CITIZENS PROPERTY INSURANCE CORPORATION

Summary Minutes of the
Exposure Reduction Committee Meeting
Tuesday, September 21, 2021

The Exposure Reduction Committee of Citizens Property Insurance Corporation (Citizens) convened at the Hyatt Regency Coral Gables on Tuesday, September 21, 2021.

The following members of the Exposure Reduction Committee were present:

Nelson Telemaco, Chair
Carlos Beruff, Board Chair
Lazaro Fields
Kelly Booten, *Staff*
Christine Ashburn, *Staff*
Jennifer Montero, *Staff*

The following Citizens staff members were present:

Barry Gilway
Jay Adams
Joe Martins
Mark Kagy
Tim Cerio
Violet Bloom

The following Citizens staff members were present telephonically:

Carl Rockman
Scott Crozier
Stephen Guth

Call Meeting to Order
Roll was called. Chairman Nelson Telemaco, Board Chair Carlos Beruff, and Governor Lazaro Fields were present, and a quorum was established. Chairman Telemaco called the meeting to order.

1. Approval of Prior Meeting's Minutes

Chairman Telemaco: Thank you. Good afternoon and welcome to the September 21st Exposure Reduction Committee meeting. As the first order of business, I'd like to approve the prior minutes from the last meeting on March 2.

Governor Lazaro Fields made a motion to approve the March 2, 2021, Depopulation (formerly known as) Committee Minutes. Board Chair Beruff seconded the motion. Motion carried. The minutes were unanimously approved.

Chairman Telemaco: Thank you. I'd like to move on to the next order of business. Kelly Booten, if you don't mind, giving us the Market Conditions and Citizens Exposure Update.

2. Market Conditions Update

Kelly Booten: Thank you. I'll make this brief because Barry covers the market conditions at the Board meeting. On slide one is our Policies in Force (PIF). At the end of August, it was 687,079.

On page three is the Exposure by Year. Total exposure is at $203 billion to go with that Policies in Force count.

The next slide is a graphic representation of where the new business trends are. What it does is it compares the average four months of the prior year to the current four months. You can see the types of policies and the place in the regions by geographic. As a footnote from last year in February of 2020, this number was 7,553 on an average four months, so it's gone up quite a bit even from February of last year.

Slide five shows the makeup of the new business. The real difference here is we used to have a higher percentage of lower valued homes at $100k to $199k range and that has decreased a little bit and spread across the higher values. At the bottom part of page five is a representation by age of home; similar disbursement there. We have more in the newer homes than we've had.

Slide six shows the New Business Trend by Prior Carrier. You can see where the business is coming from. As of this report in the last four months, the highest carriers were Universal P&C, United P&C, Fed Nat, and so on. When we produced this in June of 2020, I think Jennifer's team started producing this, it was all surplus lines carriers that were the ones that the business was coming from, and that has shifted now into Florida domestics.

The next slide has some key characteristics of market impacts to Citizens.

- We had the COVID turbulence, we'll call it, where we were tanking things up for a while and then we started letting our non-renewals go.
- Then, of course, there's been market double digit rate increases and eligibility changes in the private market that are causing some of the influx to Citizens.
- We did process insolvencies and consent orders. This has been really interesting in that we haven't really seen a lot of this business come to us.
    - So, for example, when Westin did cancellations in April of this year, we wrote 58 of 391 - that's all commercial.
    - For American Capital in May, we only wrote 19 of 1,700 commercial policies.
    - For the 45-day cancellations that happened for three companies in the June timeframe, there were 29,800 policies and, as of a month ago, we had 6,280 of those or 21%.
    - Then for the Gulf Stream insolvency, we picked up only 4,801 of 32,324 or 14.9%.

  So, the message there is we thought we were going to get a lot more than what we did get.
- Then, of course, the commercial condo collapse. We've been monitoring our commercial book vigilantly and it is not growing, as of yet, and even year-to-date we are down by about 256 commercial policies than we were at the beginning of the year. We've done a number of things in this area. We are requesting recertifications in the two counties that have rules on that, and we are increasing our inspections.

That is the market update.

Chairman Telemaco: Thank you. Any questions? If you don't mind moving on to the next item.

3. FSU Study Outcomes

Kelly Booten: The next item I'll cover real briefly. One of the things for the Exposure Reduction Committee - the base of it - was the FSU Study. On pages two and three is a recap of the study and its purpose, which was to identify opportunities for Citizens to further reduce exposure while considerations that kept things intact that were needed for Citizens to exist, like our tax-exempt status.

We've been using this as our basis for the projects we've been working on to try to reduce exposure and have categorized those projects on pages four into initiatives that are already underway, legislative items for consideration, and then recommendations that we would need to partner with someone outside of Citizens to move forward.

Slides five and six go into a little bit more detail on what's in those categories, and then slides seven and eight have the definitions that were included in the study for a reference on anything that we should choose to dig into deeper.

I'm not going into all the detail and what we're currently working on. Carl's going to cover that in an agenda item here, but we just want to put this base out there, so you had it as a reference. Christine is going to cover the legislative concepts and what we've been doing there.

Chairman Telemaco: Thank you. We can move on to the Legislative Concepts.

4. 2022 Legislative Concepts

Christine Ashburn: Thank you, Mr. Chairman. Regarding the FSU study, a number of the recommendations legislatively, you will recall, we actually had success in making some change during the 2021 session including slow but steady increase of the glide path up to 15 over five years and changing the new business rate for eligibility from 15% rate differential to 20% rip rate differential for personal lines risks.

So, with that, the Chairman asked that I present to you all some concepts that might further help us reduce exposure, or at least slow the growth that we are seeing these days. As I mentioned, we did have success in getting that 15% to 20% for new business but the current law requires a zero percent premium differential to remain eligible at renewal during the Clearinghouse. Obviously, if you come in the front door as a new business customer, it's 20%, but once you're in you can stay, no matter the price. As long as it's not cheaper, we can't ask you leave, we can't deem you ineligible. So, there could be absolute more interest in, maybe, the renewal book of business through the Clearinghouse if we could change that 0 to 20 to match up with new business.

Similar problem on depopulation. I know Barry has talked about some market interest in potential new companies wanting to come into Florida. What we hear, time and time again, if you want to do a depopulation, is the opt out rate for customers who choose to stay. Similarly, to the Clearinghouse, they're perpetually eligible; once they're here, we cannot make them leave at any cost through depopulation. So, you can make a consistent change that said you don't have to take the offer, but if you have an offer within 20% of Citizens' offer, you're deemed ineligible and we're going to non-renew you. So, that could be another change. Depop is a great way for carriers to start, it's a bulk chunk of business, but they're having a hard time because only about 20% of those policies tagged actually go to the depop carrier, which makes it not a good bang for your buck.

