

Consumer Services Committee Meeting Minutes

ACTION ITEM

New Contract

Contract Amendment

Other _____

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	Consumer Services Committee Meeting Minutes March 2, 2022
Purpose/Scope	Review of the March 2, 2022, Consumer Services Committee Meeting Minutes to provide opportunity for corrections and historical accuracy.
Contract ID	Title Contract number, if applicable Recommended vendor, if applicable
Budgeted Item	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Text
Procurement Method	Text
Contract Amount	Text
Contract Terms	Text

Consumer Services Committee Meeting Minutes

Committee Recommendation	<p>Staff proposes that the Consumer Services Committee review, and if approved recommend the Board of Governors:</p> <ul style="list-style-type: none"> a) Authorize the _____ contract with _____ for an initial term of _____, for an amount not to exceed _____, as set forth in this _____ Item; and b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
Board Recommendation from Committee	<p>If approved at its <u>date</u> meeting, the _____ Committee recommends that the Board of Governors:</p> <ul style="list-style-type: none"> a) Approve _____ for an initial term of _____, for an amount not to exceed _____, as set forth in this _____ Item; and b) Authorize staff to take any appropriate or necessary action consistent with this _____ Item.
Item Qualifies for Consent Index	<p>This _____ item is a day-to-day operational item, has unanimously passed through the _____ Committee or otherwise qualifies to be moved forward on the Consent Index.</p>
Board Recommendation (DOES NOT go through Committee)	<p>Citizens' Staff proposes that the Board of Governors:</p> <ul style="list-style-type: none"> a) Authorize the _____ item or _____ contract with _____ for an initial term of _____, for an amount not to exceed _____, as set forth in this _____ Item; and c) Authorize staff to take any appropriate or necessary action consistent with this _____ Item.
CONTACTS	<p>Christine Ashburn, Chief – Communications, Legislative & External Affairs</p>

CITIZENS PROPERTY INSURANCE CORPORATION

MINUTES OF THE CONSUMER SERVICES COMMITTEE MEETING
Wednesday, March 2, 2022

The Consumer Services Committee of Citizens Property Insurance Corporation (Citizens) convened telephonically on Wednesday, March 2, 2022, 12:30 p.m. Eastern.

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

Jillian Hasner, Chair
Reynolds Henderson
Greg Rokeh
Christine Ashburn *staff*
Jeremy Pope *staff*

1. Approval of Prior Meeting's Minutes (December 8, 2021)

Chair Jillian Hasner: Thank you. We will get started. So, hello everyone, I am Jillian Hasner, Chair of the Consumer Services committee, I want to welcome everyone to the March Consumer Services committee meeting of Citizens Property Insurance. We are only three months away from the official start of hurricane season on June 1st, and the Florida Legislature is in the final days of legislative session.

So, there is a lot to cover. To get this March Consumer Services committee meeting started, as our first order of business, I move to entertain a motion for approval of the December 8, 2021, Consumer Services committee meeting Minutes.

Governor Henderson: So, moved.

Chair Jillian Hasner: There you go. Second.

Greg Rokeh: Second.

Chair Jillian Hasner: All in favor.

(Chorus of ayes.)

Chair Jillian Hasner: The motion carries, thank you. So, we will move right along. We have a presentation by Jeremy Pope, so I would like to recognize Jeremy Pope, Vice President of Customer Experience to present the regional update on Consumer and Policy Services, Jeremy.

2a. Consumer & Policy Services Operational Update

Jeremy Pope: Okay, thank you, Chair Hasner, and for the record, Jeremy Pope, Vice President of Customer Experience and today I have prepared a brief annual update for the committee on the operational areas who directly service and engage our consumers routinely. This is mainly a recap of 2021 operational output, if you will, to highlight overall service volumes. Following the operational debrief, I will be seeking approval for an Action Item related to Call Center Services for the committee's consideration.

So, at this time I will draw your attention to section two of today's committee materials, to the first deck titled, Consumer and Policy Services Operational update and I will begin the update on slide two, which is simply a recap of our annual call volume. For 2021, Citizens serviced almost 885,000 calls. That does represent a 46 percent increase from the prior year. Much of that increase is attributed to the new business, additional policy growth that I know that the committee is fully aware of. We have an internal quality target of 95 percent, and we exceeded the target landing in at 96.46 percent for the year.

