

Prior Board of Governors Meeting Minutes				
Summary	Review of the March 4, 2026, Board of Governors 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 checked="" type="checkbox"/>	Other (Explain in Summary)
Committee Consent	N/A			
Board Consent	<p>Prior Board of Governors Meeting and Panel Discussion Minutes</p> <p>Staff recommends the Board of Governors review and approve the March 4, 2026, Board of Governors meeting minutes.</p>			
Executive Sponsor(s)	Tim Cerio, President/CEO and Executive Director			
	Barbara Walker, Senior Executive Assistant and Board Secretary			

CITIZENS PROPERTY INSURANCE CORPORATION

**DRAFT MINUTES OF THE
BOARD OF GOVERNORS MEETING
Wednesday, March 4, 2026**

The Board of Governors (Board) of Citizens Property Insurance Corporation (Citizens) convened at Beachside Resource in Key West, FL Wednesday, March 4, 2026 following a 30-minute break after the Exposure Reduction Committee Meeting.

The following members of the Board were present:

Carlos Beruff, Chair
Jamie Shelton, Vice Chair
Josh Becksmith
Jason Butts
LeAnna Cumber
Erin Knight
Robert Spottswood
Frank White

The following Citizens' staff members were present:

Tim Cerio	Brian Donovan
Jennifer Montero	Mark Kagy
Aditya Gavvala	Carl Rockman
Jay Adams	Michael Peltier
Jeremy Pope	Michael Wickersheim
Joe Martins	Barbara Walker
Brian Newman	Bonnie Gilliland

The following people were present:

Kapil Bhatia	Raymond James
Dave Newell	FAIA
Sasha Stipanovich	Raymond James
Matt Church	External Auditor Update

Call Meeting to Order

Barbara Walker: Good morning and welcome to Citizens March 4, 2026, Board of Governors meeting that is publicly noticed in the *Florida Administrative Register* to convene following our committee meetings. This meeting is transcribed. Minutes are available on our website. Chair Beruff, you have a list of guest

speakers for today's meeting that includes Michelle Lincoln, Monroe County Mayor, George Garrett, Marathon City Manager, Danise Henriquez, Key West Mayor, Ron Saunders, Islamorada, Village Manager, and Mel Montagne, FIRM CEO. May I proceed with your official roll call?

Chair Beruff: Please.

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

1. Chairman's Report

Action Item: Approve Consent Agenda Items

Chair Beruff: Alright. I'll entertain a motion to adopt the minutes from the last meeting.

Barbara Walker: Chair Beruff, do you want to advance today's consent items?

Chair Beruff: Please.

Barbara Walker: Okay. For the record, Chair Beruff has requested that the Board advance today's items to consent:

- **Board of Governors Minutes from December 10, 2025**
- **Contractor Managed Repair Program**
- **Claims Legal Services**
- **Product Updates for March 2026**

A motion was made and seconded to approve the above stated Consent Agenda Items. All were in favor. Motion carries.

Chair Beruff: Thank you.

2. President's Report

Market Recovery

Since legislative reforms

- 17 new home insurers have entered Florida's market.
- National insurers expanding in Florida again.
- Office of Insurance Regulation received more than 150 residential filings for rate decreases or 0% increases.
- Florida had the lowest average homeowners rate increase in the nation in 2024.
- Reinsurance costs have continued to decline.
- Citizens residential market share is at an all-time low of 3%.



If we could go to slide one. Obviously, the big news is the news that you've heard again and again and again which is about the property insurance reforms. They've reduced frivolous and excessive litigation, which has brought more capital to the market, which has brought more competition to the market, and which is finally driving down rates. It's the message that we've been talking about

