CITIZENS PROPERTY INSURANCE CORPORATION

Summary Minutes of the
Exposure Reduction Committee Meeting
Tuesday, September 26, 2023

The Exposure Reduction Committee of Citizens Property Insurance Corporation (Citizens) convened at the Augustus B. Turnbull Conference Center in Tallahassee, FL on Tuesday, September 26, 2023.

The following members of the Exposure Reduction Committee were present:

Chair Nelson Telemaco
Board Chair Carlos Beruff
Governor Jillian Hasner
Kelly Booten, Staff
Jennifer Montero, Staff

The following Board members were present:

Governor Joshua Becksmith
Governor Scott Thomas
Governor Erin Knight
Governor Jason Butts
Governor Charlie Lydecker

The following Citizens staff members were present:

Aditya Gavvala
Alden Mullins
Andrew Woodward
Barbara Walker
Bonnie Gilliland
Brian Donovan
Carl Rockman
Doug Hageman (telephonically)
Eric Addison
Jay Adams
Jeremy Pope
Joe Martins
John Schmidt
Karen Holt (telephonically)
Ken Tinkham
Long Yang (telephonically)
Mark Kagy
March Fisher
Mathew Carter
Michael Peltier
Ray Norris
Stephen Guth (telephonically)
Stephen Mostella (telephonically)
Sudheer Kondabrolu
Tim Cerio
Violet Bloom
Wendy Perry (telephonically)

The following were present:

Adam Miren, Gallagher Re
Albert DelCastillo, Greenberg Traurig, LLP
Brian Smith, Forvis (telephonically)
Christian Sandino, Zoom (telephonically)
Dave Newell, FAIA
Doug Draper, B of A Securities
Fred Strauss (telephonically)
John Generalli, Wells Fargo
John Rollins
Kapil Bhatia, Raymond James
Mark Weinberg, Citi
Sasha Stipanovich, Raymond James
Sam Wishard, Forvis (telephonically)
The Florida Channel Staff
Tim O'Boyle, Gallagher Re
Trent Smyers, Gallagher Re
Vikram Ganeshan, Gallagher

Call Meeting to Order
Roll was called and a quorum was present.

1. Approval of Prior Meeting's Minutes

Chairman Telemaco: Good afternoon, everyone. I would like to call for approval of the meeting Minutes for the last meeting.

Board Chair Beruff made a motion to approve the September 26, 2023, Exposure Reduction Committee Minutes, and Governor Hasner seconded the motion. The minutes were approved.

2. Market Update and Dashboard

We will move on to the next item on the agenda. Kelly Booten is going to give us a Market Update and Dashboard discussion. Kelly, I recognize you.

Kelly Booten: Good afternoon. Behind tab two is a fair amount of information on Citizens' book of business, as well as some commentary on market conditions. Hopefully, we will answer the commercial lines questions. We'll find out when we get to that.

The first slide is Policies in Force by Year and Account for all lines. This is through July, but as of last Friday, our policy count was 1,399,554, with $5 billion in written premium and $609 billion in exposure. We will get to this later in the presentation, but the depop is really starting to take off and that will drastically impact some of these numbers soon. A couple of other items of note, South Florida concentration dropped to 42 percent from a high of 54 percent at the end of 2020, and you'll notice that the number of taken out policy serviced is starting to grow as depopulation picks up.

Now, I am going to drill down into specific personal lines information. The first is a slide that shows the personal lines counts and total insured value trends. The graph shows multi-peril in blue and green is wind-only. The black line is total insured value. The bottom of the graph also shows the policy count premium and total insured value by multi-peril and wind-only for personal lines. These numbers are as of the end of June, and they are produced at the end of every quarter. So, at the end of June, multi-peril it was 1,217,000, and for wind only it was 90,000 approximately.

The next slide shows the make-up of how the policies are coming in on new business. The first row is the monthly new business policy count. You can see we've been staying around 50,000 new business policies. In July it was 50,910; August, which is not on here, was 50,392. We are at about a 34 percent increase year over year. We are starting to see some evidence of market improvements in this area, though not evident on new business because of depop. We are engaging with additional carriers on Clearinghouse and engagement at renewal to start shopping the book and are seeing a few companies relaxing underwriting guidelines.

