

CITIZENS PROPERTY INSURANCE CORPORATION

MINUTES OF THE CONSUMER SERVICES COMMITTEE MEETING Wednesday, March 1, 2023

The Consumer Services Committee of Citizens Property Insurance Corporation (Citizens) convened via Zoom webinar on Wednesday, March 1, 2023, at 12:30 p.m. (ET).

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

Jillian Hasner, Chair
JoAnne Leznoff
Nelson Telemaco
Tasha Carter
Greg Rokeh
Phil Zelman
Christine Ashburn *staff*
Jeremy Pope *staff*

The following Citizens staff were present telephonically:

Barbara Walker
Bonnie Gilliland
Carl Rockman
Jay Adams
Kelly Booten
Tim Cerio

1. Approval of Prior Meeting's Minutes (November 16, 2022)

Chair Hasner: Hello everyone and welcome. 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. Thanks to everyone for joining. To get this March Consumer Services committee meeting started, our first order of business, I move to entertain a motion for approval of the November 16, 2022 Consumer Services Committee meeting minutes. Is there anyone who would like to make a motion to approve?

Phil Zelman: I will make a motion; it is Phil Zelman.

Chair Hasner: Thank you. Do I have a second?

Greg Rokeh: Second, this is Greg.

Chair Hasner: Thanks, Greg. All in favor.

(Chorus of ayes.)

Chair Hasner: Great, the motion carries, thank you. Next on the agenda, I will keep the meeting moving. The committee will receive an update on the Citizens' House Bill 2A implementation efforts. I would like to recognize Christine Ashburn, she is with Communications, Legislative and External Affairs, Kelly Booten, the Operating Officer, and Carl Rockman, the Vice-President of Agency and Market Services.

2. HB 2A Implementation Update

Christine Ashburn: Good morning, Madam Chair, we were going to just, as I mentioned when you and I spoke yesterday, do a quick overview of what I would call the consumer focus outreach we are doing regarding two provisions. One, is the requirement that Citizens' policyholders must have flood coverage under the new Bill to be eligible for Citizens. And two, as you know, the depop team, the depopulation, the 20 percent threshold would go into effect beginning with the May and June depop. So I wanted to walk through both the agent and consumer outreach and education we are doing, and with that, I would like to hand it over to Kelly so she can kick us off on walking through the flood requirements and some of the operational pieces of what we are doing to start.

Kelly Booten: Good afternoon. This is an overview of the SB 2A Bill that was passed in December on what Citizens is required to do for flood insurance. So, in the first phase of it over in the left side of the upper quadrant is applicable to policyholders in flood hazard areas. So, insureds with properties in those special flood hazards as determined by the National Flood Insurance Program, that also have wind coverage, must have a flood policy. And this goes into effect on April 1st for new business and renewal business effective 07/01. And in this category of policyholders there is approximately 290,000, give or take, that are impacted by this first round. The next round to the upper right is those outside of the flood hazard areas where it is phased in and would become statewide by the end of the implementation, again, for personal lines policyholders that include wind coverage in their policies. Effective January 1st, '24 for property values greater than \$600,000, January 1st, '25, \$500,000 or more, January 1st, '26, \$400,000 or more, and then all properties regardless of value effective 01/01/27. That is by far the largest segment of the policyholders with over \$700,000 that fall into that category based upon the initial analysis that we did when this Bill was first implemented. We have been very busy getting it implemented and up and running. We filed our rules and they were approved in January, and we have implemented the system capability necessary in order to implement this.

The minimum required coverage is the maximum provided by the National Flood Insurance Program which is coverage A values of \$250,000 or more and contents coverage of \$100,000 or more. So customers with a coverage A limit lower than that would have to sustain up to that limit of their policy. Otherwise, up to the limit that the National Flood Insurance Program covers. We are implementing required documents as a result of this to show proof of coverage, which is a signed policyholder affirmation regarding flood insurance and then proof of coverage which is one of three items. A copy of the flood application with proof of payment or a copy of the flood policy declarations page, or a copy of an underwriting multi-peril policy with the flood endorsement. That is the general overview of what is required.

On the next slide is an example of the policyholder affirmation that must be signed by the applicant and the agent acknowledging this requirement and the understanding that this flood insurance has to be kept in effect through the life of the policy.

On the next slide is a timeline, and this kind of goes to show how busy we have been. If you go to the far right the zero over there is the policy effective date. So, this kind of sets you up for what has to happen on the renewal timeline that goes into effect on July 1st, and it backs from that zero-day which is the policy effective date, back to all the things that have happened or are happening as these policies renew. So for the first three months, and Christine and Carl are going to get into the policyholder outreach that has been happening in the -- for the first three months of this implementation as we have overlapped in the days leading up to it, whereby, we start to work this book and the agents start to get it engaged in order to work with the policyholders to get their flood in the system so that we are aware of it and to avoid the actual nonrenewal activities happening. So that all starts at day 150. So the July, August, and September policies are already underway, lists have been sent to agents and we will go into some more details on that on the following slides.

