



ATTACHMENT A -
AGREEMENT # 16-16-0009-XX FOR
CLAIMS LEGAL SERVICES -
SUPPLEMENTAL FIRST PARTY PROPERTY

This Contract establishes the terms and conditions of the Agreement for First Party Property Claims Legal Services (including EUO) by and between Citizens Property Insurance Corporation ("Citizens") and the following law firm ("Firm"): Firm Name.

- 1. Scope of Engagement: The scope of Firm's engagement is to provide legal services related to First Party Property insurance claims, including EUOs, as set forth in this Agreement and any other written communication by Citizens authorizing Firm to perform hereunder.
2. Fees and expenses:
a. Rates for Service. Citizens hereby approves the following legal billing rates for First Party Property (including EUO). Any changes must be pre-approved by Citizens in writing; unilateral rate increases will not be honored. Citizens reserves the right, as a cost containment measure, to negotiate a fixed fee or reduced rates for any particular assignment.

"Complex Matters" include matters that are complex in nature or involve Firm's unique skills/resources. Firm must obtain Citizens' written consent in advance of charging the "Complex Matters" hourly rates. Citizens, at its sole discretion, will determine whether a matter qualifies for "Complex Matter" rates at the time of assignment.

First Party Property (Hourly Rate):

Table with 4 columns: General Matters, Complex Matters, Partner, Associate, Paralegal

EUO Assignments (Flat Fee):*

Table with 2 columns: Examination of one (1) person (\$1,500), Examination of additional persons (\$500 each additional person)

* Flat fee EUOs include all EUOs arising out of all residential policies issued by Citizens. At Citizens' discretion, EUOs arising out of residential matters deemed complex by Citizens' will be compensated at the General or Complex hourly rate, as described above. EUOs arising out of commercial and commercial-residential policies are not included in the EUO Flat Fee agreement. Citizens will compensate EUO services arising out of commercial and commercial-residential policies, including EUOs arising out of claims made by insured condominium associations, at the General or Complex hourly rate, as described above.

- b. Reimbursement of Travel Expenses. To the extent Citizens agrees to reimburse Firm's pre-approved expenses for travel, Firm agrees to comply with the travel reimbursement provisions set forth in Exhibit A, Citizens' Guidelines for Claims

& Litigation Legal Services. Firm shall be solely responsible for reimbursing all attorneys or paralegals performing services under this Contract for their travel expenses. Except as otherwise directed by Citizens, the Firm will submit travel expenses for reimbursement through the use of the online billing services employed by Citizens.

c. Price Escalation and De-Escalation: The parties may adjust the prices set forth above at any time after January 1, 2018 to account for changes in the market prices for legal services. All such adjustments must be evidenced by a formal amendment to this Agreement. Price adjustments shall not be applied retroactively.

3. State Government Entity: Firm acknowledges that Citizens is established pursuant to its enabling statute, F.S. 627.351(6), and is subject to certain, but not all, laws applicable to state government entities.

a. Citizens' Code of Ethics: Firm acknowledges and agrees to the following ethical restrictions:

- i. Firm will not give a gift to a Citizens employee or member of Citizens' Board of Governors;
- ii. Firm will not accept a gift from a Citizens policyholder that is, or could be interpreted to be intended to influence Firm's handling of their claim or could be interpreted as an expression of gratitude for such an act;
- iii. Firm will not have a relationship with a Citizens employee or Board member that qualifies as a conflict of interest unless an exception is granted; and
- iv. Firm will promptly contact Citizens' Legal Department if an exception or interpretation is needed. An exception granted by Citizens must be confirmed in writing.

b. Public Records: Firm acknowledges and agrees that Citizens is subject to Chapter 119, Florida Statutes, regarding public record requests ("PRRs"); therefore, any information provided to Citizens may fall within the disclosure requirements of Chapter 119, Florida Statutes. Firm must clearly label and mark each page or section of information provided to Citizens that contains Firm's trade secrets or which Firm otherwise believes is confidential or exempt from Chapter 119, and s. 24(a), Art. I., State Const. ("Firm's Confidential Information").

If Citizens receives a PRR or request from any regulatory or legislative entity regarding Firm's Confidential Information it shall promptly notify Firm in writing, or electronically. The parties agree (to the extent permitted by law) that Citizens shall not produce Firm's Confidential Information unless authorized by Firm, or by order of a Court of competent jurisdiction. In the event a legal proceeding is brought

to compel the production of Firm's Confidential Information, the parties agree that Citizens is authorized to deliver Firm's Confidential Information to the Court or other legal tribunal for disposition. If Firm continues to assert in good faith that Firm's Confidential Information is confidential or exempt from disclosure or production pursuant to Chapter 119, Florida Statutes, then Firm shall be solely responsible for defending its position, or seeking a judicial declaration. Nothing in this Contract shall create an obligation or duty for Citizens to defend or justify Firm's position. Firm also agrees to indemnify and hold harmless Citizens for any award, damages, fines, fees, penalties or impositions of whatsoever nature or kind and all costs and fees, including attorney's fees, incurred by Citizens in connection with this section.

If Firm receives a PRR that is in any way related to this Contract, Firm agrees to immediately notify Citizens' Record Custodian and forward the PRR to Citizens' Record Custodian for logging and processing. Citizens' Records Custodian's email address is: Recordsrequest@citizensfla.com. Citizens shall be the party responsible for coordinating the response and production to the PRR. Firm shall communicate with Citizens to determine whether requested information is confidential and/or exempt from public records disclosure requirements.

As described in **Exhibit A, Citizens' Guidelines for Claims & Litigation Legal Services**, various exemptions to the Public Records Laws may apply for legal files. Firm therefore agrees to assist Citizens in responding to any PRR in a prompt and timely manner as required by Chapter 119, Florida Statutes.

- c. **Right to Review Firm's Records:** Citizens, and other government entities as required by law such as the State of Florida Auditor General, shall have the right to review and audit any of Firm's business books, works or documents specifically related to work performed under this Contract ("**Firm's Records**"), upon reasonable written notice of at least three (3) business days. Firm shall not unreasonably delay or inhibit Citizens' right to review and audit as set forth in this section. Firm agrees to reimburse Citizens for the reasonable costs of investigation incurred by Citizens for investigations of Firm's compliance with this Contract which results in termination for cause or in regulatory or criminal penalties in connection with performance of the Contract. Such costs shall include, but shall not be limited to: salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. Firm shall not be responsible for any costs of investigations that do not result in termination for cause or in regulatory or criminal penalties in connection with performance of the Contract.
- d. **Immunity:** Except for breach of contract claims under this Contract, nothing in this Contract shall be deemed to waive the Citizens' immunity as set forth in its enabling statute and as otherwise provided by law.

- 4. **Exhibit A, Citizens' Guidelines for Claims & Litigation Legal Services:** Firm agrees to and shall be subject to the terms set forth in **Exhibit A, Citizens' Guidelines for Claims**

& Litigation Legal Services, and all subsequent amendments thereto received by Firm. Citizens, at its sole discretion, reserves the right to amend these guidelines at any time during the term of the Contract. Such amendments to the guidelines do not require a formal amendment to this Contract. If Firm does not agree with such amendments, it must promptly notify Citizens and exercise its right to terminate this Contract as provided herein.

Failure to adhere to the terms of this Contract, including the terms set forth in Exhibit A (as amended from time to time), may result in the withholding of payments due to Firm under this Contract, to the extent necessary to cover any potential damages or costs to Citizens.

5. **Assignment / Subcontracting:** Firm may not assign or subcontract its rights or obligations without first obtaining the written permission of Citizens.
6. **Retention of Firm's Records:** Firm shall retain Firm's Records for the longer of: (a) three (3) years after the expiration of the Contract; (b) the period required by the General Records Schedules adopted in Citizens' Records Management Policy; or (c) the period required by the Florida Bar Rules, general Accounting Principles, or any other relevant provisions of law. Citizens' Records Management Policy can be found at www.citizensfla.com/about/purchasing-policies.cfm.
7. **Security and Confidentiality:** Firm acknowledges and agrees that certain information disclosed by Citizens to Firm in the course of this Contract is confidential and exempt from Florida Public Record laws contained in Chapter 119, Florida Statutes, and may contain other proprietary or Trade Secret information. Firm further agrees that this information, together with any data and documentation, including all nonpublic personal information such as to be subject to the provisions of Section 627.351(6), Fla. Stat., and 15 U.S.C. §§6801 et seq., and further including, without limitation, all information, data, and documentation related to manuals, lists, policyholder information, operating and other systems or programs, business practices or procedures, insurance policies, claimants or claims, and business, governmental, and regulatory matters of Citizens are confidential ("**Citizens' Confidential Information**"). Firm shall not use, disclose, communicate, possess, transmit, copy or reproduce any of Citizens' Confidential Information, and shall not permit any third parties or business entities to disclose, distribute or otherwise transmit Citizens' Confidential Information, in whole or in part, in any manner. Firm agrees to exercise a high level of care sufficient to protect Citizens' Confidential Information, documents, files, system programs, or data in any form from unauthorized disclosure. The sale, disclosure, duplication, or unauthorized use of this information is grounds for immediate termination of the Contract as a material breach. This provision shall not apply to documentation, information or material that: (1) is publicly available through no fault of Firm; or (2) Firm developed independently without relying in any way on Citizens' Confidential Information. This section shall survive the termination or expiration of the Contract, regardless of the reason for termination or expiration. To ensure confidentiality, Firm shall take appropriate steps to notify and train its personnel, agents, and subcontractors. The warranties of this provision shall survive the Contract.

Firm acknowledges and agrees that Citizens will suffer irreparable harm and that monetary damages will not be adequate to compensate Citizens, in the event Firm fails to comply with the terms of the Contract and specifically the provisions of this section. Accordingly, in addition to any other remedies available to it at law or in equity, Citizens shall be entitled to injunctive relief to enforce the provisions of this section and the Contract.

Firm is not subject to any action by Citizens if disclosure of any such information or documents is at the direction of Citizens when necessary and appropriate to (1) service an insurance claim, (2) respond to a discovery request in a litigated matter, or (3) comply with a Court Order.

