

Exposure Reduction Committee December Minutes

ACTION ITEM

New Contract

Contract Amendment

Other - Committee Minutes

CONSENT ITEM

Contract Amendment

Existing Contract Extension

Existing Contract Additional Spend

Previous Board Approval _____

Other _____

Action Items: Items requiring detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

Move forward as Consent: This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

Consent Items: Items not requiring detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

Item Description	Exposure Reduction Committee Meeting Minutes December 14, 2021
Purpose/Scope	Review of the December 14, 2021 Exposure Reduction Committee Meeting Minutes to provide opportunity for corrections and historical accuracy.
Contract ID	N/A
Budgeted Item	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No - Not applicable
Procurement Method	N/A
Contract Amount	N/A
Contract Terms	N/A
Committee Recommendation	Staff recommends the review and approval of the December 14, 2021 Exposure Reduction Committee Meeting minutes.
Contacts	Kelly Booten, Chief Operating Officer

CITIZENS PROPERTY INSURANCE CORPORATION

**Summary Minutes of the
Exposure Reduction Committee Meeting
Tuesday, December 14, 2021**

The Exposure Reduction Committee of Citizens Property Insurance Corporation (Citizens) convened at the Renaissance Tampa International Plaza Hotel on Tuesday, December 14, 2021.

The following members of the Exposure Reduction Committee were present:

Nelson Telemaco, Chair
Carlos Beruff, Board Chair
Marc Dunbar (telephonically)
Kelly Booten, *Staff*
Christine Ashburn, *Staff*
Jennifer Montero, *Staff*

The following members of the Board were present:

Erin Knight

The following Citizens staff members were present:

Alden Mullins	Jennifer Dilmore
Andrew Woodward	Jeremy Pope
Barbara Walker	Joe Martins
Barry Gilway	Mark Kagy
Bonnie Gilliland	Mathew Carter
Brian Donovan	Michael Peltier
Carl Rockman	Paul Kutter
David Woodruff	Ray Norris
Eric Addison	Tim Cerio
Jay Adams	Violet Bloom

The following Citizens staff members were present telephonically:

Karen Holt	Scott Crozier
Long Yang	Stephen Guth
March Fisher	Wendy Perry
Nancy Staff	

The following were present:

Dave Newell, FAIA
Fred Strauss, Holborn Corp. (telephonically)
Kapil Bhatia, Raymond James
Orrin Jackson, Zoom (telephonically)

Call Meeting to Order

Roll was called. Chairman Nelson Telemaco, Board Chair Carlos Beruff, and Governor Marc Dunbar were present, and a quorum was established. Chairman Telemaco called the meeting to order.

1. Approval of Prior Meeting's Minutes

Chairman Telemaco: Good afternoon and welcome to the December Exposure Reduction Committee meeting. I would like to entertain a motion to approve the prior minutes from the September meeting.

Board Chair Carlos Beruff made a motion to approve the September 21, 2021, Exposure Reduction Committee Minutes. The motion carried and the minutes were approved.

Chairman Telemaco: Thank you. I'd like to call Kelly Booten for the first item on the agenda, the Exposure Reduction Dashboard.

2. Exposure Reduction Dashboard

Kelly Booten: Good morning. Kelly Booten, for the record. At Governor Telemaco's request we created a dashboard of key trends and results in one place. This dashboard includes our Policies in Force (PIF), which, as of Friday last week, was 747,654 and exposure was \$227.5 billion. Year-to-date PIF is 207,457. We highlighted in the first quadrant, up at the top, the market share as a key target to get back to, that 5% market share, which is difficult given all the things we've already talked about today.

At the bottom left is a forecast based on current conditions. The best estimate is the green forecast, which is what we budgeted for and takes it out into June of 2023, and then the lower boundaries and the upper boundaries surrounding it.

On the right-hand side, our key metrics for the main programs that we use to reduce exposure: our inspections program, FMAP, Depopulation, and Clearinghouse. Those numbers year-to-date 2021 are not that great given everything that we've already talked about. We do have a new depopulation company that has entered the market and is taking up to 42,000 policies approved from the Office in February. Then we have another depop carrier slated to take about 12,000 policies.

Board Chair Beruff: Mr. Chair? I just have a quick question. That's what was approved by OIR.

Kelly Booten: Correct.

Board Chair Beruff: But we really anticipate that they'll take 18 or 20% of that.

Kelly Booten: 15% is...

Board Chair Beruff: 15%

Kelly Booten: ...where we've been.

Board Chair Beruff: Wow, that's even worse.

Kelly Booten: Yeah, and that would equate to about 5000, which...

Board Chair Beruff: Is one week, one week of growth for us. It's one week of growth for us.

Kelly Booten: Right, but it would be almost double of 2021, so that's good.

Board Chair Beruff: Okay.

Kelly Booten: Then we have some key drivers impacting Citizens' growth, which we've already talked about, rate relativity, carrier rate increases, market restrictions, and stopping to write new business.

On the next version of this dashboard, Christine will be adding some key metrics around education and consumer marketing of FMAP.

