CITIZENS PROPERTY INSURANCE CORPORATION

DRAFT MINUTES OF THE
BOARD OF GOVERNORS MEETING
Wednesday, December 10, 2025

The Board of Governors (Board) of Citizens Property Insurance Corporation (Citizens) convened at The Daytona Grande in Daytona, FL on Wednesday, December 10, 2025, immediately following the Board Committee meetings that began at 8:30 a.m.

The following members of the Board were present:

Carlos Beruff, Chair
Jamie Shelton, Vice Chair
Jason Butts
LeAnna Cumber
Charlie Lydecker
Robert Spottswood
Frank White

The following Citizens' staff members were present:

Tim Cerio
Jennifer Montero
Aditya Gavvala
Jay Adams
Jeremy Pope
Joe Martins
Brian Newman
Bonnie Gilliland
Wendy Perry
Mark Kagy
Paul Kutter
Brian Donovan
Michael Peltier
Michael Wickersheim
Carl Rockman
Andrew Woodward
Sudheer Kondabrolu
Ravi Tadiparthi

The following people were present:

Kapil Bhatia — Raymond James
Dave Newell — FAIA
Sam Wishard — Forvis Mazars
Nathaniel Johnson — Bank of America
John Generalli — Wells Fargo
Sasha Stipanovich — Raymond James
Matt Church — Forvis Mazars
Andrew Devenbeck — RBC Capital Markets

Final

Call Meeting to Order

Bonnie Gilliland: Welcome to Citizens' December 10 Board of Governors meeting that is publicly noticed in the *Florida Administrative Register* to convene following our board committee meetings and is recorded with transcribed minutes available on our website. For those attending today's meeting through the public link, you are automatically in listen only-mode. Chair Beruff, we have no speaker request for today's meeting. I'll proceed with official roll call.

Roll call: Chair Carlos Beruff, Vice Chair Jamie Shelton, Josh Becksmith, Jason Butts, LeAnna Cumber, Erin Knight, Charlie Lydecker, Robert Spottswood, and Frank White were present. A quorum is established.

1. Chairman's Report

Action Item: Approval of September 24, 2025, Board of Governors Minutes

A motion was made and seconded to approve September 24, 2025, Board of Governors Meeting minutes. All were in favor. Motion carries.

2. President's Report

Chair Beruff: Thank you. Mr. Cerio, you're head of the show now.

Tim Cerio: Thank you, Mr. Chairman, members of the Board. It's great to be with you this morning for what I think is going to be one of the more significant, and certainly one of the most positive, President's reports. Given that we had a very thorough discussion earlier on rates and a lot of issues attendant to rates, including the reduction in litigation, if my report is a little choppy, it's because I'm cutting a bunch of things out that we've already heard. We don't need to "beat the horse," but I do need to say that the reforms championed by Governor DeSantis have done what they were supposed to do. They have stabilized the Florida market, and they are providing rate relief to policyholders. You cannot argue with that based on the data we discussed earlier. I know I'm preaching to the choir but remember that when Senate Bill (SB) 2A passed at the end of 2022, the Governor and the legislative leadership said to Floridians, "It's going to get better, but you have to be patient. It's going to take two or three years to see a meaningful impact." And that is exactly what happened. These reforms were not haphazard. They were very deliberate, well-reasoned policy decisions, and now Florida is seen as the model. We can't lose sight of the fact that insurance has been a crisis—and is still a crisis—in other states nationwide. Florida had the highest rate increases in the country. Last year, in 2024, we had the lowest rate increase. I think it was around a 1% average, and that is because of the reforms. Other states are now looking to emulate what Florida has done, particularly as it pertains to tort reform. No fewer than three *Wall Street Journal* editorials have touted Governor DeSantis's reforms as the model other states should follow. When SB 2A passed, Floridians were told that fraudulent litigation and excessive litigation were the problem. By reining that in, you were going to see more insurance companies and more capital come into Florida. When that happened, you would see more competition. When that happened, you would see rate reduction. And

