CITIZENS PROPERTY INSURANCE CORPORATION

Summary Minutes of the
Market Accountability Advisory Committee Meeting
Wednesday, March 22, 2023

The Market Accountability Advisory Committee (MAAC) of Citizens Property Insurance Corporation (Citizens) convened via Zoom webinar on Wednesday, March 22, 2023, at 11:00 a.m. (ET).

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

Dave Newell, Chair
Allen McGlynn
Brian Hodgers
Greg Rokeh
Lee Gorodetsky
Lori Augustyniak[1]
Stacy Tomko
Kelly Booten, *staff*

The following Citizens staff members were present telephonically:

Barbara Walker
Bonnie Gilliland
Carl Rockman
Eric Addison
Jay Adams
Jeremy Pope
Ken Tinkham
Mathew Carter
Ray Norris
Sarai Roszelle
Stephen Mostella
Wendy Perry

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

Chairman Newell: Thank you, Wendy, and thanks to everybody. I know everybody is busy, and I appreciate everybody being available for the call this morning.

1. Approval of Prior Meeting's Minutes

Chairman Newell: Our first order of business would be to get approval for the prior meeting Minutes on November 30th, of 2022, so I will take a motion for approval of those Minutes.

A motion was made by Brian Hodgers and seconded by Lee Gorodetsky to approve the November 30, 2022, Market Accountability Advisory Committee (MAAC) Minutes. All were in favor and the motion carried.

2. Market Update

Let's welcome in our friend Kelly Booten, Chief Operating Officer of Citizens, to provide the committee with a market update.

Kelly Booten: Good morning, Committee members. Next slide, please.

[1] Lori Augustyniak was in attendance during roll call but her audio wasn't working.

The first slide we have is the Policies in Force (PIF) by Year and Account. When we created the material, January month-end was available, so I'll just read some more updated Policy in Force numbers. As of last Friday, March 17th, we had 1,209,713 policies. I wanted to break this down a little bit, because the personal lines account is obviously the one that's growing, and sometimes when you do not break it down you don't see other impacts that we have recently had, like commercial lines which is spread across both coastal and CLA. Commercial lines is now at 7,163, up quite a bit over the last year. The number of buildings in force is at 20,264, which is about double this time last year, and the exposure on commercial lines has almost tripled. So, it's an emerging new level of new business that we're getting, along with the personal lines accounts as we have always had. Next slide, please.

This is a breakdown year over year for the last four years on new business, and that kind of tells a different story than PIF. PIF has a lot of ins and outs, but new business is where most of the work takes place. In 2019, we processed 81,980 new business transactions. It went up to 161,450 in 2020, up to 357,571 in 2021, and in 2022 it was 571,375. We've done a great job of keeping up with this. It's been a lot of hard work for a lot of people, and I commend the staff on it. This year our projections, if everything holds the way it is, are fairly close to that 2022 number carrying into 2023. Next slide, please.

This one, I just wanted to show this on the ins and outs of it. It is not a glamorous slide, but it does show you, take January for example, there were 35,097 new business policies. There are reinstatements that are in there. There are cancellations coming and going all the time, non-renewals; a lot of activity that has policies removed that end in a net change for January of 21,768. That just puts some perspective on it. Next slide.

This slide goes back to month over month for new business, and in February the number was 37,874. For January, the new normal took a dip down to 34,747, but we've been in the up to 40,000ish ballpark over the last four months. We're heading into our heavy season. The UPC, which I will cover on a future slide, is going to impact that a little bit in the next month, and then, of course, May, June, and July are our three busiest months, and we are getting ready for that. Next slide, please.

This one is a breakdown by the types of business that we get where the dark bar on the far left is the average for the same months for the prior year. So, you can get a perspective of that average, the same four months, and then you have it for the four most recent months, October to January '23 in this case.

The first graph is Coverage A ranges, and consistently we tend to be in the 200-300 and 300-400,000 Coverage A amounts.