Any questions on the dashboard?

Chairman Telemaco: Thank you, Kelly. Just a quick point of clarification. As of today, how many policies do we currently have in force?

Kelly Booten: As of Friday, it was 747,654.

Chairman Telemaco: 747? Okay. Thank you. And, on the dashboard, the bottom left corner, I like that graph. I would like it more if I was in the business of growing the business. I do like the clarity that it shows, which is not great, it's not encouraging, but to the extent that we can keep track of our progress in all of these efforts to reduce our exposure, we should see those graphs start to level off and ideally start to turn downwards, right? So, at the moment, as we're forecasting out to 2023, it's not looking great, but it gives us the visibility that we all need to see to highlight the comments we all heard earlier, right? We all need to be working in concert to deliver on what we're supposed to be delivering, right? So, this is great. Thank you. Thank you for putting this together. Any other questions?

Okay, great. Thank you. We'll move on to the next item on the agenda, which is a Legislative Update from Christine Ashburn.

3. 2022 Legislative update

Christine Ashburn: Thank you, Mr. Chairman and Members. Good afternoon. As you all are aware, and we've talked about it at previous meetings, this is the short interim break, as we have the session starting in January 2022. Pre-interim Committee meetings have concluded with Session now beginning January 11, 2022, just after the holidays.

Currently there are over 1,000 general bills filed, which excludes local bills, claims bills, and appropriations projects. On average, our team tracks about 100-125 bills each session that have direct or indirect impact on Citizens' operations, whether or not, by the way, they're insurance specific. There could be other issues that we're following because we are a business and a government entity.

There are two issues the Legislature must address this session. One is annual. We must have a balanced budget in the general appropriations act. They must do that by constitution in Florida. And two, following the census they're required to do reapportionment which is drawing new lines for all 160 districts in the Florida House and Florida Senate, and then, of course, redrawing the lines for the Congressional districts. Following the growth of Florida, we did receive an additional Congressional district, so that will take up some time and some bandwidth. So, just to make awareness of those points.

Currently, Senator Brandes has filed a similar bill to last year, Senate Bill 186. The key components of that bill are that it creates a tiered policyholder surcharge based on total policy count within Citizens. Fifteen percent (15%) is current law. It would allow us to stay at that level if our policy count remains under a million. It would move the policyholder surcharge to 20% if our policy count was between 1–1.5 million. It would then move it to 25% per policy and per account if we had more than 1.5 million policies. It also defines primary... Sorry? Sure, go ahead.

Chairman Telemaco: I'm so sorry, you're going way too fast.

Christine Ashburn: My apologies. I'm so sorry. I do this every day, I apologize.

Chairman Telemaco: Can you go back, like a paragraph?

Christine Ashburn: Sure.

Chairman Telemaco: Thank you.

Christine Ashburn: So, right now the current law, as you all know, it was talked about earlier with the assessments, before we assess outside of ourselves, we assess, we have a policyholder surcharge in the Statute. It's by account. So, in the coastal account if we have no money, all of our policyholders are assessed. So, if we were assessing in all three accounts, we could be assessing our customers up to 45% of their premium in a worst-case scenario today. What Senator Brandes is proposing is that, based on our policy count, that that become a tiered surcharge. If we were to go over a million policies, it would change the number 15 to the number 20, and after 1.5 million policies, it would become a 20% per account surcharge for a max surcharge of potentially 60. Now, of course, the CLA is in very great shape and, I won't speak for Jennifer, but I know that we don't buy reinsurance on that account because we have so much surplus, and we've shrunk so much. That's probably an account that's not realistic, but you could see worst, worst case, if this bill were to pass, 60% surcharge if we were assessing on all three accounts.

Board Chair Beruff: But in reality, what you would be assessing is two accounts.

Christine Ashburn: In all likelihood, yes, sir.

Board Chair Beruff: So, it's 40%.

Christine Ashburn: So, it's really 40% unless something completely terrible happens in the commercial market and right now it would be not foreseeable with where that account is. I shouldn't say that because I probably just jinxed it. So, that's that piece of it.

The second piece is we worked for Senator Brandes on this last year. Mr. Chairman, you know there's been discussion about homestead versus non homestead, second homes, primary residence. The current version of Senator Brandes' bill defines the term primary residence that, actually Kelly's team helped us put together last year when Senator Brandes was happy to work with language, that mirrors, to the best of our ability, what would be homesteaded properties, so homeowners, owner occupied dwellings, things like that that we are using insurance terminology to try to make it easier for us to implement. Last year in his bill, you'll recall that he would have had those folks pay new business rates as opposed to capped rates. The bill he has filed this year does not do that, but it does make us consider the term primary residence for the purposes of renewal in the Clearinghouse, moving that threshold from 0 to 20. As you all are well aware, our legislative proposal actually suggests that we would like to see the renewal Clearinghouse threshold go from 0 to 20 for all renewal policies, not just primary residence, so our legislative concept actually goes a little further than what's in Senator Brandes' current bill. We've talked to him, very high level. He did not have any issues with where we want it to go, but the bill has not been heard at this time.

