

## **CITIZENS PROPERTY INSURANCE CORPORATION**

### **MINUTES OF THE CONSUMER SERVICES COMMITTEE MEETING Wednesday, May 24, 2023**

The Consumer Services Committee of Citizens Property Insurance Corporation (Citizens) convened telephonically on Wednesday, May 24, 2023.

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

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

#### **The following Citizens staff were present telephonically:**

Jay Adams  
Kelly Booten

#### **1. Approval of Prior Meeting's Minutes (March 1, 2023)**

**Chair Jillian Hasner:** Great, thank you. I am Jillian Hasner, Chair of the Consumer Services Committee. I want to welcome everyone to the May Consumer Services Committee Meeting of Citizens Property Insurance and thank everyone for joining. We are going to kick things off and get started. And thank you, Barbara, for doing roll call. First, I would like to call the meeting to order and seek approval for the prior meeting Minutes. I think those were the March 1st Consumer Services Committee Meeting Minutes. Do I have a -- is there anyone out there that would like to make a motion to approve?

**Greg Rokeh:** So, moved.

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

**Tasha Carter:** I second.

**Chair Jillian Hasner:** Thank you. All in favor say aye.

(Chorus of ayes.)

**Chair Jillian Hasner:** Excellent. That is unanimous and the motion carries, thank you. We will move right along. This may be a record setting meeting, but I would like to recognize Jeremy

Pope, Vice-President for Customer Experiences for an update on our policyholder outreach and engagement activities. Jeremy.

## **2. Policyholder Outreach & Engagement**

**Jeremy Pope:** Thank you so much, Chair Hasner, and good afternoon to you and the fellow committee members. Again, for the record, my name is Jeremy Pope, Vice-President of Customer Experience, and today I do have a brief report out to the committee on some of our recent policyholder engagement and outreach efforts. I have no consent or action items to bring forward to the committee for your consideration.

And I will go ahead and begin today's update on slide two within your meeting materials. I want to make sure the committee was aware. We once again were invited to attend the DFS Hurricane Insurance Village that took place in the month of April. This was the second insurance village following Hurricane Ian's landfall that the DFS has hosted. We were on site in April. You can see two different locations over a three-day period. One of those locations was right in the heart of Fort Myers Beach. Every time you go down there, I have to say even in April, you know, while there is still, you can see the devastation, there was a lot of hope because you could see just so much rebuilding going on in the beach area, but nevertheless, it was a great opportunity for us to be on site and out in the communities in which we serve. If policyholders needed us in some capacity, we were there to answer any questions they had, whether it be an existing claim or could file a new claim on site as well.

Over the three-day period we had a total of 97 policyholders that came through that we were able to assist in some capacity, and we were able to distribute or disburse I should say 25 ALE checks, which totaled a little over \$94,000. We were in great company over the three days. You can see CFO Petronius himself was there. Which we had the Insurance Commissioner. We were also in close proximity with Tasha Carter, our Insurance Advocate and her group that was nearby along with obviously the DFS and the various other carriers throughout the state.

So, it was again a good opportunity for us to be out there. There was a lot of media that was around as well, you know, that was publicizing the event. And again, we were there, we had plenty of staff on site to be able to assist our capacity or to assist our policyholders, and honestly, we had some folks that came through that it wasn't even claim related and we were assisting with their questions they had on their policy in some way, shape or form. So again, I just wanted to make this committee aware that we were out and participated last month. There is discussion potentially of another one, dates haven't been finalized, but if and when one is finalized, we will obviously have representation at the next event.

And I will move to slide three. The other topic I want to bring up to the committee for, and again, just for awareness purposes, but we are looking to introduce an additional means for us to solicit both customer feedback and honestly some customer intelligence. So, what we do today, and I have shared some of this already with the committee. We have a Voice of Customer program which is our customer satisfaction program. We do get a lot of data and intelligence from that. We also periodically will send e-mail surveys and communications to our policyholder base when we are seeking some type of feedback. We have conducted outbound calling

campaigns when it is appropriate, and then we also will partner very closely with Christine's group for legislative office hours that we do or complete historically.