- 8. Indemnification:** Firm shall be fully liable for the actions of its agents, employees, partners, or subcontractors, and shall fully indemnify, defend, and hold harmless Citizens, and its officers, members of the Board of Governors agents, and employees, from suits, actions, damages, and costs of every name and description, including attorneys' fees, arising from or relating to personal injury and damage to real or personal tangible property alleged to be caused in whole or in part by the negligent acts or omissions or willful misconduct of Firm, its agents, employees, partners, or subcontractors, provided, however, that Firm shall not indemnify for that portion of any loss or damages proximately caused by the negligent act or omission of Citizens.

Further, Firm shall fully indemnify, defend, and hold harmless Citizens, and its officers, members of the Board of Governors, agents, and employees from any suits, actions, damages, and costs of every name and description, including attorneys' fees, arising from or relating to violation or infringement of a trademark, copyright, patent, Trade Secret or intellectual property right.

Firm's obligations under the preceding two paragraphs of this section with respect to any legal action are contingent upon Citizens giving Firm (1) written notice of any action or threatened action, (2) the opportunity to take over and settle or defend any such action at Firm's sole expense, and (3) assistance in defending the action at Firm's sole expense. Firm shall not be liable for any cost, expense, or compromise incurred or made by Citizens in any legal action without Firm's prior written consent, which shall not be unreasonably withheld.

- 9. Professional Liability Insurance:** Firm shall maintain in effect, at its sole expense, professional liability insurance with an aggregate limit of no less than \$1,000,000. Within thirty (30) days of Contract execution and upon renewal, Firm shall provide Citizens with a proof of coverage.
- 10. Compliance with Law:** Firm will comply with all applicable laws, ordinances, rules, and regulations governing Firm's duties or responsibilities under this Contract. Firm is responsible for assuring that all persons who perform services for Citizens under this Contract are properly licensed and are in compliance with all applicable laws governing their conduct.

- 11. Use of Citizens' Name and Logo:** Firm may use Citizens' name and logo in its marketing materials, website and social media to indicate that it is a participating or contracted vendor for Citizens. However, Firm may not in any way state, imply or infer that it holds a "preferred," "approved," "awarded," "selected" or otherwise special status with Citizens in any such materials. This prohibition includes, but is not limited to, the use of endorsements or quotes from Citizens officials, Citizens vendor scores, or any other Citizens-related materials that may directly or indirectly imply that Firm enjoys a special or preferred status with Citizens. Citizens reserves the right to determine that its name and/or logo have been misused and to request that Firm cease using its name and/or logo in any way it deems inappropriate. Failure to comply will result in disciplinary action, up to and including contract termination. Firm may only use the approved Citizens logo, which is available for download at: <https://www.citizensfla.com/about/mediaresources.cfm>.
- 12. Professional Code:** Firm shall ensure that its personnel providing services under this Contract comply with applicable standards of ethics and rules of professional responsibility, including the Florida Rules of Professional Conduct promulgated by the Florida Supreme Court for attorneys practicing in Florida. Such standards include rules related to conflicts of interest and confidentiality that are intended to protect Citizens and Citizens information.
- 13. Modification of Terms:** The Contract may only be modified or amended upon mutual written agreement of Citizens and Firm. No oral agreements or representations shall be valid or binding upon Citizens or Firm.
- 14. Waiver:** The delay or failure by a party to exercise or enforce any of its rights under this Contract shall not constitute or be deemed a waiver of the party's right thereafter to enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.
- 15. Jurisdiction and Venue:** This Contract shall be deemed to have been made in the State of Florida and shall be subject to, and governed by, the laws of the State of Florida, and no doctrine of choice of law shall be used to apply any law other than that of the State of Florida. Each party hereby irrevocably consents and submits to the exclusive jurisdiction of the State courts sitting in Tallahassee, Leon County, Florida, for all purposes under this Contract, and waives any defense to the assertion of such jurisdiction based on inconvenient forum or lack of personal jurisdiction. The parties also agree to waive any right to jury trial.
- 16. Term:** The initial term of this Contract commences on the date the last party signs the Contract and expires at 12:01a.m. February 3, 2021. This Contract may be renewed upon mutual agreement for two (2) additional renewal periods of one (1) year each.
- 17. Termination:**

 - a.** Citizens may cancel or terminate this Contract at any time upon advance written notice to Firm. After receiving such notice, Firm will cease to render services to

Citizens as soon as allowed by applicable law and ethical and/or court rules, which may include court approval of our withdrawal from litigation.

- b. Firm reserves the right to withdraw from its representation if, among other things, Citizens should fail to honor the terms of its engagement, fail to cooperate or follow Firm's advice on a matter Firm considers material, or if any circumstance arises that would in our view render Firm's continuing representation unlawful, unethical, or undesirable.
 - c. If Firm elects to withdraw, and in the event of any other termination, Citizens will take all steps necessary to relieve Firm of any obligation to perform further, including the retention of substitute counsel.
 - d. A termination of Firm's services will not affect Citizens' responsibility for payment of legal services rendered and other charges incurred both before termination and afterwards in connection with an orderly transition of the matter, including fees and other charges arising in connection with any transfer of files to Citizens or to other counsel.
18. **Dispute Resolution:** Firm acknowledges and agrees that Citizens is not an agency for purposes of the Florida Administrative Procedures Act, Chapter 120 of the Florida Statutes. Prior to commencing any litigation relating to the terms of the Contract the parties agree that they will attempt to resolve any dispute through non-binding mediation. The parties agree that, if a disagreement arises as to the terms or enforcement of any provision of this Contract, each party shall in good faith attempt to resolve the disagreement and exhaust all applicable administrative remedies prior to the filing of a lawsuit or commencing a legal action.
19. **Warranty of Authority:** Each person signing the Contract warrants that he or she is duly authorized to do so and to bind the respective party to the Contract.
20. **Warranty of Ability to Perform:** Each party warrants that, to the best of its knowledge, there is no pending or threatened action, proceeding, or investigation, or any other legal or financial condition, that would in any way prohibit, restrain, or diminish the party's ability to satisfy its Contract obligations.
21. **Force Majeure:** A party shall not be liable for delays in performance to the extent (i) the delay was not caused by the negligence of that party or its employees or agents, and (ii) the delay is due directly to acts of God, wars, acts of public enemies, fires, floods, or other similar cause wholly beyond the parties' control. Each party must promptly advise the other in writing of any such delay or potential delay and describe the cause thereof. No claim for damages, other than for an extension of time, may be asserted by a party affected by such delays.

22. **Contract Administrator:** Citizens shall name a Contract Administrator during the term of this Contract whose responsibility shall be to maintain this Contract. As of the Effective Date, the Contract Administrator is:

Lori Newman, Vendor Management Office
Citizens Property Insurance
301 West Bay Street, Suite 1300
Jacksonville, Florida 32202
(904) 407-0225
lori.newman@citizensfla.com

Citizens shall provide written notice to Firm of any changes to the Contract Administrator; provided, such changes shall not be deemed Contract Amendments.

23. **Contract Managers:** Each party will designate a Contract Manager during the term of this Contract whose responsibility shall be to oversee the party's performance of its duties and obligations pursuant to the terms of this Contract. As of the Effective Date, Citizens' and Firm's Contract Managers are as follows:

Citizens' Contract Manager

John Cipolla, Vendor Relationship Administrator
7215 Financial Way
Jacksonville, FL 32256
(904) 407-0476
John.Cipolla@citizensfla.com

Firm's Contract Manager

Name
Address
City, State Zip Code
Phone Number
Email

24. **Execution in Counterparts:** The Contract may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
25. **Severability:** If a court deems any provision of the Contract void or unenforceable, that provision shall be enforced only to the extent that it is not in violation of law or is not otherwise unenforceable and all other provisions shall remain in full force and effect.
26. **Inconsistencies:** This Contract controls, to the extent of any inconsistencies, with an engagement letter agreement or other legal services agreement.
27. **Notice of Material Adverse Change:** Firm agrees to notify Citizens in writing of any "Material Adverse Change" to Firm within ten (10) days of said change. A "Material Adverse Change" means: (i) a change in the business operations or financial condition of

Firm which negatively impacts its capacity to meet its professional or financial obligations; (ii) any material impairment of human or material resources necessary to perform legal services under this Contract; or (iii) any occurrence or event relating to Firm or senior level attorney that adversely reflects on Firm's reputation or standing in the community.

A Material Adverse Change includes, but is not limited to: (i) the filing by Firm of a voluntary petition in bankruptcy, or a petition or an answer seeking an arrangement with creditors to take advantage of any bankruptcy, insolvency, readjustment of debt; (ii) the departure from Firm of a senior level attorney who oversees Citizens assignments and provides a substantial amount of the legal services rendered to Citizens; (iii) a senior level attorney receiving an adjudication of guilt by a court of competent jurisdiction of any crime that is a felony or a misdemeanor involving moral turpitude under any state or federal law; or (iv) a senior level attorney receiving disciplinary measures pursuant to Rules Regulating the Florida Bar, including admonishment, probation, public reprimand, suspension, or disbarment, or the filing by a senior level attorney for disciplinary revocation.

As a result of a Material Adverse Change, and pursuant to provisions in this Contract, Citizens may exercise its right to terminate or suspend specific assignments, all assignments, or this Contract in its entirety.

If Firm is dissolved during the term of this Contract, Firm shall notify Citizens' Contract Manager at least thirty (30) days prior to dissolution. At its sole discretion, Citizens reserves the right to (1) withhold written permission to assign this Contract to any successor firm(s) and (2) determine whether any successor firm(s) will retain pending assignments.

28. Credentialing: Firm shall be required to access Citizens' online vendor credentialing system ("CAIS") to input, update and maintain certain information about Firm and the persons who will perform work related to this Contract ("Staff"), as provided below and in **Exhibit B** attached hereto.

a. Staff Credentialing Requirements. Firm shall ensure that all credentialing requirements are met by its Staff. Citizens may change the credentialing requirements and/or procedures as it deems appropriate in response to changing business, regulatory and technological requirements and capabilities.

