

Approval of Prior Exposure Reduction Committee (EXRE) Meeting Minutes

Summary	Review of September 24, 2025, EXRE Meeting Minutes to provide opportunity for corrections and historical accuracy.			
Approval Type	<input type="checkbox"/>	New Initiative	<input type="checkbox"/>	Amending Ongoing Contract
	<input type="checkbox"/>	Replacing Expiring Contract	<input checked="" type="checkbox"/>	Other (Explain in Summary)
Awarded Vendor(s)	N/A			
Contract Term Length	N/A			
Contract Estimated Spend	N/A			
Procurement Method	<input type="checkbox"/>	Competitive Solicitation	<input type="checkbox"/>	Single Source
	<input type="checkbox"/>	DMS Approved Contract	<input type="checkbox"/>	Emergency Procurement
	<input type="checkbox"/>	Statutory Exemption	<input type="checkbox"/>	Other (Explain in Summary)
Committee Consent	Staff recommends that the Committee approve the September 24, 2025 EXRE minutes.			
Board Consent	N/A			
Executive Sponsor(s)	Jeremy Pope, Chief Administrative Officer Jennifer Montero, Chief Financial Officer			

CITIZENS PROPERTY INSURANCE CORPORATION

**Summary Minutes of the
Exposure Reduction Committee Meeting
Wednesday, September 24, 2025**

The Exposure Reduction Committee of Citizens Property Insurance Corporation (Citizens) convened at The Westin Lake Mary in Orlando, FL on Wednesday, September 24, 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.

Approval of Prior Meeting Minutes

CHAIR BERUFF: Entertain a motion to approve the minutes of the last meeting.

UNIDENTIFIED SPEAKER: So moved.

MS. CUMBER: Second.

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

CHAIR BERUFF: Minutes are approved. Mr. Pope, you're on.

Depopulation, Clearinghouse & FMAP Update

MR. POPE: Thank you, Chair. Good morning to you and the fellow committee members. For the record, Jeremy Pope, Chief Administrative Officer. And I also have with me Carl Rockman, our Vice President of Agency and Market Services. We have no action or consent items for the committee's consideration. So we'll jump right into our brief report out to the committee on our Depop program, the Clearinghouse tool, and also the Agency Management Update that Carl will wrap up with. We'll begin our update on slide two of our report out of your committee materials, highlighting the continued downward trend of our Depop results. And what is shown on the screen is more updated than your materials. So we have this updated through August 31st with some of the latest data. All great news with our best updated forecast estimate now having us land in at 516,487 policies at year end, which would represent an estimated 7% market share at the end of the year. As of this past Friday, we are at 768,000 policies, 768,926 policies, still servicing right under 997,000 policies until the various renewal dates. Total insured values at \$375 billion. And on slide three, and I'm checking to see because we just had numbers come in, yes, the slide that is being provided is updated with the September Depop and also our October Depop. So it's more updated than the committee materials. But I'll focus on the 2025 year-to-date results. Our Depop activity stands at a total of 216,799 policies that have been shifted away from Citizens into the private market. And that includes the September Depop. That totals over \$90 billion in exposure removed. The majority of those results are from our personal lines book of business, as shown on the slide. Upcoming activity and interest, as we spoke earlier, is expected to be high with our planned October, November, and December depops. October alone, we have 10 carriers that have been approved. A little over almost 369,000 policies have been approved by the office. And we are estimating in October because we have all of the carrier policy selections that have come in that we've analyzed. We're estimating 191,512 policies will be shifted from Citizens to the private market, which is big. We're showing over 90% of the offers that are being provided to consumers are either less than the Citizens offers or within the 20%. So pricing has become extremely competitive and better for the consumer. And consumers are receiving multiple offers, more offers than ever, which is great from a consumer choice perspective. November 8th, we have eight carriers that have been approved to participate on the personal lines side, a little over 443,000 policies that have been approved through the office. And five carriers have been approved to participate on our commercial lines book with a little over 7,200 policies that have been approved by the office. December 16th, 16 carriers and total approvals are at 576,758. And that's for the personal lines book. I will make one comment about the approvals. They are inflated because the offices now for carriers that have interest are providing multi-month approval. So for example, if they're approved to take 200,000 policies out of the Citizen's book, that could be through September, October, and

November. So we're constantly shifting those numbers. So they are a little inflated. So we pay a lot of attention to the actual policies that are selected. And then we start to analyze the pricing of those policies once selected as well. Today is actually the deadline. We'll have data tomorrow and by the end of this week for the October, actually, I'm sorry, November, the November assumption. So we'll be able to go in there and really have a better firm on, you know, what we expect to be shifted from Citizens to the private market.

