

Agency Management Services Update

September 17, 2025

Carl Rockman, Vice President, Agency & Market Services



Current Agent and Agency Counts

Current Agent and Agency Counts vs. YE 2024			
	Jul-25	Dec-24	Net Change
Agencies	5,690	5,815	-125
Agents	13,648	12,588	1,060
LCRs	4,827	3,111	1,716

Current Tri-County Agent and Agency Counts vs. YE 2024			
	Jul-25	Dec-24	Net Change
Agencies	2,377	2,385	-8
Agents	4,800	4,384	416
LCRs	1,648	1,112	536

Agency Segmentation						
Tiers	Jul-25			Dec-24		
	Total Agencies	Total PIF	% of Overall PIF	Total Agencies	Total PIF	% of Overall PIF
Tier 1 (2,000+ PIF)	26	160,952	20.6%	36	208,454	22.3%
Tier 2 (500-1,999 PIF)	230	196,822	25.2%	307	257,671	27.5%
Tier 3 (200-499 PIF)	675	206,771	26.4%	798	245,409	26.2%
Tier 4 (50-199 PIF)	1,636	172,151	22.0%	1,725	182,896	19.5%
Tier 5 (49 or less PIF)	2,659	45,729	5.8%	2,442	41,752	4.5%
Tier 6 (0 PIF)	464	0	0.0%	514	0	0.0%

Note: 55% of Citizens agencies have fewer than 50 policies in force.

Data as of 7/31/25

Changes to Performance Violations & Late Submission Program



What & Why?



The Performance Violation Program is intended to improve underwriting efficiency and drive cost out of our underwriting process by:

- Enforcing submission quality standards and Enforcing new business document timeliness rules (5 business days from effective date) by Compelling agents to comply or face consequences.

- The current Performance Violation and Late Submission programs have plateaued and we are unable to make progress to lower PV's and LSV's as a % of new business. The primary driver is the current thresholds to impose discipline are too generous, allowing agents to compile PV's and LSV's without a consequence.
- The current Late Submission Violation program is intended to compel agents to submit all required new business documents within 15 days of the policy effective date. Our underwriting rule is 5 business days from effective date. Matching the new standard to the 5-business day rule would bring the program into alignment with the underwriting rule.
- The current program imposed a large administrative burden on Citizens. Notice to Suspend or Terminate requirements, driven by prior agent agreements consumed Agent Administration and OCG resources. Changing consequences to a more automatic process will drive efficiency and drive down resource need.

Historical LSV Data

Late-submission violations occur when all required documents are not submitted to Underwriting within 15 calendar days of the requested effective date on a bound-approved or bound-unapproved new-business submission.

Citizens sends a *Late Submission Alert for Required Documents* activity six business days after the effective date when required documents have not been uploaded or if upload has not been completed by selecting the **Submit** button. This activity warns that a late-submission violation will be incurred if the agent takes no action. A *Late Submission Alert for Required Documents* activity cannot be disputed.

Annual Late Submission Violation Summaries					
Year	New Submissions	Alerts	% Submissions w/ Alerts	Late Submissions	% New Submissions w/ LSV
2018	90,859	15,493	17%	3,872	4%
2019	89,873	15,626	17%	3,806	4%
2020	178,812	36,773	21%	899	1%
2021	391,604	81,399	21%	18,091	5%
2022	613,475	140,119	23%	19,644	3%
2023	576,229	144,194	25%	34,625	6%
2024	392,948	99,311	25%	21,522	5%

Annual Late Submission Disciplinary Action Summaries						
	2019	2020	2021	2022	2023	2024
Warning Notices	152	179	174	192	308	186
Suspensions	5	7	4	20	13	64
Terminations	0	0	0	0	0	0

Late Submissions

Disciplinary Process for Late Submission Violations

Citizens uses a progressive, four-step disciplinary process for late-submission violations, which will be based on an individual agent's submissions (not the agency level) and also on the number of submissions within a 12-month rolling cycle:

If an agent submits **30 or fewer** submissions in the 12-month rolling submission cycle:

# of Violations	More than 6 violations	Within 6 months after warning notice	6 or more additional violations	Within 6 months after completing the 30-day suspension	2 or more additional violations	Within 90 days after completing the 90-day suspension	1 or more additional violations
Citizens Imposes	Warning Notice		30-day suspension		90-day suspension		Termination

