

Office of the
Internal Auditor

Engagement Report

November 2025

Corporate Insurance Program



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Executive Summary

Background

To safeguard the organization and its leadership, Citizens, through its designated agent of record, obtains insurance policies that provide coverage for its operational and management-related risks. These policies form an integral component of the organization's overall risk management framework, designed to protect the company against potential losses arising from natural disasters, accidents, cybersecurity incidents, and decisions made by corporate leadership in the normal course of business operations.

The Office of the General Counsel oversees Citizens' corporate insurance program. The program plays a key role in ensuring that risks are covered effectively and efficiently and that any unforeseen events for which the organization could seek coverage and protection are promptly identified and managed.

Objectives and Scope

The objective of this engagement was to assess the corporate insurance program to ensure that it is managed comprehensively and effectively, in alignment with leading practices, in accordance with the corporation's needs, and in accordance with relevant regulatory requirements.

Results

Through the initial evaluation of practices and procedures, Internal Audit determined that the overall process and key controls were appropriately designed and operating effectively. We further noted several favorable practices, including the following:

- The program is centrally managed by the Office of the General Counsel with support from the business units to whom the coverage applies.
- Renewals are managed in a timely manner with adequate support from Citizens' current broker.
- There is proactive oversight in the process to avoid harmful gaps in coverage.
- Management proactively seeks alternative coverage opportunities for some of its risks.
- The current broker has a team dedicated to working on Citizens' needs and renewal. Through the communications received and meetings attended Internal Audit observed a positive working relationship with the broker's team.
- Management ensures that mandated Board approval of coverage renewals is sought, as applicable.

We also recorded no exceptions relating to the procurement and maintenance of insurance coverage for operations. In particular, the October 2025 and January 2026 renewal cycle processes were closely followed and found to be well-documented and supported by appropriate reviews and approvals. Furthermore, Internal Audit requested copies of Citizens' current insurance policies. Our review of these policies revealed that the existing portfolio provides broad protection across key operational and financial areas. No coverage gaps were identified.

Internal Audit has, however, noted the following improvement opportunities aimed at strengthening the process.

- **Broker Risk Assessments** – Citizens should request that the broker conduct a formal risk assessment. This will help identify emerging risks and alternative coverage or risk-transferring opportunities that support the organization's insurance strategy and appetite.



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Management has indicated that this requirement will be incorporated into future broker procurements and agreements.

- **Coverage Awareness Sessions** – Consideration should be given to providing formal coverage awareness sessions with relevant stakeholders to enhance understanding of the organization’s existing insurance policies and the protections they provide. Increasing awareness of available coverage will help business units more readily identify situations where insurance may apply and ensure timely notification in accordance with policy requirements.

Conclusion

Internal Audit’s assessment of Citizens’ procedures for procuring and maintaining insurance to cover its operations shows that the process is working effectively. We have discussed the listed improvement opportunities with management, and they plan to incorporate them into their processes.

We would like to thank management and staff for their cooperation and professional courtesy throughout this audit.



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The Honorable Blaise Ingoglia, Chief Financial Officer
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The Honorable Wilton Simpson, Commissioner of Agriculture
The Honorable Ben Albritton, President of the Senate
The Honorable Daniel Perez, Speaker of the House of Representatives

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