

Market Accountability Advisory Committee 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	Market Accountability Advisory Committee Meeting Minutes November 30, 2022
Purpose/Scope	Review of the November 30, 2022 Market Accountability Advisory 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 November 30, 2022 Market Accountability Advisory Committee Meeting minutes.
Contacts	Kelly Booten, Chief Operating Officer

CITIZENS PROPERTY INSURANCE CORPORATION

**Summary Minutes of the
Market Accountability Advisory Committee Meeting
Wednesday, November 30, 2022**

The Market Accountability Advisory Committee (MAAC) of Citizens Property Insurance Corporation (Citizens) convened via Zoom webinar on Wednesday, November 30, 2022, at 10:00 a.m. (ET).

The following members of the Market Accountability Advisory Committee were present telephonically:

Dave Newell, Chair
Allen McGlynn
Brian Hodgers
Greg Rokeh¹
Jorge Hernandez
Lee Gorodetsky

Lissette Perez
Lori Williams
Stacey Tomko
Susanne Murphy
Kelly Booten, *staff*
Christine Ashburn, *staff*

The following Citizens staff members were present telephonically:

Barbara Walker
Barry Gilway
Bonnie Gilliland
Carl Rockman
David Woodruff
Doug Hageman
Forrest White

Jay Adams
Jeremy Pope
Ray Norris
Sarai Roszelle
Tim Cerio
Wendy Perry

The following Citizens Board members were present telephonically:

Jason Butts

Call Meeting to Order

Roll was called and a quorum was present. Chairman Newell called the meeting to order.

Chairman Newell: Thank you, and welcome, everybody. Thanks for taking the time this morning. We'll call the meeting to order for the Market Accountability Advisory Committee on November 30th at 10:00 a.m.

1. Approval of Prior Meeting's Minutes

Chairman Newell: First order of business is to approve the prior meeting minutes on August 31, 2022. Do I hear a motion?

¹ Greg Rokeh joined just after roll call.

A motion was made by Lee Gorodetsky and seconded by Brian Hodgers to approve the August 31, 2022, Market Accountability Advisory Committee (MAAC) Minutes. Motion carried.

2. Hurricane Ian Update

Chairman Newell: Behind Tab 2, let's bring in the "dream team", as we're calling it today. We have Jay Adams, Christine Ashburn, Jeremy Pope, and Kelly Booten. So welcome, you all, to provide us with an update on Hurricane Ian.

Jay Adams: Thank you, Chairman Newell, and committee members. For the record, my name is Jay Adams. I'm the Chief Claims Officer here at Citizens, and as Dave mentioned, we'll be doing a team approach to the hurricane update. I'd like to start with the first slide, please, and I'm going to just focus on the Claims piece.

So, Hurricane Ian made landfall Wednesday at 3:05 p.m. at Cayo Costa, Florida. It was a Category 4 with 150-mile-an-hour winds. Next slide, please.

Prior to Hurricane Ian making landfall, Citizens had to do some things to get the ball rolling so that we were ready to respond. Some of the things that we did on the front end where we had to activate our catastrophe plan. As I have talked about before in this MAAC committee, our catastrophe plan is an enterprise-wide plan, so every division within the organization has CAT coordinators. And when we execute our catastrophe plan, that puts all those folks on notice so that the entire enterprise is focused and ready for our response.

We also had to put the call centers on notice, and the call centers are the folks that take our First Notice of Loss (FNOL). They have to have the opportunity to ramp those teams up to be able to respond to the increased volumes.

And, of course, we had to put our independent adjuster firms on notice because within our CAT plan, we leverage independent adjusters primarily for our catastrophe response.

We also went under binding restriction on 9/25. We issued a few pre-storm press releases to advise the policyholder to contact Citizens first, gave them all the applicable information, and then, for those folks that we thought were going to be in the direct path of the storm, we did some direct e-mail communications to those folks. Next slide, please.

I'm going to spend a few minutes and talk through how we actually set up our claims response and how we assigned claims and moved them through the process. We leveraged our managed claim model, which is our daily model. We always have significant numbers of adjusters deployed, and they handle the claim from beginning to end in this model.

What this did was, as the first claims came in, it gave us a space to start filling up the capacity of those adjusters to handle these catastrophe claims. So, they handled them like they do all their claims, they made contact, they set up inspections, and then they actually settled and handled the claim. As their capacity diminished, we continued to add claims to them until we had our full catastrophe response set up.

We leveraged desk adjuster teams, and, really, desk adjuster teams -- think about it more as a phone unit or a phone-handling group. These were independent adjusters, and they are responsible for taking the field inspection that comes back from the field, contacting the

policyholder, discussing the settlement, and getting that claim ready for a check, if applicable, or the closing documents to go out. They also will handle in the future any supplemental claims, or any reopens, and as I said earlier, they do act as a phone unit as well.

We set up a fast-track team, and the idea here is these folks were handling the lowest severity claims and they were handling them by phone. The idea is that somewhere in the neighborhood of 40 to 50 or 60 percent of the claims that come in from any event typically are Severity 1 and Severity 2 claims, and what that would be is, three or four shingles off your house, you may have a section of fence down, you could have a tree down on some covered property. Those are the things that they handle over the telephone.

We leveraged our litigation adjusters. We currently have almost 400 of those folks deployed, and what we did is we used them for four hours in the evening, Monday through Friday, and then a 12-hour day on Saturday and Sunday. Once the desk adjuster had contacted the policyholder, explained the settlement, whether it's covered or denied, then it moved over to the litigation team, and what they did is they processed all the applicable paperwork that's required to get that out the door, and that really just helps speed up the process for the desk adjusters. Next slide.

We also deployed CAT field adjusters, and these are the folks that actually hit the ground, go out and look at the damages, and they really focus on Severity 3 and Severity 4 claims. They go out, inspect the loss, scope it, write an estimate of damages, and then return it back to that desk adjuster.

Then we set up three specialty teams, and the reason we set these teams up was we were trying to deliver a consistent settlement and message to the policyholders for these types of claims. We had one for Sanibel, and they, obviously, focused on all the claims that came out of the Sanibel marketplace.

We had a mobile home specialty team. The reason we do mobile homes is in the state of Florida, they are treated like an automobile, and they have a title. So, this team has to process and close out all those titles and handle the demolition of any mobile homes that were total losses.

Then, our large loss group really focused on Fort Myers Beach and any claim that had a storm surge or significant structural damage.

Again, the idea behind those teams was to drive a consistent approach and messaging to the handling of those claims. Next slide.

Every storm that we have here at Citizens, it seems like we always struggle to get qualified independent adjuster resources deployed. A lot of times we have lots of independent adjusters that come and want to participate, but we have a lot that just don't really have the skill sets to do what we're asking them to do. So, we always look to technology to see what we can do to increase productivity and decrease the cycle time. And the advantage of doing those things is you need less and less independent adjusters, the more technology you can leverage.

