mobile home policies are written with replacement cost coverage, but the coverage is based on the cost of the mobile home when it was new. Since the cost of new mobile homes typically increase year after year, the policyholders is often left in a situation that do not end up with enough insurance proceeds to replace their mobile home with a new one of like, kind and quality. If you contrast this situation with a single family residential home, the replacement cost is based on the actual cost to replace the home which doesn't seem to provide the insured -- does tend to provide the insured with enough proceeds to replace that home after a total loss.

On slide number ten, armed with that information, Claims partnered with communications to produce a mobile home claims after a hurricane brochure. The intent of the brochure was to educate the mobile homeowner of the claims process and to provide an overview of the coverage available. This brochure was sent out to every mobile home claim that we received.

On slide number 11, due to the mobile home valuation issues discussed earlier, Citizens wanted to see if there were additional areas that we could help our policyholders when faced with needing to replace the mobile home. Citizens made inquiries to mobile home manufacturers and retailers who were making discounts and other incentives available to mobile or manufactured home purchases for those affected by Hurricane Michael. We provided the retailer information to each mobile homeowner that reported a claim that outlined the retailer and the incentives they were

willing to offer, as well as posting all this information on to Citizens' website. The information that we provided was a courtesy to our policyholders and Citizens was not directly affiliated nor endorsed any of the manufacturers or retailers.

On slide number 12, a lesson learned from Hurricane Irma was that the policyholder is often challenged in finding a reputable contractor that can complete the repairs in a timely manner. We have contracted with Crawford Contractor Connection for our Manage Repair program which is focused on non-weather water claims. We reached out to Crawford Contractor Connection post landfall of Hurricane Michael to see if they had any programs available that we could educate our policyholders on. We found out that they did in fact have a consumer direct program where the policyholder can call a 1-800 number or go directly to the Contractor Connection website to sign up for this program. The policyholder selects the services that they need and then they work directly with Contractor Connection to assign the appropriate contractors needed to complete the repairs as this program is not affiliated with Citizens.

On slide number 13, the Crawford Contractor Connection consumer direct program offers the following benefits. They fully credential every contractor in their network, including ensuring each has all proper licensing, insurance and financial stability. They eliminate the hassle and stress of having to obtain multiple bids. They require all contractors to back their work for a three-year workmanship warranty. They monitor the program from start to finish and then they provide assistance if any resolution to problems occurs. They also allow the policyholder to track the project every step of the way through their website. We provided this information to every policyholder that reported a homeowner claim, as well as posted vendor information on the website.

On slide number 14, Citizens invoked and leveraged the entire catastrophe plan to respond to Hurricane Michael. It was our goal to test out all of the solicitations that we had conducted and the contracts that were engaged prior to Hurricane Michael to ensure that all of the planning that we had done could be executed as intended. Our response consisted of sending the severity one claims to our off site Fast Track team to handle those claims by phone. And they included claims such as a tree on a fence or a few shingles off. All of the severity two claims were assigned to the field inspection services team that leveraged technology to assist in obtaining the appropriate scope of damages that was then converted into an Xactimate estimate. Severity three and four claims were assigned to the cat field adjusters and they provided a scope and estimate of the damages from the field. Then they submitted those final estimates to our desk adjusters here in Jacksonville where the claims adjudication process was completed. All of the severity five claims were assigned to our large loss team where we had dedicated cat field adjusters and dedicated desk adjusters that handled all of claims.

On slide number 15, as of October the 25th, 2018, we had the different type of resources deployed and their locations of deployment as outlined in the slide.

On slide number 16, another take away that we had from Hurricane Irma was that a field office near ground zero was extremely beneficial as it provides a base of field operations where our claims leadership can meet With the field adjusters to ensure they understand what is expected of them, and it also allows us to conduct quality assessment checks to make sure that those adjusters are following our best practices.

On slide number 17, this represents the claims statistics as of October 31st, 2018. And as of this morning we have received 3,281 claims and we are at a closing ratio somewhere around 77 percent.

And Chairman, that concludes my presentation.

CHAIRMAN SCHINZ: Thank you, Jay, great presentation. I have one question for you, Jay.

MR. ADAMS: Okay.

CHAIRMAN SCHINZ: Back on slide nine on the mobile home claims represents 50 percent of our claims. When you talk to the policyholders where they called in about the brochure that was very well done by you and Christine and your

staff. Did they have any -- how was their reaction to understand about the value of their mobile home being treated like the value of a car with depreciation?

MR. ADAMS: I think that is always a challenge for our mobile home customers. You know, the mobile home is a depreciating asset, much like a car is. And able to purchase a new model, typically the insured would have to come up with some additional funds. I think we did everything we could to educate them, set the right expectation from the first contact from our adjuster through the brochure and throughout the entire process.

CHAIRMAN SCHINZ: Okay, great. Well, listen, I appreciate it because I know you guys have done a really good job of sending out brochures and alerting them and letting them know on a level that they can understand that the mobile homes do depreciate like a car. But that is all I have right now, Jay, and I thank you for your answer. Does anyone else of this committee have any questions they would like to ask Jay?

GOVERNOR CAPPS: Good morning, this is -- I am sorry, go ahead.

GOVERNOR ZELMAN: Go ahead.

GOVERNOR CAPPS: You can go ahead, that is fine.

GOVERNOR ZELMAN: This is Phil Zelman. I just wanted to know, did we have a lot of claims called in by third parties, or were these direct by clients or by agents?

MR. ADAMS: Initially following every event the majority of the claims are called in by the insured. The further you get out from the date of loss, the more representation we start to see. We have had 79 percent of these Hurricane Michael calls, called in by the insured themselves.