And then the other thing that happened is that the quoting window for new business starts tomorrow. It is already in our systems, but effective tomorrow that requirement will be in place for new business policies effective 04/01 with a 30-day quoting window effective tomorrow. This is a high-level timeline. I am going to then turn it over to Christine to go into the policyholder outreach section of this.

Christine Ashburn: Thank you, Kelly. So as Kelly mentioned, as you can imagine there is, and in fact, I am sure, Tasha, you as a consumer advocate are probably already hearing. We have heard a lot about this. So, the awareness letter has started to go out to those folks that are impacted 150 days prior to the policy renewal month. So, for renewal dates like Kelly said, starting 07/01, so those letters have gone out. We will also send a reminder letter 60 days prior to the renewal month, and then of course, given, depending on the groups of, you know, whether we have flood, a flood access station if you have it currently if we know they have flood coverage or nothing at all. For the flood zones we would, but otherwise, no. With separate sets of letters depending on what bucket you fall into to make sure that we are tailoring our communications to what we need from our consumers to not create issues, you know, and ask for unnecessary documents for those that we may not need certain things from.

Next slide, please. So again, to the point of, to the point of Kelly's comments and mine, just to give you an idea of kind of where we are as it relates for the renewal dates from July to August of this year. We have sent 25,000 policyholder e-mails and you can see by groups A, B and C, how many are in each bucket. Obviously, group A is the largest, and then we have also mailed letters to 36,899 policyholders, again, buckets. And what that means is we send e-mails to those we have e-mails on file. We now require, we have a required field in the system for e-mails, but they can choose not to give it to us, but for years past, customers who had for a while it was not required. So we don't have all, everyone's e-mail on file, but we are growing that book. So that is why you see the discrepancy in e-mails versus mailed letters. And with that, I believe that is my only other slide. Excuse me, I apologize, yes. So just an example of the letter. Here related to, you know, related to flood, you have to have, so just an example for the policyholder letter you can see all the documentation at the top. It is obviously system generated which is wonderful. Next slide. And then we jump to, I think this is for Carl here.

Carl Rockman: Thanks, Christine. For the record, Carl Rockman, Vice-President of Agency and Market Services. I wanted to bring some visibility to what we are doing to support our agents. In order for the customer to meet this requirement they're really going to have to work with their

agent. We count on the agents to explain the requirement appropriately, offer the customer options, but ultimately, we want to make sure our agents are very well equipped to help customers meet this very important requirement. We kicked it off with agent webinars on the 31st of January and the 2nd of February. We had over 2,700 agents attend those webinars, and 805 questions were asked by those 2,700 agents. So you can see that our agent community is very, very engaged in what they need to support this new requirement. Communications, we have sent out three specific communications. A bulletin on just new business process, a bulletin on just the renewal process, and then obviously providing the agents lists of their policies that are impacted for that July, August and September timeframe. Our agents are very well equipped now to have that information and work with those consumers that need a flood policy, proof of a flood policy and the affirmation in order to continue their relationship with Citizens.

And as an extra level of support, our agency field management team is engaged. We have identified the agencies that have more than 100 policies in this process. We are actively working with those agencies as an extra layer of support to make sure they can explain the requirement appropriately and that the customer is handled in the best possible way. That will include our report on our flood support. Any questions on the flood?

Chair Hasner: Thank you. Does anybody have any questions for the group?

Governor Leznoff: I do.

Chair Hasner: Governor Leznoff.

Governor Leznoff: Yes. I was just wondering if there is any way that we are monitoring or aware of the type of response that we are getting, you know, on things like this. I am always concerned about a consumer whose e-mail box and actual mailbox gets, pardon the pun, flooded with a bunch of junk mail and inadvertently ignores important notices like this since they're -- what has the response been like or, you know, is there any, any measure of that?

Carl Rockman: I will be happy to take that and Kelly and Christine may have a comment. In working with our agents, Governor Leznoff, I can tell you the agents are highly engaged in reaching out to these customers. The communication process that Christine outlined that notifies the customer is great with a policyholder, but our agents have every reason to get ahold of these folks to make sure that they are well taken care of. The good news is a lot of these customers have flood policies, we just don't know they have them. The agent just needs to let us know they have them and get the affirmation signed. For those customers that need a flood policy it will be a different conversation, but I am sensing right now that our agents are very engaged in helping customers meet this requirement. It is in their best interest to do it and I think if the customer is lost a little bit or hasn't made the connection, I would anticipate our agents also having aggressive outreach campaigns to connect with them before the Senate one requirement rule quicks in.