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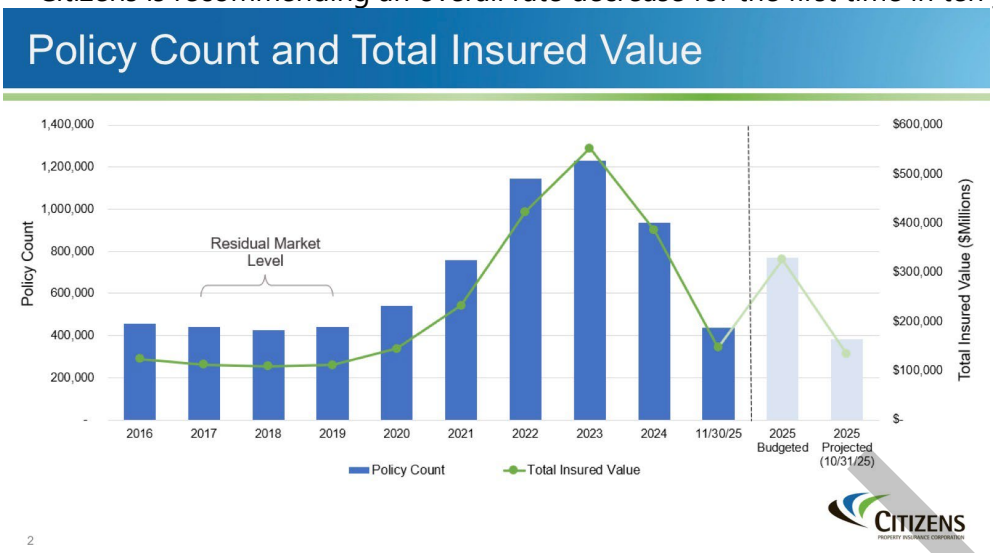
that's exactly what we're seeing now—rate decreases in the private market. And as you all have approved, Citizens is recommending an overall rate decrease for the first time in ten years.



Can we go to slide two, Bonnie? Our policy count a little over two years ago reached a high of 1.41 million policies. At that time, total exposure was $553 billion. That level of exposure was unacceptable because of the risk of Floridians facing assessments—including non-Citizens policyholders—if we had catastrophic storms and Citizens was unable to cover those claims. Now, in 2025, we expect to end with 385,000 policies. Our total exposure is down to $134 billion. That policy count is smaller than Citizens has ever been in its history, and it's an outstanding outcome by any objective measure. As the state's residual insurer, or insurer of last resort, smaller, financially healthy Citizens is one of the best indicators that the Florida insurance market is healthy. Again, none of this would have happened without the Governor's reforms. This historical policy count and total insured value for our book, along with the budgeted projection and the most recent year-end forecast, are what's displayed here. We've already covered it. You can see that compared to what we budgeted for the end of the year, we improved by about 50%. We had 386,000 more policies taken out than projected. That simply would not have happened without the market being stimulated by the reforms.

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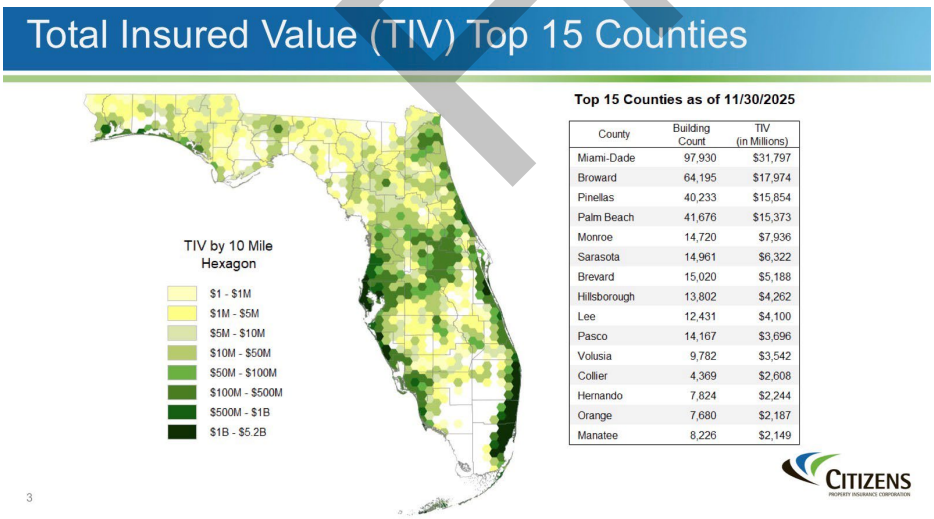