Board Chair Beruff: So, tell me how you propose to change the legislation to deal with that item.

Christine Ashburn: I would suggest, and we have not written language, but we would suggest that the law be amended to deem customers and the depopulation process ineligible…

Board Chair Beruff: I apologize, I didn't ask the Chair for permission to speak.

Chairman Telemaco: Go ahead.

Board Chair Beruff: Sorry about that. I was too intrigued with legislation.

Christine Ashburn: So, the idea would be that we would change the current Statute to basically eliminate what I call the perpetual eligibility that was put in in House Bill 1A in 2007 that would state that if you get an offer of coverage that's within 20% of the Citizens offer, whether it's through the Clearinghouse or through depop, while we can't force the customer to take that coverage offer we can certainly deem them ineligible under the law and set them up for non-renewal.

Board Chair Beruff: Okay, so that's one aspect of how we're dealing with that because right now every policy holder has the right to say no…

Christine Ashburn: That's correct.

Board Chair Beruff: …even if we have a qualified insurance company that the OIR has signed off on to take the policy.

Christine Ashburn: Even if it's cheaper in depop; even if it's cheaper we can't make them leave.

Board Chair Beruff: Right. I see what you're dealing with what we just discussed. Is there another aspect of legislation we're dealing with where we can - can we find a way to legislate that we can depopulate anything into a company that the OIR has approved as a sovereign insurance carrier?

Christine Ashburn: Certainly. We can't force the customer in the law to take it, we can certainly tell them you can't stay here.

Board Chair Beruff: I understand. I think I understood what you said, but when a customer comes to us and wants to take 100,000 policies and we go through and the staff from the company that's interested picks the hundred thousand policies. We go to the OIR, and we say we want to depopulate these 100,000 policies to this company, they approve it. Can we pass legislation that, at that point, we can just move the policies?

Christine Ashburn: Yes, that's the third bullet on the slide. We could absolutely look at changes in the Statute to the opt out process to either eliminate it or, yes, the answer is yes. It's my third bullet that Barry has shared is the biggest hindrance is the opt-out process…

Board Chair Beruff: Okay, so you're going at it two ways.

Christine Ashburn: Yes.

Board Chair Beruff: Okay. That's fine. Go ahead and continue.

Christine Ashburn: So, those are the three main concepts, in addition to those changes that have already been made that we believe could absolutely change the success rate of depopulation and the Clearinghouse.

Board Chair Beruff: Mr. Chair?

Chairman Telemaco: Go ahead.

Board Chair Beruff: Thank you. So, one of the other things that we've discussed off and on is that every once in a while, we get this blessing called "taking over somebody else's business", and then you and Mr. Gilway have to deal with 20 or 30,000 or 10,000 or 15,000 policies. One of the things that I found through our discussions is that there may be a - let's say there's a policyholder who's paying $3,000 a year for coverage. We take that policy in. On renewal, Citizens says, we have to offer that policy at $2,500. So, we can't keep $3,000 that the guy was happy paying, we have to go down to $2,500. How do you legislate that to say, as long as we're charging what they were previously paying, and not increasing it, we should be able to retain that change, that difference? Because the customer was happy, he bought insurance from a third party, and agreed that $3,000 was a good level for the coverage -- as long as the coverages are the same. Obviously, if the coverage is different, that changes the dynamics, but if the coverage is the same or more, we should be able to retain that $3,000 premium and not have to reduce it on renewal to $2,500.

I don't know if Mr. Telemaco will have some comments on that since he's the insurance expert on this panel, but is there a way to squeeze that into our agenda?

Christine Ashburn: Sir, I think that would be much more complex. Just to make sure I understand what you're saying, we take over a policy, they come to us because they're either non-renewed or mid-term cancelled or whatever…

Board Chair Beruff: No, no, no. I'm saying we take over a failed company.

Christine Ashburn: Oh, okay.

Board Chair Beruff: Okay.

Christine Ashburn: Okay, so that's different. Okay, so you're talking about insolvency, and we've taken over their book of business.

Board Chair Beruff: We take it over and that company has Mr. & Mrs. Smith paying $3,000 and obviously, we get whatever, I don't know how that works, we get some of that money that they paid for that year. There's six months left, six months elapse, they're going to stay with us, and instead of being able to charge $3,000 for the next year, which was what they were paying, we now have to charge $2,500 because our rate structure…

Christine Ashburn: Is lower.

Board Chair Beruff: …statutorily is required to charge them $2,500. I think that's an absurdity on its face because Mr. & Mrs. Smith were happy paying $3,000, why should they pay less?

Christine Ashburn: Yes. The short answer is anything is possible to be written. I have not given this exact concept a lot of thought, but I think with Tim and his team in Legal we could, absolutely. It is more complex. Hopefully, not needed to be used very often, but I understand the point. If we're taking over a book of business and they're paying more, it seems silly that at renewal, if they stay with us, we'd have to charge them less than they were already paying.

Board Chair Beruff: I like the word silly.

Christine Ashburn: So, the answer is yes. We could absolutely look into that. It's a much more complex process, but anything's possible.

Board Chair Beruff: Well, I mean the idea is that we're taking over somebody else's liability.

Christine Ashburn: Right.

Board Chair Beruff: So, if there's a little bit of premium gain that we can get there for the extra work and the liability that we've taken over to take that customer over, we should be able to keep that on renewal. Now, they go somewhere else, we lose the business, we're done. But we shouldn't lose because at the end of the day, it's not just us losing, it's our other constituent that we have to make sure we're there for in that cataclysmic event that might hit one day. If we don't run the business correctly, then we're less solvent.

Christine Ashburn: Makes sense.

Board Chair Beruff: So, I'd like to try to add that into your…

Christine Ashburn: Just made a note.

Board Chair Beruff: …your toolbox of legislative achievements.

Christine Ashburn: And Mr. Chairman, just to wrap up this particular item, Senator Brandes has filed a Citizens bill already. It is almost identical to the Citizens bill he filed last year. Some of these concepts are covered in a slightly different manner. We look forward to working with him and his office. For example, he's got the 20% for renewal business threshold for the Clearinghouse, but only if it's not your primary residence, otherwise it stays at zero. We think we'd like to talk to him about expanding that for all renewal business. It does not address depopulation, and we think there's an opportunity to work with him there, as well.

Board Chair Beruff: Well, some of the elements of the bill he filed last year ended up in Senate Bill 76?

