

CITIZENS PROPERTY INSURANCE CORPORATION

MINUTES OF THE CLAIMS COMMITTEE MEETING Thursday, September 11, 2025

The Claims Committee of Citizens Property Insurance Corporation (Citizens) convened on Thursday, September 11, 2025, at 1:00 p.m. Eastern.

The following members of the Claims Committee were present:

Josh Becksmith, Chair
Jason Butts
Erin Knight
Frank White
Jon Palmquist

1. Approval of Prior Meeting's Minutes (June 12, 2025)

A motion was made by Mr. Palmquist and seconded by Governor Knight to approve June 12, 2025 minutes. All were in favor. Motion carried.

2. Approval of Claims Committee Charter

A motion was made by Governor Knight and seconded by Mr. Palmquist to approve the Claims Committee Charter. All were in favor. Motion carried.

3. Non-Litigated Claims Update and 4. Litigated Claims Update

Chairman Becksmith: Everybody got a copy of the materials on the non-litigated and litigated claims in their claims packet. If there are any questions, I'm sure Craig or Elaina would be glad to entertain those, so I will pause to see if there's any questions. Otherwise, we will kick it over to Greg Rowe to talk about some vendor updates.

Mr. Palmquist: Craig, on page four, non-litigated claims data, you talk about emergency water restoration services acceptance rate has increased from 60% to 82%, which is great. And then the next bullet, you say managed repair program participation rate has decreased 1%. Can you say what it decreased to? What rate is it currently resting at?

Craig Sakraida: The managed repair program runs in between 21% to 26%. Those statistics are measured from a point in time from July 31 of this year to July 31 of last year, so they're looking at a snapshot in time. So, those numbers are going to vary significantly depending upon the number of claims that go in, as well as where we are in the CAT season, right? So, they do vary, but they've been holding fairly consistent between 21% and 26% for the past 2.5 or 3 years for the managed repair program. The acceptance rate for the emergency water restoration services does vary depending on time of year. Hopefully that explains it.

Mr. Palmquist: Right. Well, correct me if I'm wrong, that increase to 20-26% for the managed repair program participation rate has increased quite a bit over the years, has it not?

Craig Sakraida: It started out low, you know, granted, we've been running the program now since 2017. We had a brief period where we turned it off after Hurricane Irma. But it has historically been between 21% and 26%. There is some monthly variation, depending upon storm activity. We do see some drop-off with it. We did have a little bit of drop-off with the onboarding of our new contracts, our IA contracts last year. So, there are some external factors that influence that number. But month over month, for the past 2.5 or 3 years, it's been between 21% and 26%.

Mr. Palmquist: All right. All right, thank you. Sorry to belabor that. Thank you, Governor.

Chairman Becksmith: No, thank you, Jon. Any other questions from the committee on this?

5. Vendor Update

Greg Rowe: I know you have the agenda in front of you today, and it's showing four items that I have, but Mr. Chairman, the first item on the agenda was for Court Reporting Services. But we're actually continuing to do some additional work on those contracts, so at this time, we're formally requesting that we remove that from today's agenda and plan on bringing that back to the December meeting, if that's acceptable to you and the committee.

Chairman Becksmith: I'm fine with that, Greg. If none of the committee members have any issues, we can continue on.

Mr. Palmquist: None here. Alright.

Chairman Becksmith: Let's move on.

Greg Rowe: All right, thank you. So, the first Consent Item I have is for our Claims Legal Services contract. This is our defense counsel, and I'm actually pleased to report we're still seeing a decrease in the overall pending in terms of new lawsuits and pending litigation. At this time, our litigation, if you look at Elaina's packets that she submitted, litigation has decreased by 34% as compared to this same time period from last year.

And as of May 2025, we've actually seen a 17% reduction in legal spend compared to what it was back in January 2025. So, we are headed in the right direction. We still anticipate further reductions, both in litigation and related legal spend. And so, with that, at this time, we're requesting the next \$50 million tranche of approved spend under this contract. So, Mr. Chairman, I'll pause here for any questions.

Chairman Becksmith: Perfect. So, just to clarify, again, we seem to be doing this quite a bit on this subject. This is the normal \$50 million that the Board has asked you to come back to each and every time to make sure that we're spending wisely. And from a litigation standpoint and the legal side, I would imagine, but I don't want to assume that

this is the case, that it's a combination of a couple things. One, obviously, some of the reform that was passed. The depopulation and then just maybe luck of the draw with regards to some of the catastrophes, is that a pretty good assessment?