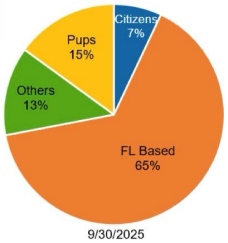
Top 15 Counties as of 11/30/2025

County	Building Count	TIV (in Millions)
Miami-Dade	97,930	$31,797
Broward	64,195	$17,974
Pinellas	40,233	$15,854
Palm Beach	41,676	$15,373
Monroe	14,720	$7,936
Sarasota	14,961	$6,322
Brevard	15,020	$5,188
Hillsborough	13,802	$4,262
Lee	12,431	$4,100
Pasco	14,167	$3,696
Volusia	9,782	$3,542
Collier	4,369	$2,608
Hernando	7,824	$2,244
Orange	7,680	$2,187
Manatee	8,226	$2,149

Next slide, Bonnie. This is a slide you've seen before. It provides a visual of our policy concentration throughout the state. Total insured value in the Panhandle is relatively low, except along the coast. There is also a concentration in the Jacksonville area and along the coast. Around the state overall, the rest of the state shows a higher concentration of total insured value, particularly along the coast and in the larger cities. The top 15 counties shown reflect about 85% of the total insured value. These concentrations have remained consistent over the last year or so. But obviously, policy counts have dropped in these areas, as has the total insured value in those regions.

Historical Residential Property Insurance Market

Entity	4th Quarter 2019	4th Quarter 2020	4th Quarter 2021	4th Quarter 2022	4th Quarter 2023	4th Quarter 2024	3rd Quarter 2025
Citizens	**4%**	**5%**	**8%**	**14%**	**15%**	**10%**	**7%**



Pups: FL only subsidiaries of major national writers
FL Based: FL domiciled companies where the majority only write in FL
Others: Predominately national writers

Notes:
1) Includes admitted insurers only
2) Based on insured value for policies with wind coverage
3) Percentages may not add up to 100% due to rounding
4) Source: *Quarterly and Supplemental Reporting System Reports*. FL Office of Insurance Regulation

4

Slide four, this table represents Citizens' historical residential property insurance market share. As of the end of the third quarter—September 30, 2025—we were at 7%. The pie chart on the right shows the admitted market share along with Citizens. Given current expectations with December depopulation, Citizens' market share on December 31 is projected to be between 3% and 4% of the total market. Citizens' market share has never been this low in its history, so we're very happy about that.

DOAH Arbitration Program

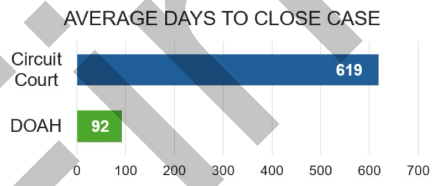
Division of Administrative Hearings (DOAH)

DOAH is faster.

- DOAH cases resolve in about 90 days, state court cases take almost 2 years.
- Because DOAH is so fast, DOAH cases cost about half as much to defend as state court cases. These savings fund policyholder surplus.

DOAH judges are independent.

- DOAH employs the DOAH judges, and state law prevents DOAH from firing them based on how they rule.
- All government users pay the full cost to use DOAH judges; Citizens is no different.



5

Slide five, please. I want to talk about litigation. The latest industry figures suggest that in Florida, the reforms have resulted in about a 40% decrease in litigation. That obviously factors into rates, and that is what's bringing rates down for the private market as well as Citizens. I'd like to specifically give you a brief update on the Division of Administrative Hearings (DOAH), our ability to send cases that are going to litigation to the DOAH for resolution in an arbitration proceeding. You may recall there was a statewide preliminary injunction in place for a couple of months that prevented us from sending cases to DOAH. I'll focus on what happened as a result of that injunction. The injunction is no longer in effect. We have resumed sending cases to DOAH. One difference you saw in the rate presentation you approved . . . you may recall I said that had we done this five weeks ago, when we were scheduled to do it, the picture would not have been as good as it is now. That's because of some court victories that allowed us to factor in savings from DOAH, from sending cases to DOAH. That has nothing to do with what we pay policyholders on claims. I'm talking strictly about litigation cost savings: what we pay our lawyers and other associated expenses. Because we were able to factor in those savings from DOAH, we were able to decrease rates even more.