Christine Ashburn: That's correct, so he's no longer attempting to address rates because rates were addressed in the bill - 20% for new business and the Clearinghouse was addressed in Senate Bill 76, so that has been taken care of. It's the items that were kind of remaining on the table and…

Board Chair Beruff: Senator Boyd's still going to be in charge of that committee?

Christine Ashburn: He is.

Board Chair Beruff: Okay, great. Thank you.

Christine Ashburn: Thank you.

Chairman Telemaco: Quick question - these concepts and the one Chairman raised, what's the timing on all of this, what would that look like?

Christine Ashburn: They're in committee this week; we had our first committee meetings this week. Session is early this coming year - it starts in January so we would be ending session in mid-March. I don't remember the exact date, March 13th or 15th, somewhere along those lines. We would know what was successful or not in the Spring.

Chairman Telemaco: So, if we were to present something to address this specific point, what would be the timing to bring that to the table?

Christine Ashburn: Like as soon as I get back to Tallahassee.

Chairman Telemaco: Okay.

Christine Ashburn: And the good news is, we will be meeting with Senator Boyd and others to understand the appetite. Sometimes when the legislature addresses a problem like insurance, it's often difficult to see them take it up right away again. I think our incredible growth and the market conditions warrant more action. Maybe not necessarily on the tort side, but certainly as it relates to Citizens, specifically, so I'm hopeful. It is an election year. We're going to let you know there are real things that happened, and we literally don't know the full impact of Senate Bill 76, yet. I am hopeful that there is a desire by Senator Boyd and others to tackle some of Citizens' specific issues that we're raising here that could be helpful in at least slowing our growth if not reducing our exposure in the short term.

Chairman Telemaco: Right. Now, I know that there were some estimates as to where the policy count would be by the end of this year, and I think there was some speculation that we might have exhausted that threshold, whatever that target was. I don't know if it's in the later comments that that'll be addressed, do you have any stats as of where we stand today?

Kelly Booten: Jennifer can take that because they just produced the projections for the end of the year for budgeting. Do you have those numbers? I saw a range. The range was between 725 and 780, I believe, Barry, is that right? There was a range in the 750 for this year, year-end.

Chairman Telemaco: Okay.

Kelly Booten: Correct? Did I get it close? Between 725 and 780ish.

Barry Gilway: Yes, so the final the final projection for this year, the last projection as of last week was 765,000 customers. We literally hit 700,000 on Friday.

Chairman Telemaco: Right.

Barry Gilway: So, the projection is 765. The initial forecast for next year without any additional market disruptions is a low of a little over a million and a high of slightly more than 1.3 million, with a mid-range in the 1.15 million range. The real issue, of course, is exposure and we hit a low of $108 billion in exposure at our low point of 414,000 policies. We just passed $200 billion in exposure, and the year-end forecast for exposure is somewhere around $230 - $240 billion dollars in exposure. So, that's the fundamental direction.

Chairman Telemaco: Okay, thank you. So obviously, that would make the argument…

Christine Ashburn: Yes.

Chairman Telemaco: …that there is an urgent need here to make this happen.

Christine Ashburn: Correct. And, as we all know, unfortunately, the provisions on the tort side of Senate Bill 76 are going to take time if they're to be successful. That's not going to happen overnight. These provisions can help slow our growth. Hopefully, Senate Bill 76 is successful. We'll start to see the market open back up. These would still be helpful, and this is really what we can do in the meantime to try to make sure other folks are taking other offers.

Chairman Telemaco: Thank you.

Governor Fields: May I ask a quick question of Kelly?

Chairman Telemaco: Please.

Governor Fields: Kelly, maybe this is more on your territory, the average Citizens policyholder - how long are they a client of ours?

Kelly Booten: I'm going to go on memory, somebody's going to ping me the answer to this, but it's between five and seven years, I believe.

Governor Fields: I didn't realize that a policyholder could reject a takeout offer, and Christine, you have the unenviable job of having to try and…

Christine Ashburn: Undo that?

Governor Fields: Well, not only to undo that but trying to get elected officials on board with what we're doing here. It's just, it seems so backwards to me that our policyholders are with us between 5, 6, 7, 8 years, whatever it may be, and we are the insurance company of last resort. It makes no sense. Whatever I can do to help, perhaps educate folks, I mean candidly I don't know half the stuff that you know but it's just insane to me that, that – you know I understand the politics that goes into tort reform and all that because of the trial bar, but just the fact that we want to get these people out of our insurance company. I mean we want them to be out in the free market doing their own thing. The way that I just read this, and now understanding how long some of these customers remain with us, perhaps that's a way to approach this topic with legislators that maybe haven't had the opportunity to really learn what Citizens does and what we're by Statute supposed to do.

Christine Ashburn: Absolutely. It is tough. Mr. Chairman, if I might. Term limits do not help uncomplicated issues like Citizens and insurance, they really don't. By the time folks get educated, and we've been very successful, the market has been healthy, and we've been small, so the ability of us to assess if we ever needed to, as we grow, we have storms - that really hasn't been a relevant conversation in recent years. With our shrinking, and all the depop, and successful reinsurance, and the surplus we have, that could shift. I mean the bigger we get the faster that money would be gone. It took us 10 years to build it with no storms. So, those conversations are relevant and there are a lot of members that are unaware of what it was like when we were at 1.5 million because we weren't the 800-pound gorilla anymore. We shrunk. Now we're headed back in that direction, unfortunately.

Chairman Telemaco: That's an excellent point. I think if they can be reminded what our purpose is in the first place and just having some key facts like how long these policyholders have been clients of ours, and I hate to say it, but unwanted clients of ours, right? We need to make that clear.

Thank you. Any further questions? Okay. Thank you. We can move on to the Exposure Reduction Initiative. Is Carl…?

Kelly Booten: Carl's on the phone.

Chairman Telemaco: Okay, great.

5. <u>Exposure Reduction Initiative Update</u>

Carl Rockman: Good afternoon, this is Carl Rockman, Vice President of Agency & Market Services. I'd like to present the Committee with a brief update on our Exposure Reduction Initiative.

The second page of your package will outline the 12 independent projects and programs which contribute to exposure reduction. I'm not going to go into each of these in detail today but would like to highlight four that may be of interest to the Committee.

The first initiative was to conduct conversations with carriers that have participated in past depops and make sure that we understood what they needed from us to make the program work. Their recommendations helped form up some of the initiatives you see on our plan including continue your pricing changes, enhance the data elements that we provide to the depop carriers, increase adoption of our Managed Repair Program and, in subsequent conversations, confirming our stance on increased inspections as a driver of risk quality.