GOVERNOR ZELMAN: Great.

MR. ADAMS: And then in 20 percent of those, someone else called in. But specifically in the representation, we are around one percent for this event.

GOVERNOR ZELMAN: Okay, that is better than south Florida.

MR. ADAMS: Yes, sir.

GOVERNOR ZELMAN: Sorry, I just had to add that in. We will see what happens with the next event, God forbid there is one.

CHAIRMAN SCHINZ: All right, thanks, Phil, and Jay. Blake, did you have a question for Jay?

GOVERNOR CAPPS: Yes. This is Blake Capps. I have a question or two regarding the whole theme and concept of customer centric focus. And as we were reading through the slides I noticed a number of things that Citizens seems to do to reach out to people. And I am curious about whether these are unique things that Citizens does, or if this is kind of industry wide with other insurance companies?

Like on slide number four, pre-event e-mail messaging to all policyholders in the storm path. And then I am thinking slide seven, assisted policyholders on advances on additional living expenses. Slide eight, call centers made outbound calls to the policyholder to see if they needed to report a claim. Voice mails were left with instructions on how to file a claim if needed when contact was not made. Just a lot of things like this. How about this one, slide 10, mobile home claims, brochure made, brochure mailed to every mobile home policyholder that filed a claim.

It almost makes me think that Citizens goes way beyond the call of duty and that this is probably not industry custom among other insurance companies. Am I right there?

MR. ADAMS: Yes, so this is Jay Adams. I would venture to say that that is an accurate statement. I would tell you statutorily from a claims handling position, we are not required to do any of those things that you mentioned. What

we have tried to do here at Citizens is, we want to educate the insured as to any challenges or opportunities that we see that are coming in the future, especially after these events. We also want to try to mitigate their claim and get it adjusted as quickly as possible so that they can begin the repair process. And many of the things that we put into play for Hurricane Michael really was just tools and things that would assist the policyholder. We want to try to get them back to pre-loss condition as quickly as possible.

GOVERNOR CAPPS: Great.

MS. ASHBURN: Chris Governor Capps, this is Christine. I think Jay is accurate. I do believe we are seeing more and more of our industry partners do pre-event e-mails and post event e-mails. We saw it a lot in Matthew. We know antidotally from our own employees who send us stuff that they receive from their insurance companies. So I do think some of what we are doing we are seeing more and more frequently in the industry, but Jay is right, I think we are definitely, you know, mobile home brochure and those types of things, very specific to our book of business. The concerns that we have following an event that Jay and his team are worried about, and you know what, we will learning. Depending on where we get hit, every storm is different and we are customizing our response based on every hurricane. And I am not sure that we are seeing a lot of that in the private sector yet.

GOVERNOR CAPPS: Very interesting. That is all to be greatly commended I think, and that is a great service to the customers of Citizens and I think it ought to be noted. I have one other question on slide 14 that has to do with these severity codes and Fast Track versus field inspection services versus cat field adjusters. And I wondered what kinds of claims kind of trigger the movement from one classification of adjuster to the next. Like give me a couple of examples of what would be Fast Track and a couple of examples, classic examples of what would be field inspection services and a couple of classic examples of cat field adjusters.

MR. ADAMS: Okay. This is Jay Adams again. The first thing I want to make sure everybody understands is, we put these claims into different severity codes so that we can route work to the appropriate resources. As we have reported in the past, we do believe if we had a major event here in Florida that there would continue to be a shortage of independent adjusting resourcing. But what Claims has done over the last two years is, we have been doing solicitations and things to take specific types of work and move it to resources that are not traditional catastrophe field adjusters. And what we are doing is we are trying to get in front of if there were a shortage.

To specifically answer your question, severity one would be the lowest severity claim that Citizens receives and the severity five the most complex. Those claims that we send to Fast Track were typically claims that there might be a tree on the fence. There could be a few shingles off, you could have had power outage, food spoilage, those types of things. Things where we would not expect an adjuster needs to go out on-site to do an inspection.

Severity code two claims are a little more complex. There might be multiple trees down. There might be multiple sections of fence down or a slope of shingles that have blown off. In these instances we do want somebody to go out there and physically take photos. But we still consider these losses to be the least complex loss. But for our records we need photo documentation and such.

Severity codes three and four are more typical of what you see in a hurricane. These you are either likely to have water intruding into the house. So part of the roof is probably missing. Windows and doors might be blown off, siding down. Those types of things, but not significant structural damage.

And we save the structural damage for severity code five and we assign those to dedicated large loss folks, people that have experience in handling structural damage types of claims, or claims where, you know, the house might be a total loss or a constructive total loss.

GOVERNOR CAPPS: Great, great. On the difference between three and four I suppose it probably gets kind of -- they run together I suppose. It just depends on like --

MR. ADAMS: The difference between, the major difference between a severity three and a four is, a severity three is you can still live in the residence. A severity four would be you may not have structural damage, but you cannot live in the residence. Like maybe a tree fell through the roof and there is branches and stuff in the bedroom where you sleep. So you wouldn't be able to stay in the house. Versus a severity five you now have some type of significant structural damage where we are going to have to take part of the house apart to put -- to do the repair process.

GOVERNOR CAPPAS: Good, that was very helpful. Thank you that is all I have.

MR. ADAMS: You are welcome.

CHAIRMAN SCHINZ: Thank you, Blake, thank you guys. If there is no further questions, I would like to go ahead -- is there another question?

GOVERNOR ROKEH: This is Greg Rokeh. Have one quick question for you, Jay.