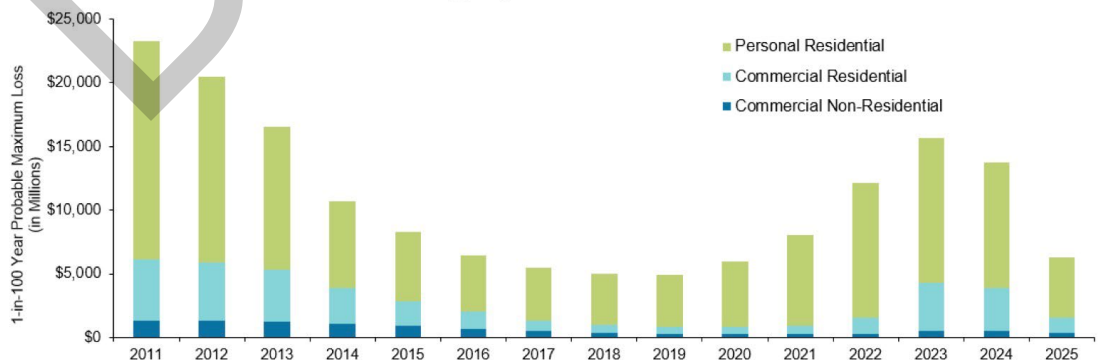
for several years, and it's happening. For slide two, since the passage of the reforms, the market has experienced record growth. There have been 150 residential filings at the Office of Insurance Regulation (OIR) by insurers requesting a 0% rate change. We had the lowest average homeowners rate increase in the nation in 2024. I think the year before we were the highest, so in one year it dropped. We don't have data for 2025 yet. Reinsurance costs are continuing to decline. I know Jennifer Montero probably doesn't want me to say too much because we're in the market now, but what we're seeing is that it's just very, very different than a couple of years ago. And, of course, our residential market share is at an all-time low of 3%.

Next slide. This is a one-in-100-year probable maximum loss (PML) trend since 2011. That's the level of losses you heard earlier that has a 1% chance of being equal to or exceeded in any given year. For 2025,

that means there was a 1% chance that losses would exceed \$6.2 billion. When comparing the PMLs annually, it's important to note that in prior years the figures were not adjusted for inflation. Obviously, if construction costs rise in a

Probable Maximum Loss Trend

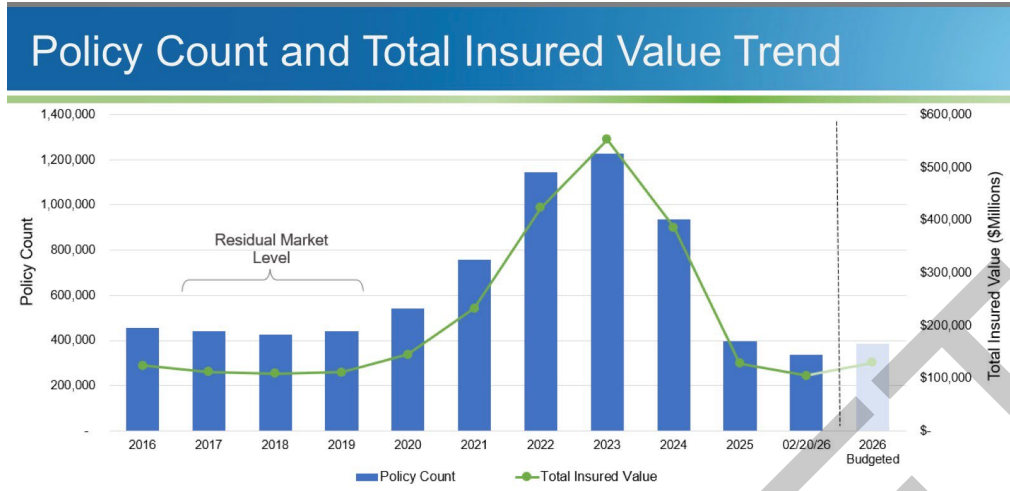
1-in-100 Year Probable Maximum Loss
Aggregate Exceedance