Next, I'd like to feature three initiatives that will be of interest to the Committee: our October depopulation, the data enhancements we're making, and our new entrant pipeline and support program.

The next slide will show an outline of the current depopulation that we have in progress, right now, with our great partners at Florida Pen. Remember a depopulation begins with the OIR approving a carrier to take out a certain amount of policies, and Florida Pen went through that step. The program began on 8/28 with a carrier being approved, and then in October Florida Pen was approved to take out 6,345 policies. That process to make offers started on August 28th with communications sent to policyholders and their agents.

The policyholder choice letter includes the estimated premiums for Florida Pen and Citizens, and a coverage worksheet that provides details on the primary coverages each company provides. Policyholders can register their choice to move to Florida Pen or remain with Citizens on our website or through their agent. The agent plays a key role in this program acting as a trusted advisor and helping the policyholder make an informed choice. Our team is in contact with agencies during the selection period to ensure they're getting the support they need.

This assumption offer period closes on October 3 and all offers go through a final reconciliation that ends on the 19th of October. At that point, the exposure is removed from Citizens for any policyholders that were assumed with the participating carrier now assuming the responsibility to settle the claims reported after the assumption date. We'll look forward to presenting the final results of this depopulation at our next Committee meeting.

The next piece that we do have in flight as an initiative was meeting the request from our carrier partners to add some data elements to the data we provide. We're very happy to show that we've now added two important data indicators that they've requested: 1) Was the customer in Citizens involved in any kind of claim litigation and 2) Was the customer involved in any kind of assignment of benefits activity. The third thing we're adding is an indicator if they participated in our Managed Repair Program. Our carrier partners have told us that these data elements are important to their selection, and we were very happy to be able to provide this level of visibility into the customers experience with Citizens.

The next slide I'd like to present is a brief update on emerging entrants in the Florida market. In this section I'd like to report to the Committee that while we've seen some interest in potential new entrants, we do not have any firm information related to timelines or the size of potential depopulation offerings, and any new entrant would need to obtain a Certificate of Authority, which will be the official first signal that a new entrant is emerging. We will keep the Committee updated as this important space develops.

What I would like to do is provide a brief update on a program developed by Citizens Executive Leadership Team (ELT) that is intended to support new entrants to the Florida marketplace. We call it the New Entrants Support Program. The next page will outline the highlights of that particular Program.

You can see that New Entrants Support Program is designed to have a new entrant interact with Citizens Senior Leadership Team (SLT) where we're prepared to walk them step by step through entering the Florida marketplace. We want to help them understand the Florida marketplace because we have great experience in it.

Step two is a deeper dive in Citizens. While we've always talked traditionally about our data and our policies, the New Entrant Support Program allows us to interact with a new entrant on maybe different conversations like Claims best practices, policy administration and technology, vendor models, things that are essential to a new entrant operating in the state of Florida. We have great experience in this space and want to share it.

Third, analytical support. Ultimately, it comes down to that. New entrants identifying the right policies to take from Citizens, and we have great support in that space.

Then the final step. Let's move the business. Let's get the business from Citizens to your company in the most productive way. We can do that through depopulation, but two other emerging areas are Clearinghouse, particularly with potential changes that you discussed with Christine could be optimized with legislative changes, and self-directed rollovers - the old-fashioned way of just working with an agent to move the business to a new company. Those are things we would explore.

Bottom line, this program allows our senior leadership to contribute in more dynamic ways. We want to share this document as a way for the Office of Insurance Regulation and our great reinsurance brokers, to know that we offer this service and to promote it with new entrants. And then our goal is just to connect. We just want to make sure that new entrants get the support they're looking for in this very, very unique market.

With that, I'll take a pause and address any questions on any part of my presentation.

Chairman Telemaco: Thank you, Carl. Just out of curiosity, how many new entrants are in the current pipeline? Do we have an idea?

Carl Rockman: Governor Telemaco, I would address that by saying we don't have any new entrants that have obtained a Certificate of Authority that have come forward and expressed a desire with the Office to do a depopulation. We have had some interest, very quiet interest, primarily through reinsurance brokers which is where those entities will typically interact, but right now we don't have anything in terms of a set number that I would be reporting in terms of specific interest relative to depopulation.

Barry Gilway: Governor Telemaco. Barry Gilway for the record. Either through brokers or directly, we had a pipeline of five or six. I think four, Kelly, had actually requested the IDF file, which is the complete data file. Unfortunately, in the last two weeks, given the financials of the industry in the last quarter, which I'll be reporting on tomorrow, we have two of those that have dropped out. Tim and I actually had a discussion with one of those potential entrants today. They still intend to move forward, but it's unlikely that they move forward until the first or second quarter of next year.

I will say the one overriding element that Christine touched on, without any question, is the total inability of a new entrant to structure an appropriate portfolio that fits their strategy as a result of the option for the insured to opt out. So, they may want 100,000, they may want it distributed this way with these risk characteristics, but at the end of the day, if you're only getting 20% you don't know what those characteristics look like that are accepted, and you don't know the geographical dispersion of that business. Again, I call this absolutely correct today to the very best of our knowledge. Other than the entrants that are working directly through brokers, there's no imminent opportunity that we're facing primarily because of the financial conditions of the market.

Board Chair Beruff: Mr. Chair?

Chairman Telemaco: Yes. Go ahead.

Board Chair Beruff: Maybe I've heard this before, has it always been the policy of the Statute that allows the opt out, or when was that changed?

Christine Ashburn: There have been changes over time. The most significant ones were in 2007, House Bill 1A, and then in ’13, I think was the last one where…

Board Chair Beruff: So, these are still remnants of policies that were driven by…

Christine Ashburn: Some, some postdate, postdate…

Board Chair Beruff: I guess I need to be more specific. When was the right for Citizens to depopulate as it saw fit, obviously with OIR’s consent - when was that statutorily taken away from us?

Christine Ashburn: 2007 is when customers were allowed to just say…

Board Chair Beruff: …No.

Christine Ashburn: 2013 is when the more robust opt out process was put in place by Senator Flores and a bill. Initially, the bill was vetoed by Governor Scott. There were changes made. She wanted it to be an opt in to go. We worked with her to try to explain why that would never work and she ultimately got the Governor's blessing on a pared down version that is the current opt out process. Prior to ’13, we relied on the depop companies to go through the opt out process and tell us who they were getting and who wasn't. We were, by Statute, made to take that over and provide multiple offers when they existed in 2013’s legislation. That probably is the most significant drop off we've seen in the percentage. If you look,

Kelly Booten: I think 2013 was the agent ownership of expiration. It was 2017…

Christine Ashburn: ’17 – you’re right. I'm sorry, I can’t…

Kelly Booten: There’s been a lot of changes to that.