Greg Rowe: All of the above, for sure. I know all the strategies that we've employed here that we have control over, we can't control the weather, but like you said, we have dots and bullets there, but all the strategies that we've put forth, including all the legislative assistance that has helped us in that arena has certainly proved to be effective, and that's why we're seeing a significant decrease. And hopefully it stays that direction.

Chairman Becksmith: Yep, absolutely. That's all the questions I have. I'll turn it over to any of the committee members if they have any questions.

Mr. Palmquist: In the write-up, it looks like in the third paragraph down, it says, as of the June 25, 2025 meeting, the total Board approved amount for Claims Legal Services is \$500 million. The next paragraph says, as of August 1, Citizens has incurred approximately \$499 million in spend of the approved amount. But it then goes on to say you're asking for another \$50 million.

Mr. Palmquist: If the approved spend is \$500 million, and we've incurred \$499 million, how can we approve another \$50 million?

Greg Rowe: Great question. So, if you recall back to our last Claims Committee meeting, and even the last Board meeting, originally dating back to 2021, we did request \$500 million in spend authority. And so, heading into the last Claims Committee meeting, we were at \$450 million, and we knew we were going to be in excess of the \$500 million spend. So, at the last meeting, what we did, we requested the additional \$250 million on top of the \$500 million, because we were going to spend that, to get us, you know, to the end of the base term contract, which ends February 2, 2027. So, in reality, we have exhausted the original \$500 million spend, or right there at \$499 million, which is why we requested the \$250 million last time, and that was split between what we had anticipated, \$125 million for non-catastrophe, \$125 million for catastrophe-related losses. So, to answer your question, really, I guess, when it says \$500 million, that was what was originally approved, and then with the last action item, that took us up to \$750 million total approval, if that makes sense.

Mr. Palmquist: That makes sense, so if I can restate it then the Board did approve, per our last meeting, the additional increase of \$250 million, so we're just approving the next tranche of \$50 million as we regularly do.

Greg Rowe: That's exactly right. They still would like us to provide updates every \$50 million, and hopefully we can get to the place where we won't have that every meeting,

and maybe we'll see, but, you know, again, it's all relative to the spend, and that's where we're at today.

Mr. Palmquist: Well, hopefully with the significant reduction in claims litigation, we won't have to approve these \$50 million tranches anymore.

Greg Rowe: I hope so.

Chairman Becksmith: Hey, Greg, it might make sense. Jon brought up a great point on this, and we don't have to deal with it today, but maybe for the Executive Summary for the Board, maybe go ahead and include that portion in there too so as not to have any future confusion on that.

Greg Rowe: Agreed. It is, yeah, as I read it, it's confusing for me, and so I get it. So, we'll update that and make sure that we're all, up to speed for the next go-round.

Chairman Becksmith: Okay, great.

Mr. Palmquist: Thank you, Greg. Thank you, Mr. Chairman.

Chairman Becksmith: Yeah, absolutely. Any of the other committee members have any questions on this?

Mr. Palmquist: None here.

A motion was made by Mr. Palmquist and seconded by Governor Knight to recommend the Board of Governors: a) Authorize up to \$50 million in spend under the Claims Legal Services contracts; and b) Authorize staff to take any appropriate or necessary action consistent with this Consent Item. All were in favor. Motion carried.

Greg Rowe: The next consent item is for our Mobile Home Demolition Services and these are the vendors that go out and do exactly that. They haul away our mobile homes that we have total losses for. Most of those, certainly, are for catastrophe-related claims. But we do still have some that are non-catastrophe related. So, at this time, what we're really seeking to do is utilize the existing contracts that we have in place, or I should say the existing vendors we have in place to get us through our existing contract, which runs up to 2030 with all the renewal periods. So, we entered into these contracts just last year, July of 2024, and at that time, the Board approved a total spend of \$1.3 million. However, at that time, we did not include any CAT related projections at all. So, since we had some storms, obviously, last year, of that \$1.3 million, we've already spent \$990,000. And \$895,000 of that was actually related directly to catastrophe spend. And so, as the Board requested, they've asked for any additional contracts moving forward that we try to allocate a certain percentage of spend, just to try to project spend for both

non-catastrophe and catastrophe. So, to try to get us to the end of the contract, we've done as much math as we can to try to project out both cat and non-CAT spend. And at this time, we're requesting a new overall spend of \$6.6 million for the remaining 5 years in this contract. And again, this is only spent in the event that we do have total losses, so it is as incurred. And, hopefully that will get us through the contract and address any potential catastrophes. Obviously, it's all subject to change based on our book of business, if we have more mobile home policies or it's a larger event. But as best we can, based on historical spend, we think \$6.6 million will both account for non-CAT and CAT moving forward. So, I'll pause there for any questions.