The next section is by age of home. We love our older homes at Citizens and that's predominantly where most of the business is continuing to come in. Some of the growth is in the newer homes, which is great for depop, and I mention that every time. Then there's a new bar graph at the bottom that I don't think we've presented before, Policies by Age of Roof. We do get things in that have had newer roofs that could also be good depopulation policies. We do stay in that 16-20 and above range because there's hardly any market appetite for that. Next slide.

This one shows the breakdown by the last four months for prior carrier. Of course, no surprise with United P&C. Universal has been high for the last year, and then it goes from there with all the usuals. Next slide.

We thought we would mention the UPC support that we have been providing. That expiration is March 29th. So far, we've received a little over 3,000 bound policies and around 500 unbound policies, so the volume is really not there yet. I know it's crunch time to get all of that information entered. We will start to see it because the policies are shopped first, of course, by the agents, and then Citizens is brought in towards the end when there is no market available. We are looking to extend the time frame by which agents can submit the business and still honor the 03/29 effective date. We haven't announced it yet; until April 17th is what we plan to do. So, they'll be able to get that business in until then.

Our agency field managers are out supporting agencies with over 200 policies. We've conducted agent webinars. We've allowed some flexible underwriting requirements, whereby documents can be postponed, and we have extended policyholder payment due dates by 60 days. That is the United update and that concludes the Market Report.

Chairman Newell: Thanks, Kelly. As usual, very, very detailed. Any questions from the committee for Kelly on her report? All right.

Kelly, I have one. You mentioned that certainly the agents on this call and others in this industry that are trying to support their customers, always worried about staff, what's going on with staff. You said you've been able to handle the volume. You all are working through whatever comes your way. I'm just curious, from a staffing and a support position, are you guys still good, you're comfortable? Certainly, as you noted, there is going to be a continuation of these numbers through the rest of this year. So, just curious on how that is going.

Kelly Booten: We do staffing plans that are super detailed, to commend the Underwriting team. Jeremy's team, too, Policy and Consumer Services, is heavily impacted by this. So, we do work with our Corporate Analytics group to forecast, and our forecasted numbers help drive our staffing models, and then we have been adding staff to accommodate what we think we need in order to process the transactions. We also have arrangements with multiple BPO vendors to provide outsourced services and they, quite frankly, get the projections along with us, and adjust their staffing appropriately. We've had to add additional staffing and move people around internally to handle the commercial growth, and that's been a heavy focus in the last three months. Stephen and team are doing a great job of getting that figured out and getting more commercial strength behind the commercial growth.

So, I think we've got it. You know, when some things get added to the mix, like when the flood program was introduced in special session, that threw a little monkey wrench in our staffing models that we had to get figured out and we had to work through. So, sometimes we have to move things around to stay on top of it, but we do a good job of it.

Chairman Newell: Okay. Well, thanks. Yes, I know that is always an important piece, not only growth, but just supporting the staff, because day after day that can get troublesome for some. Thanks for that update. Anything else for Kelly on this topic or on her market update?

Lee Gorodetsky: Yes, Dave, this is Lee Gorodetsky. As long as you are on the question, Kelly, in regard to this new requirement, and it may be coming up later so if it is we can talk about it in the next section. With the new roof requirements, these non-SBC, non-permitted roofs now have to have permits or get approval. From what I've seen online this morning, the number that you guys have is like 1,200 pending approval and it's taking about two weeks. Most clients when they come to us for closings don't even have that much time to get approvals. They need to know, or the deal falls apart. Is that something that is going to get corrected or how's that working?

Kelly Booten: Stephen Mostella is on, and we can park that one maybe and come back to it so he can formulate an answer.

Lee Gorodetsky: Of course, yes, if it is better for someone else that is fine.

Kelly Booten: Yes, can we hold that one for a minute and come back to it a little bit later?

Chairman Newell: Yes, let's go ahead and do that, park that one and we'll come back to it when we get a little more intel on it.