On slide three, this is essentially, we, we code every single type of transactional work that comes into the organization, whether it be a phone call, whether it be back office production work, task based, whatever it may be, and that is to essentially help us understand the topics and areas of focus that consumers and really all of our customers, what is most critical to them and what are we servicing as a whole. So, this helps us with our outreach efforts. It helps us, whether it be policyholder outreach, agent outreach, it also helps us with educational opportunities we have for staff and various process improvements. So, you will see this throughout the deck today with some of the operational volumes I will share, and that is simply, we do have subcategories and so forth. So, this is a very high-level overview, if you will, of what is coming into the organization.

On slide four, you will find an annual recap of our Policy Services volume. The Policy Services unit serves as a technical resource whose primary role is to process policy changes, and that includes both premium and non-premium bearing enforcements in accordance with our underwriting guidelines. So, to summarize, these are back-office, production based tasks which directly impact the needs of our policyholders. The teams process almost 494,000 tasks with quality above all outlying targets. In addition, the average cycle time to complete the task were five days, which is right in line of the service level targets that are established for the unit.

On the next slide, slide five, before I jump into the Customer Correspondence volumes, which are essentially correspondence that come through from consumers, we receive them three different ways. One is electronically through e-mail. We also receive correspondence, what I would call by via traditional mail or snail mail, if you will, and then through employees which can also include... sometimes we have inquiries or complaints that could be routed from a Board of Governor's member. It could be regulatory from legislative officials and so forth. So those are three different avenues, if you will, on how we actually receive the correspondence. And again, these are both inquiries and complaints from consumers.

Next slide. Slide six here represents the overall volume. So, the Customer Correspondence Team processed 16,412 what we call incidents. Those are both inquiries and complaints. This represents about a 15 percent increase from 2020 when it comes to overall work sent to this team.

The next slide is really a breakout, again, disposition codes, you know, what are the areas of focus of what consumers are asking us about. The next slide, slide seven, this right here, you know, the volume that I shared, you know, where does the value essentially, you know, coming from. Most of the work that is routed to our Customer Correspondence Team comes directly electronically through e-mail. We do have a rather large volume also that is sent to us via traditional mail from the consumer, but then you will also notice everything else is rather small volume, if you will. Legislative, Inspector General, Board of Governor, executive, and then also DFS, a regulatory. Those inquiries and/or complaints are routed, but don't make up the majority of the volume. That first bar, I will jump back to service recovery, because that is work that we have created in-house that is tied to our Voice of Customer Program, and I will share more about that when I review those stats. And this just helps articulate the origin on where these inquiries and complaints are coming from.

The next slide, slide nine. This is again, this is disposition codes broken out, but of the volume that I just shared, we had 868 complaints that came in in 2021. 627 were non claim related, while 241 were claims related. To help put that number in perspective, one, it is about a 12 percent decrease from 2020 compared to 2021. And also last year we had the privilege of receiving, the Auditor General provided an operational report to us that really helped us benchmark where we were amongst 11 other top carriers throughout the state. And Citizens it showed that we had the third fewest complaints based on our size. So again, that helps put things in perspective when we see some of the numbers, such as the 868 that I referenced today on this slide.

Slide 10 jumps into, and this is why I mentioned our Voice of Customer Program. This is essentially our customer satisfaction program, and we conducted close to 15,000 surveys last year. We have three different channels that we survey our consumers, and these are really the highest traffic, if you will, when it comes to consumer traffic. One is our Customer Care. It is also our call center. Our claims, every consumer that has a claim, and we have a settlement. We also conduct a formal survey with them, and then any consumer that opts for our Manage Repair Program. Again, this is to collect feedback. It helps us identify if there are any issues that we need to be looking at operationally, and also there are flags that trigger throughout the survey process. If there is an opportunity for us to jump into either, you know, make a bad situation into a better one for a consumer or mitigate any type of issue for the consumer, we jump in with what we call service recovery. So, service recovery is handled by the Customer Correspondence Team that I mentioned previously, and they are reaching out to the consumer right then and there, again trying to mitigate any issue or concern. A lot of times it just turns into educating a consumer or an agent as appropriate. So, it is what we would consider our proactive means that is consumer-centric to help them where we can.

Next slide. This is our Voice of Customer where we landed as far as results for 2021. We didn't see a lot of movement overall. Our Customer Care landed in at 91 percent. We saw about a percentage dip from the year prior. Claims remain flat. Our Manage Repair actually went up a little bit to 87 percent, and then overall satisfaction of Citizens remained at 85. There was nothing that we would consider an outlier per se. Where we are, where we have seen more concern from consumers is honestly just around premium and increases.