What we did in this event is, we do have a contract with GIC, and they provide pre-event and post-event aerial imagery. What we were doing with this is we were leveraging it in Sanibel, specifically, and in Fort Myers, and we were looking for those claims that all that was left was a slab. Those are very easy for us to adjust. So, we started there and then worked into claims that had significant damage, and then anything else was actually being assigned out, as I mentioned earlier.

We did work with the GIC team to provide us with a damage assessment tool. As I said, they provide pre- and post-event imagery. They have artificial intelligence embedded into this that looks at the pre-damage and the post-damage, and it comes up with an estimate. What we did is those that had the highest degree of damage we assigned over to the large loss team. And, again, we were attempting to desk adjust those as much as we could. And then we leveraged all the public website information, like county building and real estate sites, because when you're desk adjusting a claim, we don't always have all the information necessary to write an estimate, such as square foot of rooms and those types of things, and many of these websites have this information that we needed so that we could fully desk adjust some of those claims. Next slide.

As I mentioned earlier, we had a bunch of teams set up, and here's a list of those again, and this is a list of the number of resources we deployed for each team. And really all I want to speak to is at the height of the storm, we had 1,829 independent adjusters deployed. Next slide.

This slide speaks to the specific metrics that we track for Hurricane Ian. This slide is a little dated. The data is of 10/24. I do have some updated numbers I'd like to share. For the new Ian claims, we have had 55,948, we've closed about 65 percent of those claims, and we have a total incurred of \$1.293 billion so far for that storm.

I'm not going to go into any detail on Hurricane Nicole, but I would like just to give a brief update. Nicole made landfall on 11/10 at 3:00 a.m. a little bit south of Vero Beach. It was a Category 1 with 75-mile-per-hour winds. So far we've received 2,245 of those claims and we've got a total incurred there for \$37.9 million. Next slide.

In almost all of these hurricane events, the governor issues an emergency order, and that emergency order gives Citizens the ability to do some emergency contracting. Now, as I said earlier, initially we were struggling to get really good, qualified adjusters that could do all the things that we were asking for, and our current vendors were not able to completely provide the level of qualified adjusters we were really looking for. Here's a list of folks that we did go out and do some emergency adjusting with, and most of those on this list we have prior relationships with, they just currently are not under contract with Citizens.

We also, as I mentioned under the technology screen, we did go in and expand our aerial imagery by using the damage assessment from the GIC. So those are the contracts claims entered into under the emergency order. Next slide, please.

I just wanted to show you this. I believe Jeremy will go into the consumer sites, but these are two vehicles that we have specific for claims. We tow those things out and they are really mobile command centers for us, and what we do is we put staff in these to work with the field-deployed, independent adjusters. We do ride-alongs with them, we train with them, and what we are really doing is quantifying that they have the ability to do what we're asking for.

We also have the ability of creating a hot spot here. Many times immediately following a catastrophe, there may be power outages, phone outages, cellular outages, and so forth. We can create a hot spot where adjusters can come there and get onto the Internet, and they actually have to have this because we send all of the assignments to them electronically. So they need to be able to come to a place that they can upload and download the information to transmit it back and forth to Citizens.

And with that next slide, I will be turning it over to Christine to go through the policyholder outreach portion of this.

Christine Ashburn: Thank you, Jay. Good morning chair and members. I know a lot of you have seen this as we've used our CAT plan throughout the years, but, of course, pre- and post-storm communications are critical. We do focus in pre-storm communications on preparation e-mails and information sent in advance of the storm to employees, agents, and policyholders, of course, home preparation tips, notification of binding, suspension, and information that helps agents prepare for claims, and, of course, consumers. We do also update our internal website, urging our own employees to prepare because, of course, we have employees throughout the state of Florida. As we know, with the uncertainty of the path of these storms, we often see -- I think with Ian we ended up having an emergency declaration for just about the entire state, if not all 67 counties. So, we want to be mindful that while we do have to respond as an organization, our employees need to be safe and ready as well. Next slide, please.

Again, legislative outreach. We do e-mail to district legislative offices in the path of the storm, making them aware, reminding them of our claims filing phone number, myPolicy, et cetera, and, of course, contact information internally in case they need us specifically. Then, as many carriers do, and you've watched the State of Florida do, we do press and media coverage with pre-storm press releases. There was one on September 26th. Then, we make sure our radio messaging on our Florida Public Radio Emergency Response Network sponsorship, that we're ready with storm prep, our claims filing phone number, Citizens is Ready, and to contact Citizens first. Next slide.

Again, same messaging throughout all of our channels, social media, graphics, getting our external website so there's an Ian page so that when you come to our website, you can click that button right at the banner so you don't have to look for where to find information on what to do once you have had damage, or if you're preparing, to make sure you have your documents, et cetera. So, we make sure that's all handled.

And then, of course, our social media presence is huge during an event, and this year, candidly, we saw more social media interaction following the event than we ever have before. I think that's a sign of the times. Next slide, please.

So post-storm becomes even more critical. Once we know the path of the storm, working with Jay's team and the PIF counts and the impacted areas where the severe damage is and landfall, we work with his team to notify agents in any of the impacted areas and, of course, our policyholders.

We were able for the first time in Ian to leverage post-event text messaging to the CRC locations and to policyholders in Lee and Charlotte Counties. More than 20,000 received them. I can't tell you the number of people that did come to the CRC and say, "Didn't know you were here, but I got your text." As we all know, we've worked disasters, a lot of times cell service is intermittent, Internet can be horrific, depending on who you're with, but a lot of times you will be able to receive an SMS text even when some of that other communication lines are spotty. Of course, making sure folks knew where to go and how to find us was critical, how to file claims. Then, sadly, very quickly, it was clear that we needed to start reporting to our customers about potential fraudsters in the area. And we also continued to update our employees on our overall efforts as we were in the field and the overall CAT response because, you know, while the lion's share of Citizens folks, we all support CAT efforts. When the CATs hit, there are a number of employees who are not directly involved and so we said, look, it's important for them to know what we're doing and what our efforts are to take care of our customers following an event. Next slide, please.

Again, legislative outreach is critical. We do and have in the past and did this time, we held office hours in partnership with local legislators and did pop-up CRCs at sites coordinated with state and local officials. For example, you'll see a picture here, Candice Bunker, our Director of Legislative and Cabinet Affairs, was with Representative Melo at Senator Passidomo's office where we were able to take a pop-up site with Claims leadership and go into Naples where we knew there was damage, but we had been focused in Port Charlotte and Fort Myers, and that was all wonderful. We also partnered with Representative Giallombardo, and Jay's leadership team was able to join a panel discussion and round table in Cape Coral. We were able to easily fan out. We had pop-up sites in North Port. So, while we have the two major sites, having access to legislative needs and what we're hearing in the field is critical to be able to jump up and get somewhere where customers, maybe they can't get to us. And, of course, right after an event, that's huge because stop lights are out, and if you've ever been in a disaster area and moving around an area that may take you 20 minutes normally can take you hours when you're on six-lane roads with no stop lights.

