Market Accountability Advisory Committee Meeting Minutes

☐ **ACTION ITEM**

☐ New Contract

☐ Contract Amendment

☐ Other_____

☒ **CONSENT ITEM**

☐ New Contract

☐ Contract Amendment

☐ Existing Contract Extension

☐ Existing Contract Additional Spend

☐ Previous Board Approval

☒ Other: <u>MAAC Minutes 6.11.2025</u>

Action Items: Items <u>requiring</u> detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

☐ **Move forward as Consent**: This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

Consent Items: Items <u>not requiring</u> detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

Purpose/Scope	Review of June 11, 2025, Market Accountability Advisory Committee Meeting Minutes to provide opportunity for corrections and historical accuracy.
Contract ID	N/A
Budgeted Item	☐Yes ☒No
Procurement Method	N/A
Contract Amount	N/A
Contract Terms	N/A
Committee Recommendation	Staff recommends the review and approval of the June 11, 2025, Market Accountability Advisory Committee Meeting Minutes.
Contacts	Jeremy Pope, Chief Administrative Officer

CITIZENS PROPERTY INSURANCE CORPORATION

Summary Minutes of the
Market Accountability Advisory Committee Meeting
Wednesday, June 11, 2025

The Market Accountability Advisory Committee (MAAC) of Citizens Property Insurance Corporation (Citizens) convened via Zoom webinar on Wednesday, June 11, 2025, at 11:00 a.m. (ET).

The following members of the Market Accountability Advisory Committee were present telephonically:

Dave Newell, Chair
Greg Rokeh
Julio Dominguez
Lee Gorodetsky
Lissette Perez
Lori Augustyniak
Marshall Martin
Scott Rowe
Sheryl Parker

The following Citizens staff members were present telephonically:

Adam Marmelstein
Aditya Gavvala
Alden Mullins
Ariel Shami
Barbara Walker
Bonnie Gilliland
Brad Christensen
Cecile Latimore
Carl Rockman
Eric Addison
Forrest White
Jay Adams
Jennifer Montero
Jeremy Pope
Ken Tinkham
Joe Martins
Raina Harrison
Ray Norris
Sarai Roszelle
Stephen Mostella

Call Meeting to Order

Roll was called and a quorum was present. Chairman Newell called the meeting to order.

1. Approval of Prior Meeting's Minutes

CHAIRMAN NEWELL: Thank you so much and thanks for everybody joining. I apologize for my little technical difficulty today. I'm just down in Brevard County today and having a little issue with my laptop, so -- but I want to welcome everybody to the Market Accountability Advisory Committee meeting on June 11th, 2025. And I think the first order of business would be to approve the prior minutes from February 26th of 2025. Wow, long time ago.

MR. GORODETSKY: Good morning, Chairman Newell. This is Lee Gorodetsky. How are you? And I will make a motion to approve the minutes.

CHAIRMAN NEWELL: Okay. Do I hear a second?

MS. AUGUSTYNIAK: Hi, this is Lori Augustyniak. I second.

CHAIRMAN NEWELL: Okay. All right. Any deletions or corrections to the minutes? With that, show the minutes adopted for our February 26, 2025, meeting. Before I go to the first -- or the Tab 2, I just want -- a couple things. I want to welcome Sheryl Parker to our committee. She is now representing the Office of Insurance Regulation. Virginia Christy is retiring, and so Sheryl is joining the committee. So welcome, Sheryl.

MS. PARKER: Thank you very much. Glad to be here.

CHAIRMAN NEWELL: And then just another couple things I wanted to say as the Chair. I'm in Brevard County for a former member of this committee, Brian Hodgers, who was elected to the House District 32 last night. So congratulations to Brian. Many of you know Brian. He's an independent insurance agent here in Brevard County. So he won his election last night and he'll be sworn in, I think, in the next few days up in Tallahassee. So if you know Brian, just reach out and say congrats, and I'm sure you'll see him around the house, you know, when he gets sworn in and all that good stuff. So another independent agent. Lee joined the ranks of the Florida House, so good thing. And then the last thing I was going to say, just personal privilege, three years ago today I was in Pensacola waiting on the birth of my first grandson, and he turns 3 today. I cannot believe how time flies. So, yep, my grandson Maverick turned 3 today. So I'm just wishing him a happy birthday and we'll celebrate with him shortly. So, all right, that's enough from me. How about we turn to Jay Adams under Tab 2, the Underwriting Market Update. Welcome, Jay.