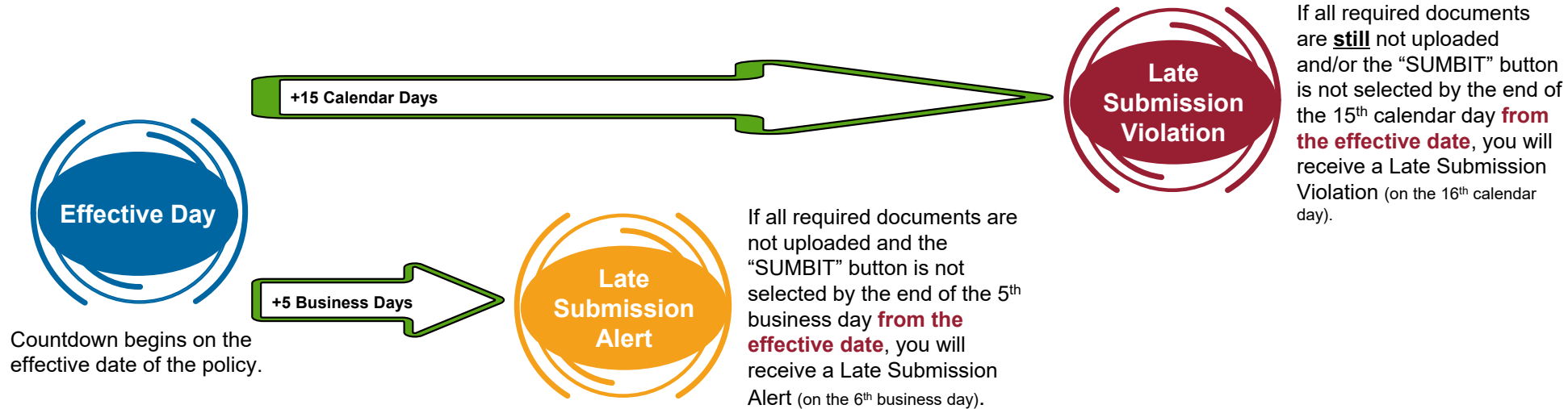
If an agent submits **31 or more** submissions in the 12-month rolling submission cycle:

# of Violations	20% or more*	Within 6 months after warning notice	10 or more additional violations	Within 6 months after completing the 30-day suspension	6 or more additional violations	Within 90 days after completing the 90-day suspension	1 or more additional violation
Citizens Imposes	Warning Notice		30-day suspension		90-day suspension		Termination

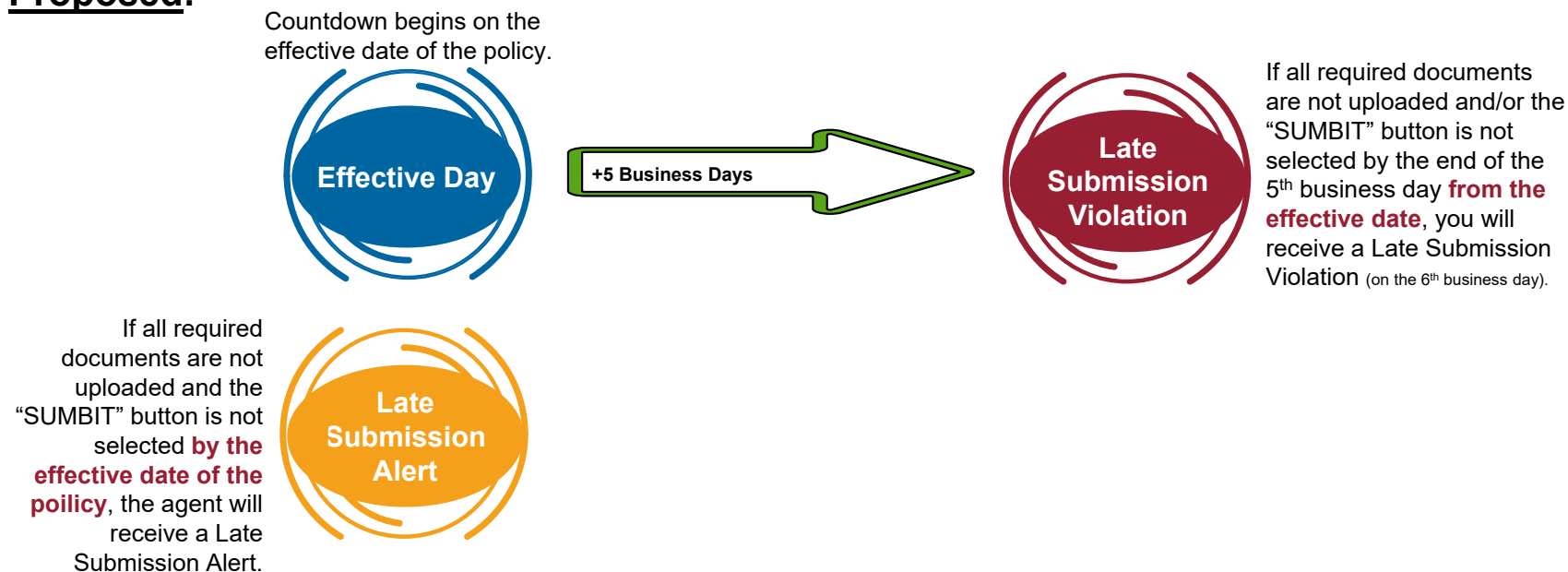
*of total submissions for the in the 12-month rolling submission cycle.