Governor Leznoff: So, what I am hearing is good engagement from your agents, from agents and from, I guess members, participants.

Christine Ashburn: Governor Leznoff, I think your comment is well taken, and I think when we move beyond the special flood zones where if you have a mortgage, you pretty much for the most part have to carry the flood coverage anyways. When we start moving to statewide based on the coverage values, that probably, your question will be well taken and will be more important than

because that is going to be a number of folks who don't currently carry flood coverage, right. So it is going to be even more, more work for the agents and more outreach needs and education to the consumers because they're going to be like, you know, rightfully so, I am not in an area where I have to buy it, but this is required and given what happened with Ian, I think it is, you know, the policy was well founded in what we saw from Hurricane Ian.

Governor Leznoff: Thank you, both.

Phil Zelman: Just a comment, Chair Hasner.

Chair Hasner: Yes, go ahead, go ahead, Phil.

Phil Zelman: A number of years ago the flood zones changed primarily in Broward County where a lot of clients canceled their flood policy because they were now in a flood zone that didn't require to have flood coverage for the mortgage. Now we have to go back to the same client and say, now in order to maintain your Citizens policy you have to have flood coverage. There is going to be an awful lot of conversation, I think Carl might agree with me that is not going to be pleasant conversation with many of the clients. Just a comment for the group to hear.

Chair Hasner: And I would maybe ask, are we trying to, you know, take in any of those conversations or get anything, you know, ask for that feedback?

Carl Rockman: We are actually engaged with the agents and we are certainly going to be able to report back on, you know, any consumer reaction that we get. I know Jeremy obviously has call center intake that he may want to comment on. I think we are highly sensitized to the consumer and policyholders' reaction to this, and should have means to feed that to you. Jeremy, I don't know if you have a comment maybe on call center?

Jeremy Pope: Yes. I was going to say, I think right now it is relatively early and we have not received a lot of chatter from our policyholders. We do measure. So one of the indicators that, hey, maybe we have an opportunity to go back out there and further educate our consumers, our agent base and partner with Carl and Kelly if appropriate is, you know, what is coming in. Are we seeing complaints, you know, spike in a particular topic. So we, we track everything that comes in from a correspondence perspective, from a complaint perspective and also from a phone call perspective, and that helps us also kind of gauge, you know, what we have shared out there in the market, you know, any feedback or anything that we may need to dig in further. But, point taken, there are going to be some, some discussions that we really are going to have to walk these consumers through and partner with the agent to make sure that we get them the appropriate coverage and we process everything as appropriate. It is just relatively early right now. I think as time goes on we are going to hear more and more chatter.

Kelly Booten: And I do agree with Christine that this, this special flood zone group is not going to be the high-intensity group. It is going to be when we get past that and start going statewide. So we have maybe a little bit of time to work through some, you know, other ideas for how we outreach.

Chair Hasner: Thank you.

Greg Rokeh: Chair.

Chair Hasner: Yes.

Greg Rokeh: Greg Rokeh, looking at some of the materials that were in the packet, there certainly was, certainly was mentioned that these are legislatively required changes that Citizens is implementing. But I think it is very important going forward that that be emphasized to Citizens' customers because you know, Citizens can get blamed for a lot of things, but this, this decision to require flood insurance is, is a legislative decision that was mandated, and the complaints should really go to the Legislature if they're unhappy about, about the requirement. And so I think it is very important to make sure that Citizens emphasizes to the consumers that these are legislatively required changes, and that Citizens is not doing this on their own.

Chair Hasner: Well, I think that that is, and to your point, that is the very first sentence in the letter that is being sent out.

Greg Rokeh: Exactly.

Chair Hasner: I would just note that, that is in the packet, so.

Greg Rokeh: The biggest thing is the letter doesn't come from the Legislature. It comes from Citizens and that is, that is who at the end of the day the next day they wake up is Citizens is making me buy this flood policy. And so I think it is something that has to get emphasized, and more than, you know, in multiple ways. So just a comment because I do agree that when you get to the second batch, the people that are not required, that are not in flood zones, it is going to get, it is going to get kind of loud.

Chair Hasner: Thank you for that, I appreciate that comment. Okay, I know that we have got to finish up this presentation. Christine has a couple more slides. So Christine. Does anybody else have anything left on this before we move back to Christine? All right. Christine, I will send it back to you.