We did, of course, advertise CRC locations starting on October 4th. Commercial radio ads went on October 10th. I think that's a critical point to point out. We were able to be on the air with our FPRIN sponsorship a week ahead of where commercial media could get us on. A lot of that is stations not coming back up, or if they are up, they have limited access to phones, so you can't contact them to buy advertising. I cannot impart the importance of our ability to quickly message and target the customers we need in regions of the state with our FPRIN sponsorship after an event. This is evident. We were, again, available to change messaging a week ahead of what it took us to get on commercial radio in those hardest hit areas.

And like I mentioned, too, we did put a fraud awareness press release out. I think we all know that catastrophes bring out the best of people, but, sadly, they bring out the worst of people, too. In every storm, we find a new fraud angle, and so we work with Jay's team till we find out what his adjusters are hearing, we hear what our customers are telling us when they come to the CRCs, and we were quickly able to craft a fraud awareness campaign that related specifically to what we were seeing from Ian.

Again, every year it changes. I think this year, we heard about some drone vendors that were insisting that you had to get your own aerial imagery or they wouldn't adjust your loss and wanting to charge exorbitant amounts. Well, as Jay mentioned, we use our own aerial imagery, so that was a new one for this storm. Sad, but glad we were able to find out what was going on and get the word out quickly. Next slide, please.

Again, post-storm communications, graphics, social media, how to call us. Just really wanted to give you guys a picture of what that looks like. Again, you see the "Don't be fooled" and we've got some drone imagery there. The cost of boats if you want to get out to your property and, you know, you're not going to be able to get adjusted unless you pay for the adjuster's boat, I mean, just all kinds of things. Again, every storm is unique Next slide, please.

This is now Jeremy. I'll call Jeremy up.

Jeremy Pope: Thanks, Christine. Jeremy Pope, Vice-President of Customer Experience. Following a storm, an event, we have three consumer-facing service channels that are critical to meet the needs of our consumers, and they're listed here on this slide. The one you've heard a little bit about are our Catastrophe Response Centers, also known as our CRCs; our FNOL call center support, which is open 24 hours a day for consumers to call to file their claim, or also to get any type of claim status as appropriate; and, then, also, we activate, when appropriate, our

policyholder outbound-calling campaigns. So, again, these three customer-facing service channels are critical to meet the needs of our consumers following an event like Ian. Next slide.

For our CRC deployments, we were out there for 14 consecutive days. We partnered with the Department of Financial Services, with the insurance villages that were set up in Port Charlotte and also in the Fort Myers location, those are the first two locations that are highlighted here on the very top. The remaining three are what we refer to as our pop-up locations. We go out there for a couple of days just to see if we have any type of consumer response, and most importantly, just make sure that we have the appropriate visibility in the areas that had an impact.

Over the 14 days, we were able to service over 2,400 policyholders. The really great news here is we cut over \$4 million in ALE checks. That's a total of a little over 1,300 -- and I say "checks," that's payments, because we actually write physical checks and offer electronic payments, ACH payment, if desired by the consumer. This -- an average is a little over \$3,000 per payment that we made out in the field, and, again, these checks -- or these payments, I should say, are there to help the consumers seek shelter when appropriate or food or anything else to help them get them on their feet while we're processing their claims. We had a lot of consumers that showed up for these payments, and then, also, consumers that showed up just because they had questions about their policy and not necessarily because they needed to file a claim. And, then, obviously, if they did show up and they needed to file a claim, we were able to do that on-site.

We had a total of 53 employees that were deployed that were supporting the various locations. Following Ian's landfall, we had all 53 employees in the Sarasota area in hotels, so we could open up our CRCs on that Monday when the first insurance village opened up at one o'clock. So, we had boots on the ground immediately following the storm, and, then, the second insurance village opened up on Tuesday as well, the following day. Next slide, please.

These are just some various pictures that you can see of all the activity that went on over those 14 days. On the top right, you'll see CFO Patronis is there with Barry, along with Jay in the background. We also had several board members that came through, as well, to show their support, to observe the operation, and also to thank employees, because they were out there for long days. Again, we were open from 8:00 a.m. to 6:00 p.m. in most locations, and that doesn't include the various travel times that took place, as well, in the areas. Next slide.

Just some additional pictures. Again, you can see some of the technology that's highlighted and a lot of support staff. You know, as Jay mentioned, it takes a village across the organization to support these efforts in almost every single area of the organization, and the employees that are deployed, volunteering, do represent almost every area in the organization as well. Next slide.

These are just some kudos that came in specifically for some of the staff that were out in the CRC sites. This one in particular is for the Port Charlotte site. This came through social media through Christine's team. There was some really positive feedback about our presence out in the field. We obviously share that with staff to validate the efforts, but it's nice to get this from consumers directly and, honestly, to be there when they need us most. Next slide.

And then the FNOL Call Center, again, as I mentioned. We have various vendors that support us, especially with the massive ramp, if you will, for any event. This phone line, I should mention, is open 24 hours, so these vendors support those hours seven days a week. We elevated our support that was needed to support Ian two days ahead of landfall just to make sure that we had the various

resources needed to support FNOL intake, and, also, to support any claims calls that consumers may have.

We kicked off that support on September 26th, and all the way through the end of October we serviced a little over 125,000 calls. The service level and ASA here are metrics, and what this essentially means is the average wait time for a consumer to contact Citizens was around 18 seconds. During this time to, again, either file a claim or ask any general questions they may have, or if they have a claim already in progress, we can help them get them connected to their adjuster directly, if appropriate.

We trained over 2,400 Customer Service Representatives to support these efforts. So, again, that's a huge task, and in addition to the various servicing that I mentioned that the FNOL line is there for, they also will assist consumers with any questions on the various CRC locations when we are out in the field. So, they provided that support as well. Next slide.

The final slide here recaps our policyholder outbound calling campaign. We did activate a campaign, and we focused on the Lee County area where we weren't seeing a lot of claims coming in initially, but we knew there was various devastation in that area, we proactively reached out to those consumers. We attempted to contact 9,975 consumers, and we made contact with a little over 3,000. When we make these outbound calls, we're checking up on the consumer. We're making sure they know that we're available, making sure that they're okay, and then, validating if they have any damage to their property, we'll take the claim right then and there. There were 155 new FNOLs that were filed; again, a proactive approach here to make sure that they know that we're here and we want to help them as quickly as possible.

There were a lot of kudos from the consumers. A lot of them were kind of surprised that their insurance company was contacting them to file a claim. Several did not, but they did express their gratitude for Citizens being there if they needed us. So, again, the team did a really great job with these efforts as well. We're very sensitive and ensure that it's the appropriate time when we do make these outbound calling campaigns, so we do usually wait a bit. It's not usually the immediate day or anything following -- once landfall hits, but we wait so we understand the areas that were impacted and the situation before we reach out, because it can be very sensitive, as you can imagine, with various events when we're making these outbound calling campaigns.

And that concludes my update, and I will turn it over to Kelly Booten for her update.

Kelly Booten: Good morning. Kelly Booten, Chief Operating Officer. I have some of the back office, behind the scenes areas to report on briefly.