CHAIR BERUFF: Mr. Pope?

MR. POPE: Yes, sir.

CHAIR BERUFF: Can you go back a slide?

MR. POPE: Sure.

CHAIR BERUFF: All right. So that looks like our exposure is at 439,000 projected at the end of the year, right?

MR. POPE: Chairman, that would be the best case. So that's our lower spec and our upper spec. We're using the best case though –

CHAIR BERUFF: Is 438,934 policies that'll be what we will hold on December 31 of 2025.

MR. POPE: That is correct. Yes, sir.

CHAIR BERUFF: That's your best guesstimate.

MR. POPE: Correct. Based on known variables.

CHAIR BERUFF: Okay. And if you had to attribute, the reason we've done that is, is it the tort reform or the 20% bracket?

MR. POPE: Both.

CHAIR BERUFF: No, I just, no, I want you to attribute it to one or the other.

MR. POPE: I would say tort reform, which is then snowballed to allow pricing to become extremely competitive.

CHAIR BERUFF: But I knew the answer to that question. I'm not an attorney though. So the tort reform by and far has created the health and the insurance markets in Florida. Is that a true statement?

MR. POPE: That is true, yes, sir.

CHAIR BERUFF: Okay. Are the big insurance companies coming back in and not just the startups?

MR. POPE: We're not seeing the big national carriers. It's the domestics, yes.

CHAIR BERUFF: Hasn't State Farm and others taken more policies that are already in the market. Haven't they been offering policies and expanding their market?

MR. POPE: I would say in Florida, we're not seeing that in Florida right now with State Farm.

GOVERNOR BECKSMITH: Mr. Chair, can I kind of make a comment on that?

CHAIR BERUFF: One of the many ex-specialists we have up here.

GOVERNOR BECKSMITH: Well, we've got a couple of them here. I would tell you that emphatically, yes, there is a return of carriers to the State of Florida that is not just startups. You've seen more and more capacity, not only in the personal lines side, but also on the commercial side as well. Hence, you're seeing reductions on average to Governor Lydecker's point earlier in excess of 15% on a regular basis. And in some instances, you're seeing 20, 30, 40% reductions. And I would attribute back to your initial question, tort reform helped hugely. There's also just more capacity in the marketplace. And so you are seeing both on the personal line side and on the commercial side, standard carriers come back into the Florida marketplace. Now, they're picking and choosing their points, right.

CHAIR BERUFF: Yeah.

GOVERNOR BECKSMITH: They're still watching construction, age, location, et cetera. But, and please, Governor Butts or Governor Lydecker, correct me if I'm wrong, but you're seeing some relaxation on some of the underwriting that used to be a big issue, i.e. roofs have to be 10 years older. Now it can be 15 years and so on down the line. I don't know if Governor Butts or Governor Lydecker has anything.

UNIDENTIFIED SPEAKER: I agree with Governor Becksmith's assessment. I do think that there is a much more vibrant, robust and competitive marketplace in the State of Florida. I think also there's been an element, which is, in my opinion, the most important part, market stability in the State of Florida, which we want as Citizens. And I think you know competition is a good thing. And the more competition we can create will have the effect of forcing prices down and expanding coverages and making insurance more readily available, particularly for people on fixed income. So I think so. But Governor Becksmith referenced in passing the power of tort reform, the taking out of the system, the unpredictability from a carrier's underwriting perspective, the unpredictability of rampant fraud, particularly as relates to the assignment of benefits and the one-way attorney fees in the State of Florida has been an absolute game changer in the State of Florida. So taking out fraud and the unpredictability associated with it is, I think it could be the reason, but it's a super powerful reason. And we didn't have a storm last year. And hopefully the next two months we don't have a storm.

CHAIR BERUFF: Any other members that have comments?

MR. SPOTTSWOOD: Follow-up.

CHAIR BERUFF: Yes.

MR. SPOTTSWOOD: So if the bigger companies are coming back into the market in a big way, why aren't we seeing them working with us to take out more of our policies?

