

CITIZENS PROPERTY INSURANCE CORPORATION

**Summary Minutes of the
Exposure Reduction Committee Meeting
Wednesday, June 25, 2025**

The Exposure Reduction Committee of Citizens Property Insurance Corporation (Citizens) convened at The Westin Lake Mary in Orlando, FL on Wednesday, June 25, 2025.

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 Frank White
Governor Erin Knight
Governor Charlie Lydecker
Governor Joshua Becksmith

The following Citizens Staff were present:

Jay Adams	Eric Addison
Tim Cerio	Carl Rockman
Bonnie Gilliland	Mark Kagy
Jennifer Montero	Jon Schmitt
Brian Newman	Jeremy Pope
Michael Peltier	Barbara Walker
Andrew Woodward	Mathew Carter
Ray Norris	Mike Sills
Brian Donovan	Aditya Gavvala
Raina Harrison	Michael Wickersheim

Call Meeting to Order

Roll was called and a quorum was present.

CHAIR BERUFF: All right. So, somebody give me a motion to approve the minutes, please.

MS. CUMBER: Move to approve the minutes.

GOVERNOR SPOTTSWOOD: Second.

GOVERNOR BUTTS: Second.

CHAIR BERUFF: All those in favor, signal "aye." (Chorus of ayes.)

CHAIR BERUFF: Done. Minutes are approved. Let's go.

Depopulation, CHIPS & FMAP Update

MR. POPE: All right. Thank you, Chair. Good morning. For the record, Jeremy Pope, chief administrative officer, and joining me today is Carl Rockman, our vice president of market and agency services. Today we have our typical update for the committee and also an update on board directive actions that we discussed during our last committee meeting. I'll just jump right into the material on the next slide. This is essentially just our best estimate of where our policies will be by the -- our policy count will be by the end of the year. We are targeted right now to be at -- best estimate is at 700,565 policies based on known assumptions today. Next slide. This is -- I'm not going to go over the 2024 recap because we presented that data to the committee before, but I am going to -- again, we all know the last year was record-breaking numbers, but for this year, year to date, we have some updated numbers because at the time these materials were finalized, our May and June assumptions were in flight. So I want to give an update on our year-to-date policies that we've removed from Citizens into the private market through our Depop program. So we stand right now at 200,099 policies, and that equates to 85.5 billion in exposure that we've removed from Citizens and placed into the private market. Again, that's year-to-date. We are expecting -- at this time of year, our next assumption will be in August, low numbers in August and September, but all indications are that October will be a very, very active month based on applications that have gone through the office thus far. And that is the Depop update. I'm happy to ask or answer any questions the committee may have or turn it over to Carl Rockman.

CHAIR BERUFF: I think we're good.

MR. POPE: Okay.

MR. ROCKMAN: For the record, Carl Rockman, Vice President of Agency and Market Services. I'd like to present to the committee the results of our new Clearinghouse program. The primary purpose of the Clearinghouse is to ensure that before a new business policy is placed with Citizens, it's presented to other carriers the agent is appointed with. Those carriers make offers within 20 percent of the Citizens' premium. The risk is deemed ineligible, and the agent cannot place the risk with Citizens. Our new Clearinghouse platform powered by EZLynx has been fully optimized for new business since April of 2025. We had two big objectives for the new platform: Increase the percent of new business receiving a quote within 20 percent of Citizens' and reduce the time it takes an agent to get an initial qualifying offer. If we can refer to the first slide in the presentation, page 5, the top box provides the percentage of new business deemed ineligible on our prior platform and on our updated platform. Twenty two percent of the new business submitted

to Citizens is receiving an offer within 20 percent of the Citizens premium. We attribute the significant improvement to the expanded carrier reach that we achieve with the new platform. The box at the bottom of the page provides data on volume of quotes submitted and the outcome of the eligibility decision. Turning to page 6, our second goal with the new platform was to make the initial eligibility process faster for the agent. While we accomplish that with a tighter question set, there are situations where the Clearinghouse will return a false positive, a rate that's within 20 percent of Citizens', but the home may not qualify for the carrier making the offer based on the home's characteristics or a price swing when the agent actually submits it. So we have built an override process to accommodate that. To support the process, we built an override process where it allows the agent to submit a request to override the Clearinghouse decision. These are all manually reviewed by our great Clearinghouse team to ensure accuracy and compliance. You'll see that the volume of requests are very manageable and we are very committed to turn these exceptions around within one day. Page 7 shows the amount of Coverage A averted so far at new business. I'd like to inform the committee that Citizens' renewal processes for the Clearinghouse, Citizens' renewals will begin passing through the Clearinghouse starting in September. We have a wave of communication and education for our agents to make sure they understand the new Clearinghouse renewal process. We'll be announcing that shortly and we look forward to sharing the results of the renewal Clearinghouse with the committee at our future meetings. That concludes my report on the Clearinghouse. Any questions?

