

CITIZENS PROPERTY INSURANCE CORPORATION

**MINUTES OF THE CONSUMER SERVICES COMMITTEE MEETING
Thursday, December 10, 2020**

The Consumer Services Committee of Citizens Property Insurance Corporation (Citizens) convened telephonically on Thursday, December 10, 2020 at 10:00 a.m. Eastern.

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

Bette Brown, Chair
Blake Capps
Barry Gilway
Kelly Booten
Tasha Carter
Greg Rokeh

Phil Zelman
Christine Ashburn
Jay Adams
Jeremy Pope
Barbara Walker

1. Approval of Prior Meeting's Minutes (June 1, 2020)

CHAIRMAN BROWN: Thank you, Barbara. Good morning everybody. I hope you all are staying warm and safe through this last 2020 year. To start the meeting I will accept a motion to approve our Minutes of June 1st, 2020.

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

CHAIRMAN BROWN: Thank you, Phil.

GOVERNOR CARTER: This is Tasha, I second the motion.

CHAIRMAN BROWN: Any objection? Thank you, the motion passes.

We have Jeremy Pope here today I believe to talk about the mortgage self-portal approval item. Jeremy, can you give us just a little background on how it works? I know you have a two-pager in there, and then read the recommendation?

2. Mortgage Self-Service Portal ITN: 20-0019 [Action Item]

MR. POPE: Absolutely. Thank you, Madam Chair, and good morning to you and the fellow committee members. For the record, my name is Jeremy Pope, Vice-President of Customer Experience.

Today I do have the action item I will be seeking approval on followed by a brief customer experience update related to our voice of customer program results. I will bring the committee's attention to tab two of your meeting materials today where I will begin our conversation around the mortgage self-service portal action item.

In addition to the action item, there is an executive summary that is also included for your reference. Now, briefly just for some context I will explain the current environment. Today Citizens receives phone calls from mortgage companies who have common servicing needs related to new business for the renewal of our existing policies. Now typically such services and needs include document requests, policy verification or the need to update mortgage information. Overall, such service and requests are rather simplistic, however they do take up bandwidth with staffing resources, as well as directly impact our call center outsourcing spend. As you can imagine a lot of times mortgage companies are also calling in for several policies at once which can lead to lengthy call handling times.

So, in summary, this is essentially our opportunity, if you will, and we were driven to find a more efficient, scalable and economical means for Citizens to service the mortgagee requests, which indirectly do provide a critical customer experience for our policyholders on the back end. So back on June 11th of this year, Citizens went to market and we issued ITN number 20-0019 in hopes to solicit some type of self-servicing portal for mortgage companies to access rather than contacting Citizens directly for servicing. Eight vendors responded to the ITN and five of those vendors were advanced through negotiation phase.

Now, after considering all proposed solutions, offers and relevant best and final offers, the negotiation team recommended an award contract to LenderDock, Incorporated. The vendor selected specializes in providing policy information via an online self-service portal specifically designed for financial institutions. These services are already partnered with several major financial institutions who utilize these types of services with other carriers making for what we do expect to be a high adoption rate. Approximately 71 percent of Citizens' financial institutions already participate with LenderDock, Incorporated.

So based on today's policy count, Citizens would save approximately \$826,000 within the first five years of implementation, and I would like to add, these are conservative savings. And again, are based on today's active policies in force. The solution is a fixed price. So, any increase in our policy count, which I know we don't want, but that would be an even greater operational savings from what I quoted previously. Pricing also for this solution through the negotiation process resulted in a 9.1 percent decrease from the initial bid.

Before I move on to any questions that the committee may have, I would be remiss if I don't recognize and thank the numerous cross functional Citizens team members who worked so hard on this solicitation and through the vendor selection process. It takes a great effort with any solicitation that we do.

And Madam Chair, this concludes my update on this specific action item, and I can answer any questions the committee may have and proceed to the recommendation as you wish.

CHAIRMAN BROWN: Thank you, Jeremy. Committee members, any questions of Jeremy on this software we are discussing, LenderDock, Inc.?