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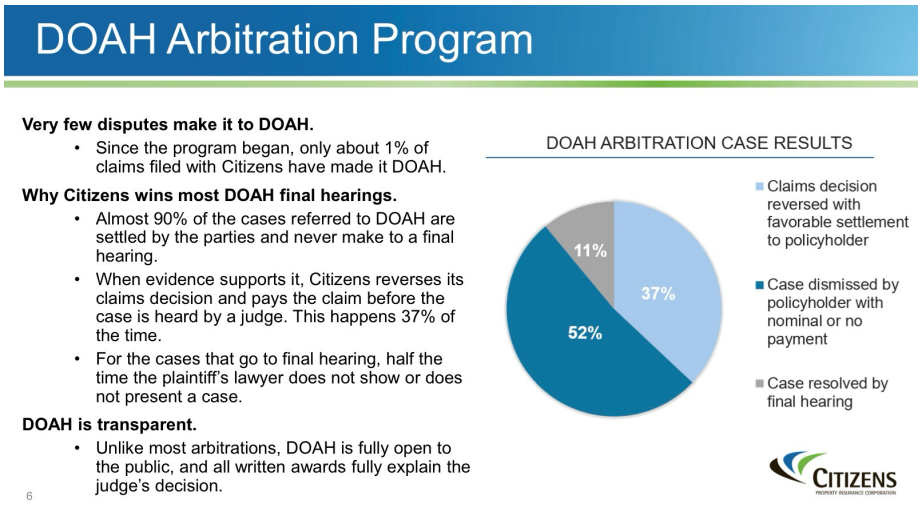

Next slide, please. Again, I won't dwell on this. I spent a lot of time at the last meeting addressing misinformation about DOAH. About 1% of all claims are referred to DOAH—that's the latest figure. Almost 90% of the cases referred to DOAH settle. Out of that 90%, about 37% of the cases settle in favor of the policyholder. In those cases, we realize we made a mistake. Maybe we undervalued the claim. Maybe we denied the claim and we reversed our decision. That happens about 37% of the time because, on the shortened DOAH timeframe, we're required to really dig in and review the facts of the case. From the time an initial adjustment happens to a final DOAH hearing, there are six levels of independent review at Citizens to make sure we get it right. I think that's why we prevail at DOAH as often as we do. We have every incentive to make the right decision. We have no financial incentive to deny a proper claim. As I've said before, we have every incentive to pay a valid claim and do the right thing, because if we don't, this Board will be very unhappy with this leadership team. That's what we try to do. So, about 37% of the time we settle in favor of the policyholder, and about 52% of the time the claimant or the plaintiff's lawyer walks away, usually because there's no evidence to prove the case. Typically, they walk away for a nominal sum—$250 or $500. DOAH is very transparent. There really is no other forum like it. If there are criticisms of DOAH, and I've said this publicly, we should always be critical and re-examine what we're doing to make sure we're doing it right. We never want to be arrogant about that. But there have been claims of bias at DOAH, and it is the most transparent forum available. The dockets are online. The hearings are open to the public. Transcripts are available afterward. There are detailed final orders with specific findings of fact and conclusions of law. When we've been challenged, I've said that the dockets are available . . . point to a case where there was an indication of bias or poor judging. I'm not being cavalier about this. If people come forward with evidence that bad decisions are being made, we'll be happy to review it. But no one has come forward with that type of evidence. We're winning a lot at DOAH because we're doing the legwork. If we were losing all the time at DOAH, I think you'd be looking at us and asking whether we're adjusting claims properly on the front end, because that would be the indicator.

Chair Beruff: Mr. Cerio . . .

Tim Cerio: Yes, sir?

Chair Beruff: The important thing is that the consumer is getting their money much faster than through litigation.

Tim Cerio: That is exactly right, sir. To your point, it's about 90 days to resolve a claim, as opposed to almost two years. It also saves consumers money on attorneys' fees and expenses.