Chairman Becksmith: Thank you, Greg. Any questions from the committee members on this?

Mr. Palmquist: Yes, Mr. Chairman. Just one simple question. I'm not sure if this is to you, Mr. Chairman, or to Greg, but we've always operated under the assumption that we will not budget for CAT items, so does this mandate from the Board now change going forward, our approach to now start budgeting for CAT as well?

Chairman Becksmith: John, I don't believe so, and I might defer to Jay or to Greg on this, but I think what the Board has asked is to get more of a clearer picture of if we had a crystal ball, we're not going to be able to budget necessarily for this, and so what we've asked the Citizens' team to do is try to pull out their crystal ball and say, okay, in the event of a catastrophe, what can we see as average spend, so that as we get into other board-related items, we have more of a clear picture? But I'll defer to Greg or Jay if I misspoke on that, but I believe that that was kind of the direction of that, that I recall, or any of the other committee members from the Board side.

Jay Adams: I agree with everything that you said. That is what the Board asked us to do. And the whole idea, Jon, is just to try to prevent us from having to come back multiple times throughout the life of a contract, trying to, you know, kind of set that expense on the front end of it.

Mr. Palmquist: Makes perfect sense. Thank you.

Jay Adams: You're welcome.

Chairman Becksmith: Great. Any other questions from the committee members?

A motion was made by Mr. Palmquist and seconded by Governor Knight to recommend the Board of Governors: a) Approve the continued utilization of the Mobile Home Demolition Services contracts throughout all renewal periods as set forth in this Consent Item; and b) Authorize staff to take any appropriate or necessary action consistent with this Consent Item. All were in favor. Motion carried.

Greg Rowe: So, the last item I have here is for our Comprehensive Roof and Wall Valuation Services for Insured Losses. In short, this contract, this one is certainly mission critical to Citizens, especially in the CAT. What this does is it provides aerial imagery to Citizens, and automated measurements and sketches of roofs directly in our claims estimating platform known as Xactimate. So, in essence, every single catastrophe claim that we have, we auto-request one of these reports, so when the adjuster gets the claim, they open up their Xactimate estimating tool, and they already have a picture of the roof pre-storm, with all the associated measurements of that particular roof, what the roof structure components is, it's really phenomenal what they get. So, it not only just provides, I'd say, accurate measurements it's a huge, you know, time-saving automation tool that we leverage in a catastrophe.

So, from 2019 forward, we've contracted directly with EagleView for these services, and our current contract ends January 28, 2026. And at this time, EagleView, they're the only vendor that offers these services that can actually integrate with our Xactimate estimating platform. So, with that, we were able to procure these services on a new 3-year contract through our single source process. And, even better, as you can see in your packets, EagleView actually reduced their pricing under the new contract, so that's always a win, and certainly something that we don't see very often, in this, in this arena.

So, at this time, the estimated spend under the new requested contract is \$9.7 million, which breaks down to \$3.1 million for non-CAT, and approximately \$6.6 million for catastrophe claims. This is the exact same thing we did with mobile homes. We're just trying to project as best as possible what we would spend, you know, for catastrophe claims over the next 3 years based on our utilization of the services previously. So, I'll pause there for any questions, Mr. Chair.

Chairman Becksmith: Thanks, Greg. And I think, again, just to clarify, this is on a per-use basis, so what we're voting on here is to authorize a spend up to, in the event of a catastrophe or non-catastrophe related items.

Greg Rowe: 100% correct. We pay on a per-report basis, and there is no minimum commitment.

Chairman Becksmith: Perfect. Okay.

A motion was made by Mr. Palmquist and seconded by Governor Butts to recommend the Board of Governors: a) Authorize Citizens to contract with EagleView Technologies Inc. for a three (3) year term for Comprehensive Roof and Wall Valuation Services for Insured Losses, as set forth in this Consent Item; and b) Authorize staff to take any appropriate or necessary action consistent with this Consent Item. All were in favor. Motion carried.

6. Addendums & 7. New Business

Chairman Becksmith: There are some addendums in the back of the packet of all the committee members, if there are no questions on that I'll pause to see if there's any new business out there from any of the team.

Chairman Becksmith: All right, well, with that, I will entertain a motion to adjourn.

(Whereupon the meeting was adjourned.)