On the next slide is a drill down on personal lines by policy type, and this slide shows what Jennifer was saying earlier on the projections, whereby, we still have the 50,000 or so new business transactions coming in, but if you look at the average same months for the prior year, it was 61,209 because of the number of insolvencies in 2022. So at least that is good news that we didn't have insolvencies. The bottom chart, we'll add a graph next time for geographical region, shows the spread by territories and the southeast coast, again, is a large growth area for us, but other parts of the state have also grown as our PIF has increased.

The next slide shows the personal residential policy types compared the last four months to the average in the black bar for the prior year, and this, again, is new business. The first graph is Coverage A Range, the middle graph is Age of Home, and on this one I'll point out that 20 percent of the new business has an age of home less than 21 years, and on the Age of Roof graph you can see 59 percent of business has a roof less than 11 years. These are good policies for depopulation.

The last personal lines slide is information about prior carrier. This has been fairly consistent on where the business is coming from. From carrier, we did have one new addition in August, Castle Key, which is an Allstate company. Any questions on personal lines?

Commercial lines. The next slide is a graph that shows the commercial lines total insured value by multi-peril and wind-only. The dark blue is wind-only and the light blue is multi-peril. You can see the total insured value for the combination is $85 billion, and the total insured value is rising much higher on commercial lines than it would on personal lines due to the nature of the policies.

On the next slide --

Chairman Telemaco: Kelly, I'm sorry.

Board Chair Beruff: Excuse me.

Chairman Telemaco: Go ahead.

Board Chair Beruff: Go ahead, Chairman.

Chairman Telemaco: I have just an observation. As the percentage of total policies, the wind only drops off significantly from 2016 levels, right, there was a lot of use for wind-only. I'm just curious if there is any reason why that's not picking up?

Kelly Booten: We had a depopulation happen on wind-only that started some of the decline. We also had companies that were doing wind-only policies that now are no longer with us, like Weston as an example. It hasn't started to grow back, thank goodness, at the rate that multi-peril has.

Chairman Telemaco: Awesome. Great. Thank you. Chairman Beruff.

Kelly Booten: The next slide shows --

Chairman Telemaco: Did you have a question?

Board Chair Beruff: Obviously from the previous discussion we had, we will have more answers tomorrow.

Kelly Booten: Yes, if you go back, I think you went one slide too far. There we go. It should be commercial lines, multi-peril, and wind only, sorry. Commercial lines by residential, non-residential. That's the slide I want. I can't read from here that far away, but it should be green and brown according to my graph chart color.

Board Chair Beruff: There was a green and Brown graph right there.

Kelly Booten: There we go. Thank you, we got it. So, this, I think, is where we're going to get into maybe some of your answers. This shows the breakout by residential and non-residential. The green is the commercial non-residential building count, and the brown is the commercial residential building count. The commercial, non-residential wind only has a $1 million cap. The commercial non-residential multi-peril has a $2.5 million cap, but commercial residential has no limit.

Board Chair Beruff: So, we're subsidizing landlords.

Kelly Booten: Repeat that, we're what?

Board Chair Beruff: We're subsidizing landlords. Commercial residential means that you are leasing the property. And then we're keeping those rents, excuse me, those premiums artificially below because we are mandated by state statute.

Kelly Booten: Well, one would argue that --

Board Chair Beruff: Well, it's a yes or no question for me before we can argue it.

Kelly Booten: I don't know if I would call it subsidizing, but the costs of insurance are going to get passed on the policyholders that are in those units.

Board Chair Beruff: Well then, why is that business growing? If the business is growing, it needs to tell me that I'm at or below the competition, okay. And then I heard earlier in the previous conversation I had with Ms. Montero that there's elements of the commercial that we cannot raise to whatever we want, and there's elements of the commercial that we don't have that constraint. And then I understand that tomorrow we will have data breaking up those two pieces of that puzzle.

