

**CITIZENS PROPERTY INSURANCE CORPORATION**

**MINUTES OF THE  
MARKET ACCOUNTABILITY ADVISORY COMMITTEE TELECONFERENCE MEETING**

**Thursday, March 19, 2020**

The Market Accountability Advisory Committee (MAAC) of Citizens Property Insurance Corporation (Citizens) convened telephonically on Thursday, March 19, 2020 at 11:30 a.m. (EDT).

**The following members of the committee were present telephonically:**

Dave Newell, Chair  
Steve Roddenberry  
Greg Rokeh  
Kurt Lewin

Lee Gorodetsky  
Ken Norberg  
Phil Zelman

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

Blake Capps

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

Ariel Shami  
Carl Rockman  
Jennifer Montero  
Kelly Booten  
Jay Adams  
Cindy Brunner  
Janice Watts  
Charlie Broward

Barbara Walker  
Barry Gilway  
Steve Bitar  
Dan Sumner  
Bonnie Gilliland  
Ray Norris  
Jeremy Pope  
Candace Bunker

## **Call Meeting to Order**

Roll was called and a quorum present.

### **1. Approval of Prior Meeting Minutes**

**Chairman Newell:** Thank you, Barbara. Welcome everybody. I know we are in some interesting times right now. I am sure most of us are working remotely. Most of us our daily lives have been certainly interrupted in our normal routine, but thanks for everybody taking the time today to continue to be part of this committee and this call today. So with that in mind, let's go ahead and behind tab one is the approval of the prior meeting Minutes which was December 5th, 2019. Do I hear a motion to approve?

**Mr. Gorodetsky:** And this is Lee Gorodetsky, I make a motion to approve.

**Mr. Zelman:** This is Phil Zelman, I will second that motion.

**Chairman Newell:** Okay, we have a motion and a second. Is there any discussion, deletions or corrections to the past Minutes? Okay, without any, those Minutes are now approved. Let's go behind tab two is agency services update with Carl Rothman. Carl, welcome.

A motion was made and seconded to approve the December 05, 2019 minutes. All were in favor. Motion carried.

### **2. Agency Services Update**

**Mr. Rockman:** Thank you, Chairman Newell. For the record, this is Carl Rockman, Senior Director of Agency and Market Services. I will begin my report on page 2 of my presentation covering the current agent and agency counts. You will see a net decline in new agencies and agents, both total state and in tri-county. We are attributing this primarily to consolidations that we are seeing and greater efficiencies inside the agency network that we work in. That trend obviously may change if more demand for Citizens' products emerges due to market conditions, for now we are reporting a net drop in total agencies and total agents statewide, and then agents, agencies and LCRs in tri-county. Our agency segmentation footprint has not changed dramatically. There is no significant shift there. We are still reporting 63 percent of Citizens' agents have less than 50 policies in force. Are there any questions at all on the current agent or agent count report?

**Chairman Newell:** Any questions from the committee at this point? All right, Carl, keep moving.

**Mr. Rockman:** We will move to page 3 of my report. This is our performance violation report. Obviously, performance violations are an indication of agent quality in terms of new business submissions. Any disruption here can have a negative impact on the consumer. We have gone ahead and stacked the 2018 and 2019 results at the top. And we are pleased to report that our first month of January of 2020 we are seeing a net improvement in performance violation percentage to new business. We attribute this to great support and attendance at our previous performance violation webinars that were widely attended, and also just significantly more engagement at the agency level to pay attention to what we are looking for here in terms of new business quality. You will notice at the bottom right-hand corner we have sent out 635 warning notices, but they have only resulted in 54 suspensions and zero agents have been terminated

due to the program, but we are very pleased to report that based on the warning notices and suspensions that we do send, we do tend to get the attention of the agent, work with them to improve their performance and make sure that the customer is well served. Pleased to report these results and we -- we hope to hold that three percent or improve upon it through this year.

Page 4 is late submissions. You will see the numbers have moved a little bit here in the right direction. We attribute this to more adoption of electronic payments. Consumers are becoming more comfortable with our myPolicy platform, also our one-time payment feature on our public website is being more widely adopted. The more the customer can go ahead and pay, obviously the faster we can get the business out. And we also recognize that agents are more conscious of getting documents in to us when they're needed and we are seeing a net improvement here. Good for the agency and good for the customer as these numbers come down. Warning notices in this space are significantly less. We believe we have good control from our agencies in this space in terms of late submission management.

