

**Citizens Property Insurance Corporation**  
**2nd Quarter 2023 Retirement Plan Committee Meeting Minutes**  
**August 15, 2023**  
**1:00 PM – 2:00 PM ET**

**Committee Members in Attendance:**

- Violet Bloom, Chief, Human Resources
- Jonathan Norfleet, Investment Consultant
- Andrew Woodward, Senior Director, Contoller
- Long Yang, Manager, Treasury Investment
- Robert (Bob) Reilly, Senior Counsel, Corporate Legal Service
- Jennifer Montero, Chief Financial Officer
- Amy Rojas, Manager, Payroll & Retirement Benefits

**Citizens Staff in Attendance:**

- James Taylor, Director of Total Rewards
- Tim Horkan, Senior Counsel, Corporate Legal Service
- Cheryl Gellrich, Payroll Administrator
- Lynne Robson, Administrative Assistant
- Ken Tinkham, General Counsel
- Merrio Tornillo, Manager Vendor Relations

**Also Attending:**

- Sageview (Lisa Garcia & Justin Bogart)
- Empower (Joe Ferguson, Paul Stern, Stephanie O’Dear, Diane Morton)

Item 1:	<p><b><u>Call to Order</u></b></p> <ul style="list-style-type: none"> <li>• A publicly noticed meeting of the Committee for Citizens’ 401(a), 401(k) and 457(b) retirement plans (collectively, the “Plan”), was held on August 15, 2023. The meeting convened at 1:04 pm EST via teleconference. Seven members were in attendance and a quorum was established.</li> </ul>
Item 2:	<p><b><u>Review Q1 2023 Minutes and July 17<sup>th</sup> Ad-hoc meeting minutes</u></b></p> <ul style="list-style-type: none"> <li>• Mr. Woodward moved to approve both sets of minutes as drafted. Ms. Yang seconded. All members present voted, and the motion was adopted 7-0.</li> </ul>
Item 3:	<p><b><u>Q2 Plan Administrator Update - Empower</u></b></p> <ul style="list-style-type: none"> <li>• Ms. O’Dear provided update on the SAGIC fund error and correction. <ul style="list-style-type: none"> <li>a) Data entry error resulted in underpayment of \$24,695.15 to 401(a) participants who invested in SAGIC in June because the annual crediting rate was set at 1% when it should’ve been 3.6%. 759 participants affected. Error identified by QA check at Empower on 7/7/23 (same day a Citizens employee brought the issue to Empower’s attention). A manual correction was done with participants made whole on 8/10/23. Ms. Montero asked if correction was retroactive. Ms. O’Dear replied yes, participants were made whole. Mr. Ferguson stated Citizens was not the only company affected by this error.</li> <li>b) 457(b) participants were slightly over credited in June (annual SAGIC rate was set at 3.7% but should have been 3.6%). Participants were not required to repay the slight overpayment</li> <li>c) Citizens and SageView staff believe a 401a underpayment on SAGIC may have also occurred in May 2023. Staff will work with Empower to analyze the error data reports supplied by Empower. Communication to participants are on hold until validation of corrections are made. Once all comfortable, communication to employees will be made.</li> <li>(d) Ms. Montero asked if participants could trade out of the SAGIC fund if they desired. Ms. Garcia answered yes. Ms. Montero also asked if the Plans cumulatively had to have a minimum balance invested in SAGIC, and Ms. Garcia answered that no such restrictions applied.</li> <li>(e) Mr. Taylor proposed the following plan to address the SAGIC errors: <ul style="list-style-type: none"> <li>• Ask Ms. Garcia to continue her work with Empower to fully understand and remediate the situation and report back to the Committee as soon as practical.</li> <li>• Assuming the Committee’s satisfaction with SageView’s findings, the Committee will authorize Empower’s Plan Participant communications and any other necessary actions.</li> <li>• If a resolution cannot be reached, the Committee may refer the matter to Legal, Vendor Management, and/or Internal Audit.</li> </ul> </li> <li>(f) Ms. Montero made a motion to approve Mr. Taylor’s proposed plan. Mr. Reilly seconded. Motion adopted 7-0.</li> <li>(g) Ms. Bloom asked Mr. Horkan if the Committee needed to reconvene to go over the findings. Mr. Horkan stated that a meeting would be required only if official actions or discussions were needed. Otherwise, updates and reports could be handled via emails from staff.</li> </ul> </li> <li>• Mr. Ferguson shared Executive summary, Plan 2 - 457(b) Highlights. Not a lot of change this quarter. The participation rate is very solid, 92%. Numbers not fluctuating much. Cash flow continues to be positive flow in. Strong across time. YTD is positive. Most distributions from plan are due to termination of service, or</li> </ul>

	RMD. Loans have ticked up a little. Similar themes in Plan 1 - 401(a). Mr. Ferguson asked if any questions, and there were none.
	<p><b><u>Investment Fund/Market Review – Sageview</u></b></p> <ul style="list-style-type: none"> <li>• Mr. Bogart stated it has been a positive quarter. S&amp;P 500 was up. Very narrow rally, but still positive compared to previous quarters. S&amp;P back in a Bull Market. Broadening of market gains, not just in AI. Bonds were defensive beginning of year, but predicted recession has been pushed out. Layoffs in tech sector up, consumer sentiment up.</li> <li>• Ms. Garcia reminded we had ad-hoc meeting in July regarding Secure Act 2.0. Effective 1/1/24, all catch up contributions must be Roth contributions for those earning over 145K per year. Ms. Montero asked if this would be automatic. Ms. Garcia stated that would be up to employers and their payroll providers to manage that. Still waiting to see if legislation will be passed to allow for more time to implement.</li> <li>• Plan 1 - 401(a) is up 4.19% this Qtr. YTD up 9.09%. Compared to custom benchmark slightly underperforming.</li> <li>• Most assets in SAGIC, then target date funds.</li> <li>• The quarter ended in \$83.5 million dollars in assets</li> <li>• Plan 2 - 457(b) is very similar. Slight under performance.</li> <li>• Ending balance a little over \$104 million.</li> <li>• No funds on watchlist right now.</li> <li>• Mr. Bogart reviewed the suite of American Funds' Target Date Funds. Generally happy with these funds right now despite challenges over last 18 months. These funds tend to be more conservative than their peers.</li> <li>• American Funds has long term performance and scores over SAGIC funds. The overall safety ranking of 1, but in 1<sup>st</sup> percentile across five and ten years. It has a very broad diversification.</li> <li>• Ms. Garcia recapped the purpose of the Target Date Funds report is to cover the DOL's guidelines and our annual fiduciary responsibility to evaluate the performance of the funds and expense ratio since these are Citizen's qualified default investment options. In the short term, they're underperforming a little bit, nothing alarming, but it's something we'll continue to monitor.</li> </ul>
Item 4:	<p><b><u>Public Comments</u></b></p> <p>Ms. Rojas asked if anyone wished to make a public comment.</p> <p>No requests were made.</p>
	<p><b><u>Adjournment</u></b></p> <p>Meeting adjourned at 2:02 PM EST</p>

Approved:

\_\_\_\_\_  
Amy Rojas

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Date