UNIDENTIFIED SPEAKER: Because they don't need to, to be candid. They're not trying to start up a company. And I think, I think it was Governor Becksmith who said this, but you know they're still for-profit entities. So they're going to be, and they do have very substantial resources in the State of Florida from an underwriting perspective. So they're going to be thoughtful about where they offer through the, you know, in this case, through the Independent Agents Association. So they have channels for which they could allow for more policies to come into their carrier. They don't have to go through a takeout program.

CHAIR BERUFF: So, so just to expand on what you just said, they can grow organically without the need to buy our policies.

UNIDENTIFIED SPEAKER: Yeah.

MR. SPOTTSWOOD: So Chairman, if I could follow up on –

CHAIR BERUFF: Please Mr. Spottswood.

MR. SPOTTSWOOD: I'd like to really understand it because it seems to me that there's a great incentive for them in taking out policies from us that have already been placed on the books at a great cost to us and have very little risk over the balance of the term or the policy. So why wouldn't they also be doing that. I mean, I understand they don't need to, but it seems like that's a pretty attractive proposition for anybody, including these companies that wouldn't need to do that.

UNIDENTIFIED SPEAKER: Matt, do you mind if I answer that or would somebody else prefer to answer?

CHAIR BERUFF: No, please.

UNIDENTIFIED SPEAKER: My read of it, so let me, I'm not on the carrier side, as you know, I'm on the independent agent side, but my read of carriers are that what you're asking might make sense. They just haven't gotten there yet. And, you know, look, they still step back and they have, in some cases, international portfolio, but for sure a national portfolio. And when you look at the United States of America, we still live on a peninsula. And you still live in a little spot off of that peninsula way, way south. Okay, it's a spot that we love. But it's really prone to wind in a big way. So carriers still have that mindset, the national carriers. But each day that goes by with the work that Citizens and the team at Citizens is doing, I think is creating a more and more stable marketplace. And independent agents, particularly those that are more established, I'll say, that have a larger book of business in the commercial side, as well as the personal line side. I think if we continue in the course that we go, carriers will look to, you know, allow for more of what you're describing if they see an overall balanced book with that independent agency, because there's a nice balance of commercial business. There's a nice balance, there's a geographic balance, it's a profitable book of business. But those are market conditions, you know, capital market conditions that are, you know, the end of invisible hand theory that, you know, needs to take hold. It just hasn't yet. And this is still, in my opinion, this is all fairly new, good news, which is why I attribute so much to tort reform. And we also didn't have a substantial storm last year. And if we don't this year, I think it means more good news. And perhaps what you're describing may take place.

MR. SPOTTSWOOD: Mr. Chair, if I could follow up on one additional item.

CHAIR BERUFF: Please, Mr. Spottswood.

MR. SPOTTSWOOD: So following up with the question that you asked or the point that you made at the last meeting about rates coming down, and when are we going to get to that point that we can start to see that. I believe you said that 90% of the policies that we're expecting to be taken out are actually be taken out at rates lower than ours.

MR. POPE: Either there's a combination of lower rates, either, not rates. The premium's lower than ours or within 20% of our premium.

MR. SPOTTSWOOD: But there's also a significant percentage that are actually lower than ours,

right?

MR. POPE: That's correct.

MR. SPOTTSWOOD: So is that a good sign in terms of getting to the point that the governor's talking about that we can start to think about stabilizing rates and maybe coming down at some point in time?

MR. POPE: I definitely think it's a conversation we should have and for us to continue to look into.

MR. SPOTTSWOOD: Look forward to it.

UNIDENTIFIED SPEAKER: Yeah. And when that conversation occurs for me, I'm going to be listening also for what is the, how are we reconciling a market of last resort with the desire to see rate relief for taxpayers in the State of Florida, for Citizens in the State of Florida. And I don't think we've had to reconcile that, at least in recent years. But I'll be, because we want to maintain our, we want to be a market of last resort. So that doesn't, you don't want to change that. But then actuarially sound and these other concepts, that has to be reconciled.

UNIDENTIFIED SPEAKER: Can I just make one additional comment, Chairman?

CHAIR BERUFF: Please.