Board Chair Beruff: The question I have is, why have any limits on second homes? I mean, at the end of the day, people that have second homes obviously have significant finances and we shouldn't be subsidizing them at all.

Christine Ashburn: Mr. Chairman, that's a great question. This is not the first time this has come up.

Board Chair Beruff: I'm sure.

Christine Ashburn: Whether the legislature thinks they should kick them out altogether, charge them a different rate, surcharge them, there are a variety of concepts that I think have been tossed around over time that...

Board Chair Beruff: We have a tendency to make the simple complicated. If you're homesteaded and the tax authorities give you a homestead exemption on your property, you have one set of parameters, and if you don't have that, then it's 130%, 140%, 30-40% increases, whatever makes sense. You don't have to say, "no" completely, but it doesn't have to have the same brackets and parameters as primary homesteaded properties.

Christine Ashburn: Right. We did pull some data based on the definition that's in the bill. About 30% of the appropriate lines of business that would fall under primary residence, we believe today, would be considered non-primary. About 30% of those relevant lines of the books. So, it's not inconsequential.

Board Chair Beruff: So, 30% of 747,000 policies. That's significant.

Christine Ashburn: It's a real number.

Board Chair Beruff: It's a real, real, real big number.

Christine Ashburn: It absolutely is not inconsequential, and we have provided that data to some members in the House who have wanted to take a look at this general issue without...

Board Chair Beruff: What is the feeling at the political level for that, to swallow that pill?

Christine Ashburn: It depends on who you talk to. Those who have asked for the data are interested in doing something. There will be a Citizens bill. I think there might be some conversation around homestead versus non-homestead or primary versus non-primary, and how you look at those folks given who we are in the marketplace and what are our real job is. We also have a vibrant second home market, so it will probably depend on where people are from, and it'll be a regional issue, I'm sure, like our issues often are with the legislature.

Board Chair Beruff: Thank you.

Christine Ashburn: You're welcome.

Chairman Telemaco: That 30%, I just wanted to clarify, that 30% that you referenced, is that 30% of the Citizens policies are considered second homes or non-primary residence?

Christine Ashburn: Right. So, we have dwelling policies that are marked, I believe, as tenant occupied or seasonal surcharges for our customers that are only here part of the year, we already have that, so we're able to get a pretty good feel for what we believe would be the non-homesteaded types of policies that we write. It's not perfect, but it's our best estimate based on the policy types we write and the data we collect today.

Kelly Booten: We don't collect homestead...

Christine Ashburn: Right.

Kelly Booten: ...it's just not something we need, so we based our estimate on the type of insurance that they have.

Christine Ashburn: And the definition of primary residence, really, I believe, I think, or close to it, and what was it we put in the Brandes bill last year.

Chairman Telemaco: Okay. Thank you.

Christine Ashburn: The other thing that I wanted to share that's in Senator Brandes' bill is that it does provide for requirements to allow surplus lines carriers to participate in depopulation. That's also an issue that's come up from time to time. Now, Senator Boyd actually had it in a Citizens' bill when he was a freshman Member in the House in 2013 when we were on the rise again there. That can be a controversial issue. The parameters in it really would make surplus lines insurers act more like an admitted carrier, certain surplus requirements, etc., so it's not just Katie bar the door to any surplus lines carrier.

I think those are the key components because the other component I was talking about was the Clearinghouse, as I've already mentioned.

So, on to the legislative concepts that the Board has talked about, most notably the items that are getting, and I've got a talk sheet for you all for when you have meetings, some talking points when you talk to members. The two items that really seem to be resonating, as we have individual meetings and talk to Chairman Boyd and Chairman DiCeglie and others for maybe a Citizens bill, we are working on a draft and working with House and Senate staff on moving those forward are the idea that we should treat everyone the same. So last year, Senate Bill 76,

as you all are aware, for new business for personal lines residential risks changed the threshold for eligibility from 15% to 20% coming through the Clearinghouse. So, when Carl's team runs Clearinghouse, we look at what other quotes are in there and, if that threshold, candidly, had been in place over the last four years, we would have seen about 213% more renewals deemed ineligible. It's not a very big number, because the Clearinghouse activity has been low, but on a percentage basis it's significant. Now, as Kelly will point out, as our rates become much more of a problem, you all just had that conversation, it may be less likely that the 20 is the right number in the long term unless we can get our rates up, but that's the historical number.

Similarly, depopulation. Today with depopulation, you can reject any offer, even if it's cheaper than our premium, you do not have to go, no matter what. We would like to see the legislature consider, and the Board has blessed this concept, just as a reminder, that we also move that to a 20% threshold. Carl's team pulled some great data for us on that and it's in the 200-300% impact. Over the last four years with the depops we actually did, we were able to go back and look at the numbers. More than 100,000 additional policies would have been deemed ineligible if the threshold had been 20%. Those are real numbers. What you can't account for is two things, 1) if the threshold had been 20%, how many more depops might have there been, and 2) what new capital might be coming to this market if we can get this done, because, as we've all heard, one of the major impediments to new capital is the opt-out process in depop. So, those numbers don't account for that, it's just our historical data that we have in our hands.