2. Underwriting Market Update

MR. ADAMS: Thank you, Dave and committee members. I'd like to give you a brief Underwriting Market Update. And if we could go to the next slide, please. Citizens' policy in force count as of March 2025 was 841,470 total policies, which was a 10 percent decrease over that same period, year-ending 2024. Citizens has averaged 19,711 new business policies per month year-to-date through this March timeframe. Next slide. And one more. Thank you. Personalized multi-peril and wind-only policy counts decreased 10.2 percent at the end of First Quarter 2025 as compared to Year-End 2024, with a decrease in insured value of 11.3 percent due to the

Depopulation activity we've just recently seen. Next slide. Citizens' total new policy count declined in the first quarter by about 28 percent as compared to the same timeframe in 2024, ending in 19,562 monthly new policies with a total insured value of $272 million. Next slide. Citizens' new business trend for personal residential policy types declined 46 percent from December of 2024 through March of 2025 as compared to the same timeframe last year, with the largest decrease occurring in the homeowner and condo policy types and the smallest decrease in tenant policies. Next slide. Continuing with the new business trends for personal residential policy types, the largest growth in coverage A values occurred in the two hundred to 299,000 dollar range, the largest growth in age of home in the years was 31 to 40-year range, and the largest growth for the age of roof was zero to two years. Next slide. The top three prior insurance carriers for multi-peril new business were Slide, Universal P&C, and American Security for the period of December 2024 through March of 2025. Next slide. And one more, please. Commercial multi-peril and wind-only saw a decrease of 7.1 percent for the quarter ending March 2025, with a total insured value of $64.5 billion. The majority of the decrease occurred from the multi-peril with an 8.8 percent decrease in policy count and a total insured value decrease of 15.2 percent. Next slide. Commercial residential and non-residential saw a decrease of 7.1 percent for the quarter ending March 2025 with a total insured value of $64.5 billion. The majority of decrease occurred from the commercial residential with an 8.7 percent decrease in policy count and a total insured value decrease of 19.6 percent. Next slide, please. Comparing the period of March 2024 through March of 2025, there's been an in-force building count decrease of about 36 percent. The monthly new policy count over the same time period reduced from 294 to 55. This reduction has reduced the total insured value to $64.5 billion.

Next slide. The commercial new business trend over the period of December 2024 to March 2025 was less as compared to the average same month period for the prior year, and this is down by 68 percent. Next slide. When compared to the same timeframe over the prior year, Citizens has decreased its overall new business total insured value by 93 percent, with the largest decrease coming from the commercial/residential multi-peril line, followed by the commercial/residential wind. Next slide. Thirty-nine percent of all the commercial new business written was for building coverages between $1 million and $9.9 million, followed by 23 percent in the range of $300,000 to $499,000. Our A-rated business is down by 94 percent over the period, and the largest category of building age is between 51 and 60 years, closely followed by greater than 71 years. Next slide. The majority of commercial new business had a prior carrier of Lloyd's of London and also Frontline. And the last slide. One more, please. This chart shows forecast 2025 year-end policy in force counts. Our best estimate is around 700,000 policies in force. Our upper estimate would be around 770,000 policies in force, and a lower estimate somewhere around 635,000 policies in force. Next slide. And, Chairman, that will conclude my presentation.

CHAIRMAN NEWELL: Well, thank you, Jay. Very, very good numbers, very active numbers, and a lot of good response from the private market and certainly surplus lines on the commercial side. Any questions of Jay about his market update?

MR. ADAMS: Thank you.

CHAIRMAN NEWELL: Okay. Thanks, Jay. Have a great day.

MR. ADAMS: Thank you. You as well.

3. Depopulation, CHIPS and FMAP Update

CHAIRMAN NEWELL: Let's bring in Jeremy Pope and Carl Rockman to lead us through their presentation on Depopulation, the Clearinghouse, and FMAP. Welcome.

MR. POPE: Thank you, Chair Newell, and good morning to you and the fellow committee members. For the record, my name is Jeremy Pope, Chief Administrative Officer. I would be remiss to formally tag onto what the Chair stated about Sheryl Parker. We're happy to have her commit -- or join this committee and we're excited to continue to work with her. And, also, no offense, Sheryl, but I think Dave's grandson steals the spotlight today. So we lift our glasses to both.

MS. PARKER: (Inaudible).

MR. POPE: What was that, Sheryl?

MS. PARKER: I love his name, Maverick.