Current & Proposed Late Submission Program

Today:



Proposed:



Historical PV Data

Performance Violation Key

Ineligible Risk	Submitting insufficient documentation to establish that the risk meets Citizens' eligibility requirement (no offer of coverage or the 20% rule)
Uninsurable Risk	Submitting an application for a risk that is uninsurable as defined in the Personal Residential Multi Peril (PR-M) and Personal Residential Wind-Only (PR-W) manuals
Premium Posted on Unbound Risk or Failure to Provide Premium Finance Company Contract	The agent/agency posted a premium on an unbound new-business submission prior to Underwriting review and approval, regardless of the final determination of eligibility and/or insurability, or the premium finance company contract was not submitted with the new-business submission or policy renewal.
Incorrect Application of Credits, Discounts or Surcharges; or Missing Signatures	<p>The agent/agency applied one or more of the following without proper documentation and resulted in a premium increase, or required signatures were missing:</p> <ul style="list-style-type: none"> • Documentation to support mitigation credits was not submitted, or insured signature was missing. • Documentation to support protective device discount (i.e., alarm, sprinkler) was not submitted. • Acceptable proof of prior insurance was not submitted. • Insured or agent signature was missing on application.

Annual Performance Violation Summaries

Year	Total Submissions	Annual PV Total	% Total Submission s w/ PV	Ineligible Risk	Uninsurable Risk	Premium on Unbound / PFC Contract Missing	Incorrect Credits / Missing Signatures
2018	90,859	3,980	4%	87	827	31	2,075
2019	89,873	7,222	8%	65	1,163	105	4,538
2020	178,812	10,135	6%	147	2,068	66	6,437
2021	391,604	19,830	5%	268	4,370	53	12,813
2022	613,559	12,430	2%	140	3,424	62	7,601
2023	576,229	18,147	3%	615	13,295	83	4,154
2024	392,948	15,191	4%	7,912	2,987	60	4,232

Annual Performance Violation Disciplinary Action Summaries

	2019	2020	2021	2022	2023	2024
Warning Notices	572	1,173	678	336	121	385
Suspensions	40	127	71	70	3	8
Terminations	0	0	0	0	0	0

Performance Violations

Disciplinary Process for Performance Violations

Citizens uses a progressive, four-step disciplinary process for performance violations, which will be based on an individual agent's submissions (not the agency level) and on the number of submissions within a 12-month rolling cycle:

If an agent submits **30 or fewer** submissions in the 12-month rolling submission cycle:

# of Violations	More than 3	Within 6 months after warning notice	3 or more additional violations	Within 6 months after completing the 30-day suspension	1 or more additional violations	Within 90 days after completing the 90-day suspension	1 or more additional violations
Citizens Imposes	Warning Notice		30-day suspension		90-day suspension		Termination

If an agent submits **31 or more** submissions in the 12-month rolling submission cycle:

# of Violations	10% or more*	Within 6 months after warning notice	5 or more additional violations	Within 6 months after completing the 30-day suspension	3 or more additional violations	Within 90 days after completing the 90-day suspension	1 or more additional violations
Citizens Imposes	Warning Notice		30-day suspension		90-day suspension		Termination

*of total submissions for the 12-month rolling submission cycle.