With that, Mr. Chairman, I'm happy to answer any questions and, of course, as you mentioned, at our next meeting session will be over. As you all know, when session begins in January, you'll each get a weekly report every Friday from our team updating you on everything going on, and as soon as we have more information on bill sponsors and the direction of the Citizens bill, I will update you all via email in the interim. Thank you.

Chairman Telemaco: Thank you, thank you so much. I'd like to move on to the next item; actually, we're going to switch, we're going to move on to Citizens Reimagined. So, Kelly Booten, if you don't mind, giving us an update on that.

4. Citizens Reimagined

Kelly Booten: Okay, so this is behind tab five. I also have Carl here, our VP of Agency and Market Services. We'll tag team as necessary. What we wanted to do today is cover our current FMAP enhancements. We talked about this last time, and they will actually roll out on December 18; it'll be live, and it is a reconstruction, basically, of the current FMAP capability. It was built by our awesome internal IT team and our graphics folks that helped them out. It's based upon modern technology, so it's been completely revamped. It's user friendly and mobile compatible, very simple, question driven with auto fill to the best of our ability to collect that data with the contracts we currently have in place. The consumer account is no longer required to participate. There's new metrics, there's agent requests, offers made, exposure removed, there's by county, by zip. There's going to be a dashboard in an upcoming release within the app itself. It also will have Google analytics where it will be able to track where people are coming from, the type of browser, whether they're using the mobile capability, where are they spending their time, where they are exiting from the site, and agent usage, as well. So, that's a quick recap of all of that that's going in this weekend.

Slide 3 shows the look and feel today versus what it will look like, which is much more user friendly, easier to pre-fill.

Moving onto slide 4 is the primary Property Requirements page. A little bit more detail that we need to collect and then you're off and away. So, a lot of good work there on an interim change to make the platform easier to use. Any questions on that, before I move into the whole Reimagined concept? Okay.

With support and guidance and direction from this Board, Citizens is moving to an enhanced new platform, or platforms, which will drive greater market transparency. The new platform is intended to guide the consumer and agent through a more informed analysis of coverage and eligibility, and also show them the estimated premium. Governor Telemaco and I were talking of an analogy and because we have our hands tied and our feet tied and we have something on our back with weights, we are really in this space doing what we can without legislative change because we don't know if we're going to get it. Of course, it would make this more successful, but we believe that this will, at least, bring transparency to the market and make things more visible to both the consumer and the agent, so we have a pretty good vision on how to do that.

Slide 7 shows the FMAP current state where it does not show any eligibility or premium to the consumer, and the new version will provide feedback on eligibility and estimated premium; inform them about what's out there. Right now, it goes to an agent and the agent works it. This will be more consumer friendly. The second row is the Clearinghouse. Right now, which you all know, is limited to participating carriers, and right now we have eleven. Our idea is to build upon comparative raters in the market in the technology that agents use and get a contract to enhance those to meet our statutory requirements so that we expand to agent appointed carriers through their raters. Ultimately, the customer finds coverage elsewhere with Citizens.

On slide 8 we cover the consumer entering through FMAP, which is the consumer not attached to an agent just looking for coverage. There are five main pieces to it: the home conditions and characteristics, the price to be displayed, the ability for the consumer to engage an agent or a carrier. We also are going to add Citizens' assessment potential every time we show anything related to our price, and then increase improvements to the user interface and processes.

Slide 9 shows the FMAP 2.0 Customer Portal current state/future state. The current state is basic. Consumer enters the information and there are none of the capabilities for conditions and characteristics, price, assessment potential. In the new version and vision, they will have all that available to them.

Chairman Telemaco: Just to clarify, the Citizens' assessment potential display, has that ever been visible to consumers before?

Kelly Booten: We do it in some of our communication where we talk about the different types of assessments that they could have. In this case, we're going have to be creative to figure out how to show it in a price kind of way, but that's goal.

Chairman Telemaco: So, it'll be up front, ...

Kelly Booten: Yes.

Chairman Telemaco: ...hard to miss?

Kelly Booten: Yes.

Chairman Telemaco: Okay. Thank you.

Kelly Booten: Then on slide 10 is the New Business through the Clearinghouse. What's added to this slide is the Five Statutory Drivers which are in statute where what is considered comparable coverage, the 20% price comparison, which we got in SB 76, and then what's considered the bindable offer. Those things have to be considered in our platform.

Slide 11 shows the current state, which is really not conducive to agents where they have to bounce around between their comparative raters and our policy quote system to try to figure out are you even eligible for Citizens, and then they go enter it into the Clearinghouse. We get, probably, the most complaints in this area. Our survey that we did uncovered that this is the most least liked capability, and sometimes we say that helps keep people out, but I think it's not a consumer-friendly way of doing things and also would be more informed if we could provide more information to the agent. The future state shows these new capabilities that we plan to have.

