

CITIZENS PROPERTY INSURANCE CORPORATION

**Summary Minutes of the
Exposure Reduction Committee Meeting
Tuesday, July 9, 2024**

The Exposure Reduction Committee of Citizens Property Insurance Corporation (Citizens) convened at The Westin Lake Mary in Orlando, FL on Tuesday, July 9, 2024.

The following members of the Exposure Reduction Committee were present:

Chair Carlos Beruff
Governor Jason Butts
Governor LeAnna Cumber
Governor Robert Spottswood

The following Board members were present:

Governor Jamie Shelton
Governor Scott Thomas
Governor Erin Knight
Governor Charlie Lydecker
Governor Joshua Becksmith

The following Citizens Staff were present:

Jay Adams	Eric Addison
Christine Ashburn	Ken Tinkham
Tim Cerio	Carl Rockman
Andrew Woodward	Denise Bass
Bonnie Gilliland	Mark Kagy
Joe Martins	Brian Donovan
Jennifer Montero	Jon Schmidt
Brian Newman	Jeremy Pope
Michael Peltier	Barbara Walker
Adam Marmelstein	Raina Harrison

The following were present:

Brian Smith, FORVIS
Dianne Kriss, Gen Re
Kapil Bhatia, Raymond James
John Generalli, Wells Fargo
Coleman Cordell, B of A Securities
Mark Weinberg, Citi
Nathaniel Johnson, B of A
Duane Draper, Bryant Miller
Dave Newell, FAIA
Jim Cook, JP Morgan

Call Meeting to Order

Roll was called and a quorum was present.

Depopulation, CHIPS & FMAP Update

Mr. Pope: Thank you, Chairman and good afternoon to you and the fellow committee members. This is Jeremy Pope, Chief Administrative Officer, for the record. And joining me today is Carl Rockman, our Vice President of Agency and Market Services. Today we have a routine update to provide the committee which is progress on our Depopulation program, our Clearinghouse Interim Program, also known as CHIPS, and the latest results around our FMAP program which is our Florida Market Assistance Program. And also today as part of our update we'll bring awareness and seek approval from the committee on a proposed amendment change to our depopulation plan which essentially will make us compliant with the most recent legislation.

Today we'll begin our update which is located within section two starting with slide three of the standard deck which is routinely presented to the committee. Rather than reviewing each slide within the deck, because there is a lot of redundant information we can absolutely jump to any of that information if the committee has any questions. Carl and I would like to provide some highlights which summarize our year-to-date progress and any changes which have occurred which we feel would be of interest to the committee. And again, we can certainly jump to additional detail if needed. We would like to make the committee aware year-to-date depopulation results right now we're at 63.6B of exposure that has been removed outside of the organization into the private sector, of which 4.4B is from our commercial book of business which totals 471 policies, and the remaining 59.2B comes from our personal lines book of business and that totals close to 132,000 policies. So in all we've removed a 132,319 policies again have been removed from Citizens and placed into the private market. We have no depop activity that is on the books through September, but we are expecting significant activity in October, November and December as we usually see. And Chair, at your discretion, I can wait, or I can go over the consent item for the committee's consideration for the Depop plan.

Chair Beruff: Go ahead.

Depopulation Plan Amendments

Mr. Pope: Perfect. Again, I just want to highlight the changes to our Depop plan. We are required to update the plan and seek committee and board approval and then we send it to the Office of Insurance Regulation. The changes that have been drafted in your materials incorporate all 2023 legislative changes, most notably the 20% expansion rule and also the addition of the E&S carrier participation. There have been no other material changes to the plan at all. So we feel this is more of an administrative clean-up if you will. And if there are no questions on that, I'd be happy to read the recommendation. Are there any questions? Alright. Thank you, Chair.

A motion was made by Governor Butts and seconded by Governor Cumber to recommend the Board of Governors: a) authorize staff to seek approval of the proposed changes to Citizens' Depopulation Plan from the OIR; b) authorize staff to implement the proposed changes upon receiving approval from the OIR; and c) authorize staff to take any action consistent with this Consent Item. All were in favor. Motion carried.

Mr. Pope: Thank you, Chair. I'll turn it over to Carl Rockman.