At times we are out in the field we can meet with consumers face-to-face. Depending, the mechanism historically usually depends on what we are after, how quickly we need the information, so forth, but we are looking to introduce a more, what I would say or call it a proactive means, if you will.

So next slide. And we are looking to introduce policyholder focus groups and we have this and have had this outlined in our Customer Experience Strategy, but really looking to build a mechanism, if you will, where we are seeking customer feedback proactively ahead of potentially decisions that we make around, you know, large projects or initiatives that may in some way, shape or form may impact the consumer. We also want to make sure that when we roll this out that we develop a channel for all internal groups across the organization if they are seeking customer feedback, and it could be to validate how we are setting something up. It could be to get feedback on a particular design, something that, you know, such as a customer portal and those different types of topics. We will be able to go I guess deeper, if you will, than just with a typical survey and actually get policyholders together to try to run some things past them and to have more real time dialogue around some of those topics.

Next slide, please. There is obvious advantages with the policyholder focus groups so we can demonstrate certain functionality. Again, we can obtain that feedback on initiatives, products or services that I mentioned proactively or consider changes to our existing products potentially. We can capture feedback even on communications ahead of us sending those out. I believe it was Governor Telemaco recently, in one of the public meetings he asked if a policyholder, you know, reviewed a particular communication. So there is something that is complex, or again, we wants to make sure that the message, message resonates with our policyholder base. We will have this formal mechanism, if you will, to capture some feedback proactively. Again, I mentioned the real time dialogue that we feel that we will be able to have with the consumers.

Now, I will say part of this we were, you know, we haven't done this before, but we are very interested to know what the interest would be with consumers participating in some type of focus group. So in fourth quarter of last year and at the very beginning of this year, as we have been engaged in our policyholders with our typical surveys that we conduct day-to-day today, we have been asking them, hey, in the event that Citizens rolls out some type of policyholder focus group, would you have some type of interest in participating, and believe it or not, we have had like 52 percent of our consumers said, yes, I would. Now, the proof is in the pudding. Now we are going to go execute. So, we wanted for us to, we are going to execute a lot of logistics over the next couple of weeks before we roll out our first focus group, and we will probably learn some, there will be some trial and error I think with some of the logistics. They will be virtual.

Move to the next slide. We have what we plan to do is conduct these formal policyholders focus groups quarterly, and our first one we plan to roll out July 19. We have our second one that we plan to roll out October 11th. Those dates are tentative. We can adjust those if something does happen where we think there will be some type of conflict.

We are also, we work very closely with our CLEA partners to make sure communications for folks that are participating, we are sending them out at the right time, because we want to make sure we are not inundating them with too many communications at once, but the whole objective here is to get it out 20 policyholders together, depending on the topics, and we are right now soliciting some interest across the organization. We had a C. X. advisory meeting with senior leaders Monday afternoon, really just already trying to solicit, what are some topics that your areas throughout the organization may want some additional customer intelligence on, and we are going to be working to merge the topics together as appropriate. So, you know, we only have, we are looking at these to be no longer than 90 minutes, and again, we are going after about 20 policyholders per session. We are looking to ultimately collect or create this database of active engaged policyholders that we feel that we could reach out to on an ongoing basis to solicit feedback where needed. And we may be breaking it down based on their demographics. So for example, if we are going to focus on self-service tools we may want to look at consumers that are registered with our portal, or we may not want to look at consumers that are not registered with our portal and have a discussion, you know, from that perspective. So anyway, it gives us a lot of flexibility. I wanted this group to know that we are building that channel out and, you know, look for updates in the future when appropriate, and if you do have any questions, especially ahead of our July 19 date that we look to roll out our first session or have any ideas, please feel free to reach out to me at any time, way be happy to incorporate those. And also give you any progress or status on where we are at with that so far.

Next slide. Actually, that concludes my slides. The only other update I want to provide this group, typically around this time Christine and I along with Jay Adams our Chief of Claims and Kelly Booten, our COO, we provide some type of catastrophe preparedness update for this group, making the group aware of what we have, you know, our positioning for the storm season, and also essentially just reiterating that we are ready and going over all the logistics of what we have executed this, this year to make sure that we can respond should we need to.