The first is our Vendor Management and Purchasing area, which really does what they do best and goes into crunch time during the first two weeks of any event making sure that all of our contracts are in place. In total, 28 out of 50 Hurricane Ian-related contracting activities utilized the emergency authority under the Executive Orders of the Governor.

We then do monthly board reporting on any items that are over \$100,000, and from there, certain items that have ongoing services, go on to the board for full approval. These contracts go anywhere from the hotels that we need to get to, to additional licenses that we need to have for the number of adjusters we're servicing, to additional resources to fulfill all of the services related to the event. Next slide.

This is Underwriting, Product Management, and Agency Services. Behind the scenes, Underwriting pre-event activities go into action to focus its time on completing thousands of applications, policy changes, reinstatement requests, and other critical activities in counties within the projected path of the storm. Of course, this work supports our claim partners and agents as they prepare to help policyholders after the storm.

Also, in compliance with the Office of Insurance Regulation's Hurricane Ian emergency order, which was then extended to include Nicole, we enable underwriting processes and system functionalities to prevent the processing of cancellations and non-renewals for underwriting reasons, and also rescinding all non-renewals identified through our proof of repairs. On that one, there's a large volume of behind-the-scenes activities. About 26,000 policyholders were impacted by this. We resumed normal processing November 28th, which was Monday, and the call volume in our commercial lines unit went out of sight on Monday compared to what they normally get, processing questions and understanding some of the activity that was needed to process non-renewals and other actions that were starting to happen. That will wash out this week and we will see the impact of all of those actions soon.

On the next slide are a couple of other activities that happen. Our inspection program, as you all know, has been ramping up. We had to prevent any adverse actions being taken on those policies with inspections, so we had to cancel a number of inspections that were in the pipeline and pretty much bring a halt to that, specifically for those counties impacted, and they will be reviewed at a later date once we get back to normal processing. There are other underwriting practices that happen to help pre-activities on policies to make sure that certain things just don't happen in the task management area.

On the next slide is a bullet on Agency Services. Carl and his agency managers go into action, contacting all agencies with 200 or more policies, and offering to provide advocacy for any claim-related escalations and also assist in the CRCs. We had a number of people in Underwriting, Policy, Product, and Agency deployed to the CRC sites. We conducted post-landfall agent-training webinars. For Ian, we had 433 agents appear for that, and 85 for Nicole, and that's in partnership with our Learning and Development unit.

And then last, but surely not least, is a little slide recap on IT. You know, all of the things that Jeremy and Christine and Jay talked about can't happen without IT support. They're really busy behind the scenes getting ready post, or pre-event really, with a multitude of activities, making sure that our systems are ready. Robert Mayfield tracks over a hundred items that happen before the event even hits, then we go into full action with the IT catastrophe war room, which is virtual. We do massive support for our independent adjuster orientation, on-boarding, and support. The technical support center ramps up. We do increase our number of available resources on our managed workplace services for both help desk, service desk, and our identity and access management team.

Calls to the help desk increased by as much as four times the normal activity in the first two weeks of Ian, per day, incidents reported more than doubled during the first two weeks, and then, access requests increased ten-fold.

Then, we have ongoing support for the adjusters who are still working seven days a week. We continue to provide IT support for that, and, of course, during the event, we supported the service vehicles that Jay mentioned earlier.

And I believe that concludes the Hurricane Ian and Nicole update.

Chairman Newell: Well, the dream team knocked it out of the park again. So, thank you all for all those updates. We want to open it up for questions to the group about each one of the presentations. Let me know if you would like to ask some questions of the four senior staff members of Citizens.

Lisette Perez: Chairman, this is Lisette. I'd like to ask a question and add a comment, please.

Chairman Newell: Okay. Go ahead.

Lisette Perez: The first thing I'd like to say is I think you guys did an amazing job and I want to thank you. You took a very proactive approach to contact insureds, to give us communication, to have us send communication out to our clients. You got on the radio, you were out there, and I really, really want to commend you on that and thank you. I believe that in all this time that I've been doing business with Citizens, this is the first time that I can say that you were ahead of the game on this process, and I think that judging from the metrics that were provided earlier, I think it reflects that positive outcome on having claims being reported directly through you and making the consumer aware of fraud. And so I wanted to comment on that because I was really, really happy to see how you guys aggressively approached this process. And that's the end of my comment.

Chairman Newell: Well, thank you.

Lee Gorodetsky: This is Lee Gorodetsky, Dave. I want to also commend them. I think it was awesome, all this stuff and before and after, from emails I was receiving, claims, and everything was really top of the line. Best I've seen in my 36 years of all carriers, I think.

Chairman Newell: Thank you, Lee. Any questions or other comments for --

Brian Hodgers: This is Brian Hodgers.

Chairman Newell: Yes, Brian.

Brian Hodgers: I'd like to echo their comments. I got a lot of positive calls from clients throughout this process so far, whereas in storms of the past, it was a different story. You guys have really spent a lot of time, a lot of money and effort into stepping up your game, and you guys just did a beyond awesome job and I'm very happy to see the direction you guys have taken. I just want to send my thank you on behalf of my clients as well.

Chairman Newell: Thank you, Brian.

Greg Rokeh: Chairman, this is Greg Rokeh with a comment, question.

Chairman Newell: All right, Greg. Go ahead.

Greg Rokeh: Kelly, I've got to echo what everybody else has said. It certainly sounds like from everything we've heard post-event, that the plan was very well thought out, very well prepared, and seems to have been executed pretty well. Is there a point at which Citizens sits down company-wide and looks back at the entire response and does an evaluation and says what worked, what didn't work well, what do we have to fix for next time, as opposed to just departments or sections? Is there a company-wide look-back that you guys have done or is planned in the future?

Kelly Booten: Well, Jay will talk -- go ahead, Jay.

Jay Adams: I'm sorry, Kelly, go ahead.

Kelly Booten: No. Take it.

Jay Adams: This is Jay Adams. Yes, we absolutely do. So, the first thing that will happen is our claims team and our catastrophe group within the claims group, we will sit down and debrief the overall event. Then what we will do is -- I mentioned earlier that our CAT plan is an enterprise-wide CAT plan -- we will then go back out with our feedback, present that to the enterprise catastrophe coordinator group, select any additional feedback, then, we'll work with Kelly on any projects that we need to stand up before next CAT season.

Chairman Newell: Anything else, Greg?

Greg Rokeh: No, we hear from consumers, and we see things that the public sees. I'm just curious to know what the response has been from a lot of the vendors. For example, that 1,800 independent adjusters that were called in. Did they leave the state going, "Boy, this worked really well," or "That was really a mess and I don't know if I want to do work for Citizens again in the future"? You know, those are things that we're not going to hear, but that you guys hear. And so those are the kind of things I am kind of curious about.

Jay Adams: Well, honestly, I have not heard any feedback. As I mentioned earlier, we struggled to get what we would consider qualified resources for the desk adjuster roles especially, and we have released quite a few of the independent adjusters. We have put a significant investment into training and development of training programs through our learning and development team to work with independent adjusters as they come on board. As you heard Kelly report on, they provided significant services trying to help these adjusters get on board and up to speed for things that probably they should have already known how to do when they came to work for Citizens.