Christine Ashburn: Thank you, Chair Hasner. So as you all are aware we, Chair Hasner especially and Governor Leznoff, we have been focusing on assessment education and making sure that when we do depop, when we do have a depop offer for someone that we talk to them about the assessment potential. In House Bill, Senate Bill 2A, excuse me, in December we actually were able to with the Legislature's support change our statute to make what I would call eligibility fair in all places. So as you all know when you come in the front door of Citizens, it is a 20 percent threshold for eligibility. So if you have an offer of coverage, comparable coverage within 20 percent of the Citizens' premium you are not eligible for coming in the door. Previous to Senate Bill 2A, we actually had a different threshold on the back end. So if you are depop or Clearinghouse renewal, you could stay literally for depop at any price. You could choose to decline any offer no matter the cost, even if it was cheaper, and with the Clearinghouse it was actually related, it was a dollar more.

So the law now says, eligibilities across the board, coming in the door or getting an offer on the back end. If you get something within 20 percent of the Clearinghouse or depop you have to go. We don't have to make you take the offer, but you certainly are ineligible to get renewed with Citizens. So we have updated those letters and I know you all have seen them and we talked about the assessment information. We have now updated those letters for policy choice offer

letters to reaffirm our role, all of the things that we need to be doing, but also include the 20 percent eligibility language. Reiterating that if they have an offer in that bucket that you are, you don't have to take the offer again, but you certainly are going to be set up for nonrenewal based on the law. And then also an opt-out confirmation letter including the 20 percent eligibility language and indicating if the policy receives a future offer with the 20 percent comparable coverage they're also ineligible and will be non-renewed. So we are just really trying to hone in. I think with the law, but also with the assessment education. Hopefully that will give our customers some comfort even if it is a little more expensive, they recognize that they are reducing their assessment liability. And I will tell you all, you know, I think, and Kelly you can speak to this as much if not better than I can. Given the other reforms during the special session on one-way fees and the tort-related pieces and the AOB ban, plus this, there is some good growing interest from new capital to maybe come into this state and create new companies to do depops and create a business around that.

So with Carl's help and Kelly's work, looking forward hopefully to the support in the fall some new companies coming in in depop because of these changes. So we will do whatever we need to from a marketing and education perspective to help make that successful when the time comes. And I think, Chairman, Chair, the next slide I think is a version of the letter. Excuse me, excuse me, it is Carl's turn. I apologize.

Carl Rockman: Thank you, Christine. With this 20 percent rule that we are going to be implementing really is only going to be as effective as the agent's conversation with the consumer. We are going to be incredibly aggressive in our outreach to agents that have selected to participate in the next depop that is part of this 20 percent. We will run the webinars. We will make sure that the companies participating in that are part of that webinar so they can sell their value proposition. We also can talk about some of the net benefits of moving to that offer that might come in at 20 percent, but we are not taking it for granted that the agents are equipped to have this conversation with the customer. We want to make sure and over support the agent's ability to say this offer is good, it is compelling, but it is also required and you are not going to be able to stay with Citizens given this rule. We are not underestimating the amount of effort that is going to take, and really this happens at the agent level and we are very prepared to engage the agents not only webinars, but in office for agents that have volumes. We also support our agents when this process happens. There is a lot of visibility with the agents in terms of these customers, their emotions. There are e-mails that go to the agent letting them know these are the customers that have been selected. There is activities in PolicyCenter. We have a website for resources, and also all the communication that goes to the customer is part of our PolicyCenter record, but our number one job is to make sure the agents are aware and engaged that there is a 20 percent offer out there and that they are prepared to have that conversation with the customer to make sure that they are handled appropriately given this change and that we have the best outcome possible.

Chair Hasner: Thank you, Carl.

Carl Rockman: Thank you.

Chair Hasner: Does anyone have any questions from these slides?

Tim Cerio: Madam chair, could I just make a quick statement?

Chair Hasner: Absolutely.

Tim Cerio: So I think it is really important at this stage, and you all, we talked a little bit about it at the special Board meeting and we will talk more about it at the Board meeting in March, but with the changes that have happened legislatively and the specific language in Senate Bill 2A that talks about Citizens charging actuarially sound rates and not being competitive with the private market, and obviously we are going to need our partners and our regulators help with that at OIR. But the message really is clear. And so what we are trying to do, we are focusing on depopulation and one of the, sort of the prism that we are going to look at in these major decisions that we make is, first of all, is what we are doing, does it promote depopulation.

And secondly, does it enhance the customer experience or customer service, and then thirdly is what we are doing going to minimize the risk of emergency assessments, and sometimes one and two they could conflict. And so, and we are trying to be mindful of that, but the idea is this. We really need to, we need to double down and take advantage of these tools that the Legislature has given us to focus on depopulation. However, if you are a Citizens customer, while you are with us we are really going to, we are going to take care of you until you get to go on to hopefully what is a better policy in the private market. And Jeremy and I met this morning and the whole ELT is talking about it, but Jeremy and I met this morning on strategies as to how can we enhance the experience even more to just provide that service. Because it will be a difficult transition for our policyholders in some instances as they go to the private market. I think it was appropriate to mention that in this committee meeting.