Kelly Booten: Correct, and so let me take that one on. So, of these buildings, because we do the A-rate by buildings, we have taken, I think it's, Brian can correct me, but 29 percent this year and 22 percent last year rate increases on the A-rated buildings, which are --

Board Chair Beruff: Okay, let's stop right there. So, we went up 29 and what was the other?

Kelly Booten: 22 this year.

Board Chair Beruff: 22 and 29.

Kelly Booten: 22 last year, sorry.

Board Chair Beruff: 22 last year and 29 this year.

Kelly Booten: Yes.

Board Chair Beruff: In spite of that the business continues to grow. So, the question would be to Mr. Donovan, who I don't want to bring back up here at this point because he will answer for me tomorrow, is where should we be in order to be non-competitive? And who stops us from getting there, and what statute stops us from getting there in the commercial lines?

Kelly Booten: Of the commercial buildings, approximately 1,400 of them are in what's called A-rated buildings, that rates are not approved by the Office, and we have taken rate increases in the last two years. That's about 1,400 of the total 38,000 buildings, so the remainder --

Board Chair Beruff: 1,500?

Kelly Booten: Yes.

Board Chair Beruff: Out of 31,000.

Kelly Booten: Out of 38,000.

Board Chair Beruff: 38,000. So, it's a fraction.

Kelly Booten: It is.

Board Chair Beruff: A very small fraction.

Kelly Booten: Correct. So, the others would be under the glide path. Commercial is also under the glide path.

Board Chair Beruff: So, commercial is under the glide path and we can't go charge whatever we want.

Kelly Booten: The only exception is the 1,400 that are A-rated that I talked about.

Board Chair Beruff: So, we are growing a business that we shouldn't be growing also, and benefiting people that are making profits. These are not homeowners living with a roof over their heads. These are profits going concerns that are owned by either condominiums or rental apartment buildings or things like that, correct?

Kelly Booten: Yes, they are businesses.

Board Chair Beruff: Yes, they are businesses. So, in essence we are subsidizing those businesses because we are below the rate that the commercial market is charging for like coverage. Mandated, mind you, because of the glide path. It's a yes or no question.

Kelly Booten: That is a perspective, yes. I think it has to do with also no market available. So, when I get into a couple of other slides, you'll see that seven out of the ten prior carriers were surplus lines carriers. We tend to be, if they can't get coverage with us, it's the --

Board Chair Beruff: Let me be very clear. I am not against insuring the liability. I'm against insuring it at a rate below what it should be charged. If they can't get coverage, there has to be a rate that's profitable to us. At this point what I am continuing to understand is the glide path impacts that rate that we can charge for people who are making money. At the end of the day, if you have an NOI of $10 because our rate is below market rates, I really don't care if you analyze $8. The 20 percent should come out of either that, unfortunately, or the person paying the rent should pay more rent in order for the gentleman or the lady or the corporation to net what they think they want to net on their investment. That's not me to determine markets. We're artificially increasing the profitability of these investments and commercial businesses to others. That's what we are doing.

Kelly Booten: One of the items that we --

Chairman Telemaco: Am I missing something?

Governor Becksmith: Do you mind?

Chairman Telemaco: Yes, Governor Becksmith.

Governor Becksmith: So, just to add a little color to all of this from being in the business, I don't think anybody in here is going to disagree with you that the rates that Citizens is charging are low and they're artificially lower. If you look at the market, I might even challenge Mr. Donovan earlier to say that is the probably 50 to 60 percent lower than the market, and in some cases, 100, 200 percent. What you run into, though, is you run into situations where you take, just using simple Florida State math here, a $50 million-dollar property that is an apartment complex that now no longer can go out and get the full $50 million of coverage anywhere in the marketplace. Citizens, statutorily, is forced to take that property on at rates that, candidly, are going to be a lot higher than what they are used to paying, but the alternative for any agent or the owner of that property to be able to go out and find an alternative replacement of limit is what we are running into. So, this $50 million dollar apartment complex may now only be able to go out and get $2.5 to $5 million in coverage. And again, yes, in a lot of cases this apartment complex is a business. You also have 300 residents there, students, elderly, subsidized housing in some cases, that still need a roof over their head. So, if it goes back to the bank, then the question becomes, well, who places the insurance and then what does rent go to. Does rent go from $2,000 to $3,000.