Christine Ashburn: But ’17 was the last most significant one. When we took over the opt out process, that's when we saw the most recent drop in the actual depop success rate.

Board Chair Beruff: Can you send me that Statute…
Christine Ashburn: Sure.

Board Chair Beruff: …and when it was approved?

Christine Ashburn: Certainly can.

Board Chair Beruff: No rush. So, that's the one we have to change?

Christine Ashburn: Yes. Which is the final bullet…

Board Chair Beruff: That’s to bring it back to what existed before 2013?

Christine Ashburn: Correct.

Board Chair Beruff: So, all we're doing is correcting…

Christine Ashburn: ’17. Excuse me. ’17.

Board Chair Beruff: ’17.

Christine Ashburn: Yeah. If nothing else, we should undo or they should consider undoing, what was done in ’17. And, if you couple that with saying you can't stay if it's within 20% of our offer, you have to go, I think those two combined could be hugely helpful, and good for investors, by the way. More certainty in what they're actually going to get through the depop process.

Chairman Telemaco: Are there any further questions? Going back to this New Entrant Support Program, do we really anticipate that that's going to have any material impact? I recognize that this is a tremendous effort and it's awesome when you've got a staff of senior leaders that are welcoming new entrants, willing to give up their time, willing to give up their intellectual capital to support that move, but is it really likely to have an impact? And can that be measured, I guess, is where I'm going with this.

Barry Gilway: No. Barry Gilway, for the record. I don’t think it's likely given the current financial condition of the industry. I mean, through six months there’s a $519 million-dollar negative net income through six months, so we're on track for the industry to have a negative net income in the $1 billion range. It was $980 million dollars last year. So, until the overall financial condition of the marketplace improves, I don't think you can expect significant depop.

The depopulation at Citizens occurred consistent with 2013, ’14, and ’15, when the industry was just extraordinarily profitable, and capacity was really flowing into the marketplace. Those three years the industry was operating in an 82% combined ratio, and carriers were just very, very anxious to get as much business, and, of course, we had peaked at the 1.5 million. So right now, given not only the unprofitability, but the consistency of the unprofitability over the marketplace, I think it's unlikely that you're going to have carriers utilizing their capacity in the depop program. I think it would be very optimistic if we were aggressive in our assumptions for next year.

Kelly Booten: I do think everything we're working on, though, is for the timeframe when people do start depopulating, because when the market conditions get better, we’ll have all of these things in place and be able to lock and load and do a lot more with the data analytics, etc., than we have been able to.

Chairman Telemaco: Well said. So, if I look at this exposure reduction program roadmap on page two, all of these items are setting the stage for when the conditions in Florida turn, God willing soon, we’ll be in pretty good shape. So, the three that we highlighted this afternoon, the October depopulation, the data enhancements to the initial data file, and the New Entrant Pipeline, would you say these are the three most important that we should be talking about today, or are there any others that we really should be talking about?

Kelly Booten: Well, we do have more that we can talk about. These three we picked up because we had traction on them, we had good momentum, and we could get them implemented. The first one was based upon feedback from the current depopulation carriers, so we knew they were all pretty easy lifts. The more substantial one is when we do the FMAP update and the eligibility platform that we're building towards. That one probably has more opportunity to maybe change things in the future. As well as the legislation which is really what…

Chairman Telemaco: Right, and that's where I'm going. When I look at this chart, it tells me that there's a lot of activity happening, which is great, but it doesn't really make it clear where we should be really focusing and investing our time and energy. I think, on the legislative side, it's really clear that's where we should be spending a lot of our time and energy. Outside of that, I think it would be really helpful if you can help us really focus on those areas that are going to have the biggest impact because we really need to have something going for us. I mean, the New Entrant Pipeline Management, we spent a few minutes on that at the meeting today, but it really is not going to move the needle at all, right, to my understanding. Sorry.

Barry Gilway: I agree with you. I do think all the work we're doing now, for example, there are some huge advantages that we're selling to new investors coming in. They don't have the development that the current, existing carriers have. That's a huge benefit. So, when we talk to investors, what we're explaining to them is that if they bring in new capital, they leave all the development behind. And secondly, they can enter at a rate level that the OIR's readily approving. They will get rate adequacy for the business that they do and are successful in retaining. I do think that *if* there was a possibility through this legislative session that we can get the three items that Christine mentioned, and I agree with you, Mr. Chairman, that if there was any possibility, for example, on those 32,000 Gulf Stream policies, we picked up 14.59% of those, if there was any possibility of saying, if we pick those up, we pick them up…

Chairman Telemaco: At the Gulf Stream prices.

Board Chair Beruff: At card rate

Barry Gilway: At our rate, or at their rate, excuse me, not our rate…

Board Chair Beruff: No. Card rate - whatever they were already putting on the card.

Barry Gilway: …So, I think, it's all up to Christine Ashburn in terms of how successful she is…

Chairman Telemaco: No pressure there.

Barry Gilway: … with the legislature issue.

Christine Ashburn: Mr. Chairman, if I might, I'm not downplaying the importance of these legislative changes, they are critical and we'll see what the appetite is but, ultimately, if the market doesn't get better, there's nowhere for folks to go, right? Although there are places that we're seeing them go…

Board Chair Beruff: There's us.

Christine Ashburn: There's us, right. We need Senate Bill 76 to ultimately be successful. We need new entrants to come who don't have the tail. We were small with these depop rules, right, under its current Statute. The market is what's driving this and these, while they will be helpful, this market has got to turn around. We've got to see litigation come down, we've got to see a billion-dollar loss for the market turn into, at least, a net zero, right? So, we're going to do all of these things, but if the market doesn't get better, we're going to keep growing, unfortunately.

Chairman Telemaco: Yeah.

Christine Ashburn: It's unfortunate. It's not a good situation, but how do you bear a billion-dollar loss in an industry and continue to throw good money after bad, right?

Chairman Telemaco: Speaking of it not being a good situation, I think what would be also really helpful is to play out, model out what would happen if things continued the way they are, right, because we're looking at 720-780,000 policies, whatever that explosion number is. If things continue in 2022 what's that number going to look like?

Christine Ashburn: Right.

Chairman Telemaco: That's a scary number. Somebody should put that on the table.

Board Chair Beruff: Mr. Chair, if I may add, nobody wants to see how ugly that looks.

Chairman Telemaco: I know. I know. But that's…

Board Chair Beruff: Everyone wants to live in a world where that's not going to happen, but the reality is, it can happen.