MR. LYDECKER: I'd just like to make an observation. I think the Clearinghouse and the -- requiring the agents to go through the Clearinghouse post September is a very good thing and, you know -- so I commend it because this is an important part of depopulation. But it is going to create an environment where there's a lot more work on independent agents and probably has an impact on processes for Citizens as well. And September will be here before you know it, and you did preface your remarks that you're going to be proactive in communicating it, but I would just like to amplify I think this -- I think it will be really important to communicate this to the agency population and make sure that we're, like, really dialed in on this because I think it's super important and we need to do it. But it's -- there's a procedure here and there's a process here that a lot of education needs to occur. So that's my observation.

MR. ROCKMAN: Great observation, Governor Lydecker. We're very, very committed to make sure the agents understand when their policies start passing through the renewal Clearinghouse, it may renew with Citizens or it may not. And if it doesn't renew with Citizens, the agent needs to take action to place that customer. So there is a burden on the agent to perform. We're going to make sure that there's elevated awareness of that and to ease out as much of the operational burden as we can. The goal is to get it into a private market company, and that's what we hope --

MR. LYDECKER: You just might want to consider some kind of checkoff system or like -- I don't know, with agency principals, you know, have they gone through this training, have they gone -- you know, something, you know. But I think now is the time to be doing that training.

MR. ROCKMAN: Understood, yeah. Accommodation of our live webinars, assigned training in our Citizens Learning Center, all those things are part of our campaign to raise awareness. And we'll be pleased to update you at the next meeting.

MR. LYDECKER: Thank you.

MR. ROCKMAN: Thank you.

CHAIR BERUFF: Perfect.

MR. ROCKMAN: Okay. I'd like to turn our -- the board's attention then to an update on the expanded access and consumer awareness and visibility around the Clearinghouse. At the last committee meeting, you asked us and gave us some direction to please increase visibility to the consumer that other options might be available. We took that direction and have broken out the project into four pieces. First, we've gone ahead and defined the terms of engagement working with wholesalers on the Clearinghouse. I'm going to update you on our progress, getting wholesalers onto the Clearinghouse. The *Know Your Option* point-of-sale form. We've developed a point-of-sale form that the agent will be presenting to the consumer if they bind a Citizens new business. We have developed a look-up page for carriers that I'll show you that's supported in the point-of-sale form and also displaying the number of property appointments a Citizens agent has. So this is all direction that we took from you, and I want to just walk you through the elements. On the next page, on page 10, let's talk about wholesalers. We have had conversations with three wholesalers right now. We have seen interest from the wholesalers joining the Clearinghouse platform, facilitating more market access to agents. Carriers are also very, very interested in this. Obviously, a wholesaler provides a service to the carrier, and we're getting good interest from the carriers. I would signal that probably I would say within the next 90 to 120 days, we would anticipate some wholesalers joining the model. There are certain conditions that they have to meet in order to ride on the EZLynx platform, but based on your direction on our conversations, we're very optimistic that we can add additional access for agents that need additional markets. Those markets will be bounced against the Clearinghouse and it's a win for everybody. So, again, signaling good interest from both wholesalers and from carriers to do that. The next page, on page 11, this is the point-of-sale form that we developed. The direction we got from everyone last time was what can you do to raise awareness to the consumer that other markets might be available? So, we've developed this form. This form is going to provide visibility into all the carriers on the Clearinghouse platform. The carriers that you see listed on that form, those are the carriers that are available. The form is also going to dynamically indicate which carriers that agent is appointed with because, as we discussed, not all agents are appointed with all carriers. The first thing the consumer will see is all the available markets in the Clearinghouse, but who is that agent appointed with? That'll be dynamically represented. It provides a link to what we call a carrier lookup page, and I'll share that with you in a moment. We have established a carrier lookup page on our Citizens public website that will provide more visibility to carriers that the consumer may want to work with.