Even though Citizens is, you know, 90 percent cheaper than the private market a lot of -- in some cases I should say, we still, from a consumer perspective it still is not easily digestible. So sometimes we do receive the complaints and we are getting more and more feedback around just increases as a whole going up in the market. I know I mentioned already the service recovery component, but there was a little over 2,300. So, 23 service recoveries that we were able to execute in 2021. So, 23 percent of our surveys, if you will, there was a flag that triggered where we jumped in and tried to mitigate the issue as appropriate. So, I just wanted to share that with the committee.

What I shared today, I know we have had a lot of growth, and while that is not desirable for us over the past year as an organization, I think it is important and noteworthy to mention that we remain steadfast in our ability to serve the people of Florida with a consumer centric focus.

So, Chair Hasner, this concludes my operational update, and I will be happy to answer any questions and I will move on to the Action Item as appropriate.

Chair Jillian Hasner: Any questions for Jeremy?

Greg Rokeh: This is Greg Rokeh, just a quick question. Can you give us a breakdown on the percentage of surveys that are returned by the various categories?

Jeremy Pope: So, Greg, these are completed surveys, and these surveys were actually, it is not necessarily an electronic survey that we sent out. We are reaching out to the consumer. So, what I will share this, how about our response rate. So, we offer, when a policyholder is calling into the contact center, we do offer a survey to them. We see around, it fluctuates between a 12 and a 14 percent response rate for them to take the survey, if you will.

We also for the claims component, we see a much higher response rate to I guess if you want to say participation with the policyholder. That fluctuates anywhere from 20 to 28 percent as far as acceptance rate to complete the survey.

Greg Rokeh: Okay, thank you.

Jeremy Pope: Yes, you are welcome.

Chair Jillian Hasner: Any other question? Jeremy, do you want to move forward with the Action Item?

2b. Call Center Services (Catastrophe) [Action Item]

Jeremy Pope: Absolutely. I will now move on to the Action Item located within section two of the committee's materials titled, Call Center Services Catastrophe Only. On January 31st of this year, Citizens released request for proposal number 22-005 for Call Center Services Catastrophe Only.

Now, for background purposes. Due to our continued policy growth and continued labor shortages and staffing challenges within the industry, and that is something I will mention that not only has Citizens continued to navigate through, but also all of our vendors today as well. We felt it was in the best interest for our policyholders and the organization to go back to the market to solicit interest for additional vendors for supplemental call center catastrophe support should we need it. We have existing executed contracts for call center services today. So, the solicitation which was released on January 31st of this year was simply to add additional vetted vendors to our listing for supplemental support only.

There is no additional spend authority being requested for today's Action Item. These new contracts will be managed within the previously established spend authority approved by the Board back on December 16th, 2020. I am pleased to share that we received 15 respondents to our solicitation, and we held a public meeting yesterday on March 1st and awarded services to 10 vendors who we feel are deemed qualified to receive a contingent award.

The attention vendors selected were as follows. Deloitte Consulting, Innovative Emergency Management, Intel Government, BPO Services, Direct Interactions, Telenetwork doing business as One Support. Time Global Technologies, Activist Connect, Cortex Health, Unified Management and Crawford & Company. Chair Hasner, I am more than willing to provide additional detail or answer any questions to the committee that they may have thus far, and if none, move on to the recommendation for the committee's consideration.

Chair Jillian Hasner: Does anyone have any questions for Jeremy? Then, Jeremy, you can proceed with the recommendation.

Jeremy Pope: Thank you so much. Staff proposes that the Consumer Services Committee review and if approved, recommended to the Board of Governors to, A, authorize the Call Center Services Catastrophe

Only contracts with 10 vendors for an initial term of one year and three, one year renewal periods, for an amount not to exceed the previously approved amount of \$6,951,826, and with no additional funding requested at this time. And B, authorize staff to take any appropriate or necessary action consistent with this Action Item.

Governor Henderson: So, moved.

Chair Jillian Hasner: Second.

Greg Rokeh: Second.

Chair Jillian Hasner: All in favor.

(Chorus of ayes.)

Chair Jillian Hasner: The motion carries. Thank you, Jeremy.

Jeremy Pope: Thank you very much.

Chair Jillian Hasner: All right, we will move on to the next agenda item. As I mentioned earlier, legislative session is in the final days here, and I would certainly like to thank Christine Ashburn, Chief of Communications, Legislative and External Affairs for joining us to give us an update. So, I would like to recognize Christine.