Chairman Telemaco: It can happen, and God forbid the weather changes. We've had great weather, relatively speaking, up until this point. Who knows what 2022 will bring? Bringing those hard facts or projected models that are not as appetizing to look at, I think, would be really important to bring to the table. Just recognizing that you try to bring that to the table as soon as possible.

Christine Ashburn: One of the other notes I made while we were talking was looking at, again, the depop letters. How much are we highlighting the policyholder surcharges that could happen? I haven't looked at those in a while, Kelly. Are we giving enough information to our customers? While it seems cheaper on the front end, in a worst-case scenario it's going to be much more expensive for them if they're with us, and we have to do a policyholder surcharge. I just made a note to, again with Carl and team, look at how we're communicating when the opt outs and the offers go to see if we can't encourage more folks, to take one of the offers they get.

Kelly Booten: To answer your prior question, we do scenario planning, and we are now taking the financial forecasts and playing that out into three or four different scenarios. One of them being, these numbers continue at this pace with a storm and what that could look like. Then we do stress testing of our systems based upon those volumes, anticipated claims, etc. We stress test our systems, people, process, tools, basically. What do we all have in place to look at those types of scenarios, so we're doing that.

Chairman Telemaco: Yeah. I think stress testing against what we have and the impact it has on Citizens, I'm sure you do that. Maybe what I'm saying is that some of that needs to be visible to the folks looking at the legislative concepts that we were trying to get passed because if they don't see it in black and white, they may not sense the urgency, and I'd hate for the opportunity to pass us this time around. That's what I'm saying. Any further questions?

Okay. Thank you. We can move on to the Clearinghouse, Depopulation, and FMAP. Who's speaking to that?

Kelly Booten: It's all four of us, but Carl is going to lead it.

Chairman Telemaco: Okay. Go ahead Carl.

6. Clearinghouse, Depopulation and FMAP Program Results

Carl Rockman: Thank you. This is Carl Rockman, for the record. I'd like to provide a quick update on Clearinghouse and Depopulation, then turn over to Jennifer, Kelly, and Christine.

On the next slide I just want to highlight the participating carriers in the Clearinghouse. Remember Clearinghouse is a function of having a carrier on the other side making bids on the business. These are the 10 carriers that are connected to the Clearinghouse but seven are currently active. That will ebb and flow based on the carrier's appetite. Carriers desire to look at Citizens as a potential opportunity to grow but with tightening conditions, that becomes a market dynamic. Nonetheless, these are the great partners that we have connected in the Clearinghouse today.

The next slide will show the results of the Clearinghouse from a new business perspective. The numbers that you're seeing here are reflective of Q1 and Q2 2021. I'll just briefly walk the Committee through what these numbers mean. I'd like to draw your attention to the top line where it says H03 New Business. That's our primary homeowner line. For the time period measure, there were 297,803 submissions. Those are agents asking the Clearinghouse "can I write this policy in Citizens". Clearinghouse then goes out to the companies, looks at who's bidding on it, and comes back with a price determination. What you're seeing reflected in the third column is, if an offer comes back that's greater than 115% of Citizens, that customer is still eligible to be written as new business. They could take that offer and some do, but if that price point comes in at 115% of Citizens, they are still eligible. What this says is of the 297, 33,000 of those customers were eligible to come to Citizens.

The next column, though, for customers that receive a premium that's 115% less than Citizens, those customers are deemed ineligible. The price is too close to Citizens and the new business Statute blows in our favor. Four percent (4%) or 13,000 of that 297 could not move to Citizens, they were blocked, the agent could not move them in.

The additional line, 3,692 risks, those are risks that we wouldn't even take given our underwriting standards. So, homes with damage and other underwriting conditions that the agent disclosed made 1.24% uninsurable with Citizens.

What that means is the 83% represents the balance, what's the net net of the 297 going through the Clearinghouse. About 83% of our homeowner line still can come into Citizens should the customer choose because the statutory rules or no offer being made allows them to come into Citizens.

The next slide will show the historical results, and you can see on the historical results that the interesting story is the blue bar. You can see how that ineligible for Citizens has gone from 9% to 10 to 6, and now is one of the lowest points at 3.6. This reflects market conditions, it reflects pricing relativity, and reflects carrier appetite. We would love to see that blue bar of ineligible go up, but we obviously need price proximity to that in new business and then willing carriers. Carries with the capacity to take on more new business, and that certainly with the tightening markets right now may not be the case in every situation.

We do have a slide to report on the 20% legislative change. The Committee is aware that we did get legislation effective 7/01/21 that did change the new business premium rule. So now, statutorily, if the customer is within 120% of Citizens, they're no longer eligible. The threshold used to be 115%, and what this exhibit is intended to show you is what is the net net of that over a time period from 7/01/21 – 8/24/21. The addition of the 120% rule allowed us to make an additional 567 policies ineligible, about 81 per week. If we run that out for the remainder of the year, we would estimate about 4,200 additional policies being ineligible assuming the same quote volume and same pricing relativity to these carriers.

We'll take it. It is having an impact, and we will take anything we can get in this space in order to make our price and the price of the other carrier deem people ineligible to come to Citizens because they've been made a competitive offer.

To round it out, just a little conversation on renewal. The next page will show the impact of the renewal Clearinghouse. Now, here again, to reinforce what we mentioned to Christine, in the renewal Clearinghouse it's $1. There is no 15 or 20% rule in the renewal Clearinghouse and look at the impact here – in HO3, 86,000 renewals went through. Only 499 were eligible for Citizens or got an offer where Citizens was still available. Seventy-three were deemed ineligible. The 499 - they received an offer from another carrier, but the vast majority haven't received an offer at all. They haven't received an offer from a participating carrier. Again, that speaks to market conditions, carrier appetite, etc. So clearly, some relief here with the renewal Clearinghouse moving it up to that 120% rule. We knew that would have an impact and could make the renewal Clearinghouse a bit more attractive to new entrants.

And then the last part of the report on Clearinghouse is just the overall trend which you can see on the next slide. While the overall trend in 2018 was modest, it has just deteriorated from there based on pricing relativity and carrier appetite.

That concludes my report on Clearinghouse. I'll be happy to take any questions before I turn over to Jennifer.

Chairman Telemaco: Any questions? You can move on.

Carl Rockman: I'll turn it over to Jennifer.