So, we got word this morning that Christine was in a committee meeting, so she is not going to be able to join us, but our friend Kelly Booten will provide a legislative update report to the committee. So go ahead, Kelly.

3. <u>Legislative Update</u>

Kelly Booten: On the next slide is a list of the legislative changes specific to Citizens that have an impact on predominantly our policy growth and other issues related to Citizens that have passed. Of course, I didn't bring out the AOB and one way attorney fees that were passed that were the big highlight of the show, but these were others that impact things from an operational perspective.

First is the flood insurance that is now required on all new policies effective April 1, 2023, that are in the special flood zone, and July 1, 2023 for renewals in the special flood zone. I have a full slide deck on this, so I'll come back to that one.

For Clearinghouse, the renewal eligibility threshold will change from "equal to or less than" to 20 percent of Citizens' premium in order to remain eligible. The 36-month rule is no longer available to bring a customer back to Citizens as a renewal customer. They will be treated like a new customer.

For Depopulation, if a policyholder receives an offer from a takeout carrier within 20 percent of the Citizens renewal premium for comparable coverage, they are not eligible to remain with Citizens and may not opt out of the assumption. This one will be effective, the first assumption that will actually use this logic is the June assumption.

For secondary residence, for any new or renewal personal lines policy written on or after November 1, 2023, which doesn't cover a primary residence, the rate to be applied in calculating premium is not subject to the glidepath. It does have a 50 percent cap on it. So, it's not the full actuarial premium, it's capped at 50 percent.

For competitive rates, Citizens' rates must be actuarially sound and not competitive with approved rates charged in the admitted voluntary market. We are still underneath the glidepath, but that allows a little bit of a lift in comparing our rates to the market to get that full cap out of all rating algorithms.

Merging of Accounts, right now we have the three accounts, PLA, CLA and Coastal, and this allows us to merge them. The benefit of that is that the assessment and surplus are looked at across the organization, not just by account, so it would reduce the possibility of assessment. We probably will be doing this at the earliest in January of '24. Next slide.

Flood. Just a little bit of a drill down on flood; it has been a big topic. Like I said, it starts first for policyholders in flood hazard areas, as defined by the NFIP, effective 04/01/23 for new business and 07/01/23 for renewal. Outside of the flood hazard areas it's eased in effective 01/01/24 for properties valued at $600,000 or more statewide, and then in 2025 properties valued at 500, then it goes down to 400, and then by January 1, 2027, all properties regardless of value have to have flood coverage to be eligible for Citizens.

The minimum required coverage is the maximum provided by the NFIP. Customers with a Coverage A limit lower than $250,000 or coverage C limit lower than $100,000 will be at the Citizens' flood coverage amount. It applies as notated here - for dwellings: equal to or greater than Citizens' separate Coverage A and C limits, for condo owners: equal to or greater than our coverage A and C limits, and for tenant contents: equal to or greater than Citizens' Coverage C limits. Required documents are a signed policyholder affirmation regarding flood insurance and proof of flood coverage, which would be a copy of the flood application, a copy of the flood policy declaration, or a copy of an underlying multiperil policy that has a flood endorsement.

On the next slide is a sample of a policyholder affirmation that requires the policyholder to sign saying that they will keep their flood policy in effect. Here are the segments of policies, and these are approximate numbers. For the first 290,000 that are in flood zones and according to our books did not have flood coverage according to our records. Unfortunately, they have to be updated or had insufficient coverage, and then about 32,000 actually met the requirement. This data was as of January. It's being updated as we roll this out. Next slide.

This is a representation of the renewal timeline. I'm not going to walk all the way through this. The important message on this one is that we start working on these 150 days ahead of renewal, and to avoid a non-renewal, the flood requirement has to be provided by 130 days out. If it's not reported by then, then we go into the non-renewal notice, and it can be lifted if the proper documentation is supplied.

This has all been communicated to the agents and there have been, on the next slide, webinars that have been held regarding our agent support on flood, many communications that have gone out, and campaigns with the agency field managers.