So from an organizational perspective, we have all kinds of reporting that we were sharing back with the independent adjusting firms. We have Citizens' leadership embedded in every team that has independent adjusters. They were providing daily feedback. So, from an operational perspective, I felt like Citizens was on the mark. We were providing and doing the things we needed to do. As I said, we did have some pretty significant challenges, and that is why we emergency contracted with some vendors that we had prior experience with, specifically in prior catastrophes.

Greg Rokeh: Okay. Great. Thanks, Dave.

Chairman Newell: You're welcome. This is Dave Newell. Jay, to that point, over the years, we all know that that count of potential adjusters has continued to shrink, and now you talk about experience. Is that a take-away for you guys to go back and when you make these contracts, make these solicitations, to have some specific guidelines in place? So maybe you have, you know, a bench strength of people that have the experience that you're looking for for these types of events?

Jay Adams: We, after major events, usually go back with a new independent adjuster solicitation, and we are always honing in on exactly what you're stating. What we have found is -- so the contracts that we have with the firms that do business with us on a daily basis, those folks do a really good job for us because they work with us day in and day out.

Chairman Newell: Right.

Jay Adams: When a catastrophe hits, most of the catastrophe adjusting contracts, the firms don't have any real relationship with those independent adjusters. They're shopping the market, they're looking to see who's going to pay the highest rate, they're working for multiple vendors at the same time, and it is a real challenge to really hone in on that piece and make a difference, because they don't do business with us on a regular basis. We do keep track of those folks that have not been competent in the role and we will not allow those folks to come back in subsequent storms.

Chairman Newell: Gotcha. Good idea. You know, going back -- again, this is Dave Newell -- going back to the metrics, Jay, you updated us and just under 56,000 claims have been reported thus far. How does that compare to your penetration as you looked at potential claim counts for those areas that you've received that many claims so far?

Jay Adams: Jeremy mentioned that we did outbound calling, and the reason that we did that was based on the track of the storm, we had many more policyholders than we received claims.

Chairman Newell: Okay.

Jay Adams: Now, Barry and I went out and met with two local agents that had significant business in the area, and based on the recon that we did, most all the damage was west of I-75. And when I say "damage," most of it came from storm surge and some of the wind where the storm kind of just sat off the coast. In speaking to those agents, what they indicated was even in Lee County where the storm made landfall, there were pockets of significant damage, but if you got 20 or 30 miles outside of that, there was very limited and sporadic damage. So, what we did was we used our GIS software, plotted the storm, and the storm had about 30-mile-wide hurricane-force winds. We plotted that against our policies in force, and that was the target group we went after when we did the outbound calling. So, overall, we had less than -- I want to say it was 36 or 37 percent of the customers in Lee County report a claim, and we believe it was specifically because the majority of that damage was so compact.

Chairman Newell: Gotcha. Makes sense.

Jay Adams: I will tell you this: We have 55,948 so far. When we ran this through the models for catastrophe damage, it spit out that we should probably anticipate around 100,000 claims. So, we are still a long way from probably getting all of the claims that we'll see in this. We are still receiving -- I just looked while we were on the call here. Monday, we got a hundred and seventy some claims, Tuesday, we were at 273. So, we're still getting a couple hundred a day and I anticipate we'll see that well into the new year.

Chairman Newell: Right. As we all know on this call, that area is pretty transient, so folks will be headed back and probably be filing claims as well.

Any other questions?

Lisette Perez: I do, Chairman. This is Lisette.

Chairman Newell: Okay. Go ahead, Lisette.

Lisette Perez: Back to Jay, Jay and Phil, a follow-up question to what you just mentioned. Are

there any ongoing efforts to contact or recontact customers in that area with respect to reporting to Citizens directly the claims? Is there any ongoing stuff going on?

Jay Adams: No, we stopped that. As Jeremy outlined, we made attempts for over 9,000 customers. We actually spoke to three thousand and change, and we only got 155 claims out of it. So, we stopped.

But as I mentioned early on in my presentation, we did and still continue to leverage aerial imagery, and any of those claims that have those damage assessments and those high numbers, we are reaching out to those customers in those specialty teams to see if they want to file a claim. And as Dave mentioned, a lot of the folks from Sanibel and even in the Fort Myers area, they live up north, so they're not here.

Lissette Perez: Right. Okay. So, there are other efforts going on to contact those individuals?

Jay Adams: Yes, ma'am.

Lissette Perez: All right. And an additional question that I have. I think I understood you say 68 percent of those claims have been closed already. Is that the number that you provided?

Jay Adams: 65.

Lissette Perez: 65 percent. With respect to whatever is open, is it because -- can you give us a little idea about what's left open and what's the process for that?

Jay Adams: So, I'll kind of step back a little bit. I mentioned, we had a fast track team, and the fast track team, in excess of 40 percent of the claims were pushed through that group. The ones that did not require a field inspection have all been settled and resolved. Then we focused on the claims that had the severe damage. So that was the large loss group and the Sanibel team. Those two teams were using aerial imagery and trying to find those homes that had the most extensive damage so that we could start sending money out to those customers.

Now, for example, if you have a house that is a constructive total loss, we have probably paid out your Coverage A limit, we may have advanced you some money against your contents, and then some advance against additional living expenses. Those claims will remain open as we continue to work with the customer to get a contents list and those types of things so that we can completely resolve those claims.

We continue, as I said, we're getting brand-new claims on a daily basis. So that process of getting a claim, sending it out to a field inspector, sending it back to a desk adjuster, going back to the litigation team to close it, that engine is still running. We're getting caught up on those.

I can share that of the claims that have been closed so far, we've made payments on about 66 percent of them and -- yeah -- about 66 percent of the claims have payments. So, you know, we've not had a lot of just outright denials. A lot of those will be less than the hurricane deductible though.

Lissette Perez: Understood. All right. Thank you, Jay. I appreciate that.

Jay Adams: You're welcome.

Chairman Newell: All right. Thanks, guys. Thanks for the update and the questions. We're going to move on to behind Tab 3 and bring back Kelly Booten to talk about the Market Update.

Kelly Booten: Chairman Newell, do you need to extend this meeting out by maybe 15 minutes or 30 minutes? It looks like we might run over --

Chairman Newell: Yes.

Kelly Booten: -- I mean, I can fast, Carl and I can fast forward --

Chairman Newell: Do I hear a motion to extend to 11:15?

Lee Gorodetsky: Motion to extend.

Chairman Newell: Second?

Brian Hodgers: Second.

Chairman Newell: All right, 11:15.

3. Market Update

Kelly Booten: For the Market Update -- next slide, please -- Policies in Force. We continue to grow. As of Friday, November 25th, we had 1,132,701 policies. By the end of the year, we're projecting slightly less than 1.2 million. Our in-force premium is about \$3 billion, and our exposure is about \$410 billion.

Commercial is one that we're watching here. It's growing a little bit more than it has been. It was actually on a downward slope and then started increasing this year, but Weston bumped it up quite a bit, that insolvency. We're up to -- total commercial between Coastal and CLA is 6,326, which is about 27 percent more than this time last year.