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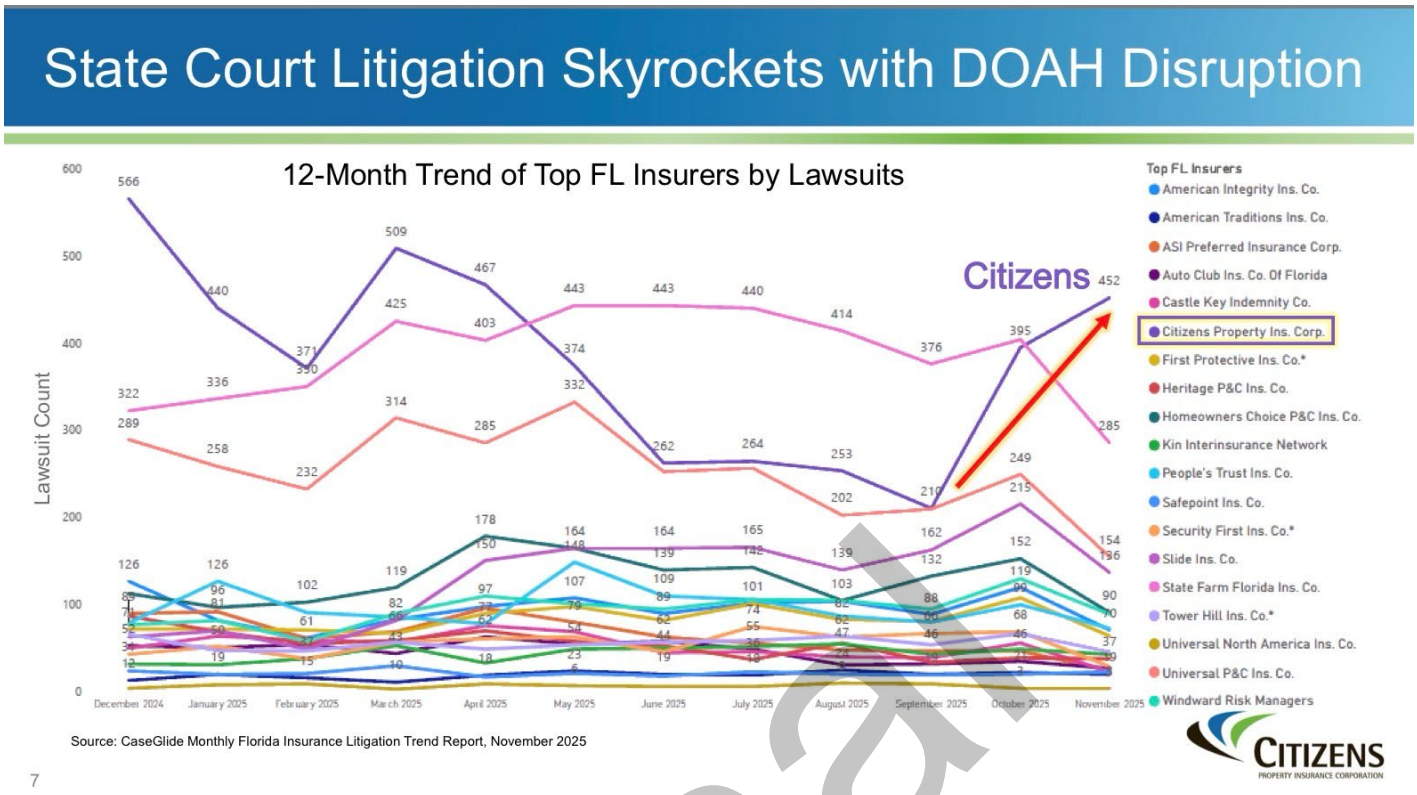
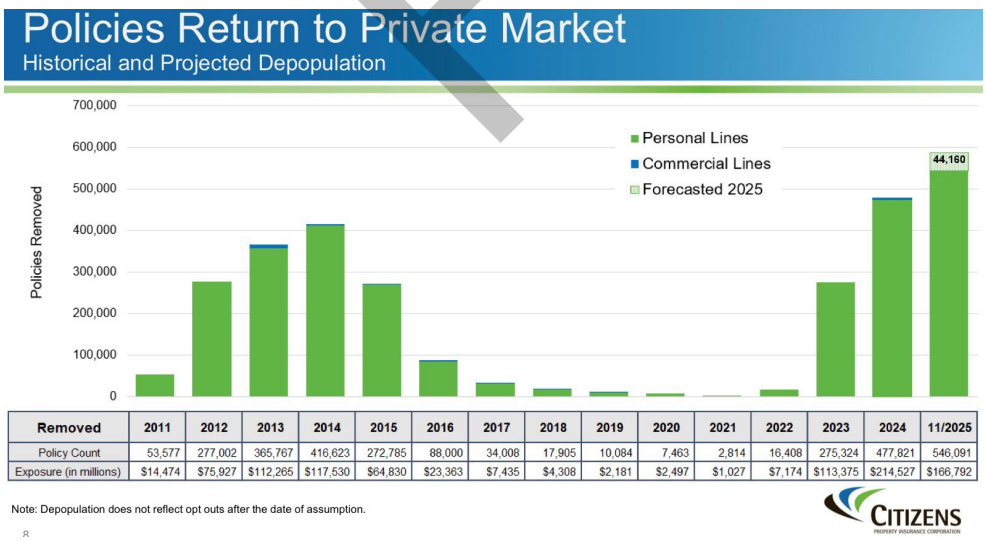