CHAIRMAN SCHINZ: Thank you.

GOVERNOR ROKEH: I was curious, in using your aerial imagery you had indicated that if you saw total losses or very significant damage I guess, you automatically opened claims. Can you quantify that for us? Can you give us a number of how many claims were actually instituted based on the aerial imagery alone?

MR. ADAMS: I don't have that number available, but I want to guess somewhere around 100 to 125. What we were attempting to do is most of these were in Mexico Beach and directly west of Mexico Beach. We were unable to get to those areas because most of the roadways were so closed and law enforcement was not allowing adjusters into the area at that time. Many of the policyholders had evacuated those areas as well and may not have known what kind of damage their home had sustained. And what our specific focus was, we were looking for those claims where the house was gone. So all that was left was the slab behind. Those are the ones that we reached out proactively to the policyholder, the agent, filed those claims on their behalf and we adjudicated those claims within 24 to 48 hours.

GOVERNOR ROKEH: Okay, thank you that was very, very helpful.

MR. ADAMS: You are welcome.

GOVERNOR ROKEH: That was all I had, Chairman.

CHAIRMAN SCHINZ: Thank you. Is there anyone else that would like to ask any questions of Jay at this time? If not, prior to going into the next slide with Christine or the next section, I would like everybody as she goes through her report to take a look right after slide 13, a copy or an actual brochure is there on what we were discussing with the mobile home claims after a hurricane.

And I just want to thank Christine and Jay and their whole entire staff for doing such a good job on that thing and getting it out. That is so important for all of our customers to be able to be familiar with what they are dealing with in case they have any damage to their mobile homes and you guys did a good job of educating them.

With that being said, Christine, you are up.

MS. ASHBURN: Great, thank you, Mr. Chairman, good morning. So as Jay said, you know, it is really an enterprise wide effort and as I mentioned when I was answering the question, we learn with every hurricane. Unfortunately we had a number of these to now go through and everyone present a little bit differently post event. But on the front end we really got a good system down of helping get the word out, making sure customers know how to find us. So of course, we leveraged traditional media. Three press releases were sent to advise the press and stakeholders of our development, recovery efforts and our catastrophe response center locations once we deployed those following the storm. And of course, we did pre-storm messaging, response readiness information was provided to

reporters so that they could get our information out there and they are a great partner when we have land falling disaster to get the word out about our 800 number, 24/7, what kind of documents folks should take. Of course, we caveat that with, please be safe first, but these are the things that you might need following the event. Website traffic on Michael related pages remain steady for a couple of weeks. They were 113,241 visits to the public site. This is the first event, and as we have noted, this is the first storm that we have had following the launch of the on lines claims reporting via MyPolicy. And 138 claims were reported through MyPolicy from October 9th, to October 23rd. Now, remember we only have right around 3,200 claims. So that is a good size for a first event, and quite frankly in an area where we had a lot of rural customers and a smaller e-mail profile for those in the cone than we saw with Irma and Matthew in previous years. So many of our policyholders would be very lower on average number of e-mail addresses on file than we might have in other areas of the state we saw. 12,295 hits with a high of 1,151 visits on 10/15. So MyPolicy was very popular for folks getting information and that is a good thing.

First, first brush of using MyPolicy following the hurricane. We obviously clearly were making regular updates to the website to keep policyholders informed of our recovery efforts and locations of our CRCs and other recovery resources linking them to FEMA information and other information as it became available that might be useful in the overall recovery, linking the other government agencies and things of that sort. Of course, leveraging our graphics that we always do. A picture really is worth 1,000 words especially in the website world as many of you are aware so they wouldn't have to search for the information on our site.

As Jay mentioned, we sent e-mails to ensure customers and agents were both prepared and informed about storm related activities. A total of 12 e-mails were sent for September. There was 38 recipients in advance of the storm. At the end of October we were also advertising following the event, our @27:58 (INAUDIBLE) locations for those folks in the areas. As Jay mentioned, we had a lot of communication issues in the areas where we were responding. And so a lot of people didn't have phones. If they were wifi, hot spot centers. So just like with Irma, e-mails became a critical tool as folks were able to use wifi when they could get to it and we were hopeful that we could help. We really had to deploy every, every means necessary to communicate where we were, including flyers, you know, very advanced technology and then of course, old school technologies because we really did suffer some significant communication hurdles in the areas that were hit with this storm. Even more so quite frankly than we felt with Irma. We used social media to help promote preparedness, our CRC locations through local recovery resources. We particularly was focused on relying -- relaying critical local emergency management to the public. @29:03 (INAUDIBLE). Following the storm with our (INAUDIBLE) 356,200 impressions and (INAUDIBLE) increase on Facebook. So obviously social media more and more is an avenue where people go to get information and find information, both before, during and following a storm. We @29:28 (INAUDIBLE) our communication contact and (INAUDIBLE) hurricane recovery (INAUDIBLE).

CHAIRMAN SCHINZ: Christine.

MS. ASHBURN: Yes.

CHAIRMAN SCHINZ: Yes, you are getting, we are getting a lot of muffle from your phone, at least I am on this end. I don't know what it is, but could you try to get to a better cell area if you are on a cell?

MS. ASHBURN: Sure. I am traveling. So I am in a hotel room. Let me see if I walk to a different part of the area of the room that it is better. Is that -- this any better?

GOVERNOR CAPPS: Yes, that sounds better now for me. This is Blake Capps. We lost you there for four or five sentences.

MS. ASHBURN: I am so sorry.

GOVERNOR CAPPS: No problem. I think you are better now.

MS. ASHBURN: Okay, great.

