

**CITIZENS PROPERTY INSURANCE CORPORATION**  
**MINUTES OF THE**  
**FLORIDA MARKET ASSISTANCE PLAN (FMAP) BOARD OF GOVERNORS MEETING**  
**Wednesday, June 19, 2019**

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, June 19, 2019 immediately following the regularly scheduled Board of Governors Meeting.

**The following members of the Board were present:**

Gary Aubuchon, Chairman  
Blake Capps  
Bette Brown  
Marc Dunbar  
Jim Holton  
William Kastroll  
Freddie Schinz  
John Wortman  
Bo Rivard

**The following Citizens staff members were present:**

Barry Gilway	Jennifer Montero	Jay Adams
Christine Ashburn	Violet Bloom	Kelly Booten
Hank McNeely	Andrew Woodward	Mike Sills
Joe Martins	Paul Kutter	Brian Donovan
Joe Theobald	Steve Bitar	Nancy Staff
Mark Casteel	Kapil Bhatia	Gene Bednarek
Barbara Walker	David Woodruff	Eric Addison
Bonnie Gilliland		

**Other attendees:**

Kapil Bhatia	Raymond James
Kevin Tromer	Team Focus
Ken Vincent	Guy Carpenter
Adam Schwebach	Willis Re
John Generali	Wells Fargo
M. Lezcano	UBS

**Call Meeting to Order**

**Barbara Walker:** Welcome to Citizens' June 19, 2019 FMAP Board of Governors Meeting. This meeting is publically noticed in the Florida Administrative Register and is recorded with transcribed minutes available on our website. Roll was called. Quorum established.

### **Approval of Prior Meeting's Minutes**

**Chairman Gary Aubuchon:** Thank you, Barbara. And members, our first order of business is approval of the prior meeting minutes of December 12, 2018. I will entertain a motion.

The motion to approve the minutes from the previous FMAP Meeting on December 12, 2018 was made by Bette Brown and then seconded by John Wortman. All in favor. Motion carried.

**Jennifer Montero:** Thank you. Behind Tab 2, you'll find the Audited Financial Statements. You'll find first, actually, the report to the Board of Governors which actually includes a communication to those charged with governance, the communication on internal controls related matters and the management representation letter. There is a divider, and after the divider are the financials. The financials statements present fairly in all material respects. The financial position of the plan as of December 31, 2018 and 2017. And the changes in its net assets and net cash flows for the years then and did in conformity with accounting principles generally accepted by the United States of America. So, it's an unqualified opinion. On page 3, total assets were \$525,194. Liabilities were \$20, 177 with unrestricted net assets of \$505,017. On page 4 is the Statement of Activities and Changes in net assets. Revenues consist of annual assessments of \$450 on residential insurers. There were 560 residential insurers that were charged the \$450 assessment, so our revenues totaled \$252,000. Total expenses which are detailed on page 8 are \$156,602 leaving us with a change of unrestricted net assets of \$95,398 and net assets at year end are \$505,017. And I will pause there for any questions.

**Chairman Gary Aubuchon:** Governors, any questions? Governor Dunbar.

**Marc Dunbar:** Just a few questions. So, it's \$450 per insurer, right? That's the....okay. That was put in place in the 80s?

**Jennifer Montero:** '86.

**Marc Dunbar:** And it hasn't been adjusted, right? Since then?

**Jennifer Montero:** No, it's always been \$450; I've checked.

**Marc Dunbar:** I'm not advocating increases or anything like that, but 1986 to today...the population growth and a whole bunch of other things... Do we have enough money to accomplish the objective of FMAP? Are we really able to move the ball forward or are we short resources?