GOVERNOR ROKEH: I guess I just want to clarify one thing. So, it sounds like this is an existing product that is already in use. It's not something they have to create or custom design in order to be effective for Citizens?

MR. POPE: Mr. Rokeh, that was a great question. This was one of the only solutions which is why I think it also rose to the top. That is, does not need customized. It is off the shelf. There were other solutions that were much more and quite honestly the return on investment wouldn't be there for us. So, yes, this is off the shelf and it is not customized.

GOVERNOR ROKEH: I think that this makes sense. I am the real estate guy in this, but what ends up happening is if this information doesn't get back to the mortgage lenders timely, or they end up sending out informational letters to the borrowers and that confuses the homeowners because they don't know what in the world they are looking at. So, they end up picking up the phone, they end up making 800 calls to the mortgage lender, to their insurance company, to their insurance agent. So just the fact that they receive this confusing letter in the mail, generates three or four extra phone calls. I think it is a good thing. It certainly makes sense.

MR. POPE: Thank you.

CHAIRMAN BROWN: Greg, I agree with you as a bank and lender, you know. Everything is automated. So, it is best if you can keep everybody in the loop quickly before those letters start going out. You know there is a period of time where policies are about to lapse, where the lender starts getting concerned, and usually there is a third-party vendor that helps the lenders track the insurance.

So, it is great if you can nip that in the bud and if you can do it electronically that is almost all mediums, the banks are using it, the mortgage companies are using that methodology. Not to say you can't pick up a phone. We always can and Citizens is proud to be available to clients who need them, but for the majority I think this fits the bill. Any other questions members? Phil, Tasha?

GOVERNOR ZELMAN: No, it sounds like, you know, it's a win/win for all parties.

CHAIRMAN BROWN: I know. Okay, then Jeremy, do you want to read the recommendation, please?

MR. POPE: Absolutely. Staff proposes that the Consumer Services Committee review and approve for consideration by the Board of Governors the following recommendations. Approve the mortgage self-service portal contract with LenderDock, Incorporated, for an initial term of five years and an optional renewal term of five years for an amount not to exceed \$681, 259 as set forth in this action item, and authorize staff to take any appropriate or necessary action consistent with the action item.

CHAIRMAN BROWN: Thank you, Jeremy. May I have a motion to approve the action item to move to the Board for final approval for the funding of the, I guess it's a budget item, too, by the way, which is important to note. To fund the purchase of five years for LenderDock, Inc.?

GOVERNOR ZELMAN: I will make that motion.

GOVERNOR CARTER: And I will second.

CHAIRMAN BROWN: Thank you.

GOVERNOR CARTER: And this is Tasha Carter, I second the motion.

CHAIRMAN BROWN: Thank you. Any objections to the motion? Thank you, that motion passes. Good stuff, thank you so much, Jeremy. I think now you are going to talk about our customer experience update. The consumer and policies services update. You have got the floor.

2b. Customer Experience Update

MR. POPE: Correct, thank you so much. This update will include our year-to-date customer, voice of customer program results. The committee may remember we provided a similar update last year, also during our December committee meeting.

I will begin the update on slide two of the presentation materials, titled Voice of the Customer. And just for some additional background purposes, Citizens has a formal established program which routinely captures and measures policyholder feedback, and we brand this as our Voice of Customer program and we align such efforts as part of Citizens' strategic plan, driving us to operate a streamlined, scalable and customer focused organization. So today we capture feedback through independent surveys conducted with policyholders across two servicing channels, and those channels include our Customer Care Center, which is our Call Center and the claims experience when a policyholder files a claim.

These two servicing channels are where we see some of our highest traffic in customer touch points demonstrated directly, so they are ideal to capture the policyholders' perspective on their current and overall experience with Citizens. You will notice our high-level survey flow illustrated on slide two.