MR. POPE: It is a great name, I agree. All right. So joining me today is Carl Rockman, our Vice President of Agency and Market Services. So this morning we have our routine report out to the committee on our Depop program. A lot of great news, so we'll continue that good news story, if you will. Carl's also going to provide an update on the Clearinghouse Program, which includes some great updates with the EZLynx tool. And just as a reminder to the committee, that tool is our primary tool that helps us facilitate and also mechanize the Clearinghouse Program. We also have a few developing updates on board directive actions which seek additional opportunities to expand our market access as an organization to elevate consumer awareness, along with seeking ways to strengthen carrier visibility. And, finally, we have some updated statistics on our Florida Market Assistance Program. Those are included in today's committee meeting materials. And closing ceremonies, Carl will wrap up with an Agency Management Update as he usually does. So I'll begin our update today on Section 3 of today's meeting materials, which begin on Slide 2. And this is the slide you just saw from Jay, so I'm not going to go over it, but I am just going to share our current policy count as of last Friday, June 6th, was at 819,682 policies. That equates to $314.8 billion in exposure. It's also important to notice that we still have the policies that we service, you know. They stay on the books until renewal as part of the Depop activity, if you will. And we're still servicing, and these are policies that are in force, 1,141,522 policies. So a little over 1.1 million policies are still being serviced today. Next slide, please. On Slide 3, you'll find this is just an overall summary of activity with our Depop program. Much of this from last year has already been shared with this committee. The 2024 recap is shared on the left-hand side, and this committee is fully aware it was a record-breaking year. We had 16 carriers participating in the program, and that included five new entrants. So it was fantastic news last year. We moved over 477,000 policies, which equated to $214.5 billion in exposure from Citizens to the private market. So a lot of activity, and that activity has continued throughout 2025. You'll see year-to-date activity is as follows, listed on the right-hand side, if you will. Year to date, we've moved 155,663 policies. That totals up to close to $63 billion in exposure. We've removed that from Citizens and have placed in the private market. The commercial and personal lines breakouts are listed for reference. And to the right side, you'll also find the monthly activity which has occurred and what we have planned. I do have some updated numbers, and some of this has been updated since these materials were generated, if you will, but for -- let's see. For the June -- I'm sorry, for -- yes, here we go. For May, we had a total of 45 policies that were assumed for the month of May. And then for the month of June, we had so far today -- that assumption is scheduled for June 17th, so that's in flight as we speak, but we've had 135,540 was the approved number by the office, and we're

still dealing with that. We'll have those updates once that Depop is officially closed, but what we have found so far is 76 percent of the actual offers that have been made to the consumers are basically within the 20 percent premium. So those consumers will not be eligible to remain with Citizens. So we do expect a positive news story there with the number of policies and exposure that will be removed and placed into the private sector, and in many cases, better coverage as well. So we're excited there. Have some news right off the press, if you will. For August, we know that we have two carriers that have been approved through the office to participate with our personal lines assumption. And then in the month of September, we also have two carriers as well that'll be participating in the September personal lines assumption. But October is usually a busier month. We are expecting significant activity because -- this is right off the press -- nine carriers have expressed interest to participate in our October personal lines Depop. So, obviously, as we get closer to the dates, we'll have the numbers that have been approved through the OIR and the preferred policy selections and so forth that we can share those updated statistics with the committee. But nothing is slowing down as far as with the Depop program, and we continue that momentum throughout the remaining portions of the year. So I will pause there, see if there's any questions with the Depop activity so far, and if none, turn it over to Carl for the remaining updates.

CHAIRMAN NEWELL: Okay. Any questions of Jeremy for this information thus far? Jeremy, this is Dave Newell. The only question I had, of those nine that have expressed interest in October, are any of those on the commercial lines side?

MR. POPE: I am -- so right now, Dave -- I'll get that information. I've got the carrier listings, the numbers. I'll get that for you.

CHAIRMAN NEWELL: Okay. No worries –

MR. POPE: And, Carl, unless you have it -- Rockman's as well.

MR. ROCKMAN: Yeah. I'll clarify the chairman's question. For the record, Carl Rockman. The nine carriers that Jeremy mentioned are all personal lines for October. That's all personal lines.

CHAIRMAN NEWELL: Okay. Okay. All right. Thank you. All right. Anything else for Jeremy on this slide? All right, Jeremy. I guess keep moving.

MR. POPE: All right. Turn it over to you, Carl.

MR. ROCKMAN: Thank you, Jeremy. For the record, Carl Rockman, Vice President of Agency and Market Services. I would like to provide the committee with an update on our Clearinghouse and also some actions that we're taking at the direction of our Board of Governors. On the next slide, I'd like to report the results of the Clearinghouse powered by EZLynx platform. We've included the historical results of the old Clearinghouse on this slide, and what this slide is representing on the top box is 22 percent of the risks presented to Clearinghouse powered by EZLynx are now being deemed ineligible because they are receiving offers within 20 percent of Citizens. You'll see this is significantly higher than previous years. This was one of the things we wanted to achieve, working with a platform that had broader carrier reach. We have 21 carriers on the EZLynx platform, and that obviously gives us a broader reach. When agents submit business to Citizens, we're able to present that business to carriers that they're appointed with, and, obviously, more carriers are on the Clearinghouse now than ever. The actual numbers that relate to March and April are related below so you have a sense of the quantity. March is lower because we scaled up the implementation. We were only about half implemented in March. In