I agree with you, but I think what you're seeing in the marketplace and what we have discussed with Citizens, and they did a round table not too long ago and several of the larger agencies were present, is you have got a couple of issues going on in the state of Florida. You've got capacity and that's number one. So, an insurance carrier is willing to come in and write condominiums, apartments, assisted living facilities, okay. Yes, some of those are businesses and some are not. You've got pricing challenges, and then you ultimately have just straight up competition where there isn't any more competition. You've got a lot of carriers that have stepped out of the marketplace on the commercial residential side specifically.

So, to your point, and it's well taken, are you subsidizing if Josh owns an apartment complex? No, because I can tell you right now that when those apartment owners put it in their budget a year ago for their property insurance, they didn't budget 100 percent increases. They didn't budget 200 percent increases, and in some cases, three and 400 percent. The problem that they're running into now is Citizens, the insurer of last resort, has become the insurer of first resort because it's the only place they can actually go and get the coverage that they need to keep from going into default on their loan and also keep the roofs over the people's heads that they are staying in. Does that make sense to an extent?

Chairman Telemaco: It absolutely makes sense. The question becomes whether or not, out of how many, 38,000 I think you said, 38,000 different policies we have in commercial lines.

Kelly Booten: Buildings.

Board Chair Beruff: I'm sorry?

Kelly Booten: Buildings.

Board Chair Beruff: Buildings.

Kelly Booten: Yes.

Board Chair Beruff: Okay, so that's 38,000.

Kelly Booten: Almost 10,000 policies.

Board Chair Beruff: 10,000 policies, 38,000 units.

Kelly Booten: Yes.

Board Chair Beruff: Okay, that is the better way.

Kelly Booten: Not units, because one policy can have multiple structures on it, buildings, like multiple towers on it.

Board Chair Beruff: Okay. So, we don't know the unit counts, but we have 10,000 policies with 38,000 whatever we want to call it. Obviously, the sympathy strings that you apply in your discussion, students and so forth, I get that and I'm obviously sympathetic to that, but at the end of the day are we a free market, or aren't we? Are we a free-market capitalist society or are we government stepping in and covering for all of these things? That's a decision this Board has to decide how they want to pertain. I know where I stand.

Governor Becksmith: Right.

Board Chair Beruff: That's market risk. You take your chances; you make your money, or you don't make your money. That's the way it is. But the constraints that we have to operate under make it very difficult because, to your point, we're not even charging the amount that we should be charging --

Governor Becksmith: Correct.

Board Chair Beruff: -- to at least make sure that we're in good standing. I don't know how many years I have been on this Board, I think it's three now, I think I got in in '20, and the first thing I said publicly was that I don't want to be the guy that has to make sure that we assess every policyholder or the citizens of Florida with an assessment because we didn't run this business correctly.

Governor Becksmith: I don't disagree. I think a lot of this is, they are statutorily handcuffed, if you will.

Board Chair Beruff: I get that. But how do we identify that problem? How do we go to our friends at the Legislature and get them to understand what we are concerned about? The business, now you are growing -- what are our liabilities on the commercial lines at this moment compared to where it was in 2020?

Kelly Booten: If you go to the next slide, it actually shows it, yes. It's 91 --

Board Chair Beruff: 91.

Kelly Booten: -- at the end of July it was $91 billion in exposure, and it was $21 billion at the end of July a year ago.

Board Chair Beruff: So, it is almost 400 plus percent. I mean, it is huge.

Governor Becksmith: And it's going to get worse. It's going to continue to get worse as the market continues to be challenging. Where I would go at this Chairman is, I think, yes, there probably needs to be some discussions with the legislators, but I think some of the discussions that we've had with the Citizens team and Kelly and the rest of the team and Carl, is what can they control from a perspective of deductibles, looking at different options to make it to where it's not as enticing potentially to come to Citizens, other than price, because that's where we're coming down to.