3. 2022 Legislative Update

Christine Ashburn: Thank you. I will wait for the slides to go up. Great. Next slide, please. So, Chair Hasner, as you have stated, we are in the final days with session ending next Friday, March 11th, not that anyone is counting here in Tallahassee, for the official end of session. There are budget conferences going on as we speak which is a great sign that we should be able to have the Legislature adjourn on time.

The one constitutional item they must complete is a balanced budget. As many of you are aware, seem to be looking in the right direction that there will be a consensus on a budget for the State of Florida that will exceed just about, \$100 billion. So, it is a large budget. So thankfully Citizens is not involved in the budgetary process. So, which is why I am able to be with you today.

So just to give you a quick update and things are changing. So, these slides, I apologize were updated yesterday to reflect where we are now compared to when the materials initially went out. So right now, there really are two Citizens specific bills in play. One House Bill, 1307 by Representative Tommy Gregory out of Bradenton, and then of course, Senate Bill 1728 by Senator Jim Boyd also out of Bradenton who is the Chair of the Banking Insurance Committee in the Senate.

So just to give you a quick overview of where the bills stand now, both bills are on the House and Senate calendar respectfully. They have cleared all of their committees of reference, and in fact, Senate Bill 1728 has been added to the special-order calendar and will be heard on special order tomorrow in the Senate. Then setting it up to be on third reading on the following day or in the days to come.

So just to provide kind of an overview of what Representative Tommy Gregory's bill does currently. It does provide that a registered executive or legislative branch lobbyist may not serve on the Citizens' Board. It

changes the new business eligibility threshold for commercial lines residential risks from 15 to 20 percent. That is something that was inadvertently overlooked when we made the eligibility change in Senate Bill 76 for personal lines. It provides that for personal lines residential risks the corporation may offer at certain thresholds that you are ineligible to remain with Citizens for depopulation and for clearinghouse renewals, which right now, as most of you are aware, the renewal threshold is zero for clearinghouse and then you can reject all offers from depop. So, it does save in larger amounts over time for both of those items. It removes the current law that allows Citizens to price for the cost of reinsurance to the one-in 100-year PML, whether or not it is purchased, that was actually something that was just passed in Senate Bill 76.

I think there is a little bit of a sense of you know, concern about that in the House. I don't expect to see that in the Senate. It is not in the Senate Bill. It requires that Citizens Executive Director have the experience, character and qualifications to serve as the CEO of an insurer in Florida. Currently, Citizens' statute is silent on requirements and expertise for the CEO, and it also, oh, and I have got that in there twice, I apologize. It provides that a registered lobbyist. It does not have, and if you will go to the next slide, some of the provisions of governance that we have seen in the Senate Bills that were in the House Bill but have been removed.

So, Senate Bill 1728, like I said, will be up tomorrow on the Senate floor for consideration and amendment. It amends the definition of prohibited property insurance practices for licensed contractors to include certain disclosures. This is an effort by Senator Boyd and the Senate to make changes in response to the court case regarding anti solicitation provisions that were passed in Senate Bill 76.

It changes the new business eligibility threshold for commercial lines residential risks from 15 to 20. So, those two match up. It provides that personal and commercial lines residential policyholders that receive an offer of coverage within 20 percent of Citizens' premium are ineligible to remain with Citizens. So that is a more robust approach. We do believe that the Senate version of this language which would require that you could not opt out of a takeout or remain with Citizens for the clearinghouse on a renewal basis if the premium is within 20, which is consistent with new business considerations, would in fact provide incentive for new capital to come to Florida.

We have heard that the thresholds in the House Bill currently would not incentivize new capital in the short term, and we have shared that information with both House and Senate leaders. It defines the term primary residents for the purposes of Citizens, so it is your primary home only. It amends the Citizens' glide path to only apply to primary residents. So, the second homeowners in Florida they would not be subject to the rate cap. It does also change the renewal thresholds in the clearinghouse from zero to 20. It defines, demonstrates insurance industry expertise for the purpose of Citizens' Board.