The survey is offered to policyholders when they call into the Customer Care Center for various service needs, and once their needs and questions are answered a survey is then offered. For the claims survey, once a policyholder files a claim an outgoing call is placed, once the claim is completely closed the indemnity payment is made. In addition, if a policyholder participates in our Managed Repair Program, we also capture feedback on the experience once repairs are fully complete.

Now, with both of these survey offerings, they are administered by an internal team to preserve credibility with the results, and while each survey is customized based on the servicing channel, we do consistently measure a portion of each survey which captures the customer's overall satisfaction with Citizens. This helps us capture what we call the global perception of Citizens from a policyholders' perspective.

You will also notice on slide two that both surveys have built in triggers we call service recovery alerts. Essentially these alerts immediately make us aware of any potential undesirable experiences or issues a policyholder may be experiencing, and we have a dedicated staff who are empowered and equipped to reach back out to the policyholders and further investigate for any possible resolutions as quickly as possible.

I will now move on to slide three which shows our year-to-date program results through October 31st. Now, for our Customer Care surveys, we have conducted close to 12,000 surveys with a

response rate of 14.2 percent, and the industry average typically runs anywhere between 12 and 15 percent, and those are response rates for inbound voluntary phone surveys with no incentive which is what this particular survey aligns to.

To date our overall customer satisfaction rates for the year are holding steady at 93 percent and you will see that is slightly above our targeted goal of 92 percent. For our claims survey results we have conducted over 2,200 surveys with a highly impressive response rate of 32.2 percent. These are outbound phone surveys, and at times the policyholders are literally calling us back to complete the surveys when we can't reach them.

For the Managed Repair Program, we worked with the claims leadership team and established a baseline goal this year, which we have set at 75 percent. Last year we didn't have a baseline goal established as we continued to monitor results with participation and overall adoption with the program. We are in discussions right now looking at what some of the targets should be next year and we continue to refresh those targets based on trending that we see across the board.

On slide four you will find our year-to-date results through October, which highlights overall policyholder satisfaction with Citizens as a whole. This is a subset of each survey I mentioned previously where we measure portions of the survey consistently regardless of the service channel utilized.

So far this year we are trending at an 87.7 percent, and you will notice a favorable trend with the overall Citizens satisfaction metric from 2018 to present. That is when you see the green bars below, that is what that represents. The blue bars represent the ease of doing business with Citizens which also shows a similar positive trend. A lot of times we see that those two metrics, they are completely aligned. So that makes sense to us and I just wanted to include that for the committee's awareness today.

To help put things in perspective, in 2015 we had a 79.9 percent overall satisfaction with Citizens, using the same survey mechanism we are today. In addition to these metrics which are critical, we also receive customer, additional customer intelligence through what we call policyholder verbatims captured through the survey results. I will talk more about our policyholder verbatims on an upcoming slide.

Now, at this time I will move on to slide five and briefly talk about our service recovery results. I previously mentioned service recovery triggers we have intentionally built into our surveys. Such triggers are alerted when we find a dissatisfied, and really what I should say a position dissatisfied customer, based on a rating and how they answered one of our survey questions.

Year-to-date we have had 2,842 survey recovery alerts, and again, that is just an indicator there could be a possible issue, and that equates to about 19.5 percent of our surveys, but when you break down the data and we further investigate, only about 7.5 percent of the alerts received gives Citizens the ability to embark on some type of action to resolve an issue. Our typical turnaround time for such resolution efforts runs around a day and-a-half to resolve. Quite honestly, we receive routine feedback from policyholders when, they complete the survey and we reach back out to them because we know that something may not be right, and it is extremely favorable most of the time when that occurs.

They are actually surprised that we are calling them back. They thought maybe they just conducted a survey and they wouldn't hear anything back from it.

You will notice also on the very bottom where we have the top five service recovery triggers can be a little misleading if you look at it. Really those are just the questions based on that 2,800 metric above which indicates how many service recovery alerts we have had. That just shows which question they come from. There is a lot of times like when you see number one, service provided by our Citizens' agent, that doesn't mean that there is a true issue. That is just the initial indication. Sometimes the policyholder will rate the question low, but then it has nothing to do with their agent. It could be, they are part of the Depopulation process and they don't want to leave Citizens.