So, that's an update on flood. It's been a topic of interest and we thought we would cover it here. Of course, there are implementation plans behind all of these initiatives that we're implementing right now. I will open that up for any questions.

Chairman Newell: Thanks, Kelly. Any questions of Kelly on the legislative report, but more specifically maybe on some of the flood requirements? All right.

Kelly Booten: So, before we move on, Dave, let me just put Stephen Mostella on the spot and see if we need any clarification to that question from Lee. Steven, are you there? All right, we will try again later, Lee.

Lee Gorodetsky: Well, Stephen has always been a strong silent type, you know.

[Laughter]

Kelly Booten: Very much so.

Chairman Newell: Well, Lee, I think the team will get back with you probably offline on that.

Kelly Booten: Yes.

Chairman Newell: And if it's something to share with the committee we will certainly get it out to the rest.

Lee Gorodetsky: Yes, please.

Chairman Newell: Thanks for your patience. Okay, turning to tab four, Agency Management Service. Bring in Vice-President of Agency & Market Services, Carl Rockman. Good morning, sir.

4. <u>Agency Management Services Update</u>

Carl Rockman: Good morning, Chairman Newell. Good morning, Market Accountability Committee. For the record, I am Carl Rockman, Vice-President of Agency & Market Services. I would like to present our traditional update on all of the activity in the Agency Management space.

The next slide is our distribution footprint slide. We'll notate the continued growth in appointed agencies and agents with Citizens. I'd also like to point out the agency segmentation and the tiers, we are seeing continued growth by agency tier. Only 47 percent of our agencies have less than 50 policies, but again, a few years ago that was in the high 60 percent. We're seeing growth in the tier one, tier two and tier three agencies, again, reflective of the shifting market condition and more reliance on Citizens. Next slide, please.

Reporting on our Performance Violation Program. We will give you a year end close out on 2022 performance violations. We ended the year with two percent of our submissions having some type of performance violation. Again, a reminder that we use these performance violations as signals and indicators to work with agencies and we do that. Our field managers are highly engaged when an agency reaches that warning notice level on the program. On a rare occasion we will have to suspend an agent, but again, reporting that we have not terminated an agent just due to the level of engagement we bring when we see a signal that the agent may need support on our performance programs.

Reporting numbers through January of this year. On the next slide, you will see that four percent of our business has some type of performance violation led by that uninsurable risk category. Uninsurable risk is typically a property condition, but this is where we may start to see some of the permitting issues and some of the other things manifest themselves, so we're keeping a very close eye on that column. We want to make sure that the properties obviously are insurable and in good condition and that they meet our underwriting standards. Other than that big category, you will see the other numbers reported on the slide, but four percent so far this year.

Chairman Newell: Hey Carl, this is Dave Newell. Let me ask you a question on that slide. The second largest category is incorrect credits or missing signatures. Missing signatures, what type of signatures are not coming in on a submission?

Carl Rockman: Well, Dave, for the ones we are holding the agents accountable for would have to be a signature on an application, primarily something where the customer hasn't acknowledged the application part. We've modified our stance on wind loss mitigation a bit. Mostly that's going to be incorrect credits. That's going to be where the wind loss mitigation credits may not have been applied. Maybe proof of an alarm system or some other proof of prior insurance to get a discount where credit wasn't submitted appropriately. I would say the bulk of that is going to be in the credit category versus signatures.

Chairman Newell: Carl, just curious, this is Dave Newell again. Is there some education online that you can point agents to, to maybe educate them a little bit better on what these requirements are? I got the uninsurable part, everybody's trying to stick it into Citizens, but on the incorrect credits and the missing signatures, I think those are the types of things that agents should have a pretty good handle on. So, what kind of education could we point agents to, to brush up on those types of things?