GOVERNOR CAPPAS: Yes, I think so.

MS. ASHBURN: I apologize. So we leveraged radio, which was initially just our claims filing phone number and our website information for folks. And then once we had the CRC locations up and running, we were able to customize and change the messaging in the appropriate radio markets to let folks know how to find us. And then following our closing of the CRCs, we left a few markets, but remained on radio in Panama City which was the major market to make folks aware of our phone number after we were out of the area with our large post storm presence. We were also able to do live announcements with Oyster Radio and 92.5 WPAP, Panama City for our CRC locations. So that was great. So

even in live radio broadcasting we were able to have the DJs announce our locations and talk about our hours and encourage folks to come out and find us if they needed help with anything. So just again, radio, again, like social medium, radio was the one thing was working in many of these areas. And so we were able to leverage the contracts we have to quickly get out there. And also as all of you know we have the unique sponsorship with the Florida Public Radio emergency network and we were able to both pre and post event change our messaging in those networks in the areas around the state that were impacted to let folks know where we were and how to find us.

We, as Jay mentioned, we leveraged a number of print materials, some claims requests and some just based on our desire to try to get the word out in areas, again, where communication was a real, a real problem with technology. So we had flyers that we put out at local businesses, at the FEMA locations, at the disaster recovery locations throughout the impacted area, including Mexico Beach. And we also made yard signs that were placed in large neighborhoods and in surrounding areas on main roads, Highway 98, 231, 231 and 23rd Street in Panama City. Really like you would see a campaign sign of. We had those made quickly, both that were generic to call Citizens First and our claims number out there, but also announcing our locations in the Port St. Joe area, both for Mexico Beach, Port St. Joe and Cape San Blas, making it clear where we were there since communication was so tough.

We also created for the first time doorknockers so we could where we needed to put them on houses in the impacted areas trying to make folks aware that we were out and about and to remind them out to call us. So that is something that we look forward to leveraging for events in the future. It is usually changeable, so it is not customized to a certain storm name. As Jay talked about, we did create new brochures specific to mobile homes and the recovery efforts. But of course we were also able to leverage our great library of claims related resources and make those available at our CRCs and make those available to our adjusters that were in the field so that we could hand out useful information directly to the policyholder when we were with them, either during the adjusting process or of course when they were filing a claim with us at our CRCs.

And then one of the major things that we don't quite frankly give enough credit to I think so, Jay was kind to say that he thought Candace had a magic wand the other day, but Candace Bunker was critical in getting the locations available we needed very quickly to get the CRCs located in the different areas. So what we do is we work with Jay and his team to say, okay, where do we need to go, where do you want us to be based on our policy count and the damage profile. And then we have to find quite a large space for the CRC trailers and our tent setup with chairs and tables and fans so that we can help our customers. So it is a large space that is needed, it has to be paved, you know. We have specific guidelines just based on the weight and for safety purposes. So Candace sprang into action and very quickly was able to leverage relationships that we have with Representative Halsey Beshears, Representative Brad Drake, Representative Clay Ingram, City Manager from Apalachicola and the Sheriff from Franklin County and the Tax Collector to get us where we needed to be. She was critically involved in helping achieve scout locations for the CRCs in all three locations. So that was really a great way we leveraged her resources and her relationships to get us on the ground quickly, and quite frankly as Jay said the other day, if she wasn't at one location, she was out scooping another throughout time on the ground. And mentioned, I should mention that we did work with Wal-Mart and Sam's Club for our CRC Panama City location, and we were able to co-locate in Centennial Bank in Port St. Joe. So both public and private sector partnerships that were really critical for our success in this event. So as Jay mentioned, due to the nature of the Panhandle policy

profile and the huge footprint of mobile homes that we have in this area, we were able to quickly with claims, at Claims request and the communication team just did an awesome job creating the mobile home brochure that is in the back of this packet, both -- and some flyers that were going out to policyholders specific to the mobile home manufacturers as Jay mentioned, and also when we launched the Contractor repair referral program. So we partnered with Claims to get those handled in the format they needed for both use in the system and then also use to be handed out in the brochure to be mailed out with claims checks and claims information.

And I believe -- I think lessons learned. As I have mentioned, you heard me mention I think we continue to learn is that every storm is different and the profile of the storm and following and the challenges we face in communications and other areas, I think we now know will always be every storm will present a different set of challenges which then allows us to leverage and have success with different communication tools and we -- with every storm we build a better library of information and we are better prepared for the next storm. So I think we had -- we had a great, you know, working relationship with the whole team within the organization as you will continue to hear us talk about. And, you know, we had our challenges, but I think, you know, Kelly's team and everybody came to the rescue and got us AT&T phones and AT&T hotspots when we couldn't use Verizon, and I think we now know that when we have another storm it will just present a different set of challenges. So it is a great lesson and we come away from every storm better prepared to serve our customers in the next storm and that concludes my report, Mr. Chairman. Hello.

CHAIRMAN SCHINZ: We are here.

MS. ASHBURN: That concludes my report, Mr. Chairman. Yes, I am here.

CHAIRMAN SCHINZ: Okay, does that complete your report?

MS. ASHBURN: Yes, thank you.

CHAIRMAN SCHINZ: Well, thank you very much, Christine. And once again kudos to you and your team for your fast response to the hurricane and the disaster that happened up in Mexico Beach. And does anyone have any questions for Christine before we move on to Jeremy?

GOVERNOR CAPPS: This is Blake, perhaps I have one.

CHAIRMAN SCHINZ: Okay, go ahead, Blake.