- i. Firms will be provided CAIS access to upload all required documentation (based on Staff position) for Citizens approval.
- ii. Citizens will review each submission for compliance with minimum criteria outlined in this Contract.
- iii. Staff who meet the minimum criteria will be placed in an "Approved" status.

b. Other Requirements.

- i. Within thirty (30) days of execution of this Contract, Firm shall:
 1. Upload into CAIS the required information for each Staff person submitted on behalf of Firm to perform work under the Contract. The specific credentialing requirements for each role are outlined in in **Exhibit B**, attached hereto.
 2. Upload into CAIS Firm's proof of insurance that meets the insurance requirements of this Contract.
- ii. Firm will have a continuing obligation to (i) provide updated or new information for any uploaded items that expire, and (ii) upload the necessary forms for each new staff person prior to such persons accessing Citizens' systems or performing services on behalf of Citizens.
- iii. **A summary of these Credentialing requirements is attached as Exhibit B. Please note that the following forms must be re-signed and uploaded into CAIS by June 1st of each year of the Contract beginning in 2017: (i) the Vendor Conflict of Interest Form (Citizens Form 501b); (ii) the Confirmation and Acceptance of Citizens' Guidelines for Claims & Litigation Legal Services; and (iii) the Ethics & Confidentiality Acknowledgement Form.**

Signature Page Follows

Agreed and accepted:

On behalf of **Citizens Property Insurance Corporation**, by:

On behalf of **Firm Name**, by:

Signature

Daniel Sumner
Typed Name

Chief Legal Officer & General Counsel
Title

Date Signed

Signature

Typed Name

Title

Date Signed

Signature

Kelly Booten
Typed Name

Chief of Systems and Operations
Title

Date Signed

Exhibit A



Citizens Property Insurance Corporation
Guidelines for
Claims & Litigation Legal Services

Revised: December 8, 2015

Exhibit A - Contract between Citizens and **Firm Name**
Contract # **16-16-0009-XX**

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DRAFT

1. OVERVIEW

1.1. **Understanding the Unique Nature of Citizens Property Insurance Corporation**

A thorough understanding of the unique nature of Citizens Property Insurance Corporation (Citizens) is critical to effective representation of Citizens and its insureds.

Citizens is committed to maintaining a versatile legal services plan that encourages superior customer service, quality file handling, exceptional legal representation and responsible cost control. Citizens' Guidelines for Claims & Litigation Legal Services is a manual intended to bring flexible uniformity to the handling of all matters in which legal services are necessary. These Guidelines are centered on teamwork and flexibility in order to ensure effective and efficient legal representation on behalf of Citizens and its policyholders in a third party matter.

The Guidelines focus on early evaluation and planning, ongoing communication, a clear delineation of responsibilities and appropriate use of legal services. The goal is to identify the most effective and efficient case plan and invest resources accordingly. Through teamwork, joint accountability and commitment to the overall ideals of Citizens Property Insurance Corporation, we strive to achieve superior customer service, effective relationships with the Firms representing Citizens and its policyholders in a third party matters and fiscally responsible management of matters involving legal services.

Our Vision

As a government entity fulfilling a public purpose, Citizens aspires to provide insurance products and services that meet the needs of Florida property owners who are, in good faith, entitled to obtain coverage through the private market but are unable to do so. We strive to reduce the financial burden on all Floridians by being good stewards of the premium funds entrusted to us. In all that we do, we will conduct ourselves with the highest level of ethical behavior.

Our Corporate Mission

To efficiently provide property insurance protection in Florida to those who are, in good faith, entitled to obtain coverage through the private market but are unable to do so, while also providing levels of customer service that are comparable to the standards of the private market.

Our Values

In accomplishing our mission, we embrace the following values:

- **Public Service:** We contribute to the public health, safety and welfare of our customers and the state.
- **Integrity:** We embrace our values and code of ethics with pride.
- **Respect:** We will respect one another and those we serve.

- Courtesy: We will be polite and display respectful behavior at all times.
- Responsiveness: We will provide quality service to our customers that is comparable to the standards of the private market.
- Fairness: Our overriding culture is to always do the *right* thing.

Our Claims Mission

Citizens' Claims is a customer focused organization intent on delivering fast, fair, honest and accurate claims service. We continuously strive to be efficient, dynamic and committed to managing claim costs, while adhering to the highest ethical standards.

1.2. State Governmental Entity

Citizens is a Florida governmental entity established pursuant to its Enabling Statute, F.S. 627.351(6), and is subject to certain, but not all, laws applicable to state government entities.

1.3. Citizens' Enabling Statute, F.S. 627.351(6)

It is the responsibility of any Firm providing legal services on behalf of Citizens to thoroughly review and gain a competent understanding of the enabling legislation and consider such legislation during the representation of Citizens.

1.4. No Gift Rule

Citizens' enabling statute imposes ethical standards on Citizens, its employees and Board of Governors. The standards include a "no gift" rule prohibiting employees and Board members from directly or indirectly accepting **any gift or expenditure** from vendors (including the Firm) that personally benefits the Citizens employee or Board member. Therefore, the Firm shall not advance any such gift or expenditure to Citizens employees or Board members. Nor shall the Firm accept a gift from a Citizens policyholder or from another Citizens vendor in connection with the legal services that is, or could be interpreted to be, intended to influence the handling of Citizens' business or could be interpreted as an expression of gratitude for the Firm's services to Citizens.

1.5. Public Records

In no event shall the Firm respond to a Public Records Request outside of Citizens' direction and involvement.

Citizens is subject to Florida's public records requirements under Chapter 119, Florida Statutes and s. 24(a), Art. I of the State Constitution. There are various exemptions applicable to Citizens, under Citizens' enabling statute, including:

- "Matters reasonably encompassed in privileged attorney-client communications" (continues through and after conclusion of matter);
- Claims files (until termination of all litigation and settlement of all claims arising out of the same incident, although portions of the claims files may remain exempt, as otherwise provided by law);

- Information relating to negotiations for contractual services (until conclusion of the negotiations); and
- Under Chapter 119, including the attorney-work product (until the conclusion of litigation). Certain documents generated by the Firm in its representation of Citizens may be subject to public records laws, subject to applicable exemptions.

Upon receipt of a public records request directed to the Firm pertaining to Citizens' subject matter, the Firm shall immediately notify Citizens' **Records Custodian** (and the Citizens' employee supervising the Firm's work) of such request and will work cooperatively with Citizens to respond to the request, in accordance with the requirements of Chapter 119, Florida Statutes. In no event shall the Firm respond to a Public Records Request outside of Citizens' direction and involvement.

1.6. Immunity

Citizens' enabling statute grants immunity for all causes of action against Citizens, except as listed by statute. Citizens acknowledges that this is a unique and novel issue for most courts and the legal community, in general. As such, it is critical that Citizens be aware of any challenges to immunity from the outset.

In the event that any issues challenging Citizens' immunity are raised in the course of litigation, such issues shall immediately be (the same day) raised to the attention of the Litigation Specialist and Citizens' Claims & Litigation Legal Services.

1.7. Professional Conduct

Any Firm providing legal services to Citizens shall ensure that its personnel complies with all applicable standards of ethics and rules of professional responsibility, including the Florida Rules of Professional Conduct promulgated by the Florida Supreme Court for attorneys practicing in Florida (or similar standards applicable to attorneys practicing outside the State of Florida). Such standards include rules related to conflicts of interest and confidentiality that are intended to protect Citizens and Citizens' information.

Additionally, in keeping with the vision and mission of Citizens as entrusted by the Florida legislature, Citizens expects all attorneys and legal professionals acting on its behalf, or on behalf of Citizens' insureds, to adhere to the initiatives for Professional Conduct as promoted by the Florida Bar Center for Professionalism.

On January 30, 2015 the Florida Bar Board of Governors approved "Professionalism Expectations." In keeping with the vision and mission of Citizens as entrusted by the Florida legislature, Citizens expects all attorneys and legal professionals acting on its behalf, or on behalf of Citizens' insureds, to adhere to the letter and spirit of Professional Conduct as promoted by the Florida Bar's Standing Committee on Professionalism expressed within this document.

1.8. Depopulation and Takeouts

The Florida Legislature authorized Citizens to develop a Depopulation Program to reduce the number of property owners who have insurance coverage through Citizens by encouraging new or existing private insurance companies to take on Citizens policies. Citizens expects Firms to be familiar with this process as described in Citizens' Enabling Statute, F.S. §627.351(6)(a)-(ff); and Depopulation of Citizens F.S. §627.3511. Counsel is also expected to be familiar with Citizens' internal procedures regarding depopulation and takeout carriers. A current list of takeout carriers can be found at:

<https://www.citizensfla.com/about/depopinfo.cfm?type=links&show=pdf&link=/shared/depop/documents/TakeoutCompanyContacts.pdf>

Counsel should check these listings on a regular basis. The list provides a quick reference of other insurance carriers that may be clients of your Firm.

1.9. The Assumption Agreement and Opt Outs

The Assumption Agreement is a contract between Citizens and a takeout carrier which specifies the terms under which the rights and obligations of a group of policies are transferred from Citizens to a takeout carrier. Citizens can only enter into Assumption Agreements with carriers that have been approved for depopulation of a certain number and certain types of Citizens' policies by the Office of Insurance Regulation. A listing of consent orders between the takeout carriers and the Office can be viewed at:

<http://www.floir.com/TakeoutCompanies.aspx>

When a takeout carrier is approved to assume a Citizens' policy, it sends an Opt Out form to notify the insured about the pending assumption and their right to opt out of assumption and remain with Citizens. The Opt Out form is mailed approximately 30 days prior to the scheduled assumption. Examples of takeout carrier notices of assumption and Opt Out forms can be viewed at: <http://www.citizensfla.com/about/depopinfo.cfm>.

If the insured does not opt out, Citizens sends a Notice of Assumption and Non-Renewal notifying the insured that the Citizens policy was successfully assumed by the takeout carrier as of the date listed in the Notice of Assumption. The takeout carrier is responsible for claims with a date of loss after the assumption date. The insured is also informed that their Citizens policy will not be renewed.