PV01 (Ineligible Risk) & PV02 (Uninsurable Risk)

# of Violations	More than 3	After Warning Notice	3 or more additional violations	After Completing the 30-day Suspension	1 or more additional violations
Citizens Imposes	Warning Notice		30-day suspension		Termination for Convenience

A PV is only issued under the following circumstances:

- Warning Notice - Managed by AM's
- Suspension/Terminations - Managed by the Agent Compliance Team
- PV is only issued when a cancellation is issued.
- PV can also be issued if:
 - There is an EO that prevents a cancellation that would have happened.
 - If we are outside of 60-day discovery and nonrenew instead.

Note:

- Citizens reserves the right to work with agencies producing 200 NB or more to establish targeted performance violation thresholds.

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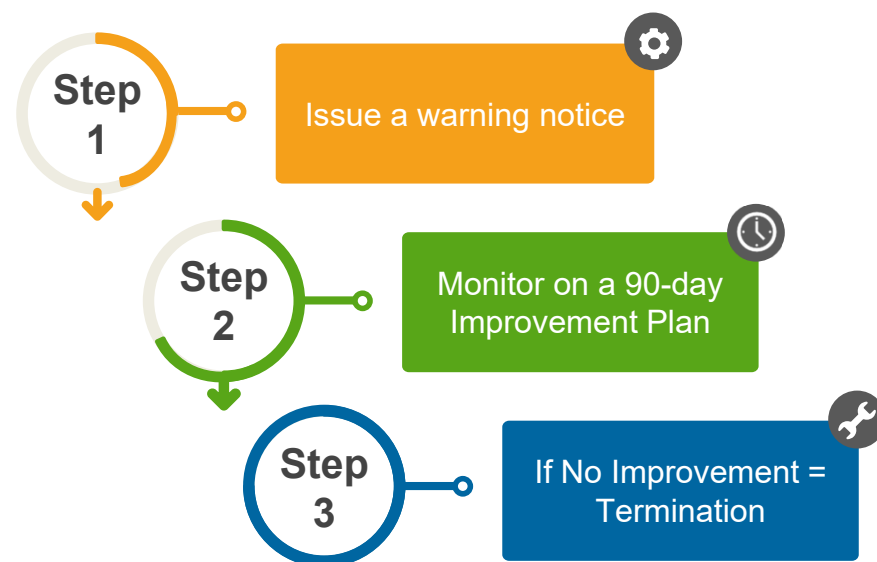
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PV03 (PFC/Prem on Unbound), PV04 (Incorrect Credits/Missing Signatures), Late Submission Violations and Voice of the Customer (VoC)

Program	Target Group
PV03 (PFC/Prem on Unbound), PV04 (Incorrect Credits/Missing Signatures) AND Late Submission Violations	Identify the worst performing agents by volume accumulating PV03, PV04 and Late Submissions combined.
Voice of the Customer (VoC)	Identify the worst performing agencies below average by survey volume.

Notes:

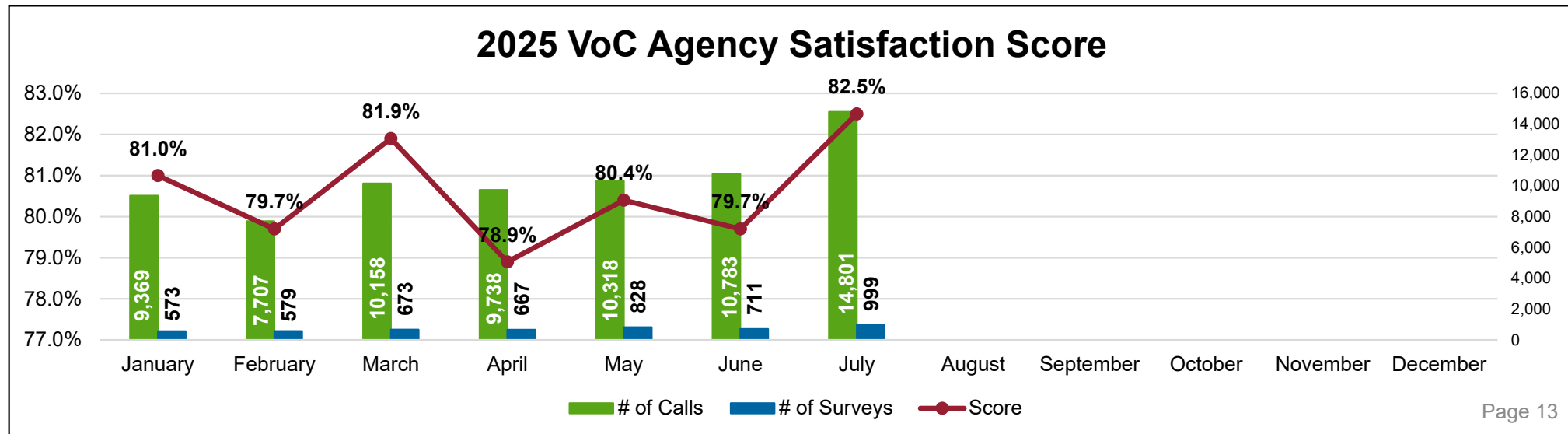
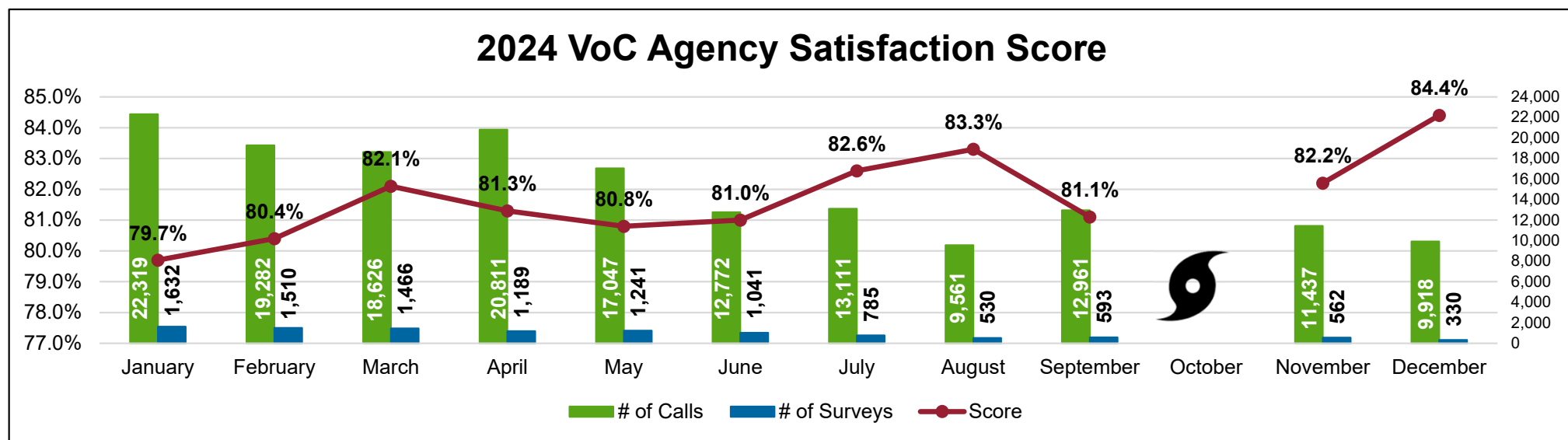
- Agency Manager (AM) will manage.
- Volume would be determined after first 30-days of program.
- AM will send the Warning Notice from myAgency.



When	Who
Q1 (1/1/26-3/31/26)	1 st group (PV03, PV04 &LSV) / 1 st group (VoC)
Q2 (4/1/26-6/30/26)	Next groups (PV03, PV04 &LSV) / (VoC)
Q3 (7/1/26-9/30/26)	Next groups (PV03, PV04 &LSV) / (VoC)
Q4 (10/1/26-12/31/26)	Next groups (PV03, PV04 &LSV) / (VoC)

Voice of the Customer (VoC)

Regarding your level of satisfaction with Citizens as an organization, please rate the service provided by your Citizens agent?



Program	Management
PV01 (Ineligible Risk) PV02 (Uninsurable Risk)	Three-step disciplinary process based on number of violations received.
PV03 (PFC/Prem on Unbound) PV04 (Incorrect Credits/Missing Signatures)	Portfolio Management Three-step process based on volume of violations/score received that will center around an improvement plan.
Late Submission Violations	
Voice of the Customer (VoC)	

Timeline