April, we achieved scale. And the early returns on May look very, very similar. So we're very, very pleased with these results. Twenty-two percent deemed ineligible means consumers are finding their way into the private market, which was the mission of the Clearinghouse. But particularly the agents on the MAAC committee will take interest in the next slide. One of the things that we really wanted to make sure we were able to manage, and that is the override process and that's presented on the next slide. A reminder to the committee that when we work with the Clearinghouse powered by EZLynx, carriers are able to return prices and eligibility, but in some cases, the consumer may not be eligible due to underwriting rules that weren't picked up in EZLynx, or when the agent actually bridges over to the carrier and gets an actual underwritten price, it could change. And so we have an override process and the agents are able to submit those overrides to our team. We've committed to a one-day turnaround on those, and we're living into that. But I also wanted to show the committee the volume of requests coming in each week. We believe this to be a very manageable number given the volume of business coming through the Clearinghouse. Our job right now is to work on those overrides declined. Primarily, those overrides are being declined because of training issues and different things that the agents may not be giving us to approve the override, not that it's not available. But we're very pleased with these results as well. Our Agent Roundtable (ART) really held us accountable to say, "You need to have a process that's going to turn overrides around quickly." We obviously had a start where we all had to do some learning, our team and the agents combined, but I believe we've really hit our stride here and we're now able to hit these overrides, turn them around in an appropriate timeframe, and if the consumer is eligible, once we've validated that, to allow the agent to bridge over to Citizens. On the next slide, we'll cover what does it mean –

CHAIRMAN NEWELL: Hey, Carl. Hey, Carl, this is Dave Newell, if I can stop you for a minute. What would -- if you could tell, what are the reasons for an override request? What is the top reasons that you're seeing on your team?

MR. ROCKMAN: The primary reason, Dave, is that the Clearinghouse powered by EZLynx won't pick up every single scenario on property condition. And I'll give you an example, solar panels. A lot of homes have solar panels, and a lot of carriers don't accept homes with solar panels. We don't pick that up in EZLynx, but the agents can submit that override request to us, and we have a machine in the background called Fetch that we use to validate that the carrier won't take the solar panel, and then we can approve the override based on that. The other is if there's a price swing after the agent is bridged over to the carrier, if the price swings for whatever reason, the agent can present that over to us, we can look at that and approve it. But those are the two primary reasons that overrides occur.

CHAIRMAN NEWELL: Okay. Thank you, sir.

MR. ROCKMAN: Thank you. It all comes down to Coverage A averted, and right now, we're looking at about $7 billion in total averted in terms of business that did not come to Citizens. We're expecting that trend to continue. This is just a new business trend. I will inform the committee that our intention is to stand up the renewal Clearinghouse powered by EZLynx starting in September. At that point in time, we'll be running the agents' personal lines books through the Clearinghouse at renewal and also looking to get offers of coverage for those renewal folks that already haven't been Depopulated, present an opportunity for them to potentially move to the private market through that platform. That concludes my report on the Clearinghouse functionality. Before I move into the Board of Governors' carrier visibility requests, any questions for me on the Clearinghouse?

CHAIRMAN NEWELL: Yep. Thanks, Carl. Any questions for the committee on the Clearinghouse, for the report that Carl just presented? All right, Carl. I guess not. Let's keep going and expanding access, consumer awareness, and carrier visibility.

MR. ROCKMAN: Thank you, Chairman. As Jeremy mentioned at the top, we did get direction from our Board of Governors at the last Board of Governors meeting to increase visibility for the consumer that carriers are available in the Clearinghouse, and these carriers may be available outside of an agent's appointment (inaudible), okay? So at the direction of the Board of Governors, we've embarked on four specific things that they've asked us to look into, and I want to report on our progress on all four of these. One of them was could we enable wholesalers carrier -- I'm sorry -- entities that facilitate market access for agents, could we have them join the Clearinghouse to give agents that may be smaller, that may not have the appointment reach, the ability to touch more carriers through the Clearinghouse? That was one piece of direction they gave us. The second was increase awareness at point of sale. And I'm going to talk about a thing we call the know your option point of sale form. The third is increased carrier visibility in terms of their -- on their members of the Clearinghouse. We've got a new web page that we're going to stand up that I'll show you. And then also providing some more guidance to the consumer on the level of appointments that each individual Citizens agent has in an attempt to inform the customer on who might have broader market reach. I want to go through these in some detail, but at the direction, again, of our Board of Governors to increase visibility that other carriers may be available and to provide access to other carriers, this is the road that we're going down. On the next slide, I'll talk a little bit about the first, and that is engaging wholesalers. What we're doing now, Citizens -- access of the Citizens Clearinghouse powered by EZLynx is permissible now. It always has been, but we're advocating and promoting this now to aggregators, wholesalers, and other facilitators of access to insurers. We're calling these FAIs. These are folks that essentially provide market access to smaller independent agencies who may not have the ability to be appointed fully with a carrier. We have developed certain criteria for these folks to join, we have done outreach with a number of facilitators of access to insurers, and we're in conversations right now about having them potentially join the platform. We'll be updating our board in a couple weeks on our progress here, and certainly the committee. We don't have anything to announce right now, but it is very promising. Not all wholesalers, not all facilitators will fit the model due to technical specs and other requirements that we have, but we are calling out to anybody that might be listening out there, if you are a facilitator of access and want to join the program, we are interested in talking to you, and we have already reached out proactively to multiple facilitators that we believe might be a fit for the program.