Jennifer Montero: Thank you, Carl. On the next slide is the history of depopulation. One of the predecessors of Citizens was the Florida Residential Property and Casualty Joint Underwriting Association, the FRPCJUA. They started doing takeouts in '96 that had bonuses in them. They established the incentive program with a fixed dollar amount, so they ranged from $100 up to $300 depending on which program they were in and there were multiple programs. You had to keep the policies for at least three years, and you couldn't cancel the policy unless it was nonpayment of premium or the policyholder's choice, and you had to carry over the same kind of business. You couldn't take an HO3 and write them a DP3 unless they requested it.

We did try to get some information on the FWA, the Florida Windstorm Underwriting Association, which was the other predecessor that merged to become Citizens. We found two take outs, but nothing else. We don't have a lot of data there, so this is mostly focused on the FRPCJUA.

In September of 2003, Citizens Board did approve a new set of takeout incentives and the programs for these were very similar to the other ones; however, it was no longer a flat rate, a flat dollar percentage, it was a percent of the premium, rather than the fixed dollar. The payment of bonuses essentially ceased after 2006. The legislature restricted the bonus amount to $100 per policy and also required that the policy be renewed by the assuming insurer for at least five years, so they increased it from three to five.

On the next slide is the same information between 2003-2006 with the different programs charted here. It is noteworthy to see in 2006 that our policy account jumped about 300,000 policies. That was the novation with Poe when they went under, and 300,000 policies came to Citizens in one day. Next slide.

From 2003 to 2006 they had some specific takeout programs. The Enhanced Takeout Program requirements were that you had to submit at least 30,000 policies and a 5% limitation on the HO4 and HO6's. The benefits were $300 per policy, so that would go into escrow and sit there for three years until you proved that you kept the policy that long. We also set up a $210 per policy contingent catastrophe reserve so that if the wind did blow, that money would be there. The $210 per policy went into an escrow account, as well. That was all released back to Citizens because during this period the wind never blew. Also, the three-year assessment credits, so for the regular assessment it's based on your company's direct written premium divided by the statewide aggregate direct - that was the participation ratio. If you did this under this particular Program for three years, your assessment would be zero, your percentage was zero, you were zeroed out, so you didn't have to worry about that. And then the waiver of the Ceding Commission.

We had the bonus programs for the PLA and the HRA. The HRA was called the High-Risk account. It's what Coastal is now. We renamed it mostly because when we issued municipal bonds people thought they were high risk bonds, yeah junk bonds, so we had to change the name to Coastal. There were multiple bonus programs in these accounts, and these are the ones that were paid a percentage rate of policy premium for each policy based upon the specific program.

And then the Non-bonus Program, which is what we have today. We did have people participating '05 and '06 of taking out policies and not getting an incentive for it. Honestly, when we did stop it in 2006, we didn't see a drop in the takeout rate. I think that incentive worked well in the very beginning when no one had done this before, but I think if they're going to take a policy, I think they'll do it whether there's a bonus or not - just my thoughts.

The next slide is a recap of the history slide of everything that's happened. This is a recap that you were shown at the March meeting.

If there are no questions, I will turn it over to Kelly.

Kelly Booten: The next just finishes off the depopulation history and really shows what we were talking about earlier with the offers made and the percent still assumed, that problem we're trying to solve with legislation. You can see the percent assumed, and the years in which it started dropping in the 2013 - 2017 timeframe that we talked about earlier.

The other little change in 2017, you notice that the % Assumed on Date of Assumption and % Still Assumed are the same. That's because we changed the opt out period. They used to be able to opt out 30 days after the assumption, so there was a difference in those two percentages. We don't do that anymore, and it has made life a lot easier.

If there are no questions on that, I will move into a quick FMAP brief. The next slide is our FMAP Online Referral Program. We talked about this in the July FMAP Board of Governors meeting and will be reporting on the changes there and the progress we're making in this Committee going forward.

The numbers on this slide are pretty much consistent with what we reported last time. It includes the Request Received through the online referral program, the Offers Accepted, Requests Converted, and then the Exposure Placed in the Private Market.

The next slide is the proposed enhancements that we communicated last time. We call these our tactical enhancements to the current FMAP platform where we are improving the back end and also introducing visibility to it, and Christine is going to cover that when I finish here, also enhancing it to do data prefill and implementing a change to require agents to have at least 10 appointments. In this area, Jeremy Pope and his team did a customer outreach survey to those people that use the FMAP service to see what their experience was. Overall, the experience was good. They did point out the one thing we were trying to change here, which is that they were bombarded with different agents marketing them, and it was a little bit overwhelming. One thing we did find out, though, is that a lot of those people using FMAP were actually shopping for a better price. We thought most of them were people that didn't have insurance at all. We did uncover that the realtors are the number one referral method for why people use FMAP.

So, we have all these things going on, they're pretty much on target. The only delay would probably be to the one that's marked Q3 for Recruit Companies. We want to get the system enhancements made and then go after that. It would be better to wait till those changes are done, so that one will probably delay to Q4.

Then the larger, more substantial changes, the FMAP 2.0 Insurance Exchange we're calling it, which is our future new business eligibility platform that we described at the last meeting, which is really a future look at how do we get FMAP to show more markets available to the consumer. We're going to go out to market with a solicitation for that capability, as well as replacing the current Clearinghouse, and come up with creative ways of doing that. Our target to let that solicitation is in December.

And that concludes my report. Christine is going to cover the Marketing Capabilities.

Christine Ashburn: Thank you. Mr. Chairman, Governor Beruff, you did ask us at the last meeting to provide you some better detail on what our marketing capabilities are with current vendors and internally. We do have what I believe, and they are my team so I will brag on them, what I think are some excellent capabilities internally. We can always enhance those, which is why we do have contract resources. We have creative team experience in print, graphic, web design. We do have an established voice with our agents and other stakeholders and customers. We have video production capabilities, virtual learning and training expertise that can absolutely be leveraged to work on FMAP and FMAP marketing.

We've already worked with Kelly and her team on updating the current FMAP site. We do have a trusted digital presence; we are a trusted source as a government entity.

We have great partnerships with the realtors and, as you heard Kelly say, they are our number one referral to FMAP. Realtors, there are 100,000 members of the Florida Realtors in our state. As we know, real estate is a huge part of our economy and we have partnered with them to go straight for their newsletter. They communicate with their members five days a week. We look forward to doing that with both them and bankers and agents and other trade affiliated groups that might be able to help us get the word out that FMAP exists at the time of a home purchase in areas where we know there could be markets.

We have an extensive traditional media network. You've met Michael Peltier. We work closely with resources around the state. I'm traditional in what I'd call the kind of the old school media channels.