On slide 12 is the same thing with renewal. This is probably where we have the most opportunity with that very low threshold to make it through, but very little shopping going on. If we can enhance this to show more offers than those current Clearinghouse eleven that we have, maybe there's others we can get out in front of the agent, maybe more will get moved to the private market.

On slide 13 we show the current state/future state which is very focused on getting more markets available. We have a little graph in here. This one gets a little interesting and it has to be very, very automated or it doesn't stand, especially with our current volumes. You have to get ahead of the renewal cycle, you have to get an offer out, it's got to get accepted, so this one's got to be really honed and figured out well.

Slide 14 shows where are we. I wanted to also say at the very beginning that we met with a number of stakeholders to better ideas, solicit feedback, validate our pain points, we did surveys. There's a mixed reaction to all this, but I feel like we're hitting, with our ability to make change, the right components. We talked to InsureTechs, a large national agency, the Agent Roundtable, the MAAC and vendors. So, we are getting ready to let the solicitation on December 15 or 16. Governor Telemaco is going to be our Board Observer, and he had his wonderful orientation with our VMAP department today, that went well. We also have created a movie that goes with it that shows the vision. I thought about just showing it today and hitting play. The voiceover still needs to be done, but it's really cool.

The other thing I want to mention in the solicitation is we're building in flexibility to seek ideas. We believe we have a great idea and a great vision, but we also want to get ideas from those responding to the solicitation. If they come up with a better idea, we certainly want to hear about it. We do need to protect the capability that the Clearinghouse currently provides today as we solicit this because our contract ends in August of 2023, so we need to make sure that we have that as a bare bones minimum. The timeline is on this slide, and we anticipate bringing it back to the June Board for a decision.

Any questions?

Chairman Telemaco: Thank you. No questions. You can move on to the next item which is item 4 Exposure Reduction Consumer/Agent Education.

5. Exposure Reduction Consumer/Agent Education

Christine Ashburn: Thank you, Mr. Chairman, and for this presentation Alden Mullins, my Director of Communications and Strategic Services, has joined me. Like Carl and Kelly, we will tag team through this last presentation of the day.

Mr. Chairman, as you know, there's been a lot of interest, a lot of talk about FMAP and the successfulness of FMAP, and marketing of FMAP, and, of course, Kelly and her team are doing a great job working on Citizens Reimagined. Since the September meeting, the primary focus on marketing really has been around FMAP awareness, branding, to really generate interest in the service to see if we can, even in the interim as we make these IT steps, start to get more knowledge out there about the existence, candidly, of the Florida Market Assistance Plan.

We are looking at using a variety of methods, and for FMAP 1.5, which is the small piece before 2.0, Kelly, correct? We've got 2.0 coming in the first...?

Kelly Booten: 1.5 is this...

Christine Ashburn: This week, and then 2.0, which provides more of the functionality. Yes. Sorry, just to keep myself honest, we've got a lot going on. What we decided to do is go ahead, even though 2.0, the future state, isn't there, yet, let's do some marketing and see if we can't get some data and some information about whether or not we're reaching people.

We do have, as I've mentioned before, a partnership with Florida Public Media World. It's regarding emergencies, but we have year-round advertising that's prepaid, pre-negotiated. It's a great sponsorship that we have with them. We have begun running as of November 29. Just as a reminder, it's 13 public radio and 11 public television stations and combined viewer and listener audience reaches about almost 100% of Floridians. We get 200 radio ads per month across all stations. So, we're using some of that prepaid messaging and changing our Citizens is Ready, Call Citizens First messaging to include FMAP messaging. We started on November 29 doing What is FMAP, and then we are adding additional messaging on Who Can Use FMAP January 3rd, and you can see print versions of the of the radio spots that run.

We are also employing social media. FMAP did not have a social media profile, it was only just Citizens. We've created FMAP profiles for Facebook and Twitter, and we've been doing messaging of combining organic or free posts and paid posts on both platforms. Really, increasing the brand awareness relies upon meeting consumers where they are including radio, etc. You can see some of the graphics and the images that we are using currently that consumers can click on to learn about FMAP today that were actually developed in-house by our graphics team.

Secondly, just some early, early metrics; it's way too early. As you heard Carl say, we will be working to add appropriate and meaningful metrics to the dashboard for future committee meetings, but for today, just starting at the end of last month for our current 30 days our total investment has been about \$3,000. Thankfully, social media marketing is still really, really cheap, which is great. The reach on this first tranche was 36,000. We got engagement of almost 10,000, 637 views and page visits. Then, combining for the next 30 days we're doubling our

investment. The reach will be at 220,000, hopeful engagement estimated to be 25,000 with views at 3000 and, hopefully, 180 additional visits to the FMAP site and maybe those homeowners can use FMAP.

Mr. Chairman, you also had asked about our partner, we have private sector partner, it's C-Com Communications. They are a full marketing communication shop based in Miami that we have competitively solicited in the past. We most notably use them following hurricanes or before hurricane events, as you can imagine, CRC locations after an event, how to Call Citizens First, how to file a claim, but we did build into this contract general education outside of crisis communications, so we are able to leverage that contract.