Chair Hasner: Thank you. That is our new CEO of Citizens, Mr. Cerio. So just for the record.

Tim Cerio: Thank you, Chair Hasner. My bad for not announcing myself, I am sorry.

Chair Hasner: That is okay. I wanted to make certain for those who didn't know who might be joining.

Tim Cerio: Thank you.

Chair Hasner: We are pleased to have you with us today.

Tim Cerio: Thank you.

Chair Hasner: All right. Any other, any other questions or comments?

Phil Zelman: One more, Phil.

Chair Hasner: Absolutely, Phil.

Phil Zelman: And it may be for Carl. With the outreach that is going to be done to the agent is one thing. Are you going to do outreach to the insureds where in the past you have gone out and had, you know, meetings in Dade County, Broward County, et cetera, live meetings for policyholders to come and voice their opinion?

Carl Rockman: So, I will defer that question to Christine or Jeremy. I think it is more appropriate for them to address that question.

Jeremy Pope: I am making sure this is on. Yes, I was just going to say, you are right, Phil, years ago, let me make sure my video, I am having video challenges here. Many years ago we did have those town halls, especially around rates. It was a forum, if you will, where we could just discuss with policyholders face-to-face, answer questions that they have in the various communities around the state. So your idea is a great one and one that we will continue to consider, especially as some of these new changes that continue to develop that we roll out to, again, try to push folks to the private market where appropriate and making sure that folks understand the process along the way. So we will take that as an idea, because again, to your point, many, many years ago we did conduct those, those forums across the state in various communities and associations as well, so.

Phil Zelman: Okay, just a comment. Thank you.

Chair Hasner: Thank you, Phil. Anyone else before we move on?

Governor Leznoff: I just want to support the suggestion that was just made and any other efforts that we can do given the significant impact that the legislation is going to have on membership, that we are showing that we are doing efforts beyond sending an e-mail or a letter. Whatever efforts we can do to notify people would be great, because this is going to be a big impact. There are, you know, inevitably going to be people that are quite unhappy, and I think it is incumbent upon us to do everything we can to smooth those bumps that are going to be in the road ahead. So I applaud the suggestion and any other creative things that we can do to get the message out.

Christine Ashburn: So Governor Leznoff, this is Christine again. So just for awareness, one of the things that we do and part of my shop with Jeremy's team's help is we actually do office hours in legislative offices in the off-season, so when they are back in the districts and we have the members advertise them. We do one-on-one meetings. We actually have customer service folks on the phone. So I think why I share that is, that will be a very good gauge for us as we get to after session to see where the hot spots are on this so that we can then if we think we need to do a larger presence locally. Like Jeremy said, we did do town halls, we did policyholder forums many years ago. Not just about rates, but lots of things to get feedback, and as you can imagine some areas of the state it was more widely attended than others, but if we need to go down that path, I do believe between call center calls, what Carl is hearing from the agents, what we are hearing from legislative members and their staff on this will help us guide where we might be most impactful to go out in the field like you are suggesting and, you know, provide information and give, get feedback and give education. So we are all over that. So we appreciate the feedback.

Chair Hasner: Thanks, Governor Leznoff, anyone else? All right, we will keep moving. Next, I would like to recognize Jeremy Pope, Vice-President of Customer Experience to present to the committee a Consumer and Policy Services Operational Update which is specific to the needs of our consumers. Jeremy.

3. Consumer & Policy Services Operational Update

Jeremy Pope: Thank you, Chair Hasner, and good afternoon to you and the fellow committee members. And again, for the record, my name is Jeremy Pope, Vice-President of Customer Experience. So I come forward, forward today with no action or consent items. Today is simply a brief operational report out. This is a periodic report out we share with the committee that

highlights our service output from various operational areas, and these are areas that directly provide service to our consumers.

Next slide, please. So this right here is a recap for at 2022, and as this committee is fully aware, we had substantial growth last year. So operationally we had to make sure we had enough staff throughout the year to support the growth, and also the event that occurred in October, end of September, October with Hurricane Ian. So the yearly recap. Again, I am going to go over this quickly, but we serviced over 1.3 million calls and we were within goal of our, both our service level and quality. So if I could summarize that, we were servicing our policyholders quickly and efficiently in providing the appropriate level of service of what we constantly monitor, and this is both internally and also with our vendors that service our calls as well, because we do outsource a portion of our business or calls I should say to vendors so we can expand and contract as appropriate with our PIF count.