Sometimes since the pandemic we have had unique circumstances with availability of really everybody, or technology issues, I can't get a hold to my agent and then we will find out they contacted them maybe during peak times. But all of those cases it gives us a chance to either educate sometimes our policyholder. It gives us a chance to educate and partner with Carl Rockman and Kelly Booten's leadership as they are responsible for the agency management efforts, to partner with them.

Then we are always looping in the agent directly to make them aware, because obviously the policyholder is our mutual client here and to do what is right and what is needed for the customer. So again, the service recovery component, that is the huge value to this program, not just metrics that we are looking at, but looking at where can we try to resolve on issues immediately and quickly where we can. The results from the Voice of Customer program as well as the service recovery efforts are shared routinely throughout our organization. Specifically, with Jay Adams' Claims leadership team as well as our third-party administrator for our Managed Repair Program, and that is really to help identify trends and any operational opportunities which may exist. In addition, as I mentioned, our agency and market services teams under the leadership of Kelly Booten and Carl Rockman, utilize the program results as part of their performance management efforts with the agency workforce.

I will move on to slide six. This is simply just a real-life example of a policyholder verbatim which came in through part of our service recovery efforts. In essence, I won't read this word for word, but our policyholder completed a survey. One of the questions they responded to triggered a service recovery alert. We reached back out to the customer and we were able to provide a resolution within six hours of completing the initial survey.

This type of focus we feel obviously brings quicker resolution to our policyholders which is key, but we also feel it helps curtail any type of formal complaints or further escalations where they cease.

I will move on to slide seven and these are, this is my final slide. These are our random policyholder verbatims collected throughout the survey this year. We obviously are focused on any opportunities and we take action where we can if there is something, if we can mitigate a negative policyholder experience. This insight also helps us dissect our metrics deeper, because a lot of times when you have a scale of surveys, you know, what does a five mean versus a seven to somebody. The verbatims really help us dig in and try to understand the metrics a little bit deeper.

It is also a great opportunity to connect our staff to what they do every day, especially for employees who never directly interact with our customer base.

So, we included a lot of verbatims on this slide here around COVID, because that impacted obviously so many of our policyholder base. Also, with our Managed Repair Program, because Jay and his leadership team have been hyper focused on really making sure that that experience for our customers is one that we are proud of and one that is desirable with our policyholder base. They have made some really great efforts this year. We wanted to include some of those verbatims as well. I will just share also, as part of our customer experience, strategic framework, one of the things we want to do, we do a really good job as an organization on fixing things as things go array. You know, but some of the positive press we really want to try to instill that more than what we do today with our employee base as we move into next year.

I will close with this. While we know it has been a challenging year for our policyholders, the same goes for our staff and I can share we are extremely proud of our customer satisfaction year-to-date results and the progress we continue to make as an organization. The organization even through a pandemic was able to remain laser focused on our customers ensuring we are able to meet the critical servicing needs as they arise. While my team is responsible for administering the surveys, collection of the data, and the overall analysis, these are enterprise results, and such results are only accomplished with the great talent we have of staff working together across all functional areas.

In addition, continued support from our Board of Governors and the committee groups makes it possible for the organization to perform and prioritize a customer centric culture. I thank this group for that as well. Madam chair, this concludes my update.

CHAIRMAN BROWN: Thank you, Jeremy. Boy, it's lovely to read those comments. Even the adjuster got a nice comment which that is great. It's always an uncomfortable time obviously when you're dealing with an adjuster. Not always, but it can be. So it is nice in all areas it looks like you got positive comments. So good stuff. That makes me happy, I think it makes us all happy when we can at least have some positive comments from the public. So that is good stuff, thank you. Any other comments or discussion on the report that we just got from Jeremy from the group?

GOVERNOR CARTER: Sure, Madam Chair, this is Tasha Carter. I would like to provide some comments and ask a question, please.

CHAIRMAN BROWN: Great. You are on.