Questions regarding whether the Citizens policy or the takeout policy provides coverage for a loss may arise. This coverage question is similar to any coverage issue involving two carriers that provide successive coverage. However, the issue is complicated by the mid-term assumption of Citizens policy by a takeout carrier. Any claim with an unknown, unclear or debatable date of loss presents an actual or potential conflict of interest for a Law Firm that has Citizens and the assuming takeout carrier as clients.

It is not a prima-facie conflict for a Firm to provide legal services to Citizens and other insurance carrier clients, including takeout carriers. However, the Firm must closely scrutinize all assignments to determine if there was an assumption, the assumption date, the date of loss and whether the insured exercised their right to opt out or decline assumption. Citizens considers it an impermissible conflict of interest for a Firm to represent Citizens and the takeout carrier when the two are co-defendants in the same lawsuit and the date of loss is at issue. See generally Florida Bar Rules of Professional Conduct 4-7.1. It is also a conflict to represent a takeout carrier in any suit or claim in which Citizens is not a party and a Firm alleges the date of loss occurred wholly or partially prior to the assumption date.

It may also be a conflict for a Firm to represent Citizens in a case where the Firm is not able to argue the date of loss occurred after the assumption date because you represent the takeout carrier in unrelated matters.

1.10. Conflict of Interest

Prior to representing Citizens, the Firm must undertake reasonable and customary efforts to determine that no actual or potential conflicts of interest exist with any individual attorney or staff personnel working for the Firm that would bar that individual or Firm from representing Citizens or Citizens' insureds. In the event the Firm hires or retains additional individual attorneys or staff personnel, the Firm must undertake the same reasonable and customary efforts to determine whether any such conflicts may exist.

Matters are assigned to the Firm through Citizens' litigation management billing system, Acuity, notifying the Firm via an automatically generated email to the Firm's designated Lead Attorney on the matter. Prior to accepting any specific assignment, counsel must undertake reasonable and customary efforts to determine no actual or potential conflicts of interest exist that would bar counsel from representing Citizens or Citizens' insureds. The Firm accepts or declines the assignment in Acuity by selecting the appropriate radio button within two (2) days of receipt of the assignment. Acceptance of the assignment in Acuity serves as the Firm's acknowledgment the conflict check was completed. Therefore, an Acknowledgement Letter from the Firm to Citizens is unnecessary and not billable.

In the event an actual or potential conflict is identified, the Firm shall immediately notify Citizens' Claims & Litigation Legal Services. Citizens retains the right to decline representation and to withdraw any pending matters with the Firm in the event of an actual or potential conflict. A waiver of conflict must be executed by Citizens before the Firm may proceed with representation on behalf of Citizens or Citizens' Insured.

The initial conflict review should also consider whether the Firm represents insurance agents and brokers. Conflicts may also arise if the Firm represents manufacturers of building construction products or other products that may cause

damage covered under a Citizens policy and/or any client that may be involved in a subrogation claim with Citizens.

Should any conflict of interest arise during the course of representation of Citizens' insured(s), the Firm will take no action that would prejudice the interests of the insured(s) in the matter.

1.11. Professional Liability Insurance

The Firm shall maintain in effect, at its sole expense, professional liability insurance with an aggregate limit of no less than \$1,000,000. Within thirty (30) days of Contract execution and upon renewal, Firm shall provide Citizens with a proof of coverage.

1.12. Compliance with Laws

The Firm will comply with all applicable laws, ordinances, rules, and regulations governing the Firm's duties or responsibilities associated with providing legal services on behalf of Citizens. The Firm is responsible for assuring that all persons who perform services for Citizens are properly licensed by the Florida Bar, in good standing with the Florida Bar and are maintaining compliance with all applicable laws governing their conduct.

1.13. Cooperation with Other Law Firms

Situations may arise when it is necessary for Citizens to retain the services of additional counsel to work independently or in conjunction with your Firm on common issues or matters. The Firm's cooperation and compliance with all requests for information, assistance and collaboration from Citizens or other counsel is required.

1.14. Nature of Business Relationship with Citizens

For any Law Firm providing legal services on behalf of Citizens, the Firm acknowledges that the business relationship between the Firm and Citizens is that of an independent contractor. Nothing herein, or in any representation undertaken, shall be deemed to constitute that Citizens and the Firm are engaged in a partnership, joint venture, or agency for any purpose whatsoever. The Firm shall be responsible for maintaining its own public liability, professional liability and malpractice insurances.

2. LEGAL SERVICES REPORTING REQUIREMENTS

Communication is an essential element of Citizens' strategic partnership. It is imperative that Citizens is informed, in a timely manner, of emerging facts, shifting emphasis and other significant developments that impact case evaluation. Therefore, there are five (5) required reports Citizens expects in each case. In partnership with our Defense Counsel, Citizens requires that each case be proactively handled to its final resolution.

2.1 Acknowledgement of Assignment

Within two (2) business days of assignment, the Firm shall acknowledge receipt of the newly assigned matter to Citizens in Acuity including acknowledging that no conflicts exist with acceptance of assignment. Acceptance of the assignment in Acuity serves as the Firm's acknowledge the conflict check was completed. Therefore, an Acknowledgement Letter from the Firm to Citizens is unnecessary and not billable.

In addition, if the case is a Third Party liability matter, the Firm shall contact the policyholder/Defendant within three (3) business days of assignment and confirm in Acuity that the Firm has contacted the Policyholder /Defendant.

2.2 Initial Evaluation "45 Day" Report (Required)

This report is due to Citizens within forty-five (45) days of case or matter assignment. This report should include the following information necessary for an initial evaluation and the development of a case plan:

- A) Facts (date and circumstances of loss, claim history, significant background information)
- B) Damages
- C) Preliminary Liability Analysis (anticipated defenses, legal theories, application of fact to theories, conclusions based on application of facts to theories)
- D) Significant evidentiary issues
- E) Discussion and justification of approved initial discovery propounded to date, including a timeline for anticipated dates of receipt of the opposing party's responses, and recommendations regarding any additional discovery. It is expected that initial discovery will have been served on Plaintiff prior to the receipt of this report by Citizens.
- F) Initial Case Evaluation including the strengths/weaknesses of case defenses including the anticipated likelihood of success, strengths / weaknesses of Plaintiff's allegations, discussion concerning the strengths and weaknesses of the experts retained/used by all parties to the litigation.
- G) Motion Practice (pending or anticipated motion(s), anticipated benefit and outcome)
- H) ADR
- I) Further investigation/other activities including but not limited to recommendations concerning the re-inspection of the property at issue in this case.
- J) Settlement opportunities and recommendations including offers made prior to suit being filed.
- K) Projected completion date for initial phase
- L) Projected budget tailored to specific litigation phase

In First Party matters, it is expected that all approved discovery discussed in the report, including the deposition of the plaintiff/policyholder/homeowner, will take place within 90 days of assignment of the case.

The Firm shall submit a budget and the budget must be approved by Citizens prior to the payment of Attorney/Paralegal fees and costs by Citizens to the Firm.

2.3 90 Day Report (Required)

The 90 Day Report is intended to supplement the Initial Evaluation (45 day) Report. This report, at a minimum, shall contain the following information (if not previously provided):

- A) A summary of Plaintiff Interrogatory Responses
- B) A summary of the documentation received in Plaintiffs' response to our propounded Request for Production
- C) Summaries of all depositions taken to date
- D) Suggested motions with well-reasoned justifications for same
- E) Suggested update discovery with timeline for completion
- F) Case evaluation to date including but not limited to the development of a Case Theme for trial purposes
- G) If applicable to the matter, discussion of Assignment of Benefits issue and implementation of current AOB strategies in the case
- H) Recommendations for a Proposal for Settlement
- I) Settlement opportunities and recommendations
- J) Further investigations/other activities
- K) Recommendations for the use of experts
- L) Dates of availability for a conference with Citizens, including Legal Services, ten (10) days following submission of report.

2.4 Interim Evaluation Reports (As dictated by the matter)

Interim Evaluation Reports are intended to supplement prior reports as needed for significant case developments. An Interim Evaluation Report shall be submitted as significant case developments occur and as needed for revision of the case plan/budget. This report should include the following, as applicable, to the individual case:

- A) Update discovery
- B) Motion practice
- C) Case evaluation
- D) ADR
- E) Further investigation / other activities
- F) Settlement opportunities and recommendations
- G) Deposition summaries
- H) Suggested revised budget
- I) Revision of Case Theme for trial purposes as needed

2.5 Pre-Mediation Report (Required)

The Pre-Mediation Report is due to Citizens no later than thirty (30) days prior to the scheduled mediation date. The Pre-Mediation Report should include the following necessary for settlement evaluation:

- A) Facts
- B) Damages
- C) Liability analysis
- D) Significant evidentiary issues
- E) Settlement evaluation and recommendations
- F) Settlement offers made to date. (Include Proposals for Settlement)
- G) Concise summary of significant plaintiff arguments
- H) Concise summary of significant defense arguments
- I) Evaluation of all fact witnesses and expert witnesses expected to testify at trial
- J) Updated evaluation of case (including settlement recommendations, potential judgment / verdict – best day vs. worst day outcomes, likelihood of success for defense)
- K) A concise statement of your Case Theme
- L) Trial cost estimate (Plaintiff and Defendant)

2.6 Pre-Trial Report (Required)

The Pre-Trial Report is due to Citizens no later than ninety (90) days prior to the scheduled trial date. The Pre-Trial Report should include the following necessary for a comprehensive evaluation of the case and potential for success at trial:

- A) Trial date
- B) Trial judge (prior experience, reputation, evaluation, etc.)
- C) Potential jury panel
- D) Facts
- E) Damages
- F) ADR
- G) Discussion of Proposal for Settlement, recommendation concerning the filing of a new Proposal for Settlement if necessary.
- H) Pending pre-trial discovery
- I) Pre-trial motions (Daubert, In Limine, Motion for Summary Judgment)
- J) Concise summary of significant plaintiff arguments
- K) Concise summary of significant defense arguments
- L) Evaluation of all fact witnesses and expert witnesses expected to testify at trial
- M) Brief summary of deposition testimony for all those expected to testify at trial
- N) Updated evaluation of case (Including settlement recommendations, potential judgment / verdict – best day vs. worst day outcomes, likelihood of success for defense)
- O) A concise statement of your Case Theme for trial purposes

- P) Trial cost estimate (Plaintiff and Defendant)
- Q) Discussion of potential appealable issues
- R) Dates of availability for a conference with Citizens, including Legal Services, ten (10) days following submission of report

2.7 Trial Preparation Exercises

At its discretion, Citizens may require a Trial Preparation Exercise, commonly referred to as a mock trial, be conducted in cases where a trial date has been set and Citizens has made the determination that the case will proceed through trial. The exercise shall take place between 45-60 days prior to the first day of trial as identified in the Trial Order. Citizens expects the Firm to fully prepare for the Trial Preparation Exercise in the same manner as would be for an actual trial. Citizens will permit the attendance of two (2) attorneys from the Firm to act as Citizens' counsel and opposing counsel in the exercise.