Carl Rockman: Online in our agent portal the Citizens Essentials series one through four would be where we point most of the newer agents to or agents that are coming back to Citizens. Then we also have a lot of online resources, job aids and things specific to credit application and specific to policy center processing. Any agent on the line that needs a tune up, please reach out to us. Our field managers will provide in-person consultations for you, and then we also can point you to a lot of the online resources. Dave, on our agent portal education page, search, I think most of the agents that are looking for help can find it there. If not, we are a phone call away and we really encourage the agents to contact us. And again, when we see signals on the performance program, we are also proactive. We are also going to reach out to those agents that look like they might be struggling in a particular category and offer the appropriate support.

Chairman Newell: Well, again, thank you for that info. I think it's just a reminder each time that we have some of this data that there are job aids and educational tools that are available that we, internally with our groups and you through your outbound calls from your field managers, can help agents get this number down, because that is a pretty high number.

Carl Rockman: Yes. The credit piece is particularly interesting because if the credit's established at point of sale but can't be validated at the underwriting level, it could cause a change in the pricing, and the customer experience, and so on.

Chairman Newell: Correct.

Carl Rockman: So, we'll make sure the agents have the coaching and knowledge necessary on what we require to validate credits and we will make sure to emphasize that as we move forward.

Chairman Newell: All right, thank you, sir.

Carl Rockman: Thank you. On the next slide I'll turn our attention to the other element of our performance program, and that's submitting the new business on time. We closed out 2022 with three percent of our new business getting a late submission violation. A reminder that a late submission violation is charged at the 16th day of the effective date, so 16 days after the effective date if we have not received all required documents. So that is how the program is established. We ended with three percent. Some improvement over 2021, and we hope to continue that trend. Again, under the action column you can see warning notices for 561 agencies through 2023, and only 30 agents have been suspended. This is an easy one to remedy. This is really just -- we need your documents so we can underwrite it appropriately. We need them remitted on time and that's what this standard is all about.

On the next slide we will report our results through January, and you can see we are at seven percent, a little bit of deterioration there. We are obviously going to work and monitor that and work with the agents that are showing up as out of pattern, but we intend to drive that down and expect that to normalize as the year goes on. Any questions on late submissions or the performance programs?

Chairman Newell: Carl, this is Dave Newell again. I just pointed out from the previous slide, if you look at the end of '22, you almost double the submissions and still finish the year at three percent. So, certainly, Yeomen's work to the team over there and getting the word out of what you need to control that number. Hopefully, the January number is a little blip on the screen. Hopefully, you will get that resolved, but certainly going from five to three but almost doubling submissions is really impressive.

Carl Rockman: Right, and we appreciate the engagement of the agents. We've seen the agents engage in the education and the agents want to do a quality job, as well, and we are here to support them. So, we will continue to report on these numbers because it is an important part of our delivery.

Okay, I would like to turn our attention then to Agent Outreach. I would like to close out 2022 with a little conversation on our agent outreach efforts. You can see that we focus on meeting regularly with our Agent Round Table, our Agent Association conventions, and our presence there is very important. The power hour presentations that we've arranged with the associations, that's also something we want to continue, but you can see good volume there. Live training, again, we are looking at live training in the world of Zoom and the efficiencies that that's brought. We are not opposed to live training and certainly bring that to the conventions, and we will look for selected times and places for live training should we feel it is necessary.

Our webinar series, both our quarterly webinar series and our event driven webinar series, everything we did in 2022 is documented there. Very pleased to report progress there and good agent engagement in those webinars. The valuable part of the webinars is the question-and-answer component, the ability for an agent to ask a question of us during the webinar and a team of experts on that question to respond. We get really good feedback and look for us to continue our efforts in the webinar space because we believe it is a very effective way to deliver education and information to our agent partners.

Plans for 2023 are on the next slide. Agent Round Table meetings will continue. Our Agent Association Conventions, we're booked and planning to be a big presence there. Our power hours are getting booked. Again, a great opportunity for us to connect with agents on topical things that are of interest and things that we want to bring to them to make sure that they're getting the support they need. Live Training TBD. Then our webinar series, we have concluded a webinar in January of '21. Our Q1 webinar had 2,700 people in it. Primarily that webinar focused on flood, a lot of interest in flood. Then our March BIPIP, our March UPC webinars, we had 284 agents for that. The depopulation webinar for April had 294 agencies in that, and then our commercial webinar series, which concludes tomorrow, we have one more session on commercial. We've had a total of almost 220 agents attend, and another 226 scheduled for tomorrow.

