

CITIZENS PROPERTY INSURANCE CORPORATION

**MINUTES OF THE
FLORIDA MARKET ASSISTANCE PLAN (FMAP) BOARD OF GOVERNORS MEETING
Wednesday, December 7, 2016**

The Florida Market Assistance Plan (FMAP) Board of Governors (Board) of Citizens Property Insurance Corporation (Citizens) convened at The Sheraton Orlando North in Maitland, FL on Wednesday, December 7, 2016 immediately following the regularly scheduled Citizens Board of Governors Meeting.

The following members of the Board were present:

Chris Gardner, Chairman
Don Glisson, Vice Chair
Gary Aubuchon
Bette Brown
Juan Cocuy
Jim Holton
Jim Henderson
Freddie Schinz

The following Citizens staff members were present:

Barry Gilway
Jennifer Montero
Andrew Woodward
Paul Kutter
Spencer Kraemer
Carrie Thomas
Joe Martins
Bruce Meeks
Dan Sumner
Violet Bloom
Hank McNeely
Karen Holt
Kelly Booten
Christine Ashburn
Steve Bitar
John Rollins
Jay Adams
Michael Peltier
Barbara Walker
Bonnie Gilliland
David Woodruff

The following people were present:

Dave Newell	FAIA
Kapil Bhatia	Raymond James

Call Meeting to Order

Roll was called.

1. Approval of Prior Meeting's Minutes

Chairman Chris Gardner:

The motion to approve the minutes from the previous FMAP Meeting on March 16, 2016 was made and then seconded. All in favor. Motion carried.

Chairman Chris Gardner: Item 2, the 2017 Timeline, Steve Bitar, you are recognized.

Steve Bitar: Thank you, Mr. Chairman. You'll recall at the last meeting in March that the FMAP Board approved the new FMAP Plan of Operation which was submitted to the Office of Insurance Regulation and that plan was indeed approved. Just wanted to provide you with a quick one page or visual just to show you what the schedule will look like going forward. It leads to much more efficient, timely handling of issues related to FMAP. As we go through the December meeting today, we'll be seeking approval of the budget as well as review of the 2015 Audited Financials. That will close out our calendar if you will, and then going forward we'll be having two FMAP Board meetings; very short ones I hope. One in June, to review the Audited Financials and approve the Annual Report that has a new deadline of July 1. Then in December, we'll simply be seeking approval of the budget which coincides with our budget timeline, just for your awareness as we head into 2017.

Chairman Chris Gardner: Great, thank you. Item 3, the Budget.

Jennifer Montero: Thank you. Behind tab 3, you will find the FMAP Budget for 2017. We have approximately 568 residential property insurers that have a \$450 annual assessment that makes up the revenue for FMAP. That's a \$255,600 in assessments and they have general administrative expenses, approximately \$200,000, which leaves them with net assets at the end of the year of \$328,466. We have a detailed list of the \$200,862 if anyone is interested in reviewing.

Chairman Chris Gardner: (Determines the Board members have no questions). Proceed.

Jennifer Montero: Moving to the next section is the 2015 Audited Financial Statements. There are two different reports. The first one is literally the report to the Board of Governors that is made up of the *Communications with Those Charged with Governance* and *Communication of Internal Controls Related Matters* and there's a copy of the *Management Representation Letter* as well. On

page one of the actual Audit Report, you'll see under the opinion, "In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plan as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America." The second page, page 3, our assets went down 7.5% to \$254,458. Liabilities went up 12.8% of \$150,145 with a restricted net assets going down 26.6% ending at \$104,313.

Chairman Chris Gardner: Any questions for Jennifer?

Gary Aubuchon: I do, Mr. Chairman, just one quick question, in going back to the 2016 Plan Budget. Why is there an anomaly in the 2016 total expenses where it dipped so much compared to the prior years?

Jennifer Montero: It's a prior year correction. I'll let Steve review.

Steve Bitar: I'll be happy to. We actually had some admin expenses related to the call center telephony that when we went back and looked, we were owed some credits. So that correction was made in that year, so thank you very much for catching that; it would've basically put the 2015 actuals at 215 and the 2016 actuals closer to 168, leveling that off so you don't see that jump. So that was a correction that was made.

Jennifer Montero: I think we do need a formal approval of the FMAP, so staff would like to make a formal recommendation to approve the 2017 FMAP Budget.

The motion to approve the 2017 FMAP Budget was made and then seconded. All in favor. Motion carried.

Chairman Chris Gardner: Any new business for the good of the order? Hearing none, I'll accept the motion to adjourn the meeting.

Meeting adjourned