We did meet with C-Com to find out what they would recommend. The solutions include a selection of broadcast television, cable, radio, print, and digital deliverables during a campaign of up to 18 weeks. Depending on the amount of money we wanted to spend the estimated impressions from the campaign range from 7.6 million to 27 million. The majority of the work for the partnering with this effort would take place in late first quarter of 2022 and early quarter two after the two major FMAP application releases are complete that are planned for current state of FMAP.

Board Chair Beruff: Chair?

Chairman Telemaco: Yes, go ahead.

Board Chair Beruff: Can you slow down a little bit?

Christine Ashburn: I'm sorry.

Board Chair Beruff: That's fine.

Christine Ashburn: I apologize.

Board Chair Beruff: No, just the dollars...

Christine Ashburn: Sure.

Board Chair Beruff: ...the dollars portion.

Christine Ashburn: I've not gotten dollars...

Board Chair Beruff: What are we buying for the, you through some millions of dollars there, 18...

Christine Ashburn: Impressions. Those are impressions. So, the reach. I've actually not mentioned any dollars, at all.

Board Chair Beruff: Okay, those are impressions not dollars.

Christine Ashburn: Not dollars. Depending on what we wanted to spend, I can give you, we did have them give us three tiers of high-level quotes, not broken out and detailed, as I wanted some information about what it might look like when we're ready to spend money. Because right

now what we're using with FPREN is already prepaid as part of our sponsorship, so we're not expending additional dollars, currently, but getting a good reach to start.

Board Chair Beruff: One of the questions that I brought up in our briefing was, is someone monitoring how many people are coming to our website a month? Yes.

Christine Ashburn: Yes.

Board Chair Beruff: Okay, and do we have that chart?

Christine Ashburn: Is it on the...?

Board Chair Beruff: Because what we want to do when we hire these people is see what the growth is and hits...

Christine Ashburn: Yes.

Board Chair Beruff: ...hits to our website.

Kelly Booten: Right. That, remember, is with the December 17 release. We're embedding the Google analytics in that release.

Board Chair Beruff: In that release.

Kelly Booten: Then we'll have it.

Christine Ashburn: This week.

Board Chair Beruff: Then we can start monitoring week by week, day by day, practically.

Christine Ashburn: Correct. That's correct.

Board Chair Beruff: Okay. So, then this firm that you're going to expand your contract services with, that helps you during crisis, have they provided us numbers to expand?

Christine Ashburn: They have, and Mr. Chairman, just to be clear, our current contract would allow us to leverage them for this project, which means we would not have to do an RFP, we would not have to come to the Board over a contract. When we're ready to go...

Board Chair Beruff: I'm just curious as to...

Christine Ashburn: Sure.

Board Chair Beruff: ...what they're...

Christine Ashburn: They have.

Board Chair Beruff: ... providing for the dollars that...

Christine Ashburn: Sure.

Board Chair Beruff: ...we plan on giving them, because I do have some experience with internet marketing and what I pay for a very talented firm out of Philadelphia...

Christine Ashburn: Right.

Board Chair Beruff: ...that helps us.

Christine Ashburn: Sure. So, we asked them for some high-level quotes based on walking them through and meeting with them about what FMAP is and how we might be reaching consumers. The top tier quote that they gave us was \$1.5 million for 17 weeks that would include TV, cable, radio, print, digital, and it would probably be give us about 9.7 million impressions.

The middle tier would be \$675,000 for 11 weeks and, by the way, this would be statewide. We would be hitting the major markets, not just one region of the state.

Board Chair Beruff: I question whether or not that we have any business being on cable or television, at all.

Christine Ashburn: Correct. So, mid-tier's quote that they gave us with 11 weeks, and it was cable and digital which is 7.6 million.

The lower tier and, of course, this tells you where the world is going with digital, is \$350,000 for 18 weeks, digital only, and 27 million impressions. So, the cheaper program actually gets us the larger hit because so much of the world is in the digital space these days, and it's still much cheaper than TV.

Board Chair Beruff: Obviously, I'm one board member, but I'd advocate for digital only, and then there'd...

Christine Ashburn: Me, too.

Board Chair Beruff: ... have to be some consequences depending on how many hits it's getting, that you can adjust, and then they have to be transparent as to how much they're keeping and how much they're paying.

Christine Ashburn: Yes, and Mr. Chairman, that's a great question. I actually had my team pull the contract to make sure I had that. The max fee that the Agency can get from us, and it's through the buy, so they get a percentage of the buy, is 8%. I am relatively confident that the quotes they gave us would include their fee, but we are reaching out to them, because we did not get into the deep, we have not had detailed conversations, but if I'm wrong, I will clarify with you all via email if it's above that.

Board Chair Beruff: That seems reasonable.

Christine Ashburn: Yes. And I agree with you. I would 100% start with digital only and probably stay with digital only.

Board Chair Beruff: Yep.

Christine Ashburn: And with that...

Board Chair Beruff: Nobody reads a newspaper anymore.