We are really looking at focusing on commercial. As Kelly mentioned commercial growth is coming and we want to make sure that the agents engaging in commercial, whether they are new or coming back to Citizens, are getting the support they need. Again, our outreach efforts continue, and we will modify and sense and respond to these efforts as market conditions warrant. Any questions on the outreach component?

Chairman Newell: Thanks, Carl. Any questions of Carl on this slide or the previous ones? Okay.

Carl Rockman: I'll conclude the Agency Management Report with two important slides. There is another effort we are putting in place with the agents and that is to really raise their awareness around assessments. At the direction of our Exposure Reduction Board of Governors, we were asked to really pick up our game when it comes to making sure that agents are living into their requirement to inform the customer of assessment potential, but we know that agents can't do it alone. The more we can message to the consumer about assessments, what they are about and their potential, only helps the agents have that very, very important conversation with the consumer.

This slide represents all of the different areas where we'll be changing and modifying assessment messaging to the consumer, but I will point out to the committee probably the most significant one that the agents are going to experience is on the premium estimate form. In Q2 we will be introducing language on the premium estimate form, the quote form, that will emphasize the potential for an assessment. We think that's an important moment, because typically the premium estimate form is the first form the customer sees relative to what the Citizens price might be. We believe by putting messaging on that, it's only going to help our agents live into the requirement that they reinforce assessment potential to consumers. We think that's probably the most important place we could put a message along with all the collateral areas.

To reinforce, not just messaging on documents, the next slide will take it to the next level and that is where we launched a mandatory education module for agents. This is in flight right now. We believe it was very important for us to not just have this requirement, but also educate agents around what assessments are, how they are applied, and what they can do to effectively communicate them to the consumers. More importantly, the road ahead and reinforcing to the agents all the things we're going to do with the documents that I presented on the previous slide. We sent this mandatory education out to all fully appointed agents, but we also sent it to the licensed customer representatives and the CSRs of the agency. That was all delivered to them via our Citizens Learning Center tool. It's only ten minutes, but we are getting rave reviews. We're getting really good reviews. Agents have a chance to take a little survey after the course. They said it was just enough. It reinforced some understanding; they learned some things. Agents are feeling better equipped to understand what assessments are and how to present them to the customer. We launched it a week and a half ago and so far, I will give you the number, we've had 37 percent of our agents complete this, 22,815 agents have already completed the module.

We have 60 days to complete the module and there is a consequence. This is a mandatory education piece. We are very committed to this. If an agent fails to complete it, we are going to suspend their access. We could potentially non renew their appointment, but our job isn't to do that, our job is to remind them to take it and reinforce how good it is. Agents will be getting remainders through our system throughout this, and we'll be obviously engaging at the agency management level with our field agency managers to make sure the agents are reminded and engage the course. This is something that we are very, very committed to and we're getting good reviews. We think a 10-minute module is not an unreasonable burden, and the good news is we are getting good reviews on the information side of it to help the agents live into that commitment to educate the consumer.

So, with that, that concludes my Agency Management report. I will take any questions you may have.

Chairman Newell: Thanks, Carl. Any questions? Lee?

Lee Gorodetsky: Yes, hey, Dave, sorry. Hey Carl, it is Lee Gorodetsky, how are you doing, hope all is well.

Carl Rockman: Good, Lee.

Lee Gorodetsky: Question. I saw some blast about how Citizens is putting a lot of money, I think it was 50 million, maybe it was more, into a CAT bond fund to avoid having to do the surcharge now. How far off is Citizens from actually having to do this?

Carl Rockman: I am going to defer to Kelly on that.