2.8 Post-Trial Report (Required)

The Post-Trial Report is due to Citizens within five (5) days after termination of the trial. The Post-Trial Report should summarize the evidence and events at trial and the outcome and basis for such findings. The Post Trial Report should also state any appealable issues for both Plaintiff and Defendant and confirm if the appealable issues were preserved, on the record, at trial.

A copy of all case law cited in any report and relied upon by the attorney in forming his / her legal opinion should be provided to Citizens.

2.9 File Documentation

Citizens' expectation is that all activity which occurs within a particular matter shall be documented within Citizens' litigation management billing system (Acuity). Activity within a matter includes, but is not limited to, any and all communications and documents (formal pleadings or otherwise) that relate to the particular matter.

3. BILLING FOR LEGAL SERVICES

The Firm must submit a budget and the budget must be approved by Citizens prior to the payment of attorney/paralegal fees and costs by Citizens to the Firm.

Citizens will construe each statement for legal services as a representation by the Firm that the statement (1) has been reviewed by the attorney having primary responsibility for that matter, (2) accurately reflects the actual and necessary time, billing and expenses for that matter, and (3) complies with Citizens' billing policies as described herein and applied through any billing service employed by Citizens.

Lastly, each billing entry is considered a representation by the billing timekeeper that he/she has in fact performed the work described in the time period indicated on the bill submitted by the Firm to Citizens.

Citizens' expectation is that each attorney working on Citizens' assignments will not bill in excess of 12 hours per day, 200 hours per month or 2,400 hours per year without justification for the excess hours worked.

3.1 Use of Online Billing Service

Citizens currently utilizes a computerized online billing service through which all budgets/invoices for legal services must be submitted. Any Firm performing legal services on behalf of Citizens is expected to cooperate with and utilize any such billing system employed by Citizens. The Firm is expected to comply with Citizens' billing procedures at its own expense and any charges submitted for the same will not be honored by Citizens.

3.2 Budget

For each matter assigned to the Firm, a detailed budget must be submitted with the Initial Report reflecting the anticipated fees and expenses for the various stages throughout the assignment. Citizens reserves the right to amend any budget submitted by the Firm prior to approval by Citizens. Preparation of the budget is not a billable task and any invoices submitted for such preparation will not be honored by Citizens.

Over the lifespan of the matter, revised budgets should be submitted when case developments significantly alter the existing budget or case plan.

3.3 Billing Cycle

The billing on each matter shall be submitted on a calendar month basis (30 day cycle). A final bill for all outstanding charges should be forwarded immediately by the Firm upon the conclusion of each matter. Citizens has sole discretion to consider billing for work performed which is submitted late to Citizens. Late is defined as billed events that occurred more than 60 days prior to it being initially submitted to Citizens for payment.

Citizens will not honor interest fees, or other late fees, assess by the Firm for any invoice submitted for payment.

Billing submitted late to Citizens will not be given priority review.

3.3.1 No initial appeal will be considered if filed with Citizens more than sixty (60) days after the date of initial denial/reduction by Citizens for the billed event. Citizens will consider only one appeal by the Firm for each line item submitted for payment. Any appeal must provide additional information for Citizens to consider in honoring the invoice. Appeals that fail to provide additional information will not be considered and Citizens initial denial/reduction of the invoice will be upheld.

3.3.2 Each invoice submitted to Citizens shall only reflect work that is performed within a single calendar month (approximately a thirty (30) day period).

Firms should not submit invoices that contain line item dates that occur outside the period of a single calendar month nor should invoices contain multiple months of billing. Invoices should not be submitted on a weekly or bi-weekly basis.

3.4 Format

3.4.1 All billing is to be submitted in an itemized format reflecting the actual time spent on each task and shall reflect the following information:

- A) The date the specific task was performed;
- B) A detailed description of each task performed (each task is to be billed separately; block billing will not be honored);
- C) Timekeeper ID of the individual who performed the task;
- D) The amount of time, by the tenth of the hour, spent to perform each task;
- E) The hourly fee for the individual who performed the task, when applicable;
- F) The total time and fees charged by each individual for the applicable billing period;
- G) The total time and fees charged for all individuals for the applicable billing period;
- H) Itemized accounting of all expenses with supporting documentation attached at the line item entry; expenses must be billed individually with documentation attached.

3.4.2 Generic descriptions of tasks performed, such as the following, without further details are not acceptable and any charges submitted using generic descriptors will not be honored by Citizens. Examples include but are not limited to:

- A) Review case and issues
- B) Review correspondence
- C) Telephone call
- D) Trial preparation
- E) Update strategy
- F) Motion work
- G) Prepare for meeting
- H) Receive / review documents
- I) Travel
- J) Research
- K) Analysis
- L) Evaluation status
- M) Supplemental evaluation of litigation needs

NOTE: Preparation of an invoice and/or correspondence in reference to invoice questions or issues are not billable tasks and any charges submitted for the same will not be honored by Citizens.

3.5 Authorized Billing Personnel

The Firm will designate one senior level attorney to have primary responsibility for each matter assigned by Citizens. Each matter is expected to be staffed economically and effectively according to the specific needs of the assignment. It is expected that each task is to be accomplished by one legal professional.

Citizens will not honor fees submitted for tasks deemed to be clerical in nature or time associated with administrative functions (please refer to Section 3.7 below for a list of such tasks).

Additionally, Citizens will not honor fees submitted for duplication of efforts caused by the Firm's staffing requirements.

In an effort to ensure economic and efficient handling of each matter assigned to the Firm, no more than two attorneys (one senior level attorney and one associate/junior level attorney) should be assigned to an individual matter for handling throughout the life of the matter unless otherwise pre-approved by Citizens. Billing by an unauthorized attorney on an individual matter will not be honored. Should it become necessary to assign additional attorneys to the matter, prior approval from the Litigation Specialist is required and must be noted in Acuity prior to being invoiced. Citizens reserves the right to deny the invoice for lack of authority due to the lack of documentation showing pre-approval. Documentation of pre-approval must reflect the name of the Citizens' representative authorizing the use of multiple personnel

3.6 Use of Associate / Junior Attorneys or Paralegals

A balance must be struck between the efficiency a more experienced senior level attorney brings to a given task and the advantages of having the task performed by an associate/junior lawyer or a paralegal. In matters where the services of a junior attorney or paralegal are employed, Citizens expects all work performed to be overseen and approved by a senior attorney. Citizens does not consider a senior attorney's review of a junior level attorney's work to be a billable event and will not honor such bills.

Citizens is not responsible for the training of Firm personnel. Although it is recognized that frequent reviews and conferences are necessary for the training of new associates and paralegals, Citizens will not honor billing for such matters.

3.7 Clerical / Administrative Tasks

The following tasks, clerical and administrative functions are considered Firm overhead. Time spent performing these tasks is not billable to Citizens by the Firm or any vendor contracted by the Firm:

- A) Open/Create file
- B) Organize file materials or records
- C) File/Index/Log file materials or records
- D) Prepare/Organize file materials or records (including in preparation for meetings, hearings conferences, depositions or trials)
- E) Bates stamping
- F) Order records
- G) Retrieval of file materials or records
- H) Pick up/Delivery of file materials or records
- I) Photocopying documents
- J) Scanning of documents into a computer system/digital format for any reason
- K) Mailing/Faxing/Emailing documents
- L) Posting correspondence, pleadings or documents to online systems utilized by Citizens
- M) Telephone calls associated with arranging or follow-up for records to be produced in response to Subpoena or discovery requests
- N) Data entry functions
- O) Scheduling functions (including meetings, hearings, depositions, conferences)
- P) Calendaring functions
- Q) Coordinating functions (including meetings, hearings, conferences, depositions, or trials)
- R) Telephone calls associated with scheduling or coordinating functions
- S) Travel or transportation arrangements
- T) Closing a file
- U) E-filing of documents with the various State and Federal Courts as well as the E-Serving of documents upon Plaintiff's, Co-Defendants and/or any other party or non-party
- V) Reviewing or analyzing any receipt confirming that a Court has received an E-filed document
- W) Reviewing or analyzing any receipt received in response from an entity that has received an E-Served document
- X) Scanning of documents into a computer system/digital format for any reason
- Y) Charges related to the departure of a Firm timekeeper including time spent by the new timekeeper assigned by the Firm to the matter to familiarized themselves with the matter
- Z) Copying or printing of the claims file by the Firm or a vendor retained by the Firm to perform such copying unless specific need arises and pre-approval noted in Acuity from the Litigation Specialist; invoices for such charges must contain the name of the Litigation Specialist who authorized the charge

3.8 In-Firm Conferences and Memoranda

Unless otherwise approved by Citizens, billing for in-firm conferences and memoranda between attorneys or legal professionals of the same Firm will not be honored by Citizens. Approved billing for such in-firm conferences will be authorized only when the specific need arises in order to provide effective representation due to the unique circumstances of an assignment.

3.9 Multiple Attendees

Citizens expects there will be only two attendees at trial and one attendee at all other hearings, court appearances, meetings, depositions, witness interviews, inspections, and other pre-trial events. Advanced approval from Citizens is required for any additional attendees based on demonstrated need. Prior approval from Citizens must be documented in Acuity prior to the event in which the Firm requested additional attendees.