GOVERNOR CARTER: Thank you. Jeremy, thank you so much for sharing all of that wonderful information. It's very apparent that Citizens has a robust program to obtain feedback from your policyholders and subsequently address their concerns.

I did notice that one of the highest service recovery triggers was associated with service provided by your agents. Can you kind of share with us what was some of the common feedback or concerns that were shared by policyholders related to the services received by their Citizens' agent?

MR. POPE: Absolutely. Tasha, that is a great question. When we are looking at those top five triggers, and again, the service provided by the Citizens' agent, that is based on the initial question when the policyholder was participating with the survey. So at some point they rated that question lower than what we would expect or as an outlier if you will. You know, there could be a possible issue. When we dig into those results a good majority of those are, a lot of times it has nothing to do with the agent. Sometimes we have seen where it has to do even with some of our statutory requirements. It may be coverages if we offered some type of coverage that maybe we don't as compared to the private market.

It's not necessarily specific to the agent when we dissect and we dig deeper. Sometimes, a lot of times it is just educating the policyholder. What we do when we see these alerts, that is our first indication there could be a problem. We go and that team is empowered to reach out to the customer. Before they do that, they look up the policy and sometimes they even call the agent ahead of time, because we as a company we do a really good job of notating the account so we all remain on the same page and we are driven towards, the same customer centric experience overall across the functional areas. Sometimes looping in the agent there is already an issue that we know about. Then sometimes there are things where I didn't have the right agent's phone number and I thought I did and it was, maybe the policyholders' mistake, those types of things.

We bridge that gap, if you will, between the agent and the policyholder to try to rectify the solution or a resolution I would say, if it is even applicable. But again, when we see these, these triggers, they're not necessarily validated. I will tell you only 7.5 percent are we able to even take any action, because sometimes it has to do with another carrier also, or more importantly what we see a lot of times, they are rating this question low, but it is not necessarily their Citizens' agent. It is an agent when they have another policy. So sometimes I think there could be some confusion as far as which policy they have and who it relates to. But I will tell you that all of these, if there is an issue with an agent, Carl Rockman's group, who is our Senior Director of our Agency and Market Services group, he is the one that takes that and he builds this into what we call our agent score cards.

There are as part of the performance management efforts, they have score cards and they can trend any true issues, and if they do have some type of validated issue with an agent, his group has agency field managers that are out of the field that literally show up on site and partner with them as needed to rectify any type of issues, or educational opportunities as well. So again, these service recovery triggers are just indicators before we really dig to see if it is a true issue or not.

CHAIRMAN BROWN: Thank you, Jeremy.

MR. POPE: Sure.

3. New Business

CHAIRMAN BROWN: Any other questions, members, of Jeremy? Okay, that moves us along to new business. Is there any new business to bring before the group today?

GOVERNOR ZELMAN: It is a very quiet group.

CHAIRMAN BROWN: Greg, you look like you want to say something.

GOVERNOR ROKEH: I don't know that I have new business so much as I am a little nervous about the coming months. With Citizens not canceling policies over the past few months that have not been paid due to hardship, you know, that policy is clearly going to have to start to change at some point. And of course, the devil is going to be in the details of how that is handled. I know it was touched on very briefly yesterday during the MAAC committee discussions. I don't have an answer certainly. That is a pretty weighty question that the Board is going to be dealing with I am certain. But that to me is I think the biggest consumer question facing Citizens in the coming months is how that issue is addressed, you know, because it's just, you know, we kind of kicked the can down the road for several months, but eventually we have got to get those homeowners back paying again.

MR. POPE: Yes, Greg, this is Jeremy.

GOVERNOR ROKEH: Go ahead.

MR. POPE: I am sorry, I was just going to say, Greg, I agree absolutely with your comments and actually at next week's Board meeting that will be a Board topic for sure where that topic will be discussed and some decisions will be made at that point. Because to your point there is a decision that needs to be made.