Christine Ashburn: Correct. I don't even get one, I read it online. I have the online, it's cheaper. Then one more slide. Just to recap, we do have great internal resources. I think we've done a nice job of setting ourselves up for this to actually be in a position to get moving quickly both with our public media partners and with C-Com. We look forward to working with Carl. We have a whole project team and Alden's going to jump into more marketing that we're doing and support of the overall exposure reduction initiatives at Citizens not just FMAP. Alden? Thank you.

Alden Mullins: Thank you. Early in the exposure reduction initiative conversations, the priority item for our educational efforts was the Managed Repair Program, so the MRP messaging strategy work group was formed. This group includes members from multiple divisions in the organization and we were tasked with finding additional opportunities to educate policyholders and to do a refresh of all of our current MRP marketing materials. But as exposure reduction has become bigger and bigger, we quickly realized that we needed to expand the scope of the work group to look at all marketing and education for exposure reduction topics.

The message strategy for exposure reduction isn't a single plan that we've put together, it is ongoing. Every change, everything that Kelly and Carl have mentioned today, every enhancement, every implementation has to be shared with our stakeholders. So, as we go through all these changes, we'll be communicating them all along the process.

Not all communications that support exposure reduction route through this marketing work group. Some of these are created as part of our normal operations, rate changes, eligibility changes, system changes, all of these types of new things have to be told to our staff and agents. Then, for each topic, we analyze whether the stakeholder audience is larger, do we need a policyholder communication, do we need to add something to the website, is it a good topic for our policyholder newsletter. So, no matter the topic, the bulleted items on the slide are communication channels that we may use to educate all of our policyholders.

I'll briefly go over the focus for the messaging strategy work group for the next two quarters and what our communications teams will be working on as part of our normal operations as it relates to exposure reduction.

For MRP, the call center scripts are being updated to educate and encourage the use of our emergency water removal services at the time the loss is filed. We're adding an additional mailer that a claimant will receive to explain the Managed Repair Program. We're adding a new email that will go to a claimant when they file a new claim. The email will confirm that their claim has been filed, give them next steps, and educate on emergency water removal services if they didn't accept that service at the beginning.

One thing I want to point out here is that, although this email idea was created as part of the exposure reduction strategy work group, what we also identified was a chance to enhance the customer experience. We don't currently send an email of this type, so we aren't just adding this email for non-whether water losses, but we're also going to send this to all claimants no matter the type of loss. So, as we review all of these communications, we're always on the lookout for

additional ways to educate on using myPolicy, Calling Citizens First, assessment education. We're going to tie everything in where we can as we're developing this messaging.

To continue with managed repair in Q4, there will be agent bulletins, external website updates, agent website updates, we do have two different websites, FAQs, and, of course, we'll utilize social media. Additional education topics for Q4 is loss history reporting, FMAP, of course, new eligibility rules, the transfers of book of business as part of the CIS transfer, and then the depopulation survey that was actually just sent last week.

For Q1, next slide please. The next focus of the work group will be depopulation marketing. We are doing what we call a sweep of every single material that is in existence that has the word depop on it or depopulation; website, FAQs, every brochure we have, and getting really a full assessment of everywhere that word is listed, and then, how can we enhance that messaging. We hope to use the survey results that we get to enhance that messaging, as well. We want to expand the pre-depopulation campaign so that before they get the offer, they know it's coming, and they're really educated on the decision they're going to be asked to make very soon.

Other topics will be the Managed Repair Program, property inspections, FMAP again, and then the CIS book of business transfers will include a monthly mailing. So, that is our focus for the next two quarters.

That's all I have. Any questions?

Chairman Telemaco: Thank you, Alden.

Board Chair Beruff: Sounds simple.

[laughter]

Alden Mullins: It'll be simple when it goes out, not simple getting it there.

Board Chair Beruff: So, a twelve-year-old can get it done. That's what you want.

Alden Mullins: Got it.

Chairman Telemaco: The depop survey you said is going out this week? Did I understand that right?

Alden Mullins: I think it went out last week.

Chairman Telemaco: Oh, last week?

Alden Mullins: Yes.

Kelly Booten: Yes.

Alden Mullins: Yes.

Chairman Telemaco: And who does that go out to?

Kelly Booten: No, it went out Mon, did it go out Monday?

Carl Rockman: No, it went out today.

Alden Mullins: It went out today. Thank you.

Kelly Booten: It went out today to HO3 policyholders.

Chairman Telemaco: Oh, our policyholders, okay. What do we expect that survey to accomplish? What are we asking them?

Kelly Booten: I don't have my books sitting up here with me, but it has a variety of questions to assess what types of things would encourage them to depopulate from Citizens. So, technology based. What are some of the other things, Carl?

Carl Rockman: We're asking the consumer for different data points on their willingness to move from Citizens. Use of technology - if a carrier were to provide certain technology options for loss prevention. We also asked a very specific question about price relativity along with some additional satisfaction measures for Citizens at different points. We know the information is going to be incredibly informative to current carriers or new entrants who may want to use different influence points.