The biggest issue that you've got is that we've got, the legislation that was passed last year was phenomenal. It addressed a small portion of the issue though, that's the personal side. What it didn't address is the commercial residential side, and a lot of those, the primary homes are the condos. So, until you get the capacity back into the marketplace, we're going to continue to see these numbers continue to skyrocket.

Board Chair Beruff: There is no way you could sustain this growth. First of all, we'd have to buy the expertise when some of these buildings get damaged in the future in order to properly assess our liabilities. That in and of itself will be a whole different level of analysis that we haven't taken under, and you can't grow, that line there tells me we have a problem. 400 percent growth in 24 months essentially.

Chairman Telemaco: Typically, when we focus on exposure reduction, we're focused on the residential market which, obviously, is the big nut to crack, but as I'm looking at the incredible growth over the last year, are we doing anything specific for commercial that's different? I know we've made great progress on the personal lines side, but on commercial, I mean, this is getting really out of control. The market is out of control.

Kelly Booten: Right, it is. I would say there is some appetite for commercial depopulation for the first time in a long time. If I were a betting person, I would say it would be maybe the ends of first quarter, beginning of second quarter, whereby we might have some commercial depop. So, that's one piece of good news.

Christine does have on her legislative agenda potentially having commercial non-residential at actuarially sound rates. That would help our problem there. We are also looking at other options. They all have to be explored through actuarial analysis on a surcharge for prior damage, because we've talked about Citizens' place in the market and the types of things that come to us. Maybe there's a surcharge for prior damage.
On depopulation, another option for commercial res is if you get one offer, you have to go. It's that way now on non-res, one offer and you're ineligible or it will be, is the same for that.

So, those are the top three items we have. We have a whole bunch of other ideas, but the market has to be good and there has to be a place for people to go when you are making some of those changes, too, so there's that piece of it. The Roundtable had a lot of other ideas that I think are controversial. Some even would make us grow in my opinion. ACV on roof is another one that keeps coming up as an option. It's controversial as well. Our claims department --

Board Chair Beruff: Chairman.

Chairman Telemaco: Go ahead.

Board Chair Beruff: I didn't hear that last comment. What did you say?

Kelly Booten: Actual cash value on roof, instead of replacement cost for aging roof, because we intend to insure a lot of older roofs on commercial.

Governor Becksmith: Out of curiosity, where we were at the height of '04. '05, '06 roughly if you had to guess as far as exposure on this side? In 2004, '05, '06, weren't we kind of at the height of the market?

Kelly Booten: I'm sorry, I couldn't hear the question, I'm almost as old as the Chair, so I'm having the same problem.

[laughter]

Board Chair Beruff: We're getting hearing aids at Christmas. I am buying.

Governor Becksmith: Where, at the height of the commercial residential over the last 20 years for Citizens, roughly where were we as far as valuations and potentially number of policies?

Kelly Booten: Well, the valuation is –

Governor Becksmith: Obviously, it's quite a bit, yeah, sure.

Kelly Booten: -- way out of kilter because of inflation, cost of reinsurance, all the things that you brought up. If you go back one or two slides, I am going to say it was in the ballpark of 65,000 policies.

Governor Becksmith: 65 and now we are at 11 if memory serves me correctly, roughly?

Kelly Booten: We're getting close to 11, yes.

Governor Becksmith: And as far as --

Kelly Booten: We are nowhere near where we were back in the day before commercial depop and all the --

Governor Becksmith: Right.

Kelly Booten: -- things that happened.

Governor Becksmith: Okay.

Board Chair Beruff: Yes. It is just the growth a scares me.

Kelly Booten: Yes.

Board Chair Beruff: 400 percent growth --

Kelly Booten: Right.

Board Chair Beruff: -- in 24 months.

Governor Becksmith: Yeah, right.

Kelly Booten: Okay, so carry on?

Chairman Telemaco: Yes, please.

Kelly Booten: All right. Let's see, where was I? There we go. This one just goes over the new business counts by policy and building, and I think we've already talked through all the reasons why we are growing.