GOVERNOR BUTTS: So I think to answer the specific question on the national carriers that they have been watching, they wanted to make sure that the tort reforms held. I think the other thing on that is they are taking a look at policy forms. So the whole roof payment schedule, actual cash value on roofs, that now has left Florida and is sweeping the country in terms of what the national carriers are doing and changing their forms. The Florida carriers are very nimble, so they're able to make those changes quickly and are able to get into the market faster. They have obviously sustained our Florida marketplace for a very long time. But I agree with Governor Becksmith that I believe that the national carriers, as they see, especially this year, these Florida companies really doing well and turning a profit for the first time in many years, that they are going to slowly start coming back into Florida and offer it. I don't think they're going to be competing from a premium perspective with some of the newer carriers that we have in Florida, but I believe that they will be there to add additional capacity to the marketplace and stabilize the marketplace even more. So to answer that question directly, I think the national carriers will be coming in over the next couple of years. They also are very much interested in the auto product in Florida. So if you're talking personal lines, they're very much interested in the package, having the home and the auto together. And they will not need to take part in the takeout process with Citizens as their underwriting and technology is really more advanced, I'd say, than some of these other carriers that we have. So my two cents on kind of what we're seeing in the marketplace.

MS. MONTERO: Mr. Chairman, may I make a follow-up comment?

CHAIR BERUFF: Please.

MS. CUMBER: As far as the nationals go, looking at the second quarter financials of the pups that we have tracked, which is Auto Club, Castle Key, First Floridian Auto, Southern Owner's Insurance and State Farm. Their direct written premium is very stable year-over-year for the first two quarters of 2025. They total about \$1.698 billion. And in 2024, for the first two courses, \$1.707 billion. So they're stable. They seem to be writing as much as they did last year, at least.

CHAIR BERUFF: Thank you. Any other comments or questions? Mr. Pope, you want to continue because I interrupted you?

MR. POPE: No worries, Chair. And just a closing comment. Commissioner last week announced two new entrants to the market. And both of those new entrants will be participating in our December Depop. So just want to make that comment. And in your slides or in your committee packets, page 14 on goes into the Depop results at a more granular level if needed. Also, the 2026 Depop calendar that the office approved is included in those materials as well. So if there's no further questions chair on Depop, I'll turn it over to Carl Rockman.

CHAIR BERUFF: Please, Mr. Rockman.

MR. ROCKMAN: For the record, Carl Rockman, Vice President of Agency and Market Services, I'd like to present a brief update on our progress implementing the new business and renewal Clearinghouse. First page or the next slide will represent our high-level results on new business. The table on the top represents the historical results of the program. The bar on the far right presents our results since implementing the new version of the new business Clearinghouse in April of this year. You will see that overall, 29% of new business applications presented to the Clearinghouse are receiving at least one premium return from a Clearinghouse carrier that is within 20% of the Citizens new business premium, resulting in that application being blocked from Citizens. The table below shows the results month to month. I'll point out that while the percentage of ineligible decisions is steady, you will notice a decrease in demand for Citizens' decisions, which is a further reflection of an improving marketplace. The next page, the next page.

GOVERNOR BECKSMITH: Can I interrupt real quick and just ask one quick clarifying question? Did I just hear you say correctly that in the last, since we instituted the Clearinghouse system that this board endured discussion on, we're seeing a 29% reduction in people coming into Citizens that would have maybe normally have gotten into Citizens, but now are being presented an option outside of Citizens.

MR. ROCKMAN: Governor Becksmith, I think the best way to represent that 29% is it's the overall percentage of business that's attempting to come to us that's receiving an offer that's blocking it. So I can't really say it's a net decrease overall. It's just the percent. And when you compare it to prior years, which is what we're trying to do with the new platform, you can see we're having much better success presenting those premiums and having better integrity at point of sale, which is what it was about.

GOVERNOR BECKSMITH: So it sounds like it's working.

MR. ROCKMAN: Absolutely. And I think overall, if you look at the demand factor on the bottom, the bottom grid, you'll see less demand for Citizens business. And we're seeing this reflected overall as capacity increases in the marketplace. Less demand for Citizens products is also out there, not just the Clearinghouse mechanism, but also the marketplace.

MR. ROCKMAN: The next slide. Next page represents the results of our override process. Once a decision is rendered in the Clearinghouse, agents have the ability to represent the application back to Citizens. If there is a known property condition that does not fit the carrier's guidelines or there is a price adjustment during the underwriting process. Currently, only 6% of the new business presented to the Clearinghouse is hitting this process, and we are turning these requests around within 24 hours. The next slide represents the total coverage A averted through the program. And you'll see that we've attributed about \$34 billion of coverage A, rendered ineligible or faded from Citizens since we stood up the program in March and April.