GOVERNOR BECKSMITH: Is that the agent or is that something Citizens is going to send out, and how are you guys going to police that I guess would be the question?

MR. ROCKMAN: In terms of who the agent is appointed with?

GOVERNOR BECKSMITH: Right, because you just said, "Okay, so here's a list of 15 markets," right?

MR. ROCKMAN: Right.

GOVERNOR BECKSMITH: And so are you relying on the agent to complete that to say who they're appointed with?

MR. ROCKMAN: We work with the DFS record. We look for the appoin- --

GOVERNOR BECKSMITH: So, Citizens is doing it?

MR. ROCKMAN: Yes, Citizens –

GOVERNOR BECKSMITH: Interesting.

MR. ROCKMAN: Yes, we're pinging the DFS record so it'll be dynamically displayed. The form is going to be produced at time of binding. The customer's signature is required, and the form is a required new business document. So, any Citizens business that's bound in the Clearinghouse, this form will need to trail, which it gives us an indication that the consumer was aware, and we've made this a required document. We think this will help not only raise awareness for consumers, but also for agents to make sure that they're really committed that this business gets shopped in the private market. So that form, we'll be standing this up 9/1 and for business effective 9/1 and after. The next piece is the carrier lookup page. You'll see -- if you go onto Citizensfla.com today, you'll see a new button that says, "Find a Carrier." If you push that button, you'll be driven to a page where we list all of the Clearinghouse carriers. These are them. And if you click the arrow next to the Clearinghouse carrier, you'll find on the next slide, some carriers -- all carriers have a "Find an Agent" piece, but some have "Get a Quote." So, the idea here is if the customer has that awareness form and they hit this link, they'll be driven to our participating Clearinghouse carriers, and should that consumer want to establish a relationship with another agent that's appointed, fine, or if they want to get a quote, fine. But, again, the form is designed to drive the customer here and maybe find other alternatives that may not be available from that agent that's written in with Citizens. And the last piece is on page 16. We are going to be standing up shortly on our agent lookup page. If a consumer is looking for a Citizens agent, you'll see on the far right-hand side we're going to be displaying the number of property appointments that that agent is holding, and, obviously, there'll be a distinction. Some agents have a lot of appointments, some have few. Our hope here is the consumer will be driven to agents that have more market availability, and, obviously, that will help Citizens if they -- if they do business with those agents.

GOVERNOR BECKSMITH: Can I ask a question?

CHAIR BERUFF: Please.

GOVERNOR BECKSMITH: Great job. I think that what came out of the -- I think of last meeting would be (inaudible) policyholder choice. Giving consumers options, ultimately, hopefully, driving down pricing, coverages, and keeping stuff out of Citizens. So, I think this is a great start to it. And you said 9/1 on the -- when do we think -- won't hold you to it, but when do we think we're going to have these aggregators/wholesalers stood up to where, if I'm an agent, I only have one option, but now I can go through this? Do you have a timeframe on that?

MR. ROCKMAN: We are pushing the wholesalers to try to get into the platform by the time we stand the renewal piece up, which is 9/1. Our renewals will also hit on 9/1. So, I don't have a firm timetable yet, there's still some technical things, but I'm optimistic that at some point this year, we could have one or two wholesalers join. That will help us not only on new business, but on renewal. That's really where we think the action is going to be.

GOVERNOR BECKSMITH: And is there a thought process to take it from personal lines to commercial as well at some point down the road?

MR. ROCKMAN: We would love to explore a commercial Clearinghouse platform, maybe something that could look at submissions to us and bid on them, including our renewal book. That's not as advanced as some of the things we've seen in the personal lines space, but we're very committed to stand up some mechanized process for a renewal Clearinghouse for

commercial.

GOVERNOR BECKSMITH: Yeah. Well, again, great job. I think this is really going to create some good options for the consumers and hopefully continue the depopulation and better coverage, better premiums. So great job.