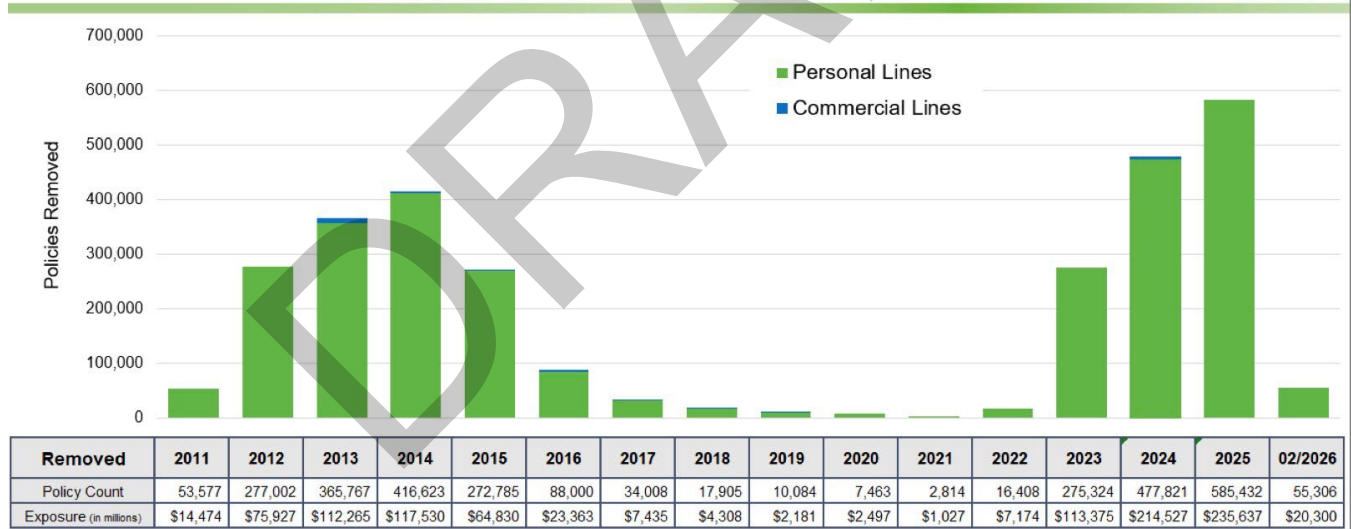
year, the same storm would now cost significantly more to repair than in years past. So, if these PMLs were adjusted for inflation, they would all increase. Without any adjustments to the historical data, our

highest one-in-100-year PML since 2011 was \$23 billion. The lowest was in 2018 and 2019 at \$4.9 billion. Visually, you can see that we're nearing back to that lower level, which is essentially the result of depopulation.

Next slide. You've seen this chart before—the historical policy count and TIV for our book, along with a budgeted projection for year-end. As of February 20, we had 336,000 policies and \$105 billion in total insured value. Again, this graph just shows how successful the reforms have been.



Policies Return to Private Market – Depopulation



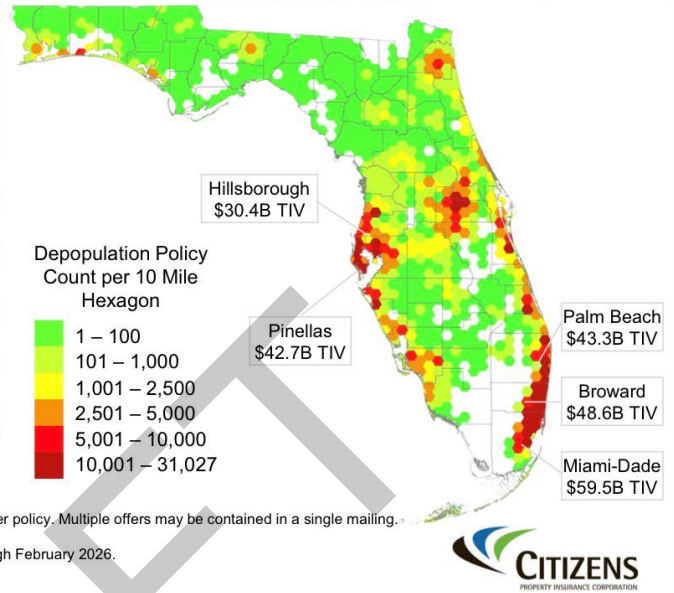
Note: Depopulation does not reflect opt outs after the date of assumption.



Next slide. Policies returning to the private market. This graph shows the historical depopulation of Citizens policies. These are the annual counts and exposure that were removed. As I mentioned previously, combining 2023 through our latest data, we've had about 1.4 million policies depopulated and almost \$584 billion returned to the private market. We've never seen such a successful depopulation.

Statewide Depopulation Activity

Depopulation Policy Activity in 2024, 2025, and 2026			
Assumption Date	Number OIR Approved	Choice Letters Mailed	Number Assumed
2024 (Personal)	