MR. BUTTS: Mr. Rockman.

MR. ROCKMAN: Yes.

MR. BUTTS: Excuse me. If I may ask a quick question, going back to the previous slide, the weekly override, this is a very cumbersome process to the agents right now. We know that, it's new as expected. Is there any way that we could take a look at the roughly 400 to 500 policies, it looks like per week that are actually coming back to Citizens on that override process and see if we can identify the reason to hopefully fix that moving forward?

MR. ROCKMAN: Yeah, we are heavily engaged. Governor Butts, we're heavily engaged in looking at this process and making incremental improvements. We realize the burden this places on the agents. We're working closely with EZLynx, closely with the carriers to render tighter decisioning. Our goal is not to drive this number down, but also the number of decisions or requests declined by agents. That's an education opportunity. So much work remains here, but I would expect these numbers to trend downward and reflect more efficiency in the past.

MR. BUTTS: I appreciate that. And I would also be remiss if I didn't point out that this also is somewhat confusing to the consumer as well. When they are told you're not eligible, the agent knows maybe there's something wrong with that house where it would not. And then they're having to go back to seek the override process to then have to contact the customer again. So it's just uncomfortable for everybody. So the lower we can get that down, obviously, that will make an impact.

MR. ROCKMAN: Understood. Understood. Okay. Well, let me go ahead and turn our attention to the renewal section of the Clearinghouse. While we're pleased with our progress on new business Clearinghouse, the next phase of the program calls for implementation of a renewal Clearinghouse. The renewal Clearinghouse is part of our statutory obligation and also is intended to assist agents in meeting their requirement to remarket their Citizens policies at each renewal. The next slide presents a high level overview of the Clearinghouse process. 60 days prior to the renewal date, we send the renewal off the renewal to the Clearinghouse and participating carriers. Those carriers can return a decision and a premium. If that premium is within 20% of the Citizens renewal premium, the Citizens policy is non renewed with 51 days notice. The agent will need to work with the policyholder to place coverage with the carrier making an offer or an alternate carrier outside the Clearinghouse. If no premiums are returned within 20% of Citizens, the policy will renew. We are going to implement the same override process as new business if property conditions won't allow the property to be placed with a Clearinghouse carrier, and obviously we'll monitor that override process as well. The next page provides details on our implementation strategy. First, we are piloting the process in nine agencies to ensure that everything is working as intended and that we understand the operational capacity this will take up in agencies. We also will be implementing mandatory training for all agents on the process prior to moving to our full implementation in November. Currently, we're working with those pilot agencies and pleased to report good progress. But again, our intention with the pilot is to make sure we fully understand the operational components and what is likely to happen with the renewal Clearinghouse. With that, I'll take any questions you might have on new business or renewal.

MR. SPOTTSWOOD: I would just amplify the importance of training out there. That's the only way this potentially works. I'm not sure that you guys are the right folks to ask this question of, even though it's probably an easy question for the right person in the community. It might be Jeremy, it might be Tim. But do we, if you're not a, if your primary residence is not in the State of Florida, but you have a secondary residence here, are you eligible for, is your secondary residence, vacation home, eligible for Citizens?

MR. ROCKMAN: Yes, it is. But there are new rating rules now that if it's not a primary residence, then we do have the ability to change and elevate the rate for that property.

MR. SPOTTSWOOD: Yeah, that's true. I forgot about that. You know, that's another thing while we're, you know, again, I'll feel better two months from now. So, you know, November will be an important time. But, you know, like some of those types of rules, I think we should revisit again and just, you know, think about how we want, how we want to allow for eligibility into Citizens. Because to the earlier conversation we were having, some of those vacation homes, particularly some of those big expensive vacation homes along the shoreline, those might be homes now that would be addressed by the national carriers because it's part of a larger picture, as I was trying to describe before or as was being described earlier. And so just FYI, I just want to put that out there as a future discussion.

MR. ROCKMAN: Understood. As Jeremy mentioned, there's additional details on depopulation and calendars, but if there's no other questions, that'll conclude my report.

CHAIR BERUFF: Seeing none, I think we're done, Mr. Rockman. Thank you. I think this meeting will be adjourned if somebody makes the motion. Committee is adjourned. Thank you. (End of proceeding.)