GOVERNOR CAPPS: I have one. Yes, I was thinking, I was kind of piggybacking on my prior question about things that I perceived that are probably unique to Citizens and just the idea of CRCs. Do other insurance companies do CRCs or is that unique just to us? And things like radios and yard signs, doorknockers, all these things? Do you feel like these are kind of unique to Citizens as well?

MS. ASHBURN: Some are and some are not. So with respect to the CRC that is something that you see commonly in the industry. And in fact, our CRC location in Panama City was at the Sam's Club. It ended up being the jumping off point for the CFO Patronis and Department of Financial Services to co-locate and do what they call an insurance village where many of the carriers that have policies in the area co-located with their own CRCs, whether it be motor homes, pop-up tents, things of that nature, to offer similar services that we were out in the field offering.

I do believe we continue to be one of the fastest to get on the ground, both with Irma and with this storm as well. But yes, that is not uncommon. Radio is also not uncommon and we also did see some yard signs from other carriers.

So I think some of those things we see throughout the industry. Creating brochures like we have as quickly as we have and doorknockers and that type of stuff, those were things that I think I would call unique to Citizens' response this time.

GOVERNOR CAPPS: Very good, very good. One other general question, too. Does anybody have any idea on how long people were in the worst areas, how long they were without power and Internet and phones and that kind of thing? Like the day after the storm how long were people kind of in a state of panic about their destroyed homes before

they had to resort to listening to the radio or looking at a yard sign or looking at a doorknocker? I am just curious about that kind of thing.

MS. ASHBURN: I think many of the areas were without power for several weeks. The hardest hit areas, including Mexico Beach and Panama City, 10 days, two weeks. I think there were some pockets that were even beyond three weeks, going towards the month without power and Internet. And I know there are still some connectivity issues intermittently depending on the carrier, Verizon specifically in the Panama City area.

GOVERNOR CAPPAS: Very interesting. Good, well, that is all I have. Thank you, that was excellent.

MS. ASHBURN: Thank you.

CHAIRMAN SCHINZ: Thank you, Blake.

MS. ASHBURN: Mr. Chairman that is all I have got if there are no more questions.

CHAIRMAN SCHINZ: Thank you, Christine. And one thing I know from experience being -- going there, having been through a whole bunch of major hurricanes that power and communications have been down as much as a month for a lot of people. It is just, it is a very unfortunate thing to happen in Panama City and I appreciate you guys' response and echo Blake's concern also. And thank you guys very much. But now we will go ahead if there are no other further questions move on to Jeremy POPE. Jeremy, are you there?

MR. POPE: Yes, can you hear me Chairman Schinz?

CHAIRMAN SCHINZ: Yes, sir, go ahead.

MR. POPE: You can hear me?

CHAIRMAN SCHINZ: Yes, sir.

MR. POPE: Okay, very good. Chairman Schinz, thank you so much and committee members. This next update is a joint update with Scott Crozier and myself representing underwriting and agency services.

We are going to start with slide two of the deck and I will turn it over to Scott to start.

MR. CROZIER: Thanks, Jeremy. Good morning Chairman Schinz and committee members. This is Scott Crozier. I am Citizens' Vice President of Underwriting and Product Development. On October 15th, 2018, the Florida Office of Insurance Regulation issued Emergency Order 5 number 234790-18-EO. A key component of this Emergency Order was the establishment of grace periods for cancellations and non-renewals, and what were identified as 16 included counties primarily in the Panhandle. Within the 16 counties Citizens had 6,800 policies in force. So the target we are looking at, shows the personal lines policies which are depicted on the column on the right with the letters PL in the heading, and commercial line policies depicted by a CL heading that were protected as result of Citizens' actions to comply with the Emergency Order.

The first row shows cancellations that we reversed by reinstating coverage. The second row depicts the number of policies that had been scheduled to be non-renewed, but were instead offered a renewal policy with Citizens. And finally, the third row shows the numbers of policies for which we were initially unable to identify a valid Citizens' policy when a Hurricane Irma loss was first reported. And in this case our underwriting teams assisted claims would normally do this and researched the policy to determine whether or not a policy was actually in force at the time.

So pending any questions, I am going to be followed by Jeremy.

MR. POPE: Thank you, thank you, Scott, and Chairman and committee members, this is Jeremy POPE for the record, Senior Director of Consumer and Policy Services. And this morning I just want to provide a brief update on our frontline response related to Hurricane Michael. And I know that both Jay and Christine mentioned many of these activities. So

what I will offer is just a little bit more in-depth background on some of the effort and our output, if you will, as an organization and how we were there to really be there for the policyholders.

The areas that I am really going to highlight will be our call center ramp up, our outbound calling campaigns, and also our catastrophe response centers. On slide three, just to give some background to this committee, and many of you are already aware, we do offer what we call our first notice of loss and claims support 24 hours a day, seven days a week. So anytime a policyholder, whether it be during a cat or not, Citizens is there to retrieve their call. To file the claim, to answer any questions related to their claims, because a lot of times policyholders have significant questions. In addition to that, we as Christine mentioned, MyPolicy application this year enabled us to allow policyholders to file that claim online which is great and that helps us really utilize resources in other areas throughout the organization as needed, and also gives the ability for policyholders to have just another means to reporting their claim as appropriate.