Page 5 is the requested MAAC presentation on the performance violations and late submissions by county. We also break these out by statewide and tri-county. You will see this is just in January, and you will see now that tri-county is now dominating both spaces and we will continue to work with our agencies in tri-county who may become more dependent on Citizens' to make sure that they understand our rules and don't fall into any adverse situations with our performance programs.

And lastly, page 6 covers -- I am sorry, is there a question?

**Chairman Newell:** Any questions from the committee? No.

**Mr. Gorodetsky:** This is Lee Gorodetsky. I would say I am happy with the numbers that they are improving, but I think you will find that south Florida will respond more to the warning notices and the suspensions if they keep coming, that they will respond to that more than anything else.

**Mr. Rockman:** Right. And Lee, we appreciate that. We definitely don't want to send those suspensions or warning notices, but they do have that intended impact getting the agency's attention. And once we send them, we have had no lack of support from the agents to engage and they're great with our agency management network. We are able to engage. The whole idea here is improvement, the whole idea is good for the customer. Let's show you the rules. So sometimes those signals are a little strong, but we think they are being received in the right way, along with the additional education we have put around it.

**Mr. Gorodetsky:** The numbers are good, it is good news. It is just that with the market the way it is, the expectation of more coming in is likely.

**Mr. Rockman:** We are very aware of that and we are going to be talking through that in just a second with agent outreach and some additional things to make sure that if the market shifts, we are prepared for it.

**Mr. Gorodetsky:** I am sure. Thank you.

**Mr. Rockman:** Okay. And page 6, I will just cover briefly our agent outreach efforts for 2020. Our agent roundtable has had two meetings already this year. We just wrapped a live meeting in West Palm Beach area on March 5th, all day meeting, great attendance, great engagement, great feedback from our agency partners. Our agent associations, Citizens' essentials and nce will continue pending any adverse impacts with what we are dealing with now. We did conclude a classroom session for the Broward Latin agents that was very widely attended.

That introduced our new Citizens' essentials training that will be introducing at all the convention sites this year. We are going to continue our webinar series. Our performance and late submission violation webinars. We ran a session on the 27th that 86 folks attended.

We have also run a series of webinars both on the 17th of March and today at 2:00 p.m., covering Clearinghouse and mobile homes. We will be introducing mobile homes to the Clearinghouse next week and we are running some webinars to get agents comfortable with that. Also running through mobile home guidelines, mobile home claim settlements. We know how important the mobile home market is and what Citizens' does to support it. We feel very good about being able to deliver that webinar series. And there will be upcoming webinars introducing our myAgency platform very shortly.

And then last, but not least, we will be re-kicking off our agency association power hours that we do in partnership with our agent associations. We will be reaching out to you to make sure that we are in constant contact with your agency as we would do regularly, but never more important than to stay in close contact in these uncertain times. Look for us to be engaging you and your leadership, to connect with your agencies and be as responsive as we can to their needs and the needs of the policyholders we mutually serve. With that, I will take any questions that the committee may have.

**Chairman Newell:** Hey, Carl, this is Dave Newell. I just had one question. You know, I know suspensions are limited, but what is the process once the agent is suspended to come out of that process and be able to reestablish themselves within Citizens?

**Mr. Rockman:** Once the agent is put on a suspension, the suspension, the initial suspension is 30 days. And what that does is it suspends them from new business submissions. It does not suspend them from servicing their customers, doing policy changes, working with customers through renewal. It just suspends them from submitting new business. Once they come out of that suspension, they continue to be monitored and any subsequent violation would put them into a 60-day suspension. Dave, we are seeing numbers in the high 80s of agents that are suspended and never have a reoccurrence at any level. So again, while the suspension is a little bit of a time out, it is designed as a cooling off period. It's also designed for us to get with them to deliver the necessary education before they start submitting business again. Thirty days is the minimum. It can extend to 90 on that second violation, but clearly we don't have a lot of agents moving from the 30 to 90. Mostly the 30-day suspension gets their attention and you can see from the results warning notice. Look at that. The warning notice alone when they see the consequences of not having the ability to work with Citizens for new business, it does the necessary work for us to get the engagement up and to get them to support the program.

**Chairman Newell:** Okay. But more specifically, Carl, this is Dave Newell again. What is the process for them to come, you know, when the 30 days is over, is there any requirement that they do with you all as far as a process to be able to write new business again? That is what I am curious about.