On the next slide, we'll talk about the consumer awareness point of sale form. So at the direction of the Board of Governors, they wanted to make sure that the consumer that is buying a Citizens policy at new business is informed that other carriers are available through the Clearinghouse. Now, those carriers may not be available to the writing agent, and we understand that, but what we've done at the direction of the Board is provide a form to the consumer at point of sale when the Citizens policy is written. It's going to provide visibility into the carriers that are on the platform, and you see those represented on this form. This form will dynamically indicate which carrier the agent that is writing the business is appointed with. Okay. So the static list of carriers will be there, and then the agent -- the carriers that the agent is appointed with will also be indicated. This form will also contain a link to a new carrier lookup page that we're going to be posting on our public portal. I'm going to show you that in just a moment. The form is produced at time of binding. It's going to be required. The customer is going to need to sign it and the agent will need to sign it and it is a required new business document. Now, we've covered this with our Agent Roundtable. We've covered it with the agent associations. The agent reaction to this, I'd say, is mixed, as you can imagine, but, again, we

need to improve the visibility and make sure that the consumer is aware that there might be other options available. Our intention right now is to stand this form up and put it in production 9/1, and we'll be launching a broad agent awareness campaign around its application and the requirements around the form. This form also mentions a carrier lookup page, and we'll feature that on the next slide. Should the consumer hit that link on the consumer awareness form, they'll be driven to a web page that we will host on our public website, and that is represented on the next slide. We are going to be adding a button on our public website called "Find a Carrier," and if the consumer hits that button or goes directly via the link on the letter, they're going to see this page. This page will list all of the participating carriers that are on the Clearinghouse currently. And we'll see that represented on the next page. Okay. This is a -- these are the carriers that are participating in the Clearinghouse, but if the consumer hits the down arrow next to the carrier, they're going to be presented with some options. And that's represented on the next slide. The consumer at this point can be directed to that carrier's website. If that carrier has a "Find an Agent" capability, we will be able to direct the consumer right there. And some carriers, not all, some carriers actually have a quote capability. If the consumer chooses to get a quote from that carrier, that'll be their choice, or to work with an agent that represents that carrier. Again, this is designed if the consumer wants to have broader access needs, maybe a different option. We're just working at the direction of our board to facilitate that through this hosted website. Okay. And the last element to our consumer awareness campaign is making some additions to our current agent lookup page. Currently, we host an agent lookup page on our citizensfla.com website. We're going to be enhancing this so when the consumer hits the agent lookup, the look and feel of the page will be a little different, and that's represented on the next slide. We're going to be adding next to the appointed agent's name, the number of carriers that they represent. Again, this is designed potentially to have the consumer -- raise the consumer's awareness around market reach and availability. And by placing the number of carriers the agent is appointed with here, we believe that accomplishes the direction of the board, making sure that the consumer can get to these additional markets and that we're facilitating that experience. With that, I wanted to pause for any questions or comments that the committee might have on those board-directed initiatives.

CHAIRMAN NEWELL: Thanks, Carl. Any questions of Carl on these last two items?

MS. AUGUSTYNIAK: Carl, hi, this is Lori Augustyniak. I do have a question on the agent lookup. I noticed if you do a search for, like, Brightway Insurance, it'll pull up all the several hundred Brightway agencies, but the email address is -- it's the same email address for all 200 agencies. That's like underwriting@brightway.com. And I'm hoping that you could somehow put the location address, like pick an agent at that location and use their address, because I don't think these -- like We Insure or Brightway are going to want consumers sending emails to their one email address.

MR. ROCKMAN: Super, Lori. That's a great observation. We'll take that back and look at that functionality. The intent is to get the consumer to an agent that represents, but we'll take a look at that feature, thanks for pointing that out, and we'll see what we can do to get those emails individually and also identify the agent by location.

MR. GORODETSKY: Hey, Carl, this is Lee Gorodetsky. Does this mean that our client could be referred to another agent if they have a carrier and we don't and so forth in that scenario?

MR. ROCKMAN: Nothing will be directed to the client, Lee. It's really more of the client's choice should they choose to do that, but there's nothing that's going to be proactively done from any other entity to get to that consumer. These things are all intended just to raise the awareness

that other markets may be available and then facilitate should they want to. But there's no intention here to do any disruption to what you folks are trying to do at point of sale, but, again, these things are intended to just raise the awareness of the consumer that other options exist.

MR. GORODETSKY: Okay. Thank you.

MR. ROCKMAN: You're welcome.

MR. DOMINGUEZ: Can I ask a question, Carl? Sorry because I'm new to everything here, but as part of the process of us as agents putting a claim or at the end having to use Citizens as the insurance is going through most of those carriers and there's reasons why they wouldn't take it, I'm just scared that that might lead to agents or -- just trying to send clients information. If they have access to something -- I mean, we're going through it. We have to have -- most of these companies, they're on there already, and we try as hard as we can to make it fit what they want so we can avoid Citizens. But if at the end we have to choose Citizens and that's the right choice for that client, be it by the characteristics of the home or losses or whatever it is, then that opens the door for -- or at least if I'm understanding it right. I'm trying to make sure I understand what you're saying, but it's going to lead to more agents trying to get the business maybe for the wrong reason. And it's very easy for an agent to grab a policy and put it through a company like Cyprus to get it approved, but then 30 days later, that company really looks at it and says, "Oh, I didn't like the color of a tile," or, "I didn't like that I found something," and now the agent who took the time and had the client's confidence and put it through the system now is at the loss and now, you know, either we lose that claim or, you know, we don't know what to do at that point.