So in regards to the call center ramp up and support, before the storm hit as this committee is aware we partnered with various firms to help us when we do have a cat for overall scalability and ensuring that we have enough resources to answer our phones should a cat hit. We put our vendors on notice early, early Monday morning, and at that same time we dispatched several teams up to Pennsylvania to assist our vendors with overall ramp up support. And while our vendors are responsible for obviously training and hiring, we are really there for resources, for quality purposes and really just for partnership to ensure that these vendors that represent Citizens understand how critical the response efforts are to us. That also helps really keep our communication open back with what I will call home base in the various sites as needed. Tuesday, Wednesday were really busy for us as far as prep. We were able to train 100 new employees added to the Citizens' program. So in addition to the routine resources that we have dedicated to our Citizens' account externally, we were able to get 120 new employees trained which we thought was critical because then we think from a 24 by seven standpoint we want to make sure that if a policyholders does call us, they can get ahold of us in an efficient manner.

We conducted over six training classes with our outsourcing partners, and by Thursday, early Thursday morning we had 147 customer service representatives both secured and trained prepared for Michael's response. All in all when we look at the call center, the call center response, we serviced almost 13,000 calls which was 175 percent increase to our original forecast without a cat. So Michael significantly, while it wasn't a significant event when we look at overall policy county that impacted us by numbers, it still surpassed our day-to-day volume what we see in our call center. So we 4000 definitely felt good about having the resources secured that we did, and we were most proud that on average during this time our policyholders had to wait eight seconds to speak to a customer service representatives and that is just helpful for a number of ways. One, to be able to file the claim, but again, after they filed the claim, to be able to call to call in 24 by seven and ask questions. Really it is helpful and provides a sense of what I would say calmness to the policyholders during this time of great need.

On slide four, and I know Jay mentioned our outbound calling campaigns. I know I gave an update, we did a similar campaign with Irma and I talked about how proud and just how, how rewarding it was to a lot of our employees who aren't necessarily dispatched out in the field for response efforts, but are back at home base being able to have some type of part of helping our policyholders. This is we have a very strong partnership with Jay's group and getting constant, constant update on list for policyholders to call. We had two campaigns that we activated during or before Hurricane Michael if you will.

Our first campaign was considered our first contact campaign and we ran that campaign from October 11th through October 25th. We complete over 4,000 calls and that includes call backs as well. We were trying to reach out to policyholders during this campaign who had already filed a claim, and it was our opportunity to go back and, you know, and shortly after they filed the claim, one, see if they had any questions while we were waiting for their claim to be assigned to an adjuster. And two, make sure that the information that we have on file for the claim was accurate so we can really try to shepherd an efficient and accurate claims process for our policyholders.

Our other campaign that we did was what we considered our proactive policyholder outreach campaign. And this campaign ran from October 17th through October 27th. We placed over 27,000 calls during this campaign. What we looked at were policies that were with Citizens within the count of impact from Hurricane Michael where they did not file a claim yet. And this was our opportunity to practically reach out to policyholders. One, our first thing is to always checkup on our policyholders and make sure they are okay. And then also let them know and ask them if they have any damage to their property. If they do have damage to their property at that moment or if they call us back, we go ahead and file that claim for them. So a couple of things that is really helpful. Yes, it is great policyholder outreach, but it also really, really helps us efforts with some of the AOB challenges, the assignment of benefits challenges that we just see in the industry today. So we were able to get 146,000 policyholders to file that claim with them on the line.

I have got to tell you, the feedback that we received with both of these campaigns, actually I know some of the questions came up or the comments were, you know, do other insurance carriers do some of this outreach. And some of them I definitely think they do. I think reaching out to policyholders from what I have seen where they haven't filed a claim yet is very transformational. Our policyholders were just shocked. They were very appreciative and what we were able to do is get as many claims in the pipeline as we can so our adjusting teams were appropriate and get these resolved as quickly as possible, too. So again, the staff that was part of these efforts, I think it was very rewarding for them. And again, we received a significant accolades to the organization in regards to these efforts. (51:33)

I am going to move over now to slide five and just go over some additional information regarding our catastrophe response centers, also known as our CRCs. That map, you will see the yellow stars really shows where we set up these CRC locations and the dates are listed there well. We first set up Tallahassee, which I think, is really critical. That was two after Michael made landfall. We were in Panama City on the 14th and then Port St. Joe we activated on Oct 16th and Apalachicola we activated on October 17th. I know the committee understands the challenges we had with this storm because we do have a lot of pocket areas that we were trying to represent as much as possible. So we really had some really good strategies. The way we deployed staff, the way we got them out there both safely and also quickly was something we were most proud of. We had significant challenges, as you've heard. Having the communication challenges, having just the traffic and the local curfews; it was taking some of our staff three hours to get to the site, to and from. So that's three hours there and three hours back. So some of the staff was traveling basically six hours to provide representation at these sites. We made sure we were very mindful and ensured that all of our staff was safe, that was our first concern. And then we also made sure that what we had was value added to our policy-holders out in the field. What's not reflected on this chart is we continued to partner with our legislators and also the Department of Financial Services. That even today the DFS and Senator Rubio's office set up a recovery assistance center back in Panama City for providing various resources to that area, because as we all know that continues to heal and recover, if you will. Part of that is insurance claims assistance. So we have a team out there today, it started at 10:00 AM and will be there through Saturday. If we have policy-holders that need to file a claim we'll take it, but also if they filed a claim and they have questions, we're going to be able to answer their questions and file the claim. We also adjusting resources on site too and the ability, if we need to, to cut an additional living check. So again, I just wanted to make sure we continue as the need is there to provide representation and resources to our policy-holders and I want to mention what was going on today and over the weekend so this committee was aware.