Depopulation, CHIPS & FMAP Update

Mr. Rockman: Thank you, Mr. Chairman and committee members. For the record, Carl Rockman, Vice President Agency and Market Services. I'd like to present a brief update on our Citizens Reimagined Program, our Clearinghouse Interim Program solution, FMAP and also planned enhancements to our consumer messaging to support depopulation. A quick reminder that Citizens Reimagined encompasses the replacement of our old Clearinghouse platform. It is intended to expand carrier participation and to improve the agent and consumer experience. We're working with Applied Systems and leveraging their existing rating platform, EZLynx, which is already widely adopted in the Florida marketplace. Our implementation has three phases. We call them Track A, Track B new business and Track B renewals. I'm pleased to report that we have implemented the first stages of Track A, starting with a successful pilot of the platform in four key agencies on 5/31 and then delivering Citizens new business rating to 2,600 existing subscribers on 6/24. We'll be delivering the platform to all remaining Citizens appointed agents over the next eight weeks. When Track A is completed, all Citizens HO3, DP and condo products, new business submissions will be required to be presented to all carriers the agent is appointed with on the EZLynx platform. To support agents in partnership with our great learning and development team and Applied Systems, we have developed online and on-demand education resources for agents. Also, in partnership with Applied, are producing 14 live webinars that will cover all aspects of the platform. We've already conducted eight webinars and have had 2,598 agents attend and we will continue to work with our partners in Communications and Agency Field Management Team to promote the remaining webinars and drive agents to them. In January of 2025, we will be enhancing the platform to further tighten compliance to eligibility rules and we will be adding a renewal component in October of 2025.

Turning our attention to the Clearinghouse Interim Program as we transition from our prior Clearinghouse platform. It was necessary to implement an interim program to ensure compliance to new business and renewal eligibility requirements. You'll see in our report that this year we've reviewed 108,854 new business applications to verify that new business eligibility requirements were met and the agents have met that expectation at around 90%. Our renewal program is also active and producing results similar to the prior platform with a modest number of policies converted to the private market. The Florida Market Assistance Plan, our results here continue to reflect the competitive nature of the Florida property insurance marketplace with our 367 agents reporting 8.62% placement rates in the private market on leads from the FMAP program. A reminder that an FMAP agent cannot place leads with Citizens. And one last note we just wanted to call out some planned enhancements to our consumer messaging to support depopulation in partnership with Christine's group. We'll be making some changes to the coverage comparison spreadsheets that are available to consumers to compare coverage from depop carriers to Citizens. Also making some enhancements to coverage comparison worksheets that are actually in the package that is mailed to the customer. We're working on a video. We think it's important that the consumer be aware of what Depopulation is. There could be some misconceptions about that so we're putting together a very short video to explain to the consumer what it is, how they're impacted and what their choices are. We're considering also an article in our policyholder newsletter. I have delivered that. A radio spot may or may not be in play. We're talking through that and discussing if that's going to have some value.

Chair Beruff: Mr. Rockman, I have a question.

Mr. Rockman: Yes, I'm sorry.

Chair Beruff: When that video is produced, will we upload it to YouTube?

Mr. Rockman: It will be widely available on our website and I will work to have that widely adopted.

Chair Beruff: Load it into YouTube because anything I go to do anymore I look at YouTube and it shows me how to do it.

Mr. Rockman: Absolutely. So the radio spot is up in the air. We're going to discuss that if there's some benefit there and then obviously updating our consumer-facing FAQ's and knowledgebase. We're not done with the messaging to consumers yet on depopulation and we think going into fourth quarter, which we're anticipating heavy adoption and heavy activity from carriers. We want to make sure the consumers will support it.

Chair Beruff: Thank you

Mr. Rockman: That concludes our report and we'll be happy to take any questions you might have.

Chair Beruff: Questions, Governors?

Approval of Prior Meeting's Minutes

Chair Beruff: The Board will entertain a motion to approve prior meeting Minutes.

Governor Robert Spottswood made a motion to approve the April 9, 2024, Exposure Reduction Committee Minutes, and Governor Jason Butts seconded the motion. The minutes were approved.

Chair Beruff: Anyone have any new business? This meeting is adjourned. We'll see everybody tomorrow.

Whereupon the meeting was adjourned.