Next slide. In 2022, I am not going to go over live chat too much because I have already brought some of this to the committee earlier. As this committee is aware, we did have a pilot in the beginning of the year and that was really for us to get our feet wet as an organization. This live chat, do we think that it is functional, it could help us, you know, help aid the customer experience in a positive way and provide value. And quite honestly deflect calls into the organization because there is a lower cost to serve, if you will. The pilot ended in April, we had successful results and what we decided to do was resurrect that functionality in September and it was perfect timing because it came in handy in October when Ian hit and that was part of our response. Live chat really, really helped increase our online registrations with myPolicy which is our customer portal. In the current software that we have, we have very limited functionality, but we do have a UCaaS/CCaaS project on the books and working on the implementation plan as we speak, and eventually that project once implemented will, will essentially upgrade both our telephony and also the live chat software that we are using. We will have a lot more functionality and we will be able to utilize that service channel a lot more than what we can today, but we do have it live. It is there and we did service about a little over 3,600 chats, and again, meeting our service level and quality goals as well.

Next slide. This is just our policy services volume. This is the group that helps with, consider this like the back office for a lot of consumer requests, a lot of simplistic requests that we try to handle ahead of things getting into underwriting. So this team serviced over 705,000 transactions last year. Again, quality and service level goals were where they need to be. We have service levels for every piece of work that comes into the group, and again, it is monitored from a productivity perspective to ensure that our consumers are receiving a consistent level of service throughout the year. Whether again, they're submitting documentation into the organization or they're contacting us through one of our service channels.

Next slide. In speaking of service channels, our customer correspondence team, you know, handles policyholder inquiries. It could be complaints, could be regulatory complaints or regulatory inquiries, or legislative inquiries. All that comes in typically through e-mail, mail or through an employee or a person quite frankly. It could come through a Board of Governors member potentially. So we have service levels that are tied to all these different channels and we monitor those as appropriate.

Next slide. When we look up all of our correspondence which we reference as an incident because what we essentially do, it is essentially a case management process when something comes into

the organization. So these are inquiries and complaints. As a whole we open up everything, we track everything, we monitor it from a service level perspective to make sure that we answer these inquiries as appropriate, and then ensure also that we mitigate any type of redundancy within the organization. We know who is working on what and ultimately, we can either, you know, meet the needs of a policyholder concern potentially or answer a general question which happens as well. So, for the year we had 22,026 incidents, correspondence coming into the organization, and on the next slide, this will kind of break out the channel in which they come from.

So we have got everything from social media, things that come in as executive-level inquiries or from a Board member. We do have the regulatory component and then we have the direct correspondence as well. Above all, the majority, the e-mail channel seems to be the highest for us, and no matter what channel it comes through we reach out to the consumer when we are in receipt of their inquiry to let them know that we have it and we set some type of expectation so that they know it is being worked on and if they have any further questions to let us know as we are submitting research on their behalf.

Next slide. When we look at complaints, which is part of that actual number that I referenced, the 22,000 incidents. For the year we had 1,683 complaints into the organization. We break that out with claims versus nonclaims so you can see that break out there. We also categorize everything, what we call disposition codes. So essentially the reasons for the complaint. These are tracked very heavily because you guys, you can imagine we have regulatory complaints that come in as well and we want to make sure that we are responding, not just consistently, but efficiently as well. We track all those things. There is a lot of times that these complaints are not necessarily, you know, there was not an issue at Citizens. It turns into potentially an opportunity to educate maybe a consumer, to educate an agent, but at the end of the day we triage it as quickly as we can and provide that resolution for the consumer as well. Sometimes we receive stuff from Tasha Carter's office. We have a very good relationship with her office, with policyholder inquiries and we also work with our partners at the DFS and OIR as well.

Next slide, please. In addition to what we did recently, also, we broke out the amount of correspondence coming into the organization when, you know, any type of event if you will triggers a spike in volume. And what we were trying to monitor is, did Hurricane Irma look any different than Hurricane Ian, and while you look at the graph it looks like it did. When you break down the policy count, the content, what we call contact rates, the number of correspondence coming into the organization per PIF was very closely aligned. We didn't see a spike at all. So we were just curious were consumers contacting us more, were we getting greater complaints than what we received in the past and we didn't see that at all. We have essentially remained flat in relation to our actual PIF and that is all correspondence and complaints when we were analyzing some of that data. Out of all the correspondence that came in, we were within our service levels for the year as well. Again, just wanted to provide that update.

