

Citizens last amended the Agency Agreement in December 2013. This past year, Citizens underwent a review of the Agreement with the assistance of an outside consultant. The purpose of the consultant was to provide advice and recommendations relating to data security and data breaches. After receiving a report from the outside consultant, Citizens underwent an update of the Agreement incorporating many of the recommendations that we received. There were also additional edits made for purposes of clarity and based on feedback from the agent community. The summary of our edits follows:

The definitions of Agency, Agency Principal, Agent Guidelines, and Agent Appointment Agreement were updated for clarity. The following definitions were added:

- **Agency Personnel:** In general terms, this includes all personnel who perform work on Citizens business under the supervision of the Agency.
- **Citizens Systems:** This means all of Citizens electronic and online systems maintaining data relating to Citizens business.
- **Confidential Information:** Information, including personal information relating to Citizens business that is protected by virtue of Florida or federal law.
- **Customer Records:** Includes all of the expirations and records relating to the business produced pursuant to the Agreement and maintained by, or on behalf of the Agency.
- **Security Incident:** In general terms, any circumstance which gives rise to a reasonable belief that there has been unauthorized access to Confidential Information.
- **Transmitted Records:** Are the copies of any customer records that are provided to Citizens.

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| SECTION I. A. | Amended to clarify that the responsibility of the Agency is to ensure that its appointed agents and Agency Personnel comply with the Agent Agreement and the respective Agent Guidelines. |
| (Former) SECTION II.D. | Moved to the Technology and Data Security Requirements Section of the Agreement. |
| SECTION II.E. | Clarifies that the responsibilities relating to Citizens status as a residual market entity. |
| (Former) SECTION II.G. | Deleted as redundant given the amendment to Section I.A. |
| SECTION II.F. | Edited in response to the agent community to allow the use of Citizens name and logo to the extent that an Agent or Agency assists in claims services. This will allow agencies to include a link to Citizens claims page on their respective websites. |
| (Former) SECTION II.N. | Deleted as it became redundant with the amendments to Section I.A. |
| (Former) SECTION II.O. | Deleted as it became redundant with the amendments to Section I.A. |

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| SECTION II.L. | Amended to provide for a procedure to follow when an Agent departs from an Agency. This corresponds to an amendment in the Agent Appointment Agreement. This amendment is important because in light of the question of the ownership of expirations, Citizens must have a process by which the agent's book of business will be placed so that Citizens policies will continue to be serviced. Moreover, the edit will provide Citizens clarity as to who has authorization to access the book of business once an agent departs. |
| SECTION II.M. | Clarifies Citizens right to audit in light of the new definitions being provided. |
| SECTION II.N. | Clarifies the ownership of records and expirations in light of the new definitions being provided. Furthermore, clarifies that the Agency is granting Citizens a license to use Transmitted Records in the course of Citizens business. This is not a new concept, but a clarification of the existing language. |
| (Former) SECTION II.S. | Deleted as the provisions are replaced by provision in Section III. |
| (Former) SECTION II.T. | Deleted as the provision is replaced by provisions in Section III. |
| SECTION II.O. | Clarifies the Agency's public records obligations. |
| SECTION II.P. | Clarifies the Agency's obligations upon receipt of a subpoena. |
| SECTION III.A. | Sets forth that the Agency will utilize technology, hardware, software, and equipment in accordance with reasonable requirements of Citizens. |
| SECTION III.B. | Gives Citizens the right to limit the Agency's access to Citizens Systems when there is a reasonable belief that such access is placing Citizens Systems or data maintained thereupon at risk. |
| SECTION III.C. | Provides that certain data cannot be exported outside of the United States except with Citizens' written consent. |
| SECTION III.D. | Provides that the Agency is responsible for the custody and retention of its Customer Records in accordance with applicable Florida and federal laws. However, Citizens is responsible for the custody and retention of Transmitted Records in accordance with applicable Florida and federal laws. |
| SECTION III.E. | Sets forth the Agency's responsibilities in the case of a Security Incident and provides what steps Citizens may take in response thereto. Also sets forth that Citizens will carry out and direct the response. |
| SECTION III.F. | Provides that Confidential Information may not be disclosed to third parties unless authorized by law. |

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| SECTION III.G. | Provides that if Confidential Information is disclosed to third parties there must be a non-disclosure agreement in place that provides protections substantially the same as the protections in the Agreement. |
| SECTION III.H. | Provides that the Agency must have a Written Information Security Plan and sets forth basic parameters for such a plan. |
| SECTION III.I. | Sets forth that the Agency must comply with all applicable laws relating to the privacy and security of Confidential Information and must comply with Citizens requirements set forth in Exhibit 1. |
| SECTION III.J. | Provides that Citizens may require, once per year, a security self-assessment. |
| SECTION III.K. | Provides that Citizens may, under certain circumstances, conduct a security audit whereby Citizens may conduct a review tailored to addressing the protection of Confidential Information. |
| SECTION III.L. | Allows for the use of electronic signatures. |
| SECTION IV.A. | Amended to eliminate redundancy in light of amendments to Section I.A. |
| SECTION IV.B. | Amended in response to statutory changes that allow for the collection of certain credit card fees. |
| (Former) SECTION IV.D. | Deleted as it has been wholly replaced by Section III. |
| SECTION IV.D. | Clarified. |
| (Former) SECTION IV.F. | Deleted as redundant in light of Section I.A. |
| SECTION VI.A. | Clarified. |
| SECTION VI.B. | Clarified. |
| SECTION VI.C. | Clarified. |
| SECTION VI.D. | Edited to delete redundancy. |
| SECTION VI.F. | Clarified. |
| SECTION VI.H. | Clarified to set forth the obligations of the agent and the Agency with regard to the book of business when an agent is terminated. |
| SECTION VI.I. | Section added to set forth that the responsibility of securing Customer Records once the Agreement is terminated. |
| SECTION VI.J. | Section added to set forth the responsibility of securing Customer Records of a policy once a policyholder is no longer a Citizens policyholder. |

- SECTION VII.G.** Indemnification provision was amended to add that the Agency would indemnify Citizens in any action involving a third-party dispute over ownership of Customer Records and would indemnify Citizens in the case of a security incident, provided that Citizens has not been negligent in its actions.
- SECTION VII.H.** Provision added to clarify that Citizens may, in limited circumstances, assume control of the servicing of the business. Provided it is done in accordance with this contract, Citizens is not liable to the Agency if, while servicing the book, policies are cancelled, nonrenewed, or assumed.
- SECTION VII.J.** Language added to give Agency the opportunity to request a review a termination that is otherwise not subject to Citizens appeal procedures.
- SECTION VII.N.** Clarified.
- SECTION VII.O.** Clarified.