Paralegals, junior attorneys, additional Firm staff may assist in the preparation of exhibits, setup and breakdown of equipment, operating computer equipment or may choose to attend any legal event at the Firm's discretion. However, invoices for such charges are not billable.

3.10 Fees

All matters are assigned for hourly billing unless alternative fee arrangements have been specified by Citizens. Any changes in the hourly rates (or alternative fee arrangements) must be pre-approved by Citizens in writing; unilateral rate or fee increases will not be honored.

3.11 Expenses

Citizens is not responsible for charges or reimbursement for overhead office expenses incurred by the Firm. Such overhead expenses include but are NOT limited to the following:

- A) Photocopying expenses associated with the lease, purchase or maintenance of equipment
- B) Postage
- C) Telephone charges (except long distance)
- D) Facsimile charges
- E) Subscriptions, including those for legal periodicals, reference manuals, and research materials
- F) Computerized legal research access, software and subscriptions
- G) Computerized case management software or subscriptions
- H) Reviewing/analyzing conflicts within the Firm
- I) Local Mileage (within a 50 mile radius from the Firm's local office)
- J) Parking fees
- K) Courier/Delivery service (unless pre-approved by Citizens in extraordinary circumstances)
- L) Office supplies

- M) Non-attorney/non-paralegal staff
- N) Local meals or refreshments during meetings, hearings, training, etc.
- O) Utilities or rental fees for office facilities
- P) Seminars attended by attorneys or legal professionals
- Q) E-filing of documents with the various state courts as well as the E-Serving of documents upon Plaintiff's, Co-Defendants and/or any other party or non-party
- R) Reviewing or analyzing any receipt confirming that a Court has received an E-filed document
- S) Reviewing or analyzing any receipt received in response from an entity that has received an E-Served document
- T) Scanning of documents into a computer system/digital format for any reason
- U) Copying or printing of the claims file by the Firm or a vendor retained by the Firm to perform such copying unless specific need arises and pre-approval noted in Acuity from the Litigation Specialist; invoices for such charges must contain the name of the Litigation Specialist who authorized the charge

3.12 Travel Expenses

Long Distance Travel is defined as any travel outside of a 50 mile radius from the Firm's local office. The Firm **shall** consult with Citizens prior to incurring any Long Distance Travel expenses. Except as otherwise agreed to by Citizens in writing, Citizens will reimburse the Firm only for Long Distance Travel expenses that are pre-authorized, ordinary and necessary in nature and amount. All travel reimbursement is subject to Citizens' **Vendor Travel Reimbursement Guidelines**, currently in effect and/or amended in the future. Citizens' Vendor Travel Reimbursement Guidelines are attached as **Appendix A**.

The Firm shall be solely responsible for reimbursing all attorneys or paralegals that will perform services under the Firm's Contract for Legal Services with Citizens for their travel expenses. To the extent that Citizens agrees to reimburse Firm pre-authorized travel expenses, then Citizens will reimburse the Firm for any pre-authorized and approved travel expenses in accordance with Citizens' Vendor Travel Reimbursement Guidelines.

Except as otherwise directed by Citizens, the Firm will submit travel expenses for reimbursement through the use of the online billing services (Acuity) utilized by Citizens.

3.13 Expenses for Professional Services

The Firm shall consult with and obtain approval from Citizens prior to incurring expenses for experts, consultants, investigators, temporary attorneys or outside paralegals or other professional services.

3.14 Vendor Bills

Charges for approved services by outside vendors, in the form of the original invoice, should be submitted to Citizens within thirty (30) days of receipt for direct payment in the method directed by Citizens. In the event that the Firm incurs any expense for such services, Citizens will reimburse the Firm for the actual cost of the service. To be eligible for reimbursement, the Firm must submit within thirty (30) days of payment the vendor's invoice and any other associated documentation containing the following information: (1) Name of vendor, (2) Date charges incurred, (3) Specific description of service, (4) Identification of matter with which service is associated, (5) Amount charged for service and (6) Proof of payment by Firm to outside vendor.

3.15 Joint Defense / Split Billing

Any time billed on more than one matter, including work billed to other clients or other carriers, where a joint defense agreement exists (either within the same case or within a series of similar cases) should be split between each matter at an appropriate ratio and indicate the following: (1) Total billing split, (2) Number of matters time was billed, and (3) Billing allotted to each matter.

3.16 Retainer

Citizens does not provide a retainer for fees or costs for legal services rendered on its behalf. Any retainer routinely applied by the Firm will be deemed waived for any assignment from Citizens.

Note: Citizens shall have the right to decline to pay or to seek reductions and / or refunds for any charges that fail to comply with the billing requirements set forth herein, and/or are not fully explained or documented by the Firm.

3.17 Research

See Section 7 below.

3.18 Standardized Forms and Templates

In certain matters, Citizens may require or request the use by the Firm of standardized forms or templates approved by Citizens' Claims & Litigation Legal Services. Only the actual time spent modifying or adapting the standardized form or template to the specific needs of the matter shall be billable.

Legal research or documents previously prepared for another matter such as pleadings, motions, discovery documents, etc. should only be billed for the initial matter for which the Firm prepared the legal research or document. Only the actual time spent modifying or adapting the legal research or document to the specific needs of another matter shall be billable.

4. DISCOVERY / MOTION PRACTICE

4.1 Focused / Purposeful

Assignments from Citizens are to be handled in a proactive manner. As a result, early investigation and discovery are expected and necessary. It is recognized that many cases will not be tried to conclusion; therefore early discovery should be targeted, fact finding, and relevant to further the litigation position in the matter and assist in both early settlement activities as well as trial if settlement is not reached.

Any discovery, including depositions, conducted on behalf of Citizens or Citizens' policyholders shall be focused and purposeful in light of the needs and issues associated with the specific matter.

4.2 Depositions

Depositions should not be taken if a less complicated or more cost effective procedure will obtain the desired information.

4.2.1 The Firm should evaluate the need for each deposition and should only pursue such depositions when necessitated by the unique circumstances of the specific matter. The Firm should evaluate the need for transcription of the deposition; however a copy of any transcript obtained should be provided to Citizens in a timely manner and uploaded into Acuity.

4.2.2 The Firm shall consult with Citizens prior to initiating any deposition, if not already approved through the case plan. The Firm shall make its recommendations concerning the depositions it expects to take in the Initial Evaluation (45 day) Report. In the event that the case plan necessitates the need for additional depositions, the Firm shall notify Citizens of all additional depositions recommended by the Firm and/or requested by other parties. The Firm shall coordinate with Citizens for the scheduling of any deposition of a Citizens representative, and provide timely updates as to the rescheduling or cancellation of any deposition.

4.2.3 It is the responsibility of the Firm to ensure that all witnesses testifying on behalf of Citizens are sufficiently prepared for each and every deposition. In the event a Corporate Representative is required for deposition, the Firm shall immediately notify Citizens and cooperate with Citizens Claims & Litigation Legal Services in the designation and preparation of such witness for deposition.

4.2.4 In the event that a notice for deposition requires production of any documents held by Citizens, the Firm shall immediately notify Citizens and comply with Citizens' policies regarding records production.

4.3 Depositions of Corporate Representatives

In any instance when the deposition of a Corporate Representative on behalf of Citizens is requested by another party, such request shall be communicated to the Litigation Specialist immediately (the same day) and documented in Acuity. Prior to designating a Corporate Representative for any purpose, Citizens requires receipt of the Notice of Deposition outlining the specific topic areas for which a Corporate Representative is requested. Only after Citizens' review and careful consideration of the topic areas outlined in the Notice of Deposition will the appropriate individual(s) be designated by Citizens to testify as Corporate Representative(s) on behalf of Citizens. Additionally, Citizens requires that the Firm file a "Notice of Designation" prior to producing any individual as Corporate Representative outlining the specific topic areas for which the designee is offered, along with any applicable discovery objections. An exemplar of the "Notice of Designation" can be obtained from the Litigation Specialist.

4.4 Depositions of Independent Adjusters Released from Citizens

In the event that a matter requires the testimony of an Independent Adjuster that has been released from Citizens, it is the responsibility of the Citizens' Litigation Specialist assigned to the matter to obtain the last known address/location of the Independent Adjuster and work with the Firm to locate, contact and make arrangements for the appearance of the individual.

4.5 Records Production

As stated above, Citizens is a government entity and subject to Florida's public records requirements under Chapter 119, Florida Statutes and s.24 (a), Art. I of the State Constitution. As such, it is imperative that the Firm consult with Citizens prior to responding to any discovery request that may arise out of litigation. Upon receipt of any discovery request, the Firm shall notify Citizens in a timely manner and work closely with Citizens to respond appropriately to any requests.

4.6 Motions

4.6.1 The Firm should evaluate the need for motion practice and consult with Citizens regarding the intent and expected outcome of each motion. No motion shall be prepared, filed or served prior to approval from Citizens' Claims & Litigation Legal Services or Citizens' Litigation Specialist.

While no motion should be filed without first receiving approval from Citizens, failure to obtain approval from Citizens' Claims & Litigation Legal Services prior to filing any of the following motions shall be deemed an automatic performance issue for the Firm:

- A) Motion for Sanctions pursuant to F.S.57.105
- B) Motion to Dismiss for Fraud and/or Material Misrepresentation

- C) Counterclaim against a Citizens' policyholder and/or any pleading that asserts Fraud or Material Misrepresentation against a Citizens' policyholder or agent
- D) Motion for Summary Judgment

4.6.2 Upon filing of any of the following motions by another party, the Firm must notify and provide a copy, to the Litigation Specialist and Citizens' Claims & Litigation Legal Services immediately (the same day) of such Motion:

- A) Motion for Sanctions pursuant to F.S.57.105
- B) Motion to Dismiss Counterclaim
- C) Motion to Strike Affirmative Defense(s)
- D) Motion for Summary Judgment
- E) Motion to Compel, of any type

4.7 Experts

Approval from Citizens shall be obtained prior to retaining or incurring any expenses, associated with any expert or consultant. In first party matters, the choice of the particular expert or consultant shall be subject to Citizens' approval or may be selected unilaterally by Citizens.