**Steve Bitar:** FMAP is the “little engine that could”. I think with the meager amount, as you’ve noted, that we collect; I think we manage it quite efficiently and we have two programs within FMAP. As reflected in the Annual Report, they really do make a difference. It’s a little effort from our perspective. We have portions of two employee salaries dedicated to this. We were required by law, as you know, to stand up this program where consumers will basically register online and then at that point agents have access to the data base for those registries. They can then go and make offers. So, from our perspective, the oversight is very minimal. We simply maintain the system and it really happens behind the scenes, if you will, outside of Citizens, but Citizens ultimately benefits. So, from our perspective, I think it makes absolute sense to continue the program at the current costs because we are more than, as Jennifer showed in the Financial Statements, covering our costs and then some. We do have some plans, quite frankly, to modernize the website a little bit, so you might see us expend some resources next year towards that, but again, well within the confines of the budget that we’ve been able to collect and manage and I definitely feel it makes sense to continue.

**Marc Dunbar:** Are there any things that we could do that we have been recommended in the past or come through consumer input that we haven’t taken on? Are there additional things that we could do that you would recommend we do?

**Steve Bitar:** Yes, I will tell you. There were some significant changes to FMAP when we launched the Clearinghouse as you’ll recall. The Clearinghouse passed in 2013. We stood that program up in 2014 and that had a significant impact. Previously, FMAP used to be much more...I would say, successful, just because we had a third program whereby Citizens owned the policy expirations of our entire book of business. The agents did not own that. In 2014, with the passing of the Clearinghouse, those expirations moved to the agents. So, one of our programs within FMAP was retired, whereby, if I were an agent, I had a private offer to make to a customer, I could get a download of all Citizens’ policies and I could in essence, take a customer away from another agent by moving them out of Citizens. We no longer have the ability to do that with the passing of Clearinghouse and is shown in our Clearinghouse update, that’s been very successful. And, I think that was more than a fair trade when all was said and done. So for us, I don’t feel there’s much more. We’re participating, for instance, at the FAIA Convention. We’ve got a booth, so we definitely try to market this program to allow agents. You can get free leads. We partnered with the Realtors Association for other consumers, so we have some marketing efforts in place. We also have some plans to revamp the website. And those are the things we’ll definitely bring back to the Board in future years.

**Marc Dunbar:** Thank you.

**Steve Bitar:** You’re welcome.

**Chairman Gary Aubuchon:** Questions or comments?

(Inaudible) Question posed.

**Chairman Gary Aubuchon:** Are we getting a sense that the Clearinghouse may have made FMAP obsolete? Should this be a legislative item that we bring before the Legislature to consider?

**Steve Bitar:** I think it's a fair observation to make. With the Clearinghouse coming into play, there was a major portion of FMAP that no longer has activity. That is noted without a doubt, but there are still the free leads that you can get by customers registering and as you can see the 2018 results have had an up tick compared to 2016 and 2017. And that's minimal effort on our part. We field phone calls within the Customer Care Center, we bill those charges back to FMAP, other than that and the website, when you look at the fact that we've been able to transfer almost \$300 million of coverage that would have come into Citizens to the private market just from answering a few phone calls and standing up a website. I still think it makes sense for us to continue the FMAP program because that's risk that would've come into Citizens otherwise. And again, add that to what's happening with the Clearinghouse, add that to what's happening in Depopulation, I think it takes a multi-pronged approach in order to keep Citizens as right-sized and we possibly can and this is just one creative avenue that allows us to continue that approach.

**Chairman Gary Aubuchon:** Thank you. Further questions or comments? (none) Okay, let's move to the Action Item under Tab 3.

**Steve Bitar:** As you'll see behind Tab 3, I have included a copy of the FMAP Annual Report. We're required by Plan of Operation to file that with the Office of Insurance Regulation (OIR) annually for July 1. The recommendation is for the FMAP Board of Governors to approve the 2018 FMAP Annual Report and authorize staff to take any appropriate or necessary action consistent with this Action Item for submission to OIR as required by the Plan of Operation.

**Chairman Gary Aubuchon:** And governors, after hearing the recommendation, do we have a motion?

**Chairman Gary Aubuchon:** We have a motion and a second. Do we have any discussion? Do we have any objection to the motion? Hearing none, show that motion as approved.

The motion to approve the FMAP Annual Report was made and seconded. All were in favor.  
Motion Carried.