We have decided in conversations with Tim and the ELT that rather than provide that update, you know, in a few of the committee meetings, we are going to provide a comprehensive update at the July Board meeting, and that way the entire Board receives that update at once. So, I just wanted to make that comment, because usually around this time of year we provide that update. However, if any of the committee members have any questions on any of our deliverables of what we are doing to prep for this year's storm season, again, do not hesitate to reach out. As you can imagine, I mean, that started, you know, at the end of last year and this first quarter has been extremely busy working with vendors and ensuring various logistics are ready so we have not only the capacity and the people, but also our processes are where they need to be so we can put our best foot forward should we have to respond this year, which I hope we don't, to a major event.

Chair Hasner, that concludes my update today. I will be happy to answer any questions that the committee may have.

**Chair Jillian Hasner:** Does anyone have any questions, and thank you for that presentation, Jeremy. I was just getting ready to comment that we are only about one week away from the beginning of the June 1st hurricane season or the start of hurricane season. So, it seems

impossible that it is already here again, but you usually do give a presentation, and so we look forward to that at our July Board meeting.

**Jeremy Pope:** Perfect.

**Chair Jillian Hasner:** Any questions for Jeremy?

**Governor Leznoff:** I just have one.

**Chair Jillian Hasner:** Governor Leznoff.

**Governor Leznoff:** Thank you, Chairman. I am glad to see the engagement in focus groups and that you are going to try to tailor them for specific types of issues and may tailor your audiences accordingly. Given that the focus groups are going to be fairly small, what thoughts have been given to ensure that these participants are somewhat reflective of the general demographic of policyholders?

**Jeremy Pope:** No, that is a fair question, Governor Leznoff. So, one of the things, as we are building this database and we have actually already started to, we have started building this out. So, we have like a very what I will say soft interest. Now we are actually going after our, you know, consumers that have expressed an interest and we are breaking numerous what I would call variables out as far as, where they live. We have got them broken out by county. We will also have them broken out by, you know, do they have, you know, are they required to have flood insurance, are they not, things like that. What type of product do they actually have with us, do they have more than one product? And then we are also breaking out, we do have some, some demographics such as age and tenure with Citizens as well. So, we are going to take that into consideration as well. And what we do plan on doing, you know, the initial thought is to have, you know, four a year, you know, 20 per session. One, we are going to see how we do with that. We are not opposed also to, I mean, we are trying to figure things out like what is the best time of day, do we get a higher response even if it is after hours which only makes sense for our working, you know, population. So we are prepared if we need to do, to do more than what I have outlined, and it still may be quarterly, but we may have multiple sessions, and that is an effort that we want to do to make sure that we have the appropriate mix so we know that we are getting a perspective that is reflective of our population, and not just, you know, consumers from one party area or have one type of product. We want it to be as diverse as possible, and there may be times, depending on the product, we may go after, you know, consumers with a particular product or that are, you know, have the same situation or circumstance. So, for example, if we want to talk to consumers that filed a claim with us over the past year. Maybe we want to really dig into some intelligence there. The claims group may want some intelligence. We may do that. But, yes we do plan on breaking it out to make sure that we have, we are going to receive meaningful feedback. And again, as you stated, it reflects our policyholder base, and we have a comfort level with that as well.

**Governor Leznoff:** Thank you, sounds great.

**Jeremy Pope:** Thank you.

**Chair Jillian Hasner:** Before we move on. Jeremy, the one thing I would just like to add is that when you do the presentation in July, that since, just having been out there to see you and



Tasha and everyone in action, and it was eye opening to be out there and see the response from, from policyholders, and just again great job to everyone looking back on it.

But I would love to see in that presentation lessons learned, things that you love, you know, you all learned, because it was with the impact of these storms. I think it was, you know, you all hadn't really been out there like that I think in quite a few years, right. So, what is it, you know, anything that you would want to do differently or resources that are needed to be able to respond better.

**Jeremy Pope:** Absolutely. No, Chair Hasner, I made a note of that, and absolutely will. And you know, every event that we have, and quite frankly every event is different, but we always conduct a post mortem analysis where we sit back and it is across the enterprise and we really step back to figure out, you know, to your point, what could we have done better. So a lot of the efforts that we either have executed already or in the progress of executing, it is from feedback from last year on what could we have done differently, and that is both, that is across the organization, but I have made that note and we will absolutely make sure that that is reflected in the presentation in July for sure.