(54:15) On slide six, I know we talked a lot so far about our catastrophe response centers but I want to let you know the output of what we were able to do; the combined activities with all the various sites that I mentioned. We were able to assist 266 policy-holders. Again, they were kind of, we had them in pocket areas. So the challenge with this storm was we had just, we covered a very large landscape and we tried to, and Candice did a phenomenal job and Christine, helping us really pick the ideal locations of where we could be set up and where we could help the policy-holders as needed. We filed 102 first notice of loss, so that means we filed the claims on-site. We had adjusters on site, which is great as well. So right after they filed their claim they could sit and meet with an adjuster. We also, and I think we need to make note of this, but we had 625 visitors throughout our sites also that were not policy-holders. They came to us for

various reasons. They were looking for, maybe it was FEMA, they were looking for Red Cross, they were looking for shelter. So some of it, while we're not necessarily responsible for, we did have listings in the local area of where to direct these folks. So from a community stand-point, Citizens just did a really good job. We heard a lot of great feedback out in the field just thanking us that we were there and that we were set up for policy-holders and even just the citizens of Florida being able to stop by and have answers to questions as they're needed. I will tell you we also, and this is big, we cut 118 additional living checks, or I'm sorry, 118 additional living expense checks. They totaled almost \$350,000.00. What that enabled our policy-holders to do was take that check, for some of them to get into some temporary housing, food, whatever may be needed but that was really while we were waiting for their claims to be processed or for their adjuster to be able to contact them we provided those checks on site to make sure that they could get started. And that was, I can tell you, extremely rewarding to see the reaction of the policy-holder. They were just so pleased that we were able to do that. In all we deployed 55 staff across that area. It was a partnership across the organization to try to get us to be as flexible and fluid because we made changes with locations, we moved some sites as needed. But we were very responsible, and again, had the impact we were looking for in the various communities. (56:42) Those pictures you see on the slide, those are real life pictures from the various areas. We had our executive team, including Barry, that made visits and it was just really good. (56:54) I think for the staff, I talked to you about these efforts being rewarding for some of the staff back home, obviously the staff that we had deployed in these areas, you know when you have I mean there's children in that middle picture who were literally in a tent with their mother the night before, they were in line with the CRC that next day, trying to file, you know, they want to file a claim with Citizens and I think it just really hit home when you see the staff, you know, if we need to reiterate our purpose any more it couldn't be any more clearer than being out in the field and seeing how our policy-holders needed us and we were there for them. So just want to mention that.

(57:28) On slide seven, in addition to just our overall representation, I know Christine mentioned it, but we did have representation at all of the Department of Financial Services' insurance villages that were set up. Those dates were listed there and we're obviously notified by the DFS when they are going to set those up. (57:44) Panama City, Tallahassee, Marianna, we, Carl Rockman's group and his agency field managers helped us provide a lot of support on the ground to make sure, again, if policy-holders showed up to those events they could file a claim or if they had questions about their claim we had resources there to assist them. Or again, if we need to cut an additional living expense check we could do so as well. (58:05) At these villages, and you can see in the pictures, I mean we had David Altmaier was there, we had the CFO that showed up, Barry our executive team and Jay you see there as well. (58:15) Christine was there, just really good representation of the organization. And again, I don't want to toot our own horn but we heard nothing but accolades as far as our response was and anywhere we were asked to be we were definitely there.

(58:28) On slide eight just recaps a lot of what I know Christine mentioned her team did a great job providing us with just a lot of signage and we just, we had, we wanted to make sure for policy-holders because we knew a lot of them weren't necessarily back home yet and we want them to know 1.) we were there and then when they come back if we're still not there when they got back then there were means to either call us or go to our website to file a claim. We partnered with a lot of agencies as well so we had agency field managers partnered with various agents to make sure that policy-holders were aware of that as well. And the only other thing I would just say is, and I'd be remiss if I did not mention just the level of prior (59:14 inaudible) with our overall response efforts. What Scott, Jay, Christine, and I all covered today it took partnership from every area in the organization and I felt like we truly came together to execute the various logistics that we reviewed with this committee today. But I think it's worth mentioning, without the continued support of this committee as well as our board of governors, our successful response to Hurricane Michael, it just couldn't have been possible. So just thank you again for the continued support and oversight, allowing us to empower our staff, to really do the right thing for our policy-holders during a critical time of need. I know we come to the committee and our board of governors for various technology solutions, for various solicitations, reviewing our operating model on a continuous basis, and that support and guidance to us is critical to us. And again, without your

support we couldn't have done this. Chairman, that concludes my presentation and I'd be happy to answer any questions if there are any.

CHAIRMAN SCHINZ: Thank you very much for your presentation. Does anyone have any questions?

BETTY BROWN: Yeah this is Betty, Betty Brown I just have a comment. I saw you set up these catastrophic response tents when we had the storm Irma come through the Keys and of course you set one up in the upper keys. I can't tell you how great this is, I don't know whose idea it was but, I know it's a big effort but it sure, it's good to do it because it's the right thing to do but it's such great PR too. It shows that we care and we're on the ground, boots on the ground and I just again compliment you on the effort. Because I know it was a huge one. I saw what Steve and his team did in the keys and I just compliment you on the effort. It's just the right thing to do, you're there and you're visible and that's the way it should be so thank you.

CHAIRMAN SCHINZ: Thank you very much. Does anyone else have any other questions?

BLAKE CAPPES: This is Blake Capps and I have a couple, slide three, the new employees, the 120 new employees added to the Citizens program and the 147 customer service representatives secured and trained. What happens to these folks when the Hurricane demand slims down? Are these temporary people or do you find places for these folks to continue working at Citizens?