If you go to the next slide, we always like to give some context of what the new business coming in the door looks like. For October, we had 43,238 new policies added, and November is going to be a little bit turbulent because of the hold on cancelations and non-renewals. It's down slightly from the last few months, which all through the summer and including November included insolvencies, driving those numbers up, so our new normal is around 50,000. At the bottom of that graph shows it by geographic region. Next slide, please.

These two graphs show July to October "Average Prior vs. Current". The first bar is the average prior for the same four months, and then, you can compare out the growth, so the top part of that graph is "New Business Percent of Policies by Coverage A Range." Not a lot of change here. Coverage A amounts have gone up a little bit mostly because of inflation factors.

At the bottom is our "New Business Percent of Policies by Age of Home." I always try to sell the fact that for depop carriers to come in, we are getting more newer homes, so it's going to be a good time to do depop here soon.

Next slide is by prior carrier. This one is pretty much the same carriers that you expect to see on this slide, and this is personal lines only with Universal, United, FedNat as the highest ones. And that is my report.

Chairman Newell: Thank you, Kelly. Any questions of Kelly about the Market Update report she just presented?

Lee Gorodetsky: Dave, this is Lee. Kind of maybe going back a second, sorry. With the claims that have been paid out, do we know about the litigation, how many of them that are left are being litigated percentage-wise, or public adjuster scenarios, or has that not been as much of a factor as we thought it might be?

Kelly Booten: Jay just popped back up on video, so I think he's prepared to answer that one.

Jay Adams: Kelly, I'll try to take that.

Lee Gorodetsky: Thank you.

Jay Adams: So, it is a little early for us to have seen any litigation at this point in time. We forecasted that we would get some pretty significant litigation in the future from this. So far, we've had about 80 percent of the claims reported by the insured themselves, which is a good indicator that we're doing a good job on the front end, right. So, all the messaging that Christine has talked about and so forth. However, we have been notified -- matter of fact, we've attended a few meetings, even with plaintiff attorneys where they're doing everything they can to try and sign up policyholders, saying that the insurance company is not going to do what we're supposed to do and all those types of things. We'll have to do more in the future about that from an update perspective. I will tell you this, and I don't want to go into a lot of detail in an open call about it, but we did develop a strategy to help avoid litigation, and we have deployed that strategy through those specialty teams. That is another reason that we had those set up. We are hopeful that we're going to see a much lower litigation rate out of this event than we did out of Irma.

Lee Gorodetsky: Me, too.

Chairman Newell: Let's hope. Any other questions of Kelly?

Well, before I let you go, Kelly, just wanted to again add some kudos. Recently you mentioned Weston, you mentioned some other challenges that have come about because of the marketplace, and I just want to, on this call, talk about Forest, talk about Doug, talk about Carl and the field managers who have been very helpful to agents with submissions and guidance, a lot of guidance. As we all know on this call, for a while Citizens has not been the carrier that a lot of agents used, but because of market conditions, they've had to develop that resource again, so all those folks I mentioned, and many others on your team, have been very helpful educating agents about the process, about documentation, about the things that you all need from an underwriting perspective to provide a quote. Kudos to you. I know it's been a challenge, there's no doubt, with everything else going on enterprise wide. Thank you and to the rest of the group there.

Kelly Booten: Well, thank you for recognizing the team. They do work hard, and as you know, we have a lot of borderline cases and a lot of escalations that have to be looked at, and they do an awesome job, everybody you mentioned. And Carl is going to cover here next some of the training that we've been doing. We've been having one-off meetings, where it feels like there's been a fair

amount of escalation and we do special meetings. Barry even attended one with us on just helping educate, because we do have a lot of new agencies that haven't done business with us in a while. And Carl has some good stats to report on agent training webinars that we had this week.

Chairman Newell: Well, Kelly, that's a good transition. Let's welcome our friend Carl Rockman to the party, and Carl, talk to us about Agency Management Services Update.

4. Agency Management Services Update

Carl Rockman: Great. Thank you, Chairman Newell. For the record, Carl Rockman, Vice-President of Agency & Market Services. I'd like to update the committee on our progress in the agency support space.

Page 2 will be our traditional layout of our current agent and agency counts. I'll point out to the committee that we do continue to see a net increase in agents and agencies, but you'll notice again, it's not a South Florida phenomena. Those increases you see in agents and agencies are driven statewide primarily based on increased demand for Citizens' products and services.

And those agencies, by the way, to piggyback on what Kelly mentioned, were very, very focused on the new agencies and agents that have joined us. Our field management team engages those folks when they come on board. We have great education platforms developed by our L&D team. We're very focused on the new folks that come, and also those folks that have been with us for a while that are appointed primarily in those Tier 1 and Tier 2 agencies. You'll notice at the bottom we've doubled the size of the Tier 1 and Tier 2 cohorts at Citizens this year. Those agencies really have our attention. Those are the agencies that, obviously, are bringing us business because of market conditions. All agencies are important, but we're very, very focused on those Tier 1's and Tier 2's to make sure that they're getting the support they need, not just to on-board, but also when the time is right, to move those policies to the private market.

The next slide will be our summary of our performance violation program. Obviously, with this many agents, we need programs to manage them appropriately. This page provides the summary. The box at the bottom I always like to point out to the committee. The box at the bottom presents the results for the history of the program, and you'll notice you'll see a modest increase in warning notices and suspensions from July through October. That's supported by our results on the next page.

Now, we have a modest increase in those areas because, as you will remember, we took a little bit more relaxed stance with our performance violation programs in June and July due to the influx of business coming in from Southern Fidelity and from Weston. We thought that was prudent, but now we have reactivated those programs and I'm pleased to report that we are seeing a little net improvement in overall performance violations now that we've reactivated the program. These performance violations, again, are not designed to run an agent off. They're designed to give us signals that those agents might need support from a field manager or additional education. But we're pleased to report we've reactivated those programs and the results are trending nicely.

The second part of our performance program is our late submission program. Again, the history of the program represented below, you'll see, again, modest increases in warning notices and suspensions.

And the next slide will reflect our year-to-date results. Again, a relaxed stance in those months where we knew the business would be coming in a little bit later due to Weston and Southern Fidelity, but we have reactivated in October, and, again, we'll work with agents that need appropriate support in this area.

Then, the last slide. As Kelly mentioned, I really want to point this out to the committee because we're really showing you as close to year-end results as we have. We take a lot of pride in our agent outreach efforts. Marsha Watson does a great job of getting things coordinated. Our learning and development teams really support us in the production of these events. Our communication team does a great job helping us publicize the events. But I want to point the committee's attention towards the Citizens' webinar section on the far right and really focusing on the webinars that we've run since October. You'll see there we've noticed the Hurricane Ian and Nicole webinars that Kelly mentioned. Also, the depopulation webinars. We run specific webinars for carriers and agents involved in depopulation events, and you'll see the increased demand for that November 9th depop with 520 agents attending.