I will tell you out of the thousands and thousands of letters that we have shared with our policyholder base, and we have offered, you know, very customer centric in my perspective, unique payment plans for customers if they are experiencing hardships due to COVID-19. Right over, I think 401 was the last number. We have had 401 policyholders take advantage of a payment plan in some fashion throughout the COVID-19 pandemic.

But to your point, Greg, next week I believe the Board, we will have that discussion, it is an agenda item and that will be discussed and I would expect there would be a decision that is made. I know Kelly, you are on as well if you want to provide some additional.

MS. BOOTEN: Yes. We do have an action item going to the Board next week that the Board will decide which route they want to go with it. But we do have in that proposal, even though we recommend getting out from underneath it because we would be rolling into a second term which we definitely need to address.

We have a very aggressive payment arrangement plan that Jennifer and her team have put together that is very helpful to a policyholder to get them through what they need to get through, because eventually it does need to be paid. And therefore, it behooves the agent and the consumer to get ahead of it. There is noticing that we have been giving to the policyholders that we know may be in this condition. We also have a lot of policyholders that we have been holding cancellations on that may not even need their policy. And so, we need to get out from underneath that. And then there will be an exception process for hardships that can be leveraged, and that will all be communicated to the Board next week. I think we have a really good plan to get out from underneath it, but yet be as cognizant to the situation as possible.

CHAIRMAN BROWN: Kelly, you mentioned there were 401 clients that have that payment extension or are on a payment plan. I assume then that those clients don't have a mortgage where their payments are escrowed?

MS. BOOTEN: We have, and I don't have the exact numbers in front of me, but more than half of our policyholders or approximately half at least, do not have a mortgagee agreement and they are on policyholder paid.

CHAIRMAN BROWN: Okay.

MS. BOOTEN: It might be 40 to 50 percent.

CHAIRMAN BROWN: Wow.

MS. BOOTEN: That would be the situation. And Jeremy, I don't know if you remember the exact number of mortgagees, do you?

MR. POPE: I don't have it right now, no.

MS. BOOTEN: But it is in the 40 to 50 percent at least.

MR. POPE: Yes.

MS. BOOTEN: That are pay on their own.

CHAIRMAN BROWN: Interesting, thank you. Well, Greg, I agree with you, that is going to be a big issue and it will be up to our group I am sure and everyone at Citizens to make sure that is communicated and that we are understanding, as understanding and helpful as we can be under the circumstances.

GOVERNOR ROKEH: You know, I think there is kind of going to be a second wave, because a lot of the escrow accounts, the mortgage company escrow accounts probably had enough money to pay the premiums as they came due here through the summer months. But a lot of those mortgages have not been paid. They have been pushed back. And so now those escrow payments aren't being paid into the lender. So, when it comes time for the next renewal, there aren't the funds there in the lender's account to pay those. This could be something where, you received one in say August, but next year in August, there may not be funds enough from the lender in the escrow account to pay the next premium. So, it is not necessarily a problem that is going to go away in the short term. It could be extended out over a couple of cycles.

MS. BOOTEN: Right, understood. And I think our objective is to really get to the true exceptions, because right now we are in a holding pattern across the board.

GOVERNOR ZELMAN: Then again, Governor Brown, as you take a look at these 400 policies out of the total amount of policies that Citizens has on our residential side is really a very small percentage. So, I give Citizens a lot of credit for doing what they have done and doing what they are looking to do in the future to help these citizens that are really in dire straits.

MS. BOOTEN: Thank you, Phil.

CHAIRMAN BROWN: Was there anything more to bring? Did anyone else have any more to bring under new business to the meeting today?

If not, then I will call for a motion to adjourn and have a great holiday everybody. We will all be seeing each other next week at the Board meeting I know. But I won't get an opportunity to say that, so have a happy holiday and be safe. I will accept a motion to adjourn.

GOVERNOR ROKEH: I will move that we adjourn the meeting.

GOVERNOR ZELMAN: I will second then.

CHAIRMAN BROWN: All right. Thank you everyone.

(Whereupon, the meeting was adjourned.)