If you go to the next slide, it shows building counts by policy type. We did have that big bubble, we talked about this at the last Board meeting, in the May, June, July timeframe. It's, I think, leveled down to our new normal. August building count was 2,435. So at least we are not at that peak that we were back in May and June. Geographic region was 63 percent in July on the southeast coast, in August, it was 47 percent. So, a lot of southeast coast.

On the next slide is total insured value by policy type. Just another look at it for new business so that you can see that the growth is predominantly in commercial residential, wind, and multi-peril, though the non-residential is starting to grow.

The next slide shows the growth by coverage range. Last four months compared to the black bar which is one year ago. Notice that the $1.0 to $9.9 million range is the highest range, and we did hear at the Agent Roundtable that the $5 to $10 million layer is the most difficult to get.

On the last one, buildings by age. For August we had 20 percent that were 20 years or less, and for July, it was 15 percent.

The last slide shows the prior carrier is seven out of ten, our surplus lines carriers. That is usually where it comes from, and then if a private carrier comes in and has capacity it goes away back to that private carrier, so we ebb and flow on that. There are only two or three admitted carriers who are actively writing, and all of them have restrictions.

There's the projection on the next slide. Our Corporate Analytics team upgraded the projections and notice that we've brought those down based upon the heavy amount of depopulation we expect to see in October, November, and December. Carl's going to cover that in detail, but right now we are estimating approximately 1,291,613, which should take our TIV down to $593 billion, and it accounts for approximately 225,402 policies to be gone by the end of the year at approximately $100 billion in TIV. So that is a significant improvement.

Chairman Telemaco: That's good. I think the last time we saw this chart the year end was at 1.6, 1.7, 1.8.

Kelly Booten: Correct.

Chairman Telemaco: Awesome, great.

Kelly Booten: And $654 billion in TIV.

Chairman Telemaco: Yes.

Kelly Booten: And then the last slide is the snapshot. I'm not going to spend a lot of time here. I do want to say that the inspections are on target to hit 300,000 by the end of the year. The little engine that could, FMAP, is doing a little bit better. This year-to-date July depopulation we are going to report on, and we are going to go into a little bit different reporting on Clearinghouse. As you know, we have the interim solution that we are implementing, so we are going to have to restructure our metrics until we get the future state platform in place.

That concludes my report.

3. <u>FMAP, Depopulation, & Clearinghouse</u>

Chairman Telemaco: Thank you, Kelly. I would like to recognize Carl Rockman for the FMAP, Depop, and Clearinghouse Updates.

Carl Rockman: Thank you, Governor Telemaco. I would like to begin my report with a brief update on the Florida Market Assistance Plan, our FMAP. Page 2 will reflect the FMAP results year-to-date. As Kelly mentioned, some slight improvement in customer requests converted, and also a slight increase in agents participating.

On slide three I would like to cover an update on depopulation. Through August we have successfully depopulated or had carriers assume 30,648 policies, which has reduced our exposure by about $4 billion dollars. That's through August. You will see in October, the Office of Insurance Regulation has approved 184,000 policies for depopulation, and we are currently in process of letting customers make their choices inside of that assumption. Those choices are going to be due to us on the 10th of October. You'll see the month of November also reflects increased capacity and increased carrier interest. We have seven carriers participating in the November depop. The Office of Insurance Regulation has approved 202,000 policies for that assumption. Letters and offers will be mailed out to those customers on the 28th of September, and those selections from customers will be due on November 6.

As Kelly mentioned, no interest yet in commercial lines depopulation, but we remain optimistic. But next year there could be some interest in commercial lines depopulation. I will pause there for any questions you might have on depop.

Chairman Telemaco: If you had to estimate, I know it is too early to tell, but have you modeled what the exposure reduction would be for the depops in October and November?
Carl Rockman: I would refer back to the chart we just did with Kelly where we had the projections reflected there as the TIV. That market projection reflects, we baked in some estimates there on the success of depop and that is reflected in that overall reduction.