Next slide. This is a bit of a gobbledygook chart, but focusing on Citizens, you can see that during the time DOAH was enjoined and we couldn't send cases there, litigation spiked significantly. One lawyer filed about 153 cases within a day or two. As soon as the injunction was temporarily halted, just a couple of days later, that lawyer contacted us wanting to withdraw all of those cases. That's the type of litigation misconduct that has led to problems in the market.



Removed	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	11/2025
Policy Count	53,577	277,002	365,767	416,623	272,785	88,000	34,008	17,905	10,084	7,463	2,814	16,408	275,324	477,821	546,091
Exposure (in millions)	$14,474	$75,927	$112,265	$117,530	$64,830	$23,363	$7,435	$4,308	$2,181	$2,497	$1,027	$7,174	$113,375	$214,527	$166,792

Next slide, please. You've seen this chart before. I'll touch briefly on depopulation. The key takeaway is record depopulation. Over the last two years, well over one million policies have been depopulated from Citizens.

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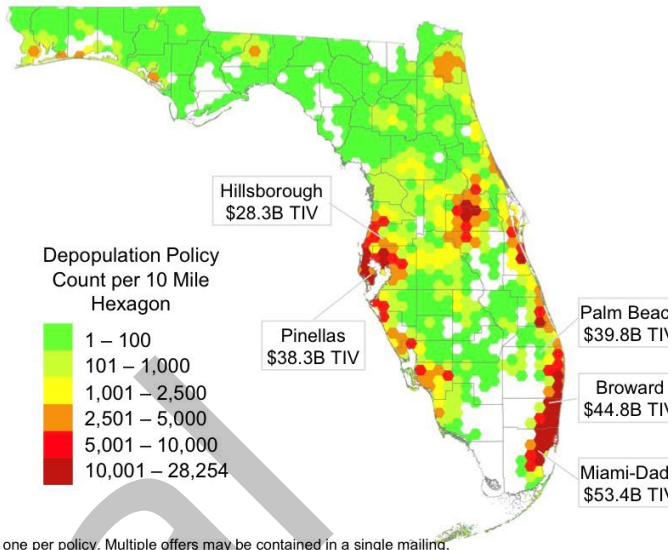
Statewide Depopulation Activity

Depopulation Policy Activity in 2024 and 2025			
Assumption Date	# OIR Approved	Choice Letters Mailed	# Assumed
2024	1,307,949	711,090	475,697
2024 (CL)	5,800	3,129	2,124
1/21/2025 (CL)	3,800	320	170
2/18/2025	342,918	143,814	102,083
3/18/2025 (CL)	250	56	24
3/25/2025	160,440	47,334	14,980
4/15/2025	238,462	49,812	38,406
5/21/2025 (CL)	100	116	45
6/17/2025	135,540	60,382	44,391
8/19/2025	16,250	16,168	14,109
9/16/2025	51,500	3,139	2,591
10/21/2025	368,947	222,664	199,434
11/18/2025	443,547	143,352	128,253
11/25/2025 (CL)	7,215	3,423	1,605
12/16/2025	576,758	50,778	TBD
Total	**3,659,476**	**1,455,577**	**1,023,912**

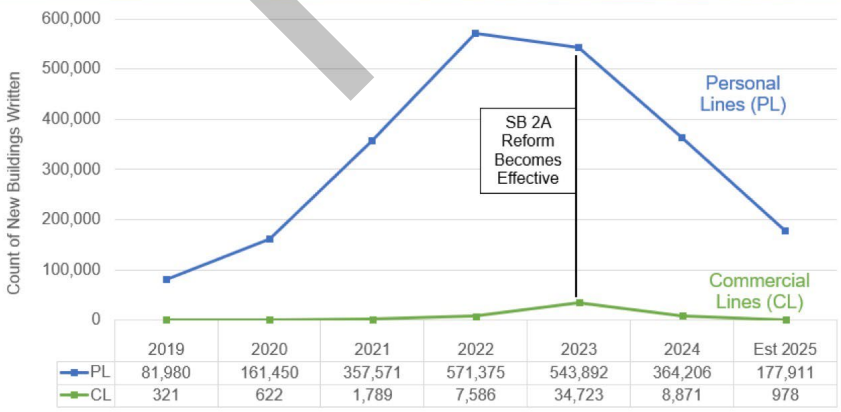


Notes:
1) Policyholder Choice Letters Mailed indicates the number of depopulation letters mailed, one per policy. Multiple offers may be contained in a single mailing.
2) Number assumed refers to policies assumed on date of assumption.
3) The hexagon map shows all personal lines and commercial lines (CL) policies assumed through November 2024.