I'm also very, very pleased to report that we did run our Quarter 4 webinar series yesterday. We had 2,549 agents in attendance. Again, that reflects an increased demand for Citizens' information and support, and we're so happy, again, in partnership with our communication team that helps us publicize the events, our agency management outreach and experience teams who help build the content and get the agents engaged, and, then, obviously, our learning and development team that does a fabulous job of producing and educating the events.

Look for this momentum to continue in 2023. We don't see any slow-down in the need to support agents on these platforms, and we are very, very encouraged, though, by the results, not only of what we're transmitting to the agents, but also the surveys that reflected of all these events very, very positive, and we look forward to continuing that level of support.

I'll take a break there and take any questions or comments from the committee.

Chairman Newell: Go ahead, Lissette.

Lissette Perez: Good morning, Carl. I attended your informative webinar yesterday. We need more information. It's -- it is -- all the changes that will take place effective January 1st is a lot --

Carl Rockman: Okay.

Lissette Perez: -- to understand and a lot to make sure that we are doing it correctly in order not to get these binder violations. And so I am going to suggest that you, please -- I know that, you know, you may have stuff coming up in Quarter 3, right, but if you can partner with any of the associations and have another webinar before then, I'm sure we would all appreciate it because I feel that it is a lot of changes coming that we all need to get used to in the midst of everything else that's going on. So, I would love for us to have that conversation to see how we can reschedule something.

Carl Rockman: Completely understood, and we picked up a lot of great information. As you know, on our live webinar series, we're able to chat with the agents via live chat to-ask us questions.

Lissette Perez: You had a lot of questions, yeah.

Carl Rockman: Over 500 questions.

Lisette Perez: That's what I'm saying. So, clearly, you know that there is much more information that needs to be provided and there's a lot of additional questions perhaps, right?

Carl Rockman: Admittedly, the two concepts we worked on yesterday, the new roof proof rules and new business eligibility are complex. We are taking those questions, though, and we're going to be working with our communication and L&D team. We do understand that in a supplemental communication that's going to come out before the changes and potentially additional support we're going to need to bring, I think we're just getting started. So, I wouldn't look at yesterday as the be-all/end-all. We've got more work to do on those changes just based on the feedback and the level of complexity, but we're ramping up for that. You should expect us to be reaching out for any kind of association events or self-produced events that we do. We're nowhere done with communicating the importance and technical aspects of those two changes.

Lisette Perez: Excellent. Good. Thank you, Carl.

Carl Rockman: Thank you.

Chairman Newell: Anything else for Carl on this topic? All right. We'll transition right to something that Kelly mentioned a few times about depopulation. So, let's talk about the Clearinghouse, Depop, and certainly FMAP update.

5. Depopulation & Clearinghouse Update

Carl Rockman: Once again, Carl Rockman, Vice- President of Agency & Market Services. Page two will present the current results of our Depopulation program. These materials are published in advance of final results, so I want to call out a couple of final results for November for the committee.

You'll notice that in the month of November, we had 7,827 offers going out to the consumer. Pleased to report 2,414 policies were assumed for that assumption. That takes us to a 31 percent take rate on that assumption.

A shout out to our participating carriers who all make this happen, and Judy and the depop team, who really do a lot of work operationally to pull this off, but what's interesting is although our total assumed policies are only about 11,311 for the year, our take rate has been trending up from 15 percent to 25 percent to, again, 31 percent in November. The more we can work with carriers to make sure that their depop offers are targeted the right way, the better their selection, the better results we have even on modest numbers.

So, again, for any carriers listening out there, look at these results. We're able to really, I think, take the program to another level when we can produce those kinds of returns on offers for depop.

The December numbers are not quite baked yet. We'll certainly report those out at the next committee meeting. We have three carriers participating in the depop for December and a rather large number of offers out. So, hopefully, if we can repeat a 31 percent performance, you'll see some nice numbers in December.

The next page is really just tri-county breakdown, which we provide. Not much to report there because of the avoidance sometimes of the tri-county area. On page 4 we'll present our

Clearinghouse results for new business. Clearinghouse results reflect \$7 billion of exposure avoided at new business, and it's based on 1.8 percent of the new business submitted to the Clearinghouse receiving an offer that makes it ineligible. Another 6 and a half percent received a non-disqualifying offer, and the majority of business submitted did not receive an offer, but a reminder that the agents are obviously shopping and doing things before they hit the Clearinghouse. We are pleased to report that the Clearinghouse is catching a few policies after the fact, causing a few to be ineligible, and some offers are still going out.

On renewal, the results are, obviously, a lot more modest due to the price relativity of 20 percent, but, also, the quality of the business potentially flowing through the renewal engine. Again, these results are reflective of that. \$32 million of exposure avoided this year through the renewal Clearinghouse.

And, lastly, an update on FMAP. Pleased to report here a slight increase in FMAP participating agents up to 291, but, again, the results on FMAP in terms of carrier placement outside of Citizens, obviously, is still very modest due to market conditions.

That concludes my report on FMAP, Depop, and Clearinghouse. I'd be happy to take any questions that you might have.

Chairman Newell: Any questions for Carl on these slides, specifically Depop? All right. Carl, you're off the hot seat.

Carl Rockman: Thank you, Chairman Newell.

6. New Business

Chairman Newell: All right. Under new business, anything you have for new business you want to bring forward? I've got a couple things, but if anybody has anything -- Lee.

Lee Gorodetsky: I just have one quick question in regard to the financial stability of Citizens since the storm. I know it was projected \$1-\$2 billion of payouts, and that seems to be on track, and how is that going to affect us moving forward?

Kelly Booten: You know, Jennifer was on here, it looks like she dropped, and also looks like Barry is not here. We are not -- if you're trying to go down an assessment path -- we're not in any place where we will be doing assessments with this event, and we've got the reinsurance and a hit to surplus that takes care of it. But we will have depletion of surplus such that next year if we have a major event, then we could be in assessment land, so to speak, depending upon how everything goes with next year's reinsurance market. So, I think that's a high-level summary of where we are.

Christine Ashburn: And, Kelly, if it would be helpful to Lee and the committee, we just -- at Jennifer's request -- just recently put out a revised estimate and numbers and a press release when we had our third-quarter numbers. I'm happy to forward that along to everyone on the committee.

Kelly Booten: Yes.

Lee Gorodetsky: Thank you.

Chairman Newell: Thank you, Christine.

Brian Hodgers: Chairman, I have a question --

Chairman Newell: Okay. Go ahead, Brian.

Brian Hodgers: -- for anybody who can answer, Kelly or Christine. First, the last meeting we had, I think it was just before the announcement came out regarding Citizens, if this is the proper terminology, acting as kind of a reinsurer for some of the carriers that were potentially facing downgrades. Can you talk a little bit about that and how that might come into play after now having these storms, plus who knows what's going to happen with their claim status over the next couple of months as these trailing claims come in? That was my first question.

Then the second question is, if you guys have any items that you're planning on working in the special session on that we can discuss or be aware of?

Kelly Booten: I can take the cut-through endorsement quickly, Christine, if you want to then jump in.