MR. ROCKMAN: Right. If I understand your question, Julio, what you're really expressing there is if a consumer reacts to the form and they maybe say, "Well, maybe I want to go work with Cyprus," there's a risk that that consumer could have a different experience than the one the current agent's providing. Is that your concern?

MR. DOMINGUEZ: Correct.

MR. ROCKMAN: Yeah. We'll acknowledge that certainly things could happen. We're going to have to closely monitor what happens in this in terms of consumer complaints and, obviously, agent feedback. Hopefully, though, Julio, on the other side, if that agent has a Cyprus appointment -- and we're just using Cyprus as an example -- hopefully things will go well, but there could be situations where that agent particularly may not handle things correctly. But what's the intent? The intent is to raise awareness that other options exist. If that consumer responds to that, then that's really the purpose of all this. We're going to be optimistic that most of the agents will handle it appropriately, but we'll have to monitor where the consumer is in all of this and make sure that they're handled appropriately.

MR. DOMINGUEZ: Thank you.

MR. ROCKMAN: You're welcome. Any other questions on the Board of Governors-directed materials? Okay. We obviously are planning on a broad agent communication. This will roll out in stages. We would anticipate these four elements rolling out one after the other over the next three to four months. And certainly any feedback that the MAAC wants to give us at future meetings or before the meetings is certainly welcome as this gets implemented. But we appreciate your time and attention to this board of directors -- Board of Governors-directed item, and we're going to be implementing it very, very shortly. Okay.

With that, I'll move on, then, to the last part of the presentation, and that will take us to Depopulation in detail. So if we can move to Slide 17, please, to the next slide. Real quick, this is just some additional information. What we did do here is we took our book of business -- we were interested in eligibility in general, and so what we did do is we took our book of business and ran it through an eligibility tool called Fetch that we're using for overrides. This is just indicative to say just based on underwriting characteristics, not price, what's the level of our business that would be eligible for other carriers. Again, this does not take in price, but it does give us confidence that other carriers may -- with the open markets now and the improving market may be more in a position to take the Citizens' business just based on their underwriting criteria. So this slide and the next slide just represent that. I won't go into a lot of details, but what this is representing is based on our current book of business, a lot of it is eligible. If we can get that customer to those other carriers through this awareness campaign or through the agent they're with, potentially good things can happen. So that's Slide 17 and Slide 18. If we can move through those and get to Depopulation results -- so I'd like to cover -- I know Jeremy covered high level. I'm going to go through this, I'm going to hit some highlighted slides just on 2025, I'm not going to go through the whole deck, but if we can move through the next slide, I just want to give you a quick update here. Chairman Newell, I think you asked for some intelligence or some feedback on is this Depop and the volume of Depop generating calls to Citizens? Are you getting specific calls? And you can see that we get a very manageable number of calls from consumers looking for support on Depop. Now, whether -- this may also translate to what the agents are going through. Obviously, the agents are potentially taking the bulk of the calls. But we're seeing very good trends here in terms of consumer awareness and consumer support. These numbers are not spiking. Obviously, October '24 was a big Depop month for us last year. We anticipate it this year. But these call trends we think are very manageable and, again, support the consumer awareness and the process working as well as it can. The next slide.

CHAIRMAN NEWELL: Thank you, sir.

MR. ROCKMAN: You're welcome. All right. So if we can go to Slide -- the next slide, please. We'll go to Slide 23, please. Two more slides, please. Thank you. All right. So this is 2025. Jeremy gave you a big update, but this will break it down by month. 155,000 policies were assumed already, and then we had a slight -- 44 policies -- or 45 policies assumed in May for commercial. There are a lot of exposure reductions, $62 billion so far. If we can move to Slide 32, please. These are the carriers that are participating. We want to, obviously, give a shout out to these great carriers who are participating in the market and really helping us move exposure to the private market. You can see the volume of participation by these carriers. And as Jeremy mentioned, we have a lot of interest coming up, not only in the summer months, but also in September. So we just wanted to recognize the carriers that are participating and helping us move and reduce exposure to Citizens. We can go to Slide 37, please. This is for 2025, where is it happening? And you'll see top five counties for the last April Depop, Pinellas, Brevard, Orange. You can see the Depop activity is happening in some of the counties that grew Citizens when the markets were a little bit tighter. So this just represents where's the Depop action happening, and it's obviously coming from those counties that are represented here. If we go to Slide 38, please. And, of course, does it come back? This is always the question. And, again, we rigorously monitor returns. Citizens' policies -- a policy that's been Depopped is eligible to come back as new business if conditions change or the price changes. You can see we're rigorously monitoring that. We haven't seen a large spike in policies coming back, averaging 1.7 percent so far. And on the more mature and fully run Depops, the numbers been between 5 and 7 percent. So we believe this is very manageable in terms of the program. We're not seeing half of it come back as new business. So we believe it's sticking with the policy or the carrier that