**Chair Jillian Hasner:** Great, thank you. Any other questions or comments from anyone? All right. Well, thanks a lot, Jeremy.

**Jeremy Pope:** Thank you so much.

**Chair Jillian Hasner:** All right, we will move along. Next on our agenda is, we want to recognize Christine Ashburn, Chief of Communication, Legislative and External Affairs for our legislative wrap up. Christine.

### **3. 2023 Legislative Session Wrap-up**

**Christine Ashburn:** Thank you, Madam Chair, members of the committee. I appreciate your time today. And like Jeremy, I will have with the team on the CAT Prep, we will go into a lot more detail on our efforts to implement these changes at the July meeting once these Bills have been signed into law, but I did want to provide the committee with a high level update on what did pass with the session that ended on May 5th.

To start, there were Citizens specific, actually to start, I wanted to share that our President and CEO and Executive Director, Tim Cerio was confirmed by the full Senate on a unanimous vote of 40 to nothing with no issues in any committees. I think he did a great job. Lots of, lots of good information shared by him about his vision and we look forward to obviously now having him all settled in officially with the Florida Senate.

So, beyond that good news, we did have a couple of items that were what I call left over and clean up items from the special session. Our items were in various Bills. So, I wanted to start with just walking you all through on slide two, the Citizens specific statutory changes and I have listed which Bills those are in, and I have got also for you what, what additional items were in these Bills of interest. The Bill, Senate Bill 418 does allow our Executive Director to appoint a designee to be a member of the commission of hurricane loss projection methodology, as long as the designee is a full-time employee with actuarial science experience. This is a, this is the modeling commission that approves models for rate-making in Florida and they will often after

multiple day meetings that can be very intensive and it's good to have the flexibility if Tim is unable to attend, to have someone from our team in this space attend in his absence so we are up to speed on everything that is going on there.

Senate Bill -- House Bill 799 provides that Citizens may adopt policy forms that provide for the resolution of claim disputes regarding coverage four and the scope of value of a claim in a proceeding in front of DOAH. As most of you are aware we do actually currently have a policy form endorsement and we thought it was important because of some changes in Senate Bill 2-A in December to codify. There were some additional requirements that will require that we amend the DOAH endorsement at OIR and we are working on that now, and once the Bill the signed that will be filed. That is effective upon becoming law. It provides that on or after 11/01/2023 policies that seek to obtain coverage from Citizens following an insolvency, will be subject to the same glide path as non-primary residents to ensure that policyholders do not receive premium decreases when coming to Citizens. This is also in House Bill 799. This is important, it was a focus of our Chairman beginning last year, because as many of you are aware, on average our homeowners rates are anywhere between 35 and 40 percent below market, and what we don't want to have happen is consumers get a significant rate decrease when they come to Citizens. As you all know we are subject, we can assess almost all Florida policyholders in Florida.

And also, in Senate Bill -- House Bill 799 provides that once the Bill is signed condo unit owners do not have to obtain flood coverage to be eligible for coverage with Citizens. And I should point out that House Bill 799, House Bill 1185 and Senate Bill 7052 have all gone to the Governor and the Governor must act by May 31st. He has not yet signed the Bills, but he does have them.

So the next provision on slide, slide three provides Citizens an exception to a new 60-day underwriting timeframe change that is included in House Bill 1185, to ensure that when citizens come to us following an insolvency, we can provide agents and consumers 60 full days to provide documentation that we waive and go ahead and bind coverage, and it allows our underwriting team to continue to underwrite those in the last 30 days, whereas, outside of that exception, the underwriting timeframe, while you can cancel a policy for various issues beyond nonpayment and misrepresentation is moving to 60 days for all carriers.

As well, it does preserve and make permanent our public records exemption for cyber security data information. This is effective October 1<sup>st</sup> when the exemption would have, it was in an open government sunset review. When the current exemption would have expired, but this bill has been signed into law by the Governor, so this will be an exemption that will remain for us permanently which is very important to protect our systems and all of the data we keep.