JEREMY POPE: Governor Capps this is Jeremy Pope, great question. To be clear those 120 new employees that are reflected were really vendor added as part of this catastrophe response effort, these aren't Citizens employees and the beauty of them bringing in so many different folks, these are call centers that support various companies and various lines of business and also insurance carriers so many of them were kept for other programs some were back filled within our program then there were some temporary workers that would be released as needed. All of these employees were from the state of Pennsylvania just to add some additional insight.

BLAKE CAPPES: Ok, well that is interesting. Well then another question on slide two, a little point of clarification on what no policy in force means. Are these situations where people are disputing whether or not they had coverage, like maybe somebody thinks they are covered by Citizens but they are actually not, is that what that has to do with?

SCOTT CROZIER: Yes it is. Often what happens is we get an address that is off by a number or a name is misspelled or there is some question we can't make sure they have a Citizens policy or we can't find it or perhaps it was canceled or non-renewed. So it's an attempt by the Citizens team to double check and see whether or not there is coverage in force. Did that clarify it for you?

BLAKE CAPPES: Yes. And one other quick question, these expense checks that are dispersed at CRCs and along the way. How big can those be for people and in desperate circumstances, what's like is there a maximum amount of money that you are handing out to folks?

JEREMY POPE: Yes, we writing checks up to \$5000, at the very largest is what we wrote out in the field. Again depending on the policy and circumstance with the adjuster reviewing the policy and with the policyholder, but that was the max dollar we would actually cut.

BLAKE CAPPES: I suppose you have to make sure that the potential claim is going to exceed that but its like its if somebody is missing two shingles on their roof you can't have \$5000 or you know whatever if there is a little tree in the yard. You have to make sure that the potential claim is probably going to be larger than that check that you hand somebody upfront right?

JEREMY POPE: Absolutely, one of the things you know is so critical for us to have these trained and licensed adjusting resources on site, they really sit there with the policyholder assessing the damage that's reported by the policyholder but we have some really good estimating tools that really help us gauge in severity how big of an issue it may be and the whole purpose again is just temporary support. To get them in potential housing or food as needed. Jay may speak

more to this, we have the severities for a reason to prioritize the more critical claims as needed. Many of these claims were resolved over the phone with the in house adjusting team that we have but we are definitely mindful of that and can assure you that that is reviewed with the policyholder as appropriate, I should say.

BLAKE CAPPS: Very good. Thank you so much.

CHAIRMAN SCHINZ: Thank you Blake. Are there any other questions?

GREG ROKEH: Chairman, Greg Rokeh with a couple of questions. Scott maybe Jeremy, it has been alluding to that roughly half of these claims involve manufactured homes and the policies are not very friendly to property owners of manufactured homes and I think the reality is a lot of them are not going to be made whole following the storm. Are there things that presented themselves to you or your team in processing these claims or working this storm of things that may be able to be changed policy wise that would assist in a future event in helping out some of these homeowners in these manufactured homes?

SCOTT CROZIER: We're continuing to work with the product development team and our claims partners with Jay Adams team to look at where coverages were satisfactory and where there may have been some challenges. There are certainly challenges relative to manufactured homes that we will continue to look at as far as what coverages for future losses might be able to be changed and still provide an affordable comprehensive coverages to folks. So I don't have any specifics right now but we are continuing to work with Jay's team to assess and look at changes we could bring to the board that might be pertinent.

STEVE BITAR: Mr. Rokeh this is Steve Bitar. I will just add to that briefly. Keep in mind that over the years we have had several storms that hit and have impacted mobile home owners, we've tried to make sure that we can educate customers about available coverages that they do have, we've done several campaigns, I know Christine has presented on them several times letting customers know that they increase their coverage B and increase their coverage C. So we really have been active in trying to make sure that mobile home customers can be as protected with our current product offerings on the mobile home side as well as taking full advantage, so this is something that is in the forefront of our minds and I know Chairman Schinz challenged us to make sure that our mobile home customers are knowledgeable and as protected as possible.

GREG ROKEH: I know it's a big issue and there are no easy solutions and I guess this next one may be better addressed by Jay but I'm not sure. In doing the claims work were you finding significant differences in how the more, the newer manufactured homes handled the storm versus the older product or was the damage pretty consistent to all ages of homes?

JAY ADAMS: I think the latter part of your comment is accurate. I believe the mobile homes that sustained damage, most of them were total losses and I don't know that the age had a significant bearing on that and again severity 4 storm has 155 mph winds most of the mobile homes that had damage were either blown from their foundation or had something fall or be blown against it, which damaged the frame that caused a total loss.

GREG ROKEH: OK, well one last question for you Jay. How many claims have come out of Dade and Broward County for Michael to date?

JAY ADAMS: Let me look real quick but I don't think I have that information. We had it looks like maybe 10 or less.

GREG ROKEH: Well we can't have a storm without SE FL being involved in some way. Thank you

JAY ADAMS: You're welcome

CHAIRMAN SCHINZ: Thank you everybody. Are there any other questions that we need to ask at this time? Well if not I want to thank everybody for taking the time today for the CSC meeting and to remind everybody the next meeting

March 31st, 2019 in sunny Orlando, well we hope it's sunny but anyhow and I look forward to seeing everyone next week at the board of governors meeting. So I am going to go ahead and ask for a motion to adjourn.

BETTE BROWN: Move to adjourn

CHAIRMAN SCHINZ: Do we have a second?

PHIL ZELMAN: This is Phil, I second

CHAIRMAN SCHINZ: We skip this, do we have any new business, ok with that we have a motion and a second and I would like to adjourn this meeting and thank everybody once again for their time and for Citizens doing such a fantastic job during this recent catastrophe.

Meeting adjourned.

DRAFT