9

Next slide, please. Same graphic. This shows where depopulation is occurring most frequently—southeast Florida, Hillsborough County. These were hotbeds of litigation. Litigation costs were baked into rates in these areas. As litigation has declined, companies can now offer lower rates and take policies out of Citizens, often within 20% of Citizens' rates, and sometimes even below. That's a win for consumers.

Policies Return to Private Market



	2019	2020	2021	2022	2023	2024	Est 2025
PL	81,980	161,450	357,571	571,375	543,892	364,206	177,911
CL	321	622	1,789	7,586	34,723	8,871	978

Notes:
1.Projected 2025 is based on data as of 11/30/25.
2.Personal lines includes policies from insolvent carriers.

10

Next slide, please. This shows the rate of policies coming into Citizens. The rate of new business is down significantly, which means policyholders are finding homes in the private market.

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Citizens' Rate Indications

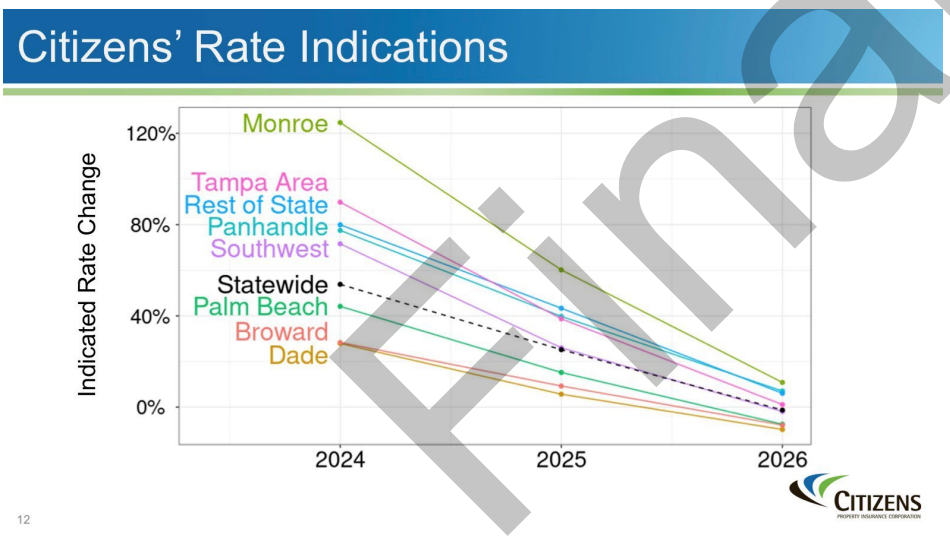
Product Line	In-force Premium	Uncapped Indication	Proposed Rate % Change
Personal Multi-peril	$1,934,719,641	-3.9%	-4.1%
Personal Wind-Only	$367,204,041	18.3%	5.4%
Commercial	$363,147,462	18.8%	10.4%
Total	$2,665,071,144	2.3%	-0.8%

Limits Personal Lines primary policy rate changes to -15% to 15%

Limits Personal Lines non-primary policy rate changes to -15% to 50%

11

Next slide. We've already covered this: our rate indications. You approved an overall rate decrease. We have not had an overall rate decrease in more than ten years. That followed years of double-digit increases driven mainly by excessive and sometimes fraudulent litigation, including sinkhole claims. The Legislature fixed that problem. Rates came down. The reason we're optimistic that this won't happen again, or that it will be much harder for a new litigation scheme to exploit the market, is the elimination of one-way attorney fees. That statute was the hub for these schemes that improperly increased litigation, and it's gone. That is the game-changer for the market.