GOVERNOR LYDECKER: I'd like to also recommend the office of -- I think it's the Office of Insurance Regulation, maybe it's the CFO's office, but one of the two offices oversees licensing for insurance agents and continuing education. And once a year, you have to get enough continuing education to keep your license in the insurance agent world. They -- and there's an ethics component and there's a Florida law component, but there needs to be a component on Citizens and the changes you're making right now, which will ensure within a year, at least, that all agents are being tested for what you're describing, because I could see this -- if it's not handled correctly, it could be a debacle.

MR. ROCKMAN: Understood.

GOVERNOR LYDECKER: So, I would just advocate for that.

MR. ROCKMAN: Okay. We'll take that back. Thank you. Also included in your package briefly, there are two pages, page 17 and 18, provide the results of a study we performed at the request of Governor Butts using a third-party tool called Fetch. Fetch has the underwriting guidelines and eligibility criteria for 26 homeowner carriers in Florida. We ran our HO3 and DP book through Fetch to determine how many of our homes might qualify for another carrier just based on the characteristics of the risk. This does not include pricing. Again, this is very high level and does not take price into consideration, but it does provide some confidence that matching our book -- our current book with carriers working in and out of depopulation or renewal Clearinghouse will continue to meet with good success. So, these just illustrate that based on the characteristics of the property, there's a lot of eligibility out there and carriers may be able to take those.

CHAIR BERUFF: Great.

MR. ROCKMAN: So, thank you, Governor Butts, for that recommendation. That concludes my report.

CHAIR BERUFF: Thank you, gentlemen. Next?

GOVERNOR BUTTS: Mr. Beruff?

CHAIR BERUFF: Yes.

GOVERNOR BUTTS: Just a couple of quick comments on that, if that's okay?

CHAIR BERUFF: Please.

GOVERNOR BUTTS: So, the Fetch data, if you're looking at this, in some of these cases we have 11, 12, 18 different companies. That is policies that are sitting in Citizens right now that are eligible for the private market for -- based on their underwriting criteria. The only thing this does not do, as Carl said, is take into consideration the rates. And so I think with technology, that we're getting to a point where on the front end, if a policy is eligible for five, six, ten different companies, that we need to take a hard look at determining whether or not those policies should come into

Citizens, regardless of whether an agent has an appointment with those carriers at the time. And I think that agents would be able to have conversations with some wholesalers, MGAs, if you will, that basically could provide access to those carriers in a way, and we could significantly reduce, based on this data, new business that's coming in to Citizens every month, while at the same time accelerating the depopulation as well as the Clearinghouse on the back end. And so I'd like to see Mr. Pope and Mr. Rockman continue the work to have those conversations as to what that would look like working with EZLynx and whatever other partners may be available on the technology side, but I think we could significantly reduce everything that's coming in and drop this count much, much faster.

CHAIR BERUFF: Thank you.

Legislative Update

MR. WICKERSHEIM: For the record, Michael Wickersheim, Legislative and Cabinet Affairs Manager. Mr. Chairman, Mr. Vice Chairman, and the Board of Governors, thank you for this time today. The 2025 session is officially over a couple weeks ago. From Citizens' perspective, we had a successful session, and together with our CEO, Tim Cerio, as well as other stakeholders, we did come out of session with the reforms from Senate Bill 2A intact. As you know, those reforms, which Governor DeSantis, his team, and others worked so hard on several years ago, did -- did remain intact. We had several issues that were brought up through session. Be happy to go into those if you would like. But for the most part, from an implementation standpoint, we're good, we don't have a lot of bills that affected us. And in the future, we do expect another push for those 2A reforms to be repealed. We continue to work on outreach, which is, to Governor Lydecker's point, an education-based outreach basis as well, to try to inform more and more aides, members, and stakeholders the purpose of Citizens and how those reforms are working. I think you'll hear a lot more of that from Tim as well later today. So, with that, Mr. Chairman, I know our time is limited, I will simply end there and open it up to any questions you might have. And I appreciate your support and everything that you're doing for us.

CHAIR BERUFF: Any comments? We were lucky. We avoided the bullets this year. So, thank you very much. I think we're going to adjourn this committee and then come back to the formal board committee -- or formal board meeting. But we're going to take a five-minute break if it's okay with everybody.

MS. WALKER: Yes, sir. We noticed a 30-minute break.

CHAIR BERUFF: Thirty minutes? Well, 30 minutes then.