Kelly Booten: Jennifer and Tim are in London right now working on a reinsurance program and that is not something that I have the information to be able to answer.

Lee Gorodetsky: Because it sounded like it was a concern. Obviously, it must be.

Kelly Booten: Going into storm season, of course, we have to get ready, right?

Lee Gorodetsky: Of course.

Chairman Newell: Okay. Yes, just like anything we will get back with you on details on that kind of stuff. Anything else for Carl on his Agency Management Services update?

Brian Hodgers: Chairman, this is Brian Hodgers. I had a question, but it wasn't under Carl's section. I couldn't slip in there before. It was under Legislative under competitive rates for quarter four. Can you give us some insight as to what we are looking at with that where it says, Citizens rates must be actuarially sound and not competitive with approved rates charged in the admitted and voluntary market?

Kelly Booten: Yes, this is Kelly. It allows us to take a look at how competitive we are and consider that in our ratemaking within the glidepath. So, it provides some additional capacity, but not a lot because of the glidepath. I think a great place to tune in would be the Actuarial and Underwriting committee. Brian Donovan, our actuary, is presenting that to the Board at the meeting next week, Tuesday, in the Actuarial and Underwriting committee meeting, our rates and he talks about that in his presentation.

Brian Hodgers: So, is the glidepath still going to stay in place?

Kelly Booten: Yes.

Brian Hodgers: Okay.

Kelly Booten: So really, it just allows for us to get closer to the 12 or 13 percent, whichever cap we are at depending on the year, whereas before, we couldn't add that to the mix of things to consider, if that makes sense.

Brian Hodgers: Thank you.

Chairman Newell: Thank you, Kelly. Anything else before we move on to tab five? All right, Carl, let's talk about Depopulation, the Clearinghouse, and FMAP.

5. Depopulation & Clearinghouse Update

Carl Rockman: Sure, thank you, Chairman Newell. For the record, Carl Rockman. Here's our update on Depopulation, Clearinghouse, and FMAP activity.

The first slide will lay out where we are for 2023. We currently have a depopulation in motion right now in the month of April. We'll be closing that in a couple of weeks. Excited that we have something in motion, and this one is on the old rules. As Kelly mentioned legislatively, the June depop will be under the new 20 percent rule. We currently have one carrier approved for that, but we are anticipating an optimistic that that Q4 slot, October, November, December, that those slots are really going to be active as things settle down in the marketplace, new entrants and existing entrants come back. We are standing by to work with them at any level on depopulation. We certainly have a number of customers that are eligible and would be a better fit for the private market. We will be reporting at the next meeting our results for April, and then obviously any movement towards filling up these traunches for the remainder of the year. Next slide.

We will just round out 2022 with our participating carriers that participated last year in depop. We're certainly optimistic and hopeful that these folks will join us again, but you can see that we are at 16,408 policies assumed for the year, broken out by those four carriers. So modest results, but again, we are laying the groundwork for more depopulation as market conditions improve and as existing carriers and potentially new entrants emerge.

The next slide we will update you on Clearinghouse new business. Again, no significant change here in the Clearinghouse. Maybe a modest uptick in offers received, but again, the ineligibility piece where the 20 percent rule of new business, no big dynamic changes here.

And then renewal on the next slide, these results are really under the old renewal rules. The new 20 percent rule we will be reporting on at the next MAAC. We're monitoring the impact of the 20 percent Clearinghouse rule on renewal. That's starting to grind in now and we'll be reporting to you at the next committee meeting there on any impacts that that's having on the renewal Clearinghouse and making customers ineligible for Citizens.

The next slide will be our FMAP results. You can see that we've had a slight uptick in participating agents at 313 and a slight uptick in customer requests converted. Again, these are the FMAP results. We are happy to have the agents participating, and if any agent out there with the requisite number of appointments wants to apply, FMAP is still a program that's available to them.

And with that, Chairman Newell, that concludes my report.