5. SETTLEMENT OPPORTUNITIES / PROPOSAL FOR SETTLEMENT

5.1 Settlement Demands

The Firm shall immediately advise Citizens of any settlement demands or settlement opportunities that may arise in a matter. The Firm shall consult with Citizens and obtain approval prior to engaging in any settlement negotiations on behalf of Citizens or its policyholders.

5.2 Receipt of a Proposal for Settlement

The Firm shall immediately notify Citizens of the receipt of a Proposal for Settlement and submit a copy of the Proposal for Settlement in a timely manner. The Firm shall consult with Citizens and obtain approval prior to any acceptance or rejection of a Proposal for Settlement.

5.3 Serving a Proposal for Settlement

The Firm shall not serve a Proposal for Settlement on behalf of Citizens or its policyholders without prior approval from Citizens. This is not meant to interfere with any independent offer for settlement from a policyholder when such an offer is made outside of Citizens' contractual obligations to the policyholder and for which Citizens is not responsible.

5.4 Managing Litigation Strategy

As the primary responsibility for directing and managing litigation strategy rests with the Citizens' Litigation Manager and Citizens' Claims & Litigation Legal

Services, Citizens may handle settlement negotiations directly with opposing counsel. In such situations, the Litigation Specialist will notify the Firm of the intent to enter into direct negotiations in order to avoid confusion or contradictory communications to opposing counsel.

6. APPEALS

6.1 Receipt of Notice of Appeal

The Firm shall immediately advise Citizens of the receipt of a Notice of Appeal and post in Acuity a copy of the Notice in a timely manner. The Firm shall obtain the approval of Citizens' Claims & Litigation Legal Services prior to taking any action in response to the Notice of Appeal.

6.2 Serving a Notice of Appeal

The Firm shall not serve a Notice of Appeal on behalf of Citizens without the express authority and approval of Citizens' Claims & Litigation Legal Services.

6.3 Representation in Appellate Matters

Any Firm representing Citizens in an appellate matter shall be expected to work closely in conjunction with the Litigation Specialist and Citizens' Claims & Litigation Legal Services regarding the legal positions asserted on behalf of Citizens.

6.4 Appellate Bonding Requirements

As a state governmental entity, Citizens is exempt from appellate bonding requirements pursuant to Florida Rules of Appellate Procedure Rule 9.310(b)(2).

7. LEGAL RESEARCH

7.1 Legal Research Request

The need for legal research must be discussed and pre-approved by Citizens. The results of any such research must be provided to Citizens in a timely manner.

There are some matters for which Citizens may already be in possession of, or has itself conducted, legal research which may be made available to use by the Firm. In such circumstances, additional research by the Firm will be approved only to the extent needed for unique factual scenarios relevant to a particular case.

7.2 Legal Research Guidelines

All legal research, including computerized or on-line research, requires prior approval from Citizens. Fees submitted for any research conducted without prior approval from Citizens will not be honored.

7.3 Legal Research Results

A copy of all case law resulting from such research and relied upon by the attorney in forming his/her legal opinion must be provided to Citizens and posted in the Acuity matter.

8. REPRESENTATION OF INSURED/POLICYHOLDER IN DEFENSE OF THIRD PARTY MATTERS

Nothing contained herein shall interfere with the independent professional judgment, nor shall it be construed to limit the contractual or ethical obligations, of counsel acting on behalf of a policyholder in defense of a third party matter.

The Firm is expected to comply with all reasonable requests by Citizens for information and documentation provided that any such documents or information deemed privileged or intended by the policyholder to be confidential shall not be disclosed without prior consent from the policyholder.

9. AUDIT / FILE REVIEW

9.1 Office of Internal Auditor

Citizens' enabling statute establishes the Office of the Internal Auditor ("OIA"). Through its OIA, Citizens has the right to review any of the Firm's business books, work, or documents specifically related to work performed on behalf of Citizens, in case of an audit or investigation. Citizens shall provide to the Firm reasonable written notice of at least three (3) business days. The Firm shall not unreasonably delay or inhibit Citizens' right to review as set forth in this paragraph.

9.2 Associated Fees

In addition, Citizens reserves the right to review all charges for services and disbursements pertaining to any legal services performed on behalf of Citizens. Citizens reserves the right to conduct on-site audits and file reviews consistent with the Firm's ethical obligations and in a manner that will not compromise the attorney-client or work product protection associated with the file. The Firm shall comply with all reasonable requests for information and documents, provided that such documents or information are not privileged or intended by a policyholder in a third party matter to be confidential. In such situations, Citizens must obtain the consent of the policyholder in the third party matter.

9.3 Document Retention

The Firm shall maintain for review by Citizens any documentation, receipts, files, invoices and time-keeping records in support of all disbursements for at least three (3) years after the file is closed by the Firm. Additional document retention requirements may be specified in the Firm's Contract for Legal Services with Citizens. Citizens will not honor fees or expenses associated with audit preparation,

proceedings or resolution, unless the expenses are requested and pre-authorized by Citizens (i.e., copying services, delivery services, etc.).

9.4 Audit Results

Audit results may be discussed with the Firm during the visit. Any billing issues identified will be brought to the Firm's attention for review and comment. The Firm will be required to implement corrective measures to bring the billing practices into compliance with Citizens' policies and procedures. Citizens will not honor fees or expenses associated with the implementation of any such corrective measures.

10. PUBLIC COMMENT / MEDIA RELATIONS

Unless specifically authorized by Citizens' Claims & Litigation Legal Services or Citizens' Senior Management, the Firm shall not comment publicly on any matter associated with representation on behalf of Citizens or Citizens' policyholders. Citizens will be solely responsible for responding to any external inquiries. All such inquiries must be immediately reported to Citizens.

11. PERFORMANCE MONITORING

Any Firm providing legal services on behalf of Citizens shall fully comply with the requirements and expectations stated in these Guidelines. The Firm shall be responsible for ensuring all individuals in the Firm performing services on Citizens' behalf are familiar with and adhere to these Guidelines.

In order to maintain the standards expressed in these Guidelines, Citizens will conduct routine monitoring and evaluation of Firm performance. Such performance will be analyzed and scored using the following key performance indicators: (1) compliance with Citizens' billing guidelines; (2) compliance with Citizens' reporting and file handling expectations as outlined in these Guidelines or as established by Citizens; (3) adherence to Citizens' legal strategies and directives; and (4) timely communication and responsiveness to Citizens. Failure to comply with any portion of these Guidelines may result in corrective action as deemed appropriate by Citizens including, but not limited to, suspension from new assignments, reimbursement of bills paid by Citizens and/or termination of the Firm's Claims & Litigation Legal Services Contract with Citizens.

12. TERMINATION OF SERVICES

12.1 Termination of Assignment

Citizens and the Firm may each terminate a specific assignment or all assignments held by the Firm, at any time upon advance written notice. Citizens may also reassign any matter at any time upon advance written notice.

12.2 Receipt of Termination of Assignment

After notice is received as to the termination of an individual assignment, or all assignments, (1) the Firm will cease to render services to Citizens as soon as allowed by applicable law and ethical and/or court rules, which may include court approval for withdrawal from litigation, and (2) Citizens will take all steps necessary to relieve the Firm of any obligation to perform further, including retention of substitute counsel.

13. INFORMATION PRIVACY AND DATA SECURITY

Citizens takes seriously the privacy concerns of its policyholders and others. The purpose of this Section is to properly address the protection, handling and proper disposal of any information the Firm has received from Citizens (“**Citizens Confidential Information**”). These requirements apply to all information assets, including, but not limited to paper, electronic and film data. The term “Citizens Confidential Information” does not include any information that: (a) is publicly available through no fault of Firm; or (b) Firm developed independently without relying in any way on Citizens Confidential Information.

The privacy and data security requirements in this Section are in addition to those set forth in the Firm’s Contract for Legal Services with Citizens and any applicable state or federal law.

13.1 General Requirements

Firm shall, and cause those providing services for Firm under the Contract to, implement and maintain appropriate safeguards to: (a) ensure the security and confidentiality of Citizens Confidential Information; (b) protect against any anticipated threats or hazards to the security or integrity of Citizens Confidential Information; and (c) protect against unauthorized access to or use of Citizens Confidential Information that could cause harm or inconvenience to any customer of Citizens.

13.2 Use of Citizens’ Systems

Where Firm, or those providing services for Firm under the Contract, have access to Citizens’ system or any other Citizens’ systems or technology provided by or through Citizens, in addition to the other safeguards required by this Section, Firm and its resources shall not share user identifications and/or passwords with any other individual.

13.3 Data Encryption

Firm and those providing services for Firm under the Contract, will encrypt all electronic data and communications containing Citizens Confidential Information using a strong cryptographic protocol that is consistent with industry standards.

13.4 Data Storage

Except as permitted in writing by Citizens' Contract Manager or designee, Firm and those providing services for Firm under the Contract shall not store Citizens Confidential Information on portable external storage devices or media (such as "thumb drives, compact disks, or portable disk drives).

13.5 Data Export

Except as permitted in writing by Citizens' Contract Manager or designee, Firm and those providing services for Firm under the Contract are prohibited from: (a) performing any services outside of the United States; or, (b) sending, transmitting, or accessing any Citizens Confidential Information outside of the United States.

13.6 Security of Vendor Facilities

The facilities for the Firm, and those providing services for Firm under the Contract, in which Citizens Confidential Information is located or housed shall be maintained in a reasonably secure manner.

13.7 Printed Materials

Firm and those providing services for Firm under the Contract shall not make copies of Citizens Confidential Information unless there is a business need. The disposal of such printed materials must be conducted in manner that renders the information inaccessible to others (use of a reputable third party shredding company is permissible).

13.8 Authority to Disclose Confidential Information to Others

Firm acknowledges and agrees that any Citizens Confidential Information disclosed to or acquired by Firm is disclosed and/or acquired solely for the purposes of facilitating the provision of legal services. Firm shall restrict access to this Citizens Confidential Information to those persons who will actually assist in the provision of legal services. Firm shall be solely responsible for informing any individual or entity with access to Citizens Confidential Information of the provisions of this Section and shall be responsible for any acts of those individuals and entities that violate such provisions.