In addition, and I think Mr. Chairman, this is where you kind of wanted some information. We do have an advertising partner with the C-Com Group. They are a Miami based, full service, multicultural marketing and communications agency. They were established in 2001 and they've been providing advertising communication services to us since late 2015. They absolutely have creative concepting and production for radio, TV, digital, social, print, and what I do appreciate about them is them being in this market. They know this market very well. Obviously, we write a ton of business in this market. When we leverage them following storms, or for other emergency situations, that gives us a huge resource statewide, but the tri-county area is a big part of our business, as we know. I think they could also be hugely helpful in developing a full tilt marketing campaign for FMAP and trying to get FMAP out there, multi-language, full time associates. They are also the ad agency of record for some pretty powerful brands here in Florida: Florida Power & Light, Gulf Power and some other J&J affiliated brands. So, they do have a good presence and a good reputation. We've been pleased with their work for us in the past.

Candidly we've mostly used them, if not exclusively, for storm-related issues, but the contract that we are in with them now actually calls for education and other crisis communication, so it's not just for emergency advertising. We believe the contract that's in place could absolutely be leveraged without a new procurement to involve them in any FMAP marketing needs.

One of the things we're going to do short term is we can do targeted Facebook and other social media platform advertising in areas where we know there could be markets where we want to try to encourage folks to use FMAP before they come to Citizens.

I do believe the most value we're going to see from FMAP marketing is really going to be when we get to that future state. But in the meantime, we should certainly be getting the word out about its existence and ensuring that customers, and Floridians, it's not our customers, these are Floridians, are aware that FMAP is there as a resource and maybe we can help get those numbers up.

We also have an exclusive partnership with the Florida Public Emergency Response Radio Network, so think your NPRs of the world. We have a year-round sponsorship with the 13 public radio stations and 11 public television networks. We routinely use that to remind folks to call

Citizens First. We are able to quickly change that messaging that runs year-round when there's a storm in the box, but nothing would preclude us from also leveraging that resource that we've already paid for to add in some FMAP advertising and start directing folks. I can't tell you the number of times I've gotten feedback that folks hear about us - employees in Jacksonville, friends of mine around the state - I heard you, I heard about Call Citizens First on NPR on the way to work today, so there is still a traditional radio usage in this state. I think it's a perfect opportunity, we've already paid for it, where we could very quickly get some FMAP messaging out on that.

So, with those resources we feel like we have the capability necessary to do whatever the Board would like us to do to try to get more visibility and more, I would say, take up or use of the Florida Market Assistance Plan.

Board Chair Beruff: Mr. Chair?

Chairman Telemaco: [silent acknowledgement]

Board Chair Beruff: What's our spend with these folks a year?

Christine Ashburn: With the C-Com Group, we only pay them if we use them. With Irma we spent a good amount of money. The total contract amount came before the Board at several hundred thousand dollars under the contract and I would need to check to see how much of what we've used. From a budgeting perspective, though, Citizens budget-wise, I have some money budgeted, enough for media needs, but of course this Board could choose that they want us to spend more money. So, it's…

Board Chair Beruff: Okay, so at least this Board Member would like to see an advertising campaign strictly to promote the FMAP…

Christine Ashburn: Sure.

Board Chair Beruff: … function because the Irma and those other things are for other reasons…

Christine Ashburn: That's right.

Board Chair Beruff: …okay? But if we want to drive people to other insurance options than Citizens, we have to drive to the FMAP option, right?

Christine Ashburn: Yes.

Board Chair Beruff: So, a campaign that's focused, they can even come before this Board in another meeting and make a presentation as to what they think they can do for us. I mean, Google analytics can drive…

Christine Ashburn: Sure.

Board Chair Beruff: …We can get all the data we want whether or not it's effective pretty quickly by driving it to the website and then get the report, which costs peanuts, to find out if we're really growing the amount of people driven to FMAP…

Christine Ashburn: Right.

Board Chair Beruff: …we need to connect those dots. The advertising firm driving the clients there, whether they do it through Google or Facebook or Twitter or any of the applications, and we should try to get that done and start as soon as possible so we can start, month by month, seeing if that is growing. If it's not growing, then we're not hitting the right media markets and it's not very expensive. So, can you try to…

Christine Ashburn: Certainly.

Board Chair Beruff: …land that plane, with a combination of…

Christine Ashburn: Certainly.

Board Chair Beruff: **…**money.

Christine Ashburn: And, as you know, social media advertising is cheap, I mean …

Board Chair Beruff: Very cheap.

Christine Ashburn: … it's very cheap and very cost effective, and you can target areas where we know there might be markets. There's…

Board Chair Beruff: You can even go further than that and start targeting words…

Christine Ashburn: That's right.

Board Chair Beruff: …to drive them to our website and so forth. We have to start doing that to try to get more people away from us. Especially if it's for small dollars.

Christine Ashburn: Right. We can…

Board Chair Beruff: It's insignificant dollars.

Christine Ashburn: We can certainly put a campaign together through all of our channels working with our partners and the private market and our own internal resources to put, what I would call, a full tilt FMAP marketing campaign, together to try to get the numbers up of the folks using the resource.

Board Chair Beruff: If you remind me Thursday, I'll send you a dash report I get from my marketing…

Christine Ashburn: Okay.

Board Chair Beruff: …people. It's a rolling 12 months that shows how we're doing over a 12-month basis. Probably should show you two years because COVID did have a bit of a swing in it, but it's not hard to track and you can see if they're successful or not.

Christine Ashburn: Okay. I will send you a note on Thursday.

Board Chair Beruff: Thank you.

Chairman Telemaco: Well, I think you took a question away from me, because I was going to ask how *do* we measure success, how do we measure success with FMAP, how do we know that we're winning? Is that clear to us?

Kelly Booten: My answer to that would be if the numbers on that one chart that had the amount of usage for FMAP get increased, and we can come up with a target number on that easy enough. Then another measurement would be, are we able to keep things coming into the Citizens pipeline and we have ways that we measure that, as well, but you first have to get more people using it.

Chairman Telemaco: Right. I think it would be good the next time we meet to talk about the success of this initiative, and we should have some numbers on the board that we can start tracking. I think that would be helpful.

Board Chair Beruff: To the Chair's point, we should be able to get monthly numbers. It's easy to track.

Kelly Booten: Certainly. Yes.

Chairman Telemaco: Any other questions?

7. New Business

Chairman Telemaco: All right, we're moving on to New Business. I have a ton of new business items I'd like to discuss but I'm going to save those for next time [group laughter]. Motion to adjourn?

Board Chair Beruff: Move to adjourn.

Chairman Telemaco: Seeing no objections, meeting is adjourned. Thank you.