On the next slide, I am not going to go over this in detail because some of these items we have actually come forward to this committee for requested spend for various projects. So at the end I just want to say, thank you for your continued support, but any forecast or any predicted savings that we provided to this committee in the past, they were estimates, and what we expected and these are the actual numbers. So there were various initiatives that we rolled out that either directly impacted our consumers, enhanced the customer experience or freed up capacity operationally so we didn't necessarily have to hire as many people to service the needs of our consumers. When you total everything up in 2022, everything from our mortgage self-service

portal implementation to adjustments to our interactive voice response unit which is the telephone system and enhancing various self-service tools within the customer portal, we booked around approximately \$1.3 million dollars in savings, and I will tell you in relation to PIF for this year, our forecast with just these projects on deck, that is with nothing new, we are expected to save an additional \$2.2 million because we did work on these efforts last year.

So I just want to say thank you for this committee for the continued support when we do come forward to this committee for requested spend. It has helped us really get the appropriate ROI back and ultimately meet the needs of our consumers. And as this group knows, you know, a lot of growth last year. We hired 90 employees into the division to help support all of these efforts. We have 36 employees that were promoted and several of those have left the department and have gone to other areas of the operation because the Consumer and Policy Services group is used almost like a feeding ground. We bring them in and they're trained and we utilize that talent from a career pathing perspective across the organization which is a win/win for everybody. So it was a challenging year last year, but we felt we were very successful and we were also able to reduce turnover by 10 percent last year in still what we would call somewhat of a turbulent labor market. And I would have to mention, you know, there are so many different departments that have helped us with all these consumer projects listed above, IT, the Claims shop, CLEA of course and many, and Jennifer, the finance group. Almost every area of the organization in some way, shape or form has been part of these consumer projects or supporting them and just I have to thank that group as well, because we wouldn't have been as successful as we were last year in rolling all these things out.

Next slide. One of the things in regard to policyholder outreach, and again, some good discussions earlier in today's meeting and again, we have made notes. I know Christine and I will be huddling up just to discuss some additional opportunities we have to essentially, you know, reach out to the markets in which we serve to make sure we are educating and helping consumers as much as we can with all of the changes that have taken place. The CFO held a hurricane insurance village which was led by the DFS in January. This is typical. We had an insurance village shortly after when Ian made landfall. I know this committee is aware, we have reviewed that and this is typical with major events. A couple of months out the DFS usually opens up an additional insurance village. So there were three different locations, it was about a week long. We had representation. They asked us if we would be there, absolutely any chance we get to be out in the market to meet the needs of our consumers we always take advantage of that. Did not have high traffic. That is a good thing. We didn't expect high traffic, but throughout the week we had 94 policyholders were assisted in some way, shape or form. We had leadership from the Claims group there in addition to adjusters on-site so they could make any, again, answer any questions, but in addition, we were able to disperse 18 additional living expense checks throughout the week, totaling a little over \$78,000. So we thought it was successful. Didn't have a huge, huge turnout. That is a good thing, but again, took advantage of the opportunity to be out in the area, in the Fort Myers area.

Next slide, please. And this is really the next three slides. I am not going to go over this in-depth. I just wanted to make this group aware an additional enhancement with the help of so many internal partners, IT, our BA teams and CLEA with the marketing and the communications for our consumers. We rolled out actually last week where consumers now have the ability through our customer portal to select paperless, paperless options. So they can suppress their printed insurance documents. I have been working on this for a very long time, and based on some assumptions that we had built in for this year, we are expecting a 7\$00 to a million dollar savings

this year alone. That is of course, dependent upon adoption rates, but those are some of our initial assumptions. We will true up those numbers at the end of the year and we continue to track the success rate with consumers selecting a paperless option, but the next phase of this project will be us focusing on new business.

You know, we are finding any opportunities that we have to suppress new business documents or having the policyholder elect that option at the point of sale so we are not necessarily having to chase them after, you know, we get the business on the books and ask them if they would like to go paperless. So as we progress in that space and any future updates or traction that we make, we will make sure that we bring those updates to this committee for guidance, feedback and any comments as appropriate. So with that, Chair Hasner, that concludes my update today. I will be happy to answer any questions that the committee may have.

Chair Hasner: Thank you, Jeremy, for that presentation. It was excellent. Does anyone have any questions for Jeremy?

Tasha Carter: Chair Hasner, I do have a follow-up question, please.

Chair Hasner: Yes, Tasha, go ahead.

Tasha Carter: Okay. Good afternoon, Jeremy, and thank you so much for your presentation. Can we go back to page 20 in your slide deck? I wanted to just ask follow-up questions relative to the disposition codes for the claims-related complaints. I see that the top disposition code was nonresponsiveness from adjusters. Can you share with us what trends you have identified centered around that particular complaint and what steps have been taken to address those trends?