I'll point out, too, that the technology piece also came out of the FSU study in terms of new adopters and new things in that space. It's becoming more and more popular for companies to potentially offer benefits in the technology space to reduce people's premiums. A big part of the survey is trying to figure out if customers are attracted to that. It could have a potential new entrant maybe offer those kind of technology processes.

Chairman Telemaco: And how long is that survey going to be live?

Carl Rockman: For at least two weeks we're going to keep it open. We're going to look at a rather modest response rate, but we are going to consolidate the information, we'll be sharing that publicly with our partner carriers. We're doing in the spirit of making them more aware of what might motivate the Citizens consumer to potentially move.

Board Chair Beruff: Excuse me, Mr. Chair.

Chairman Telemaco: Yes, go ahead.

Board Chair Beruff: When does that go live?

Carl Rockman: The survey?

Board Chair Beruff: Yeah.

Carl Rockman: It went live today.

Board Chair Beruff: Just for two weeks?

Carl Rockman: Yeah. It goes out in an email to our homeowner customers. They'll receive an email today, tomorrow.

Board Chair Beruff: Any reason why, I mean, stupid me, thinking people have other things on their mind over the next two weeks, so wouldn't we be better opening it until mid-January?

Carl Rockman: Well, it goes in an email, and we can take the responses, we haven't set a cut off time period, so if they chose to respond in a week or two, we would certainly get that response, it wouldn't be cut off.

Board Chair Beruff: My only comment is if you just do it again...

Kelly Booten: Yeah.

Carl Rockman: Okay.

Christine Ashburn: Well, that's what I was going to say.

Board Chair Beruff: ...for some time after the first of the year and do it for another two weeks because I know that...

Kelly Booten: One of the reasons for doing it now is we're trying to inform for an upcoming depop, so we wanted to get ahead of that, but we can run it as many times as we want.

Board Chair Beruff: That's fine. I just look at logistics and I know people and, quite frankly, can't get anybody to pay attention to anything right now.

Christine Ashburn: Right, and we can do a reminder email before it's going to close for those who haven't...

Board Chair Beruff: See what you can get and then do it again if it's painless enough.

Carl Rockman: Okay.

Chairman Telemaco: Question on the FMAP marketing, this is just my take on marketing. FMAP is something we want to sell, right? Unlike a lot of the other communication that comes out of Citizens, which is more informative, a lot of education, but FMAP, we want customers to buy that, right?

Christine Ashburn: We want to market it. We usually want to educate, but this is really trying to encourage folks to use it. It is different than what we traditionally do as a carrier of last resort, in many ways. So, yes, it is a true marketing campaign to get customers to use the service.

Chairman Telemaco: So, I'm curious if any of the folks that we're talking to, these marketing folks, have suggested a different brand for FMAP or tagline or something more catchy because FMAP, if I got an email or something saying Florida Market Assistance, I'd be like I don't need market assistance, and...

Christine Ashburn: Right. Absolutely. So, we wanted to meet the needs, I think, of these enhancements, we wanted to get into the market. One of the things we do want to do, both with

our internal team, I've got a great, talented team of communicators and folks with marketing backgrounds, but also engaging our private vendor just because they're not us, right? We're really close to all of this.

Chairman Telemaco: Right.

Christine Ashburn: How can we rebrand FMAP. Florida Market Assistance Plan is a statutory title.

Chairman Telemaco: Yeah.

Christine Ashburn: But we've modified how we talk about the Clearinghouse compared to the law, so I think we can 100%. Is it a tagline, do we drop the acronym, do we come up with something a little more catchy that better explains what it actually does? So, yes, that is absolutely something that we want to engage our vendor on to try to help. We've got some ideas internally that I think we can come up with and bounce them off of them, since we are pretty close to this thing.

Chairman Telemaco: I think that'd be great, especially if we're looking to spend money on marketing. We might as well get our bang for the buck, right? Let's just think about that now, before we start promoting FMAP...

Christine Ashburn: Correct.

Chairman Telemaco: ...and having to rebrand again.

Christine Ashburn: That's right. We would want to do that work before we started paying beyond what we're spending now, which is, you know, peanuts on social media. If we're going to announce a rebrand and really launch a campaign, we'd want to have all of that ready to go so we don't do it twice.

Chairman Telemaco: Although this is spearheaded by Citizens, when it goes out into the market, Citizens is nowhere on that, right? This is FMAP or whatever...

Christine Ashburn: A stand alone, that's right.

Chairman Telemaco: A stand alone.

Christine Ashburn: Stand alone.

Chairman Telemaco: Perfect. Okay.

Christine Ashburn: Right. We actually do not co-brand the two together.

Chairman Telemaco: Good. Okay. Any other questions? No questions. Thank you. Appreciate it.

6. Clearinghouse and Depopulation Reports (for information only)

Chairman Telemaco: Alright, so we have one other item on the agenda but it's just for informational purposes only. We don't need to discuss it, so with that I'll entertain a motion to adjourn.

Board Chair Beruff: So moved.

Chairman Telemaco: Excellent. We're adjourned. Thank you so much.

DRAFT