offered the Depop or potentially another market was available to that consumer. So these numbers suggest that the program is holding. And even though we have a program to return to Citizens, most of the folks are staying out -- the vast majority are staying out in the private market. We can go to slide 42, please. This is just the timeline. As Jeremy mentioned, we've got other Depops coming up this year. We're getting increased interest, and we anticipate a strong close to 2025 in terms of exposure reduction. And if we can go to 43 and 44, we'll just briefly touch on FMAP, Florida Market Assistance Plan. The next slide will represent our results to date so far. We've got 440 agents participating. Eighteen percent of the customers have been converted. And you'll see in Q1, it was 41 percent. Look at those numbers compared to the previous years. This, again, is a reflection of a healthy marketplace. Agents that are getting Florida Market Assistance Program leads are able to convert those to the private market more effectively; again, a great reflection of the health of the Florida marketplace. With that, Chairman, that concludes my report here before I go on to Agency Management, but I hear a question.

MR. GORODETSKY: Yeah. Hey, Carl, it's Lee Gorodetsky. Just quick, is the FMAP program still open? And 2, second part of that -- for new agents to get into it -- and also second part of the question, have there been problems with RCEs getting people out because their coverage within Citizens may be significantly too low for a new carrier to do any kind of a Depop?

MR. ROCKMAN: The FMAP program is still open, Lee. We did institute an appointment level that you need to have in order to join FMAP. I believe it's at least five, if not ten appointments. One of my staff will help me get that answer directly.

MR. GORODETSKY: Yeah, I think it was.

MR. ROCKMAN: We did increase the number of appointments you have to have to participate in FMAP because we did that for all the right reasons. It's 10. I'm being told it's 10 appointments. So as long as you have 10 personal lines appointments for homeowner, you're eligible to participate in that (inaudible), and we welcome that and encourage agents that have 10 appointments to come join us. Lee, on the RCE, let me -- can you give me just a little bit more background on what you're talking about there so I address the question? Can you give me a –

MR. GORODETSKY: Yeah, I mean, just when clients call us to shop their rates, it would be similar. They have a Citizens renewal, their price is $7,000, they're insured for $300,000 in Broward or Palm Beach County, whatever, and then when we do the quote, it has to be insured now for $450. So we can't really save them any money. So moving them is a near impossibility. We can't really match it up because it's not real.

MR. ROCKMAN: Yeah, understood. The different carriers will evaluate the risks in different ways. Moving the customer, obviously, it's an affordability issue. We're going to wait to see, Lee, what our renewal Clearinghouse does. I think that's really where we're going to see the test. In September, when we start pushing your renewals through the renewal Clearinghouse and are able to get those Coverage As and other things from the other carriers, it'll be interesting to watch and see how that plays out. But right now, we're going to help you and the other agents facilitate that movement of business through the Clearinghouse, and we're very optimistic on what (inaudible).

MR. GORODETSKY: Okay. All right. Thank you.

MR. ROCKMAN: You're welcome. Any other questions? Okay.

CHAIRMAN NEWELL: All right. I'm not hearing any. Let's move on to Agency Management Services Update.

4. Agency Management Services Update

MR. ROCKMAN: Okay. We'll be brief here. So, again, Carl Rockman, for the record. Just want to present a brief update on our Agency Management Program. The next slide will reflect our current agent and agency count. You will see an increase of agencies, 996. That's not a reflection of additional need for Citizens. We really believe that that number was driven by the multi-factor authentication program that we put in where a few more agencies needed to get folks appropriately credentialed. So we believe that's a reflection of that program, which puts us on a good security platform and obviously is the right thing to do. But, again, this is an enormous amount of agents. We're optimistic that as agencies become less dependent on Citizens, that these numbers would decrease, but right now we're prepared to support these agents with great communication and education and doing what we can to make sure that they're getting the help they need. On the next slide, our regular update on the performance violation program, you can see in 2025, we have issued a total of 3,878 in performance violations. About 5 percent of our total new business has a performance violation tied to it. We will be continuing to work on this program and continuing the education. And we're also looking at the program and will be soliciting some feedback from our Agent Roundtable and other stakeholders on potentially some changes to the program that might make it more effective. The next slide will just reflect the month to month. You can see our trend is going down, which is a good thing. But, again, we may look at this program and make some tweaks to it on the road ahead. Next slide is late submissions. Again, agents are required to get those policy documents in by the 16th day. We're still running about 7 percent of our business is outside of that standard. The next slide will reflect where we are month to month. This, again, continues to be a focus point for us, what can we do to make sure those agents are either withdrawing the submission, canceling the submission if it's not going to go through, or getting those documents in on time so we can underwrite it. But, again, these trends aren't deteriorating, but we would look to improve them and some potential tweaks to the program that we would present to the MAAC at the appropriate time and the ART may be forthcoming. The next slide. Very quickly, pleased to report that we are through the agent and agency agreement process. It concluded yesterday with everyone on an effective date of 6/10. These numbers are a little latent. I'm pleased to report that we had just under -- or just over 400 agents out of almost 13,000 not complete their agreements. What does that mean? That's a very manageable number of agents that we need to work on to transition their books because they didn't sign. Okay. It's not in the thousands. So great call-out to our great team here at Citizens from Agent Administration, Tina Guzman and her team, agency managers, our IT department, everybody that had a hand in this. We're very pleased to execute 13,000 agreements and get them all signed and executed in good order by the deadline. It's a compliment to everybody involved and a compliment to our partners here, agent associations, and others that really helped us get the word out. The new agreements are just going to put us in a much better position to help consumers and agents, and we're very, very pleased and thankful for the support that we've gotten. We're pleased that this is in the review mirror and not a significant agent or customer impact. And the next slide, a quick update on our –