Next slide, please. I'll conclude on this slide. This graph shows how actuarially sound rate indications have declined sharply since the passage of Senate Bill 2A in 2024, with significant reductions across all areas of the state. Mr. Chairman, we covered a lot of ground earlier. I apologize if this was a little disjointed, but I know you didn't want a rehash. Thank you for your time, and I'm happy to answer any questions or comments.

Final

Chief Financial Officer's Report

Chair Beruff: Thank you, Mr. Cerio. Ms. Montero?

Jennifer Montero: Good afternoon.

Consent Agenda Items

Bonnie Gilliland: Excuse me, Mr. Chairman. At what point would you like to go over the consent items?

Chair Beruff: We can do it now, if you like.

Bonnie Gilliland: I can read each one into the record, and then we can decide if there's anything the Board would like to pull for further discussion. If there's anything on the consent agenda you'd like to take out for additional comment, please let me know. May I go ahead and read all of these into the record, since I don't see any objection?

Chair Beruff: Yes, please.

A motion was made and seconded to approve the following Consent Agenda Items. All were in favor. Motion carried.

A. **Prior Board Meeting Minutes from September 24, 2025.**
B. **2026 Operating Budget.**
C. **Bond Rating Services.**
D. **Electronic Payment Gateway.**
E. **Digital Bill Payment Solution.**
F. **2026 Recommended Rate Filing.**
G. **Actuarial and Consulting Services.**
H. **Tropical Cyclone Forecasting Services.**
I. **Water Mitigation and Mold Remediation Estimate Review Services.**
J. **Sinkhole Engineering Services.**
K. **Court Reporting Services.**
L. **Product Updates.**
M. **Claim Legal Services.**
N. **Mortgagee Policy Verification and Notification Services.**
O. **Stop-Loss Coverage for Medical and Prescription Drug Benefits.**
P. **Document Generation Software.**
Q. **Technology Infrastructure, Software, and Professional and Staff Augmentation Services.**
R. **Audit Committee Charter.**
S. **Commercial Business Insurance.**

Final

3. **Chief Insurance Officer's Report**

Chair Beruff: Mr. Adams?

Jay Adams: I have no further comments.

4. **Chief Administrative Officer's Report**

Chair Beruff: Great. Mr. Pope? By the way, anyone can interrupt me if you want to ask questions of anyone who comes up. I tend to move quickly.

Jeremy Pope: I have no updates, sir, but I'll turn it over to Dave Newell for the MAAC update.

Market Accountability Advisory Committee (MAAAC Update)

Dave Newell: Okay, thank you. For the record, Dave Newell, Chair of the Market Accountability Advisory Committee. We held our meeting on Wednesday, November 19, 2025. Not to belabor anything that's already been said . . . our committee heard much of this just a few weeks ago, but I do want to piggyback on what Governor Butts had to say about depopulation efforts and the great work the Citizens team is doing. They've done an excellent job communicating and being part of the solution in moving policies from Citizens into the private market. Agents have a lot to say about this since they own those policies and control that business, so continued communication is very helpful. There are always issues that come with navigating such a large volume of policies (there are hiccups along the way) but Tim and the entire executive leadership team have done a great job listening to agents and working to find solutions. Carl (Rockman) also mentioned recoverable errors and some of the issues related to the Clearinghouse, so I just wanted to note that as well. And with that, happy holidays.

Chair Beruff: Thank you.

5. **Chief Information Officer's Report**

Chair Beruff: Next, Mr. Gavvala?

Aditya Gavvala: Good morning, Mr. Chairman and Governors. I have no updates. I did have two consent items, both of which were just approved. I'm happy to take any questions, if there are any.

6. **Chief of Internal Audit Report**

Chair Beruff: Joe, are there any fires?

Joe Martins: Good afternoon, Governors. There are no fires. Nothing else specific to add. If there are no questions, thank you.

Chair Beruff: Any questions? Thank you, Mr. Martin. And Mr. Newman.

7. **Chief Legal Officer and General Counsel Report**

Chair Beruff: Mr. Newman, I'd like to take a moment to congratulate you on the job you've done running the DOAH litigation transformation at Citizens.

Brian Newman: Thank you.

Chair Beruff: I think between the Legislature and some other challenges, you've had a few obstacles, but you've overcome them, and Citizens policyholders are getting better service because of it.

Brian Newman: Well, I've got a great team behind me, but thank you for that. We've been working hard. Thank you.

Final

Other Business

Chair Beruff: Thank you. Any new business?

[no new business]

[Meeting adjourned.]

Final