Jeremy Pope: Absolutely, Tasha. So when the complaints do come in and whether they're complaints or inquiries we count them as they come in. So a lot of times we will find that, you know, it may have been, you know, the adjuster, you know, somebody may say, oh my adjuster didn't contact me back, but then we are able to find up front the consumer had the wrong phone number written down or something or they weren't using the right phone number. But we did, I know we have had when we have changed adjusters from time to time, if their claim, and I know Jay is online, too, he can correct me if I am wrong, but we have had adjusters that have transitioned throughout the process for various reasons, and there is times where, you know, even though that we have communicated to the consumer that, you know, here is your new adjuster, this is the direct contact, they are still calling maybe a former adjuster and they may not be potentially with us anymore and so forth. But I can tell you to answer your question on trending and so forth.

In addition to this, any consumer feedback that we get, and we have a Voice of the Customer program where we are tabulating any feedback we get from consumers. We put that together so we can trend it, and those results really, we try to break down that data even with customer verbatims and we provide, essentially, we come up with action plans, if you will, if there is some type of operational opportunity and sometimes it could be to us just re-educating or remarketing, whatever it may be and we work I know with the Claims leadership team and we provide like a quarterly report, if you will, so that we can work together on any opportunities that we may have. Jay, is there anything else you would maybe want to add on that?

Jay Adams: Yes, I will, Jeremy. This is Jay Adams for the record, Chief Claims Officer. Tasha, I would believe that a lot of these not responding are related to Hurricane Ian. When we were setting up our desk adjuster group, we had a lot of adjusters who were having some technology issues and problems signing into our systems. One of them being our phone system. We also had some performance issues as you might understand with bringing on a large number of adjusters. And as soon as that came to light, our catastrophe team started addressing those and putting specific groups on the phone so that the policyholder did have the ability to reach out to, you know, a live body at any time. So that would be my guess where the majority of that comes from.

Jeremy Pope: Go ahead, Tasha.

Tasha Carter: No, go ahead, Jeremy, I am sorry.

Jeremy Pope: I was going to say, one other thing I wanted to add, too, we also look at our complaint ratios based on our PIF. So we take a look at that as well, you know, how are we doing, how are we trending and we have remained flat even with our growth. We were currently working with our partners at the DFS to see if there is an opportunity to potentially get some additional data around complaints so we can benchmark ourselves, but last time we had a formal report, quite honestly through market conduct exam through 2019, and when we had that exam that took place, Citizens had the third fewest complaints comparing us to the Florida domestics. So that was a good gauge for us, but we are, we have had conversations in fact actually at the insurance village in Fort Myers in January, you know, having some discussion, could we potentially get some type of reporting. There is a lot of information with like other company names that they redact which is totally fine, but when we can compare ourselves with either direct written premium or PIF count that helps give us a pretty good gauge of, you know, how are we doing if you were compared to the other carriers.

Tasha Carter: Okay, thank you so much.

4. CSC Charter

Chair Hasner: Any other questions? Okay. We will keep moving. All right, committee members onto the final agenda item. I would like to provide a brief update on agenda item number four. As part of our routine periodic review of our committee charter, Christine and Jeremy reached out recently for any requested edits. Mid the committee review we were made aware of our very own Phil Zelman announcing his retirement from the industry. Although this is an exciting announcement it also included Phil's resignation from the Consumer Services committee, so that is not so exciting, but we understand it will allow him to completely enjoy this next season that he has so well earned. So, we are extremely happy for Phil and forever thankful for his service for so many years on this committee. So, thank you, Phil. So, we just want to take a moment to acknowledge your service, but, based on the recent announcement and in conversations with Christine and Jeremy, we feel it is best to extend the charter review through our upcoming meeting which is scheduled in May. If they don't receive any feedback ahead of our next committee meeting it will be understood there are no changes requested to the charter. So, I would like to ask my fellow committee members, are there any concerns with this approach? All right. I don't hear any. So, we will, we will go with this approach. So, Phil, I don't know if you have any words you want to share, but again, we are extremely happy for you and your family and wish is you the very best and thank you again for your public service on this committee as well as your diligent

efforts over the years in the industry. Anything you would like to add? Okay. All right. Then we will close it out. Do we have any other questions or comments related to this committee? All right, any new business? Hearing none, then I would ask for a motion to entertain a motion to adjourn.

Tasha Carter: So moved.

Chair Hasner: Second?

Phil Zelman: Second.

Chair Hasner: We are adjourned. I want to thank you for being here and your participation in today's meeting and I would like to remind everyone of the next committee meeting, Consumer Services committee meeting is scheduled for Wednesday, May 24th at 12:30 p.m. Thanks, everyone.

Phil Zelman: Thank you, Chair.

(Whereupon the meeting was concluded.)

FINAL