Just as a little bit of history. Current law states that half of the Board from each appointing office, one office, one slot must include someone with demonstrated insurance industry expertise. That term has not been defined historically, and this bill does seek to define that. It requires that the Citizens' Board Chair either have one year of experience serving on the Board or be one of those members with demonstrated insurance industry expertise. It also requires that our executive director have the experience, character and qualifications required to serve as the CEO of an insurer in Florida. It states that Citizens shall use a single account once all outstanding debt is retired and I will share, as you all remember this is a legislative priority of the Board. Currently though this language came from Senator Brandis' bill, Senate Bill 186. It only changes *may* operate under one account to *shall*. This language alone does not really give us what we need to allow us to do it when the debt is retired. So, we are working on additional language that I would expect to see be a top priority with the Legislature at the next session.

Next slide, please. Thank you. It requires that Citizens charge the premiums of under found insurers for those policies assumed by the corporation when they're higher than Citizens' premium. This is a concept that Chairman Beruff raised and was in a letter he sent to the Legislature. This of course is not in the House Bill. And it allows for surplus line carriers to participate in key takeout programs under certain circumstances, and a new provision was added instead of some roof actual cash value standard.

Provides for circumstances under which a carrier may provide a separate deductible for roofs, not to exceed two percent of coverage A. That would be for non-cat only. And if it were a total loss, the two percent deductible could not apply.

And Madam Chair, that is kind of where we are today, and as you all know many things can change between now and next Friday evening. So, I am happy to answer any questions.

Chair Jillian Hasner: Any questions for Christine? Governor Henderson.

Governor Henderson: One question. So, the only change to the glide path would be that it only applies to primary residents, not anything about percentages or, you know, increase, abilities to increase policy on the glide path or anything like that? Is that what I understand?

Christine Ashburn: That is accurate, Governor Henderson. As you will recall Senate Bill 76 actually did put Citizens on a slow step forward from 10 to 15.

Governor Henderson: Right.

Christine Ashburn: That is not changing in either bill but would then require that Citizens charge the actuarially sound rate for second homes. It is not an insignificant number. While we can't track at 100 percent based on today's data, when we look at certain types of business and usages, tenant occupied versus owner occupied for dwelling, it is anywhere around potentially for personal lines, the relevant lines of business about 30 percent of that book. So, as we see it today. Now, of course, as information comes in, we may learn differently, but when we look at what we write today, we see it could be as much as 30 percent of our book of business for personal lines.

Governor Henderson: Good. This is all good stuff. I mean, do you feel pretty good about this bill, that it is going to pass both --

Christine Ashburn: I believe that given that there are two carriers who have recently lost their ratings. There is an article today about six additional carriers that may be in trouble. Roofs is a major issue, although it is a tough issue to tackle. It hasn't been a Citizens issue. I do believe we will see something come across the finish line. I don't think it will be all the components of the Senate Bill or just -- it is going to be some sort of compromised position between the two. You need to be cognizant of the fact that, you know, we are, I think Jeremy mentioned the complaints we are even hearing about premiums.

I think the biggest piece to us that is most important is the really good feedback we have gotten, Barry, Kelly, Jennifer and others, from potential investors, that if you were to see Senate Bill 1728 cross the finish line with that 20 percent threshold for depop.

Governor Henderson: Yes.

Christine Ashburn: There would be new capital that would come to this market, and candidly right in the

short term, the only solution to the size of Citizens is probably new capital right now.

Governor Henderson: Yes. I mean, I just get worried about weak knees coming in when they get into that. So, you know how it goes, but fingers crossed and hopeful. Thank you for that update.

Christine Ashburn: Yes. We will keep you posted. It is changing quickly. So, we will see what happens. My guess will be just like last year. If there is to be a Citizens or property bill it will be late in the day on Thursday or Friday before we know where it really lands, which is not, you know, not odd given, you know, the unique nature of this market and what is going on. But we will keep you posted but thank you.

Governor Henderson: Thank you.

Chair Jillian Hasner: Thank you for that important update. There is a little time left, but a lot of time left.

Christine Ashburn: That is right.

Chair Jillian Hasner: So, thanks for taking the time to share that with us. And so, any other questions for Christine or any other questions in general? All right. Any new business to bring before the committee? All right. So, if there are no other comments, questions or any new business, then I would entertain a motion to adjourn.

Greg Rokeh: So, moved.

Governor Henderson: Second.

Chair Jillian Hasner: All right. So, we are adjourned, and I want to thank you for being here and for your participation in today's meeting, and I look forward to our next Consumer Services Committee meeting on June 1st at 12:30. Thanks everyone, have a great day.

Governor Henderson: Thank you. Have a good day.

(Whereupon the meeting was adjourned.)