13.9 Unauthorized Disclosure

Firm will notify Citizens as soon as possible of any potential or actual unauthorized disclosure, misuse, or misappropriation of Citizens Confidential Information of which it becomes aware and will cooperate in remedying such situation promptly. Pursuant to Section 501.171, Florida Statutes, if Firm maintains computerized data that includes personal information, as defined in such statute, on behalf of Citizens, Firm shall disclose to Citizens any breach of the security of the system as soon as practicable, but no later than ten (10) days following the determination of the breach of security or reason to believe the breach occurred.

13.10 Notification of Anticipatory Breach

Firm agrees that should it, for any reason, not be able to provide or maintain appropriate safeguards to fulfill its obligations under this Section, it will immediately inform Citizens in writing of such inability and such inability on Firm's part will serve as justification for Citizens' termination of this Contract, at Citizens' sole election, at any time after the inability becomes known to Citizens.

13.11 Remedies

Firm acknowledges that breach of Firms' obligation of confidentiality may give rise to irreparable injury to Citizens and the customers of Citizens, which damage may be inadequately compensable in the form of monetary damages. Accordingly, Citizens may seek and obtain injunctive relief against the breach or threatened breach of the provisions of this Section, in addition to any other legal remedies which may be available, to include, at the sole election of Citizens, the immediate termination, without penalty to Citizens, of this Contract in whole or in part.

14. ACUITY

The majority of the information that will be entrusted to the Firm by Citizens will be exchanged through the Acuity system. Access to Acuity must be limited to those attorneys, paralegals and legal assistants who are handling Citizens' work. Desktops must not be left unlocked when unattended.

Computers located at the Firm's office that have access to Acuity must not be located in unsecured areas where unauthorized personnel will have access to Acuity and its contents.

Examples of common areas include but are not limited to:

- Break rooms
- Kitchen areas
- Restrooms
- Reception areas (unless access is limited)
- Stock rooms
- Areas of ingress and egress to the Firm

It is the Firm's responsibility to ensure that Acuity user access is immediately terminated within twenty-four (24) hours after any individual ceases employment or otherwise becomes disassociated with the Firm. This requirement also applies to any member of the Firm who, although still employed by the Firm, no longer represents Citizens and therefore does not require Acuity user access.

15. FLORIDA RULES OF JUDICIAL ADMINISTRATION

Rule 2.420 allows for public access to court files including those documents filed with the court by parties to a lawsuit. All members of the Firm that will be handling matters for Citizens must be familiar with Rule 2.420 of the Florida Rules of Judicial Administration.

Rule 2.425 designates the limited format in which certain sensitive information must be in when the information is filed with the court. All members of the Firm that will be handling matters for Citizens must be familiar with Rule 2.425 of the Florida Rules of Judicial Administration.

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Appendix A - Vendor Travel Reimbursement Guidelines

Vendors must obtain authorization to incur travel expense prior to travel. Travel without authorization will not be reimbursed.

Upon authorization, Citizens will reimburse Vendors for ordinary and necessary travel expenses incurred by their personnel as a result of performing duties on behalf of Citizens consistent with these guidelines. The traveler must utilize the most efficient route, employ the most economical and efficient method of transportation, and request standard accommodations.

Payment for travel expenses will be made only to the Vendor named on the contract or purchase order. It is the Vendor's responsibility to directly reimburse its employees, consultants and/or subcontractors.

Standard Reimbursement Procedure: Unless otherwise requested in writing, Vendor will submit travel expenses for reimbursement through the use of the online billing services (Acuity) utilized by Citizens.

Alternative Reimbursement Procedure: Under certain circumstances and upon written notification from Citizens, Vendor will be required to use the following travel reimbursement procedure in lieu of the Standard Reimbursement Procedure above. In order to be eligible for reimbursement under the Alternative Reimbursement Procedure, the Vendor must submit an invoice along with a **Vendor Travel Expense Reimbursement Form** with copies or originals of required forms and receipts to Citizens Accounts Payable Department at AccountsPayable@Citizensfla.com or by mail to ATTN: Accounts Payable, PO Box 10749, Tallahassee, FL 32302-2749. See Paragraphs below for additional requirements.

Personnel required to submit weekly or monthly time sheets to a Citizens Project or Contract Manager must fill out a **Vendor Travel Expense Reimbursement Form** and have it signed by the appropriate Citizens manager prior to submitting to their employer for reimbursement. The Vendor will then invoice Citizens, including a copy of the **Vendor Travel Expense Reimbursement Form** and supporting receipts.

Contracted personnel or professional services Vendors not required to submit monthly or weekly time sheets should submit their receipts to their employer, who will then invoice Citizens for the expenses, including copies or originals of all supporting documentation.

Travel Expenses should be invoiced by the Vendor within thirty (30) calendar days of the end of the month in which the expense was incurred. Citizens may refuse payment of any expense reimbursement requests not invoiced within ninety (90) days of return from travel or when expenses are not properly documented.

Travel Receipts: An itemized receipt must substantiate all expenses submitted for reimbursement, other than meals. (See **Meal Allowance** below)

A valid travel receipt must show the following:

- Name of the establishment;
- Location of the establishment;
- Date(s) the expense(s) were incurred;
- The type of expense; and
- The amount of each expense itemized.

If the Vendor does not have a receipt to substantiate an expense, no reimbursement will be paid.

A written explanation for reasonable gratuities will be accepted in lieu of a receipt. (See **Gratuities Section** below for further guidance).

Transportation: In determining the mode of transportation, Vendors should consider relative costs, time efficiencies, the number of people traveling together and must select the most economical method of transportation.

Citizens will reimburse for standard coach airfare and baggage fees only. More than one bag must be justified in writing if an extra charge applies. First-class or business class airfare will not be reimbursed at full price, but reduced to the standard coach rate. Citizens will reject additional fees associated with air travel, such as priority seating, upgrades, or flight changes unless at Citizens' request.

Reasonable expenses for local transportation, such as a taxi or bus, are reimbursable. If a receipt is not provided, a written explanation must be submitted with the travel expense reimbursement form. Neither luxury conveyances nor unjustified immoderate fares will be reimbursed.

Tolls and parking will be reimbursed when accompanied by a receipt. If no receipt is available a written explanation is required. Valet parking will be reimbursed only when it is mandatory and will always require a receipt and a statement that the charge was a mandatory charge.

Citizens will reimburse mileage at the rate of \$.445 per mile when a personal vehicle is used. Requests for mileage reimbursement must be accompanied by a map or log of destinations to support the request.

Rental Car Guidelines: Travelers must rent the lowest class size available (intermediate, standard, or full-sized) to accommodate the number of staff traveling and the equipment or materials being transported. Travelers are prohibited from requesting luxury or premium rental vehicles. Extra items, such as a GPS, will not be reimbursed. Citizens will reimburse a Vendor for fuel used in the rental car; prior to returning the vehicle the tank should be topped off. Any charges by the auto rental agency for gasoline will not be reimbursed.

Subsistence: For travel including an overnight stay, the traveler may elect to take a per diem of \$80 per day (meals and lodging) or may instead claim necessary expenses for lodging plus a meal allowance as described below.

Lodging: When making hotel accommodations, several factors must be considered:

1. Cost;
2. Appropriateness; and
3. Proximity to the business activity or event.

A written justification and quotes from area hotels must be provided if the expense exceeds \$150 per night (room rate only). These must be submitted with the authorization to incur travel.

Meal Reimbursement: The following table provides guidelines for meal reimbursement:

Meal	Traveler Must Depart Before:	And Return After:	To Claim Meal Allowance of:
Breakfast	6:00 a.m.	8:00 a.m.	\$6.00
Lunch	12:00 noon	2:00 p.m.	\$11.00
Dinner	6:00 p.m.	8:00 p.m.	\$19.00
All Day	6:00 a.m.	8:00 p.m.	\$36.00

A meal allowance is provided in lieu of reimbursement for meals and meal tips, therefore receipts for meals are not required.

Gratuities: Reasonable tips may be reimbursed, up to 15% for taxi; up to \$1 for valet parking; up to \$2 per night for housekeeping; up to \$1 per bag for bag handling, with a \$5 maximum.

Non-Reimbursable Expenses: Personal travel expenses are not to be billed to Citizens, nor will they be considered for reimbursement.

The following are examples of expenses that will not be reimbursed. This list is not inclusive of all items not covered. If there are questions regarding reimbursement of expenses please contact Citizens Accounts Payable at 850-513-3724 or AccountsPayable@citizensfla.com prior to incurring the expense.

- Alcoholic beverages
- Gifts
- Laundry
- Movies
- Snacks
- Personal items
- Lost or stolen baggage
- Reading materials
- Traffic and Parking Violation Fees
- Maintenance or repair of personal vehicle
- Child care or Pet Boarding
- Medicines of any type

EXHIBIT B

FIRM (ENTITY) CREDENTIALING REQUIREMENTS

	Minimum Qualification Requirement	Initial Submission	Renewal Thereafter
Conflict of Interest	Signed Vendor Conflict of Interest Form No. 501b	Submitted with Firm's Response to RFP	June 1 st annually, beginning in 2017
W-9	Signed IRS Form W-9 showing Legal Business Name, FEIN and remittance address.	Within 30 days of contract execution	Upon any change to the information submitted
Insurance	As outlined in Section 9 of the Contract	Within 30 days of contract execution	Within 30 days prior to any material change in coverage or carrier

RESOURCE (DESIGNEE) CREDENTIALING REQUIREMENTS

	Minimum Qualification Requirement	Required For	Initial Submission	Renewal Thereafter
Confirmation and Acceptance of Citizens Guidelines for Claims & Litigation Legal Services	As outlined in Section 28 of the Contract	Partners, Associates and Paralegals performing work, and Primary Business Contact, and Firm Principal	Within 30 days of contract execution (or when a new Resource is added)	June 1 st annually, beginning in 2017
Ethics & Confidentiality	As outlined in Section 28 of the Contract	Partners, Associates and Paralegals performing work, and Primary Business Contact, and Firm Principal, Billing	Within 30 days of contract execution (or when new Resource is added)	June 1 st annually, beginning in 2017