We only have one company that took advantage of the cut-through endorsement, and that's UPC. So far, there's nothing that puts us on the hook for any of it. And remember that we're only on the hook for any of that if they go into receivership, and then FIGA pays all of the claims, and then we would just be responsible for anything above that, which very rarely happens. Jennifer has met with FIGA and there's very few times that the amounts go above what FIGA reimburses. So, that's where we are with the cut-through, just one company right now.

Christine Ashburn: All I was going to add is that Jennifer just texted you and I. She is on the call, but she does not have a panelist number.

Kelly Booten: Okay.

Christine Ashburn: She can't speak.

Barbara: I'm opening her panelist line right now.

Christine Ashburn: Perfect. Thank you, Barbara. So, we just want to give it a minute --

Kelly Booten: So, she'll correct me if I've said anything wrong, I'm sure.

Chairman Newell: While we're waiting for Jennifer, Christine, what about the legislative session coming up in December, if you can comment?

Christine Ashburn: Sure, I can. I think it's well known that there have been comments made by the Governor following Hurricane Ian that he believed another special session was necessary and that property insurance would likely be part of that. There has been a memo put out to the House staff that indicates from the Speaker to give them notice that it's his intention and belief that it will be the week of December 12th. Both the House and the Senate already had committee meetings scheduled to be in town, so I think from a travel perspective, that makes a lot of sense.

We are hearing all kinds of things. I think there is strong alignment from all of the state leaders that something significant has got to be done. They recognize the reinsurance issues that we're facing

in the next year, including Citizens, and recognize that more needs to be done in the attorney fee space.

I am cautiously optimistic that we're going to have some additional reforms to go on top of what we've seen with 76 and in the May special session, but unfortunately, nothing is going to turn this market around incredibly quickly, and I think that's the hard part for everyone to hear.

Lee Gorodetsky: Christine, this is Lee Gorodetsky. Do you know if in the special session they're planning on discussing the cap of the \$700,000 on Citizens and then the \$1 million in Dade to increase those numbers? Is that on the agenda?

Christine Ashburn: Lee, it's interesting that you bring that up. That has not come up in our discussions with staff, but I will tell you I did receive a phone call from Representative Bartleman while I was on this call regarding that issue, and I've just gotten several pings that people want to talk about it. I think there seems to be some visibility, but I think from a leadership perspective, I have not been asked about that item, I was just asked for some additional data on it. I think it is clearly a bigger issue in certain areas, and I don't know -- Kelly, I hate to put you on the spot -- have we heard anything from the office? I know they were taking a look -- and I know it's a lot because they were going to look at all counties. I know the office was also kind of trying to see if the threshold could be met in any additional counties under current law to get other counties to a million, but we've not seen anything on that yet.

Kelly Booten: And Suzanne was on the call and just had to drop, so I can't spin it over to her to answer that again. But I have not heard any update on when that report is going to be released.

Christine Ashburn: I think Jennifer is on the line now.

Jennifer Montero: This is Jennifer. Can you hear me?

Christine Ashburn: Yes.

Jennifer Montero: So, to answer the financial question really quick, we did have about \$3.8 billion in Ian losses. We're expecting recoveries from reinsurance of about \$1.355, so that nets about \$2.4 billion. In our financial statements, our net income for September 30th was negative \$2.1 billion due to Ian, and our surplus went from approximately \$6.8 and now it's about \$4.4. Those are the September numbers.

We have a good outlook with Nicole. We don't expect to have a deficit this year. As Kelly mentioned, it does put some strain on our resources for next year so, hopefully, we can get a nice reinsurance program that will protect us for the storm season next year.

I think Kelly covered the cut-through agreement as far as that goes. There's only been the one company, and they are not insolvent, so it doesn't become an issue until that happens and FIGA takes responsibility and Citizens covers whatever is the shortfall from FIGA's limits.

Anything else?

Lee Gorodetsky: Jennifer, on the reinsurance, the new wrap fund, which I guess came out but hasn't really been utilized yet, is that something that we're going to be using here at Citizens?

Jennifer Montero: Citizens was not eligible for that. We --

Lee Gorodetsky: It's not -- I was wondering about that. Okay. Thank you.

Jennifer Montero: -- we're not eligible for that, and I would assume that anything that the special session might do regarding that reinsurance or the wrap for this upcoming special session, I doubt Citizens would be included in such things. Historically, we've been excluded from that as a governmental entity.

Lee Gorodetsky: Correct. Thank you.

Kelly Booten: And the office does have a nice little web page on their website that talks about the wrap and who's taken advantage of it through their rate filings, because they have to file a rate filing to account for that. There's a nice accounting of it.

Jennifer Montero: And those who didn't take it in 2022 are required to take it in 2023.

Lee Gorodetsky: Oh, they're required?

Jennifer Montero: Yes.

Lee Gorodetsky: Oh, I didn't know that. Okay. I thought it was optional.

Jennifer Montero: It's strange, but I believe it's not optional.

Lee Gorodetsky: Okay.

Chairman Newell: All right. Anything else from you all from a new business perspective?

I want to make just a couple of announcements. There's a new face and voice on the call today. Stacey Tomko at Universal is on. Many of you know Steve Roddenberry has sat on MAAC for many, many years. Steve has decided to step away and go into retirement., so we wish Steve very well. Many of us know Steve, so I'm sure we will see him around the campfire once or twice, but I want to welcome Stacey to our group and look forward to working with her on this committee. So welcome, Stacey.

The next one is -- Kelly just mentioned Suzanne just dropped off. Suzanne Murphy, who has also been part of MAAC for a long time and we know her from the industry, we've known her since her days at Citizens, actually. Suzanne now has decided to depart us and retire, maybe find some other things that interest her, but we want to wish Suzanne well because she certainly has brought a lot of information, a lot of background, and institutional knowledge to this committee and certainly some of the topics we discuss. Thank Suzanne for her participation on the committee and the good work she's done over the years. I'm sure some of us will pass that along to her.

And then, the last thing I wanted to talk about, Greg had mentioned it, I believe, and maybe Lee as well, about having an in-person meeting. We are looking at that. We're working with Barbara and the team to see when that makes sense and when we can have some space available to us to have the meeting. We know we would have to come in the day before the board meeting and have the ability to meet in a timely manner as the other committees are going on either before or after us. So, I just wanted to throw that out there; we are discussing it with Kelly and Barbara and the

rest of the team as they look to plan 2023. We'll keep everybody up to date when we get closer to having some options.

With that, I believe I discussed all the new business. We're a couple of minutes over our allocated extension, so any other thing before the committee?

Do I hear a motion to adjourn?

A motion was made by Lee Gorodetsky and seconded by Brian Hodgers to adjourn. Motion carried.

Thanks everybody for being here today. Happy holidays. Enjoy family and friends and be safe. If anything occurs between now and the end of the year, we'll certainly advise the committee of anything that's going on that they need to be aware of that we need to address. Thank you again for all you do to support the MAAC and the industry as a whole.

Have a great rest of your day and happy holidays.

(Whereupon the meeting was adjourned.)