It states that Citizens in Senate Bill 7052 may not determine that a risk is ineligible for coverage with the corporation solely because a risk has unrepaired damage caused by a covered loss that is subject of a claim that has been filed with FIGA following an insolvency. It does provide limits on how long we must insure it. This is something that we have already candidly done with the UPC insolvency because of Hurricane Ian and the impacts of that storm, and those customers really have no way, nowhere to go, but we want to insure as well, and I think this language does a good job of making sure that we ultimately won't be stuck on an unrepaired risk indefinitely if repairs are not made the claim is paid by FIGA.

Next slide, please. Quickly just to provide you Senate Bill 418. I have pulled out the Citizens specific provisions and moved those up, but they have been -- this is what I would call an omnibus, a non-controversial Bill. For the most part it does provide that residential property insurer rates may be looked at by estimating models and doing an average of two or more models. There have been some issues with that. I think we have worked in a different manner with the OIR, but our actuarial team is looking at this to see if this might be beneficial when we do our next rate filing. It provides that a personal lines residential property insurance rating plan that provides streaming discount at the rate differentials on windstorm construction centers by an independent non-profit scientific research organization may be used in place of what is there now. Limits when an insurer has to actually provide a notice in mail if your premium changes. As I am sure most, many of you, at least for auto insurers, if you pay monthly you may have noticed even if you have digital documents if your bill changes by 30 cents right now, under current law you actually still have to get a notice because the automatic withdrawal is changing by a small amount. This limits it to officer 10, \$10. You have to advise a customer. Provides for some changes in deductible offerings. It is certain insured values that could be offered. Most notably at higher values it really would not impact Citizens currently based on the statutory caps for coverage. And then it requires that the waiver, there is a current waiver, if you exclude windstorm coverage and just buy coverage without wind. Current law requires that it be a handwritten notice, and this allows it to be an electronic type verification of the statement from a consumer changing with the times.

Next slide, please. 799 which most of the Bill had provisions related to Citizens, does provide for an OIR study regarding wind mitigation credits, specifically looking at wind uplift prevention. Technology that has been out there and then which will take some time and provides funding for that study at OIR for potential additional wind mitigation credits in the future, and then does provide that if a Carrier requires an applicant or insurer to have coverage for the peril of flood and they do not validate that, at issuance and renewal, they, the Carrier, that they can't simply deny a wind claim because the flood policy wasn't in place at the time of the loss. If a Carrier does validate that there is coverage at the time of issuance and renewal and a consumer subsequent to that drops the coverage when they should have had it, it does not limit a carrier's ability to deny the claim in those circumstances.

Next slide, please. As you can imagine following a hurricane there was a significant package of consumer protections in House Bill 1185. There is a new notice of property insurance claim for commercial in the homeowners associations related loss assessment which there is no specific limit in statute today. It does allow DFS to step in and disapprove adjusting firm names for similar grounds for which it can disapprove insurance names today. I think they have seen some egregious naming of some adjusting firms and they want to be able to step in and stop those, what I would call predatory naming practices.

There are a number of changes to the public adjuster statute regarding contracts and when consumers can cancel contracts under certain circumstances and disclosures that must be involved in those and recordkeeping and documentation requirements to protect consumers. It establishes that it is an unfair method of competition or unfair and deceptive act or practice if an insurer fails to disclose a third-party that it receives royalties, referral fees or other money for sponsorship marketing for use in branding a health insurance company and not, not relevant to Citizens. Reduces the statutory duration when a hurricane deductible applies and defines