Chairman Newell: All right, well, thank you Carl. Any questions of Carl based on depop, Clearinghouse or FMAP? Okay, we have a very quiet group this morning.

6. New Business

Chairman Newell: So, before we finish today's meeting the only thing I have under new business, again, this is Dave Newell, is to thank our friend, Laurie Williams, who represented the PIA for quite a while on this committee. Many of us have worked alongside Laurie for a long time. Laurie has decided to step down from the Market Accountability Advisory Committee, and so we want to thank her for her service. Thank her for all the hard work she has put forth on this committee.

My understanding is we are going to welcome Lori Augustyniak who is now going to represent the PIA on our committee. So, Lori, are you online today?

Kelly Booten: You know, Dave, I saw her earlier, but I am not seeing her right now, so she may have had to drop.

Chairman Newell: May have had to jump off. Okay.

Bonnie Gilliland: She is on the line; she is on the line. Just a moment, let's me see if she will un-mute.

Chairman Newell: We just want to say welcome.

Kelly Booten: Yes.

Bonnie Gilliland: She is waving, thank you.

Wendy: I can see that she is talking, but I don't think we are getting her audio.

Chairman Newell: Okay, we won't belabor it, we'll get her on the next meeting to welcome her, and she can provide some comments. Many of us know Lori; she will be another good addition to the committee. So welcome, Lori, and we'll certainly get to talk to you and listen to some of your comments in future meetings.

Any other thing under new business for the committee today?

Lee Gorodetsky: Dave, this is Lee. I don't know if this is new business. This is more, I guess, generic in nature, but we are always going on the assumption that "when things get better". In my 36 years, I don't see things getting better. I still see them getting way worse. I see carriers still shutting down, I see surplus going out of sight. I see condo associations doubling and tripling in rates. I just don't see anything getting better, and I know that's not for us to deal with here, but we are kind of assuming things are going to get better and I just don't see it happening.

Depop for example, these companies won't take them now, I don't know how they're going to depop them. It's kind of a gray question I know, but, sorry.

Chairman Newell: Well, I'll certainly let Kelly and others jump in, but from our perspective, Lee, certainly I think with the legislative changes in '22 and some that are contemplated this session, I think there is some optimism that we will have some new capital. We will see some carriers able to readjust some things and be able to open back up and write new business. Yes, certainly I think there's going to be some more pain. I just happened to be in Orlando this week at the AM Best meeting, and yes, there is certainly a lot of concerning pause by some for the Florida marketplace as they lead up to this next hurricane season and they are out in the reinsurance market right now.

Lee Gorodetsky: That's the problem is the reinsurance.

Chairman Newell: I mean, Lee, you have been around this for a while, it's cyclical. We hope that many, because of these law changes and some of the things that are happening in Florida, will instill confidence again in this marketplace and agents will have more options and consumers will have more choices. So, I hear you loud and clear.

Lee Gorodetsky: I know, but have you heard any good talk, positive talk on reinsurance, because that's still a big problem?

Chairman Newell: We did, I did this week at that meeting. Yes, there are some very good meetings that are taking place. Unlike some of the meetings, Lee, quite frankly that happened on the January renewals. January renewals, I think most will say that were in the marketplace then, those conversations weren't as welcoming as they are right now. So, I think there are some positives coming forward. Now, will reinsurance look the same way and feel the same way for some, Lee, no, the answer is no. Many are looking at creative ways. I mean, you asked that question earlier about maybe another creative way to create some reinsurance cover. So, I think that's what's happening now. Some of the carriers, some of the new entrants are maybe looking at reinsurance in a little different way to fund their cover going forward. Yes, the conversations, my understanding from being at this meeting this week is they are going better than they were for the January renewals.

Lee Gorodetsky: Okay, good, thank you.

Chairman Newell: Anything else? All right, thank you everyone for being on today's call. Do I hear is motion to adjourn the meeting?

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

Chairman Newell: All right, thanks everyone, meeting adjourned. Have a great rest of your day and week.

Whereupon the meeting was adjourned.