Chairman Telemaco: So, the overall reduction, let me just make sure I am catching this. That would be --

Kelly Booten: Carl is referring to if we hit 225,000 by the end of the year, that estimate is about 100 billion I think is the number that I used.

Chairman Telemaco: Okay.

Kelly Booten: But specifically for October, I could do some quick math while he is talking. They told me what they are using for average premium, I need to back my way into the number. I don't have it off the top of my head though.

Chairman Telemaco: Okay. I was just curious.

Kelly Booten: Yes.

Chairman Telemaco: All right, thank you.

Carl Rockman: We'll move on to page 4. This will reflect our results through August. I would like to recognize the participating carriers that participated in the depopulation effort so far. You will also notice on the bottom right hand some interest in the depopulation for August. We saw some counties there, Orange County, Polk County and Hillsborough County where carriers are starting to pick up some risks from those counties as well, and those have been counties where Citizens has been growing over the last 18 to 24 months. You do see some interest in tri-county in April and June, but not a lot of interest in tri-county for the August assumption. We are seeing a pretty good spread though in October and November, and we will be reporting back similar numbers as those depopulations close. Thanks again to our participating carriers.

I will move now to Clearinghouse update. Page 5 reflects the Clearinghouse results on new business, and as Kelly mentioned, these will be the results from the prior platform. As we reported to the committee previously, we sunset the existing Clearinghouse platform on the 15th of August, but these numbers will reflect the performance of that prior platform. No significant changes in the performance either on risks averted of about $6.3 billion new business in 2023 year-to-date.

Page 6 will reflect the results of the renewal Clearinghouse program. Again, very modest results here consistently throughout the years. That's why we wanted to move to a new, more optimized platform which I will report on next. Any questions on Clearinghouse? All right.

So, on page 7, I would like to bring some visibility to what we are calling our Clearinghouse interim program solution. A reminder that the Clearinghouse program is here to facilitate the diversion of ineligible applicants and existing policyholders from Citizens into the voluntary market. Citizens is required by statute to implement a Clearinghouse program; however, the statute gives us broad discretion in how it may be implemented. The intention of the Clearinghouse program is to provide a platform that facilitates consistent enforcement of Citizens premium comparison eligibility rules, and to allow carriers to present offer premiums to agents. As we sunset our prior platform and get ready to introduce a new platform, we are in the interim program phase. What does that mean? It means right now we are putting in a little bit more ownership on our agents to validate and improve new business eligibility at point of sale, requiring that information to be sent in to us for review. We have also introduced a renewal program where we are identifying high potential policies we believe would be great and attractive to the private market, and we're sending those as an activity to agents allowing them to voluntarily shop those in the private market. We've also made that program known to carriers and we are hoping to make some matches in the interim phase here. Homes that have newer roofs, homes that meet certain characteristics that have no claims, carriers have an attraction factor for that, and that's what we've built into our renewal program.

Where we're moving from the interim solution is into what we call Reimagined, and that's where we're actually going to be working on a new more optimized platform. The biggest thing we want to do with that new, optimized platform is make sure that we provide a really great agent experience to make the application process as short as possible. We also have improved carrier reach. A big part of the new platform is to have more carriers introduced and more carrier visibility when risks are presented to us. And then also the same thing would apply on renewal. We do anticipate rolling this out in phases. We may roll a basic phase Q4, Q1 next year. Automated checks on new business and then renewal to follow. We're currently in the final stages of working with Applied, which was the awarded vendor under Citizens Reimagined. We are in the final stages of contract finalization and hope to get into discovery and implementation very, very soon.

That will conclude my report on the interim solution.

Chairman Telemaco: Great, great. There was one more slide at the end, did we cover it?

Carl Rockman: That would be just the profile slide, potentially on Applied.

Chairman Telemaco: Okay. Any questions? Awesome, thank you for that report.

4. New Business

Chairman Telemaco: Any new business we need to talk about? Awesome. I would like to call a motion to adjourn.

Governor Hasner: Motion.

Chairman Telemaco: Second? Adjourned. Awesome, thank you.

Whereupon the meeting was concluded.