hurricane deductible as a deductible applicable to a loss caused by a hurricane. There has always been some question around when a carrier starts and stops a hurricane deductible and hurricanes are making landfall in Florida, and I think this is an attempt to clarify that for carriers so there is consistency. And like I mentioned, it changes the insurer underwriting timeframes from current law of 90 days to a law of 60 days under, under the new law, again, with the exception that I mentioned specific to Citizens and consumers coming to us from an insolvent carrier. And then finally, there is an insurer accountability Bill. As you all know there has been a lot of tort reform and activity on the side of the Legislature to reign in what I would call a very sick insurance market, and we know out of control litigation, but on the flip side of that there have been some stories coming out of Hurricane Ian and some significant articles, just again, a small handful of carriers that have engaged in practices that I think caused concern for legislative leaders given all of the reforms especially. And as you now, when they make reforms what is good for the goose and good for the gander. So, we are working to implement Senate Bill 7052. Again, the Governor has this Bill, but has not yet signed it. It requires insurers to follow appropriate claims handling practices deemed appropriate. Requires residential property insurers to create and use a claims handling manual that follows the Insurance Code and best practice standard. Requires rate filings made by property insurer and motor vehicle insurers to include an OIR when considering reviewing rates, the combined effects of recent legislative reform. As those of you on the Board of Governors will recall when Bryan Donovan and Jennifer Montero brought forward our most recent rate filing, we in fact did reflect the estimated or potential savings that we expected to have because of those reforms. So, we would already be compliance proactively I think based on actual standard of practice this provision of law that is effective, I believe in July. Appropriate \$500,000 to OIR or to obtain an actuarial study to develop appropriate methodology and data to implement the requirements of the Bill. Requires OIR to update its study regarding the property insurance mitigation discounts, at least every five years. Increases maximum administrative fines that may be levied on insurers and insurance agents for violating the Insurance Code by 250 percent generally and 500 percent for violations related to a declared state of emergency, including a hurricane. Requires insurers and agents to respond more promptly to the Department of Financial Services, Division of Consumer Services and Agency Services regarding consumer requests and complaints. Increases staffing for OIR and DFS and provides conditions whereby the OIR must initiate market conduct examinations of insurers following a hurricane for certain complaint ratios based on how many claims a Carrier might have and how many complaints they have as opposed to just how many claims you have generally or how big your market share is. We are working to make sure we will be in compliance with all of the provisions of these Bills. Many of the provisions are effective upon becoming law. Some are effective as of normal, July 1st, and then there are some that have been delayed until October to give time as we move forward.

With that, Madam Chair, that concludes my report, and if there are any questions I am happy to answer them.

**Chair Jillian Hasner:** Does anyone have any questions for Christine?

**Greg Rokeh:** Christine, this is Greg. Can we go back to that, the little section you were talking about on the flood insurance? I want to make sure I was clear on, on the language there.

**Christine Ashburn:** Absolutely. It is, it is in 799, and it is a pure, one thing I did not include here and I should have. There were two fixes on flood. One was as you may remember or saw, there was a lot of consternation when 2-A was passing, specifically in the Senate about the fact that there was no limitation on requiring a condo unit owner to carry flood coverage. So, you could be on the 30th floor of a condo and you would have to have a condo unit owners policy for flood in order to be eligible for Citizens. So that is how it passed. It was effective for new business, 04/01, renewal business, July 1st. So, we have been honoring policies contingent on getting proof of flood coverage for all those impacted, but specific to these changes condo unit owners. This legislation completely exempts condo unit owners from the flood requirement to be eligible for Citizens. Specifically, also, there was a lot of complexity around if there is a master policy what does that cover and would there be duplicative coverage. And so as soon as this Bill is signed, condo unit owners will no longer have to have flood coverage to be eligible with Citizens for a condo unit owner policy with Citizens, and as soon as the Bill is signed we will begin rescinding those non renewals that have already been sent, but it was effective 04/01 for new business.

**Greg Rokeh:** Thanks for clarifying that. I appreciate it.

**Christine Ashburn:** No problem.

**Chair Jillian Hasner:** Any other questions? Okay. Anyone else? All right. Well, do we have any other comments or questions or any other new business to bring before the committee before we adjourn? All right. If not, then if there are no comments or questions or new business, then I would entertain a motion to adjourn.

**Governor Leznoff:** So, moved.

**Greg Rokeh:** Second.

**Chair Jillian Hasner:** All in favor, aye.

(Chorus of ayes.)

**Chair Jillian Hasner:** And we are adjourned, and I want to thank you for being here and for your participation in today's meeting, and I would like to remind everyone that the next Consumer Services Committee meeting is scheduled for Wednesday, August 30th, at 12:30 p.m. Thanks everyone. Have a great day.

(Whereupon, the meeting was adjourned.)