**Mr. Rockman:** Sure, Dave. At this point, no. At this point it is purely a time out, but we do look for engagement with our agency management group to offer education. We will be shortly going to that prescriptive education that I've been describing to you once we stand up our new learning management system. We will be looking to maybe have them take a specific course. Right now we administer that more one-on-one, but we will be looking to engage, have them take a course specific to the issue and then reemerge. But right now they typically come out of it just based on the calendar, not due to engagement. But again, we are seeing great engagement voluntarily, but we are going to be mechanizing that very shortly.

**Chairman Newell:** Yes. All right, well any questions from the committee about Carl's report?

**Mr. Zelman:** No, it was concise and very quick.

**Mr. Rockman:** Well, Mr. Chairman, that concludes my report.

**Chairman Newell:** Okay, well, thank you, excellent report, Carl. Behind tab three, folks, is just for information purposes only. It is about Depopulation and the Clearinghouse. We will go right into new business. And I thought whether Carl or Steve wanted to comment on this. You know, we are all being disrupted, not only in our personal lives, but business lives, but certainly dealing with the transaction of insurance. From a Citizens' standpoint, how are you guys handling this disruption from a staffing and a production capacity?

**Mr. Bitar:** Chairman Newell, good afternoon or good morning still actually. This is Steve Bitar, Chief of Underwriting and Agency Services for the record. I will tell you that without a doubt this has been a challenging time for the world, quite frankly. And I am very pleased to be able to report to the committee that Citizens is really unaffected. We have had very strong business continuity plans in place and this pandemic has given us the opportunity to test the resiliency of the organization. We have more than 90 percent of our employees working voluntarily from home with no impact to productivity or quality. We continue business as usual so that we are able to support our policyholders and our agents without interruption. We feel very confident that we can sustain through whatever challenges may come our way, and we have really been able to push the limits, if you will, on being able to respond. From our perspective, we have no concerns. We hope that our agent partners that are calling in on the 800 line and submitting business, et cetera, are feeling no impact at all whatsoever. We have reached out to our vendor partners as well. All of them are business as usual, uninterrupted and we feel very, very confident in our response at this time.

**Chairman Newell:** Okay, thank you, Steve. Any questions from the committee for Steve or Carl on -- under new business?

**Mr. Gorodetsky:** No.

**Mr. Zelman:** No.

**Mr. Gorodetsky:** It is a great job though.

**Mr. Bitar:** Thank you.

**Chairman Newell:** Well, I certainly don't want to open up a can of worms, but I think it is just proper at this point because a lot of press is going to start breaking on this. Demotech is coming out with an announcement today. Be on the lookout for that of carriers that may be downgraded. I know that Citizens is on it and they will be reviewing and see what and how they can play in any more disruption in the marketplace. There is already a lot of it with non-renewals and cancellations that are already out there beyond that started way before coronavirus ever was even contemplated. Just thought I would mention that for those on the group or agents or agent associations when we file this stuff. Again, be attentive because your customers I am sure will be seeing some of this and be calling you as an agent to see what needs to be done if you happen to have a policy with one of those companies. Other than that, anything else for the good of the order?

**Mr. Gorodetsky:** Just a quick question. This is Lee. Did you say that our company, Citizens, is going to be on the list as well?

**Mr. Bitar:** No, absolutely not.

**Chairman Newell:** I never said anybody was going to be on the list.

**Mr. Gorodetsky:** Okay, okay, I just was not sure if I heard that at all. I wanted to make sure. So definitely not, okay.

**Mr. Bitar:** Yes, Citizens is not rated by Demotech or anyone for that matter. So that would not be a possibility.

**Chairman Newell:** Yes, yes.

**Mr. Gorodetsky:** And that is what I thought so I just wanted to make sure.

**Chairman Newell:** Okay. So anything else I guess? Do I hear a motion to adjourn?

**Mr. Gorodetsky:** Motion to adjourn.

**Mr. Zelman:** Chairman.

**Chairman Newell:** Yes, Phil.

**Mr. Zelman:** I would like to make a motion to adjourn.

**Chairman Newell:** All right. Thank you, Phil. And second. Do I hear a second?

**Mr. Gorodetsky:** This is Lee Gorodetsky, I will be a second. Thank you.

**Chairman Newell:** Okay, all right, meeting adjourned. Thanks. Be safe everyone.

**Mr. Zelman:** Thank you.

**Mr. Bitar:** Thank you.

(Whereupon, the meeting was adjourned.)