CHAIRMAN NEWELL: Hey –

MR. ROCKMAN: Yes, Chairman Newell.

CHAIRMAN NEWELL: Hey, Carl. This is Dave Newell. Just a quick question on that. So there's

-- there's a choice here that you can either move that book of business within the agency, right, that has the ability to write and service those policies, you could sell it, the agencies in that -- in that vein, but also there's potential of bringing these policies into the Citizens internal agency. I'm just curious if that is the last, you know, kind of line of defense, what's the process of getting those back out to an agent to be able to service those policies? Is there a timeline, or how does that process work?

MR. ROCKMAN: Yeah, (inaudible), yes, absolutely, Chairman Newell. Right now we're working with those 400 agents to either facilitate an internal transfer, which we believe the majority of them are going to be -- typically, these are tied to an agent that terminated that we just didn't know about. That's the majority of these. That'll be smooth. On occasion, we might have had an agent abandon the business or just leave. Our last resort is to take those into our internal agency, but if they do, any agent out there that works with a customer, the agent can request an agent of record transfer from our internal agency to their Citizens agency. All we need to do is get that customer to acknowledge that that local agent wants to be their agent, and we can facilitate moving that individual policy out of our internal agency. But, again, we don't see a lot of business moving into that because most of the situations tied to an agent not signing are internal and we'll be able to find a good agent inside that agency.

CHAIRMAN NEWELL: Okay. And then, lastly, is that something that the field managers would help facilitate, you know, and provide that information to an agent saying, "Hey, you could take this over on an agent of record letter"?

MR. ROCKMAN: Absolutely. Yeah, if any agents are -- our agency field managers are equipped, our call center, our agent administration team, we're all equipped to help an agent that might have that question. It'll typically come up when a consumer reaches an agent and wants support, and the agent sees them or identifies them as part of our Citizens Insurance Services Agency. Once that's identified, then a simple agent of record change executed by the consumer sent to us will get that policy moved over. We have no objection to that at all.

CHAIRMAN NEWELL: Okay. Thank you, sir.

MR. ROCKMAN: Okay. Last topic is Voice of Customer, a reminder that we do measure customer satisfaction in a very specific way at Citizens. The main way we do it is when consumers call our call center, they're asked to take a survey on multiple topics, but I'm very focused on their satisfaction provided by their Citizens agent. The next slide will represent our trend in that regard. For 2024, you can see that we're roughly around 80 percent or so with a high of 84 in December. And the next slide will represent where we stand currently, in the 80s, a little drip, a little drop in April. What do we do with this information? We, obviously, get the information aggregated, and any agency that shows up under the normal trend line with a volume of surveys, our agency field managers just give them a call and make them aware that the consumer is not happy, it's in our mutual interest that they be happy, and what can we do to mutually make them happy. So we're all about helping the agency understand that the consumer is giving us some feedback that may not be in our best interest or theirs, and we work proactively with those agencies to make them aware of that information and to help them improve. So this is one example of us making sure that the consumer is well-served and that we're all working for everyone's mutual benefit. So we'll just continue to report on these numbers and update you on any progress on this particular survey. With that, Chairman Newell, that concludes my report for both Depop, Clearinghouse, FMAP, and Agency Management.

CHAIRMAN NEWELL: Okay. Well, thank you so much, Carl. Any questions that Carl hadn't

already addressed for his reports from the committee? Okay. I don't think I'm hearing any questions. So with that in mind, thanks, everybody, for being here today. I'll hear a motion to adjourn the committee meeting.

MR. GORODETSKY: This is Lee. I'll make a motion to adjourn.

MR. ROKEH: This is Greg. I'll second. Greg Rokeh, second.

CHAIRMAN NEWELL: Thank you, Greg. Well, thanks, everybody. Have a great rest of your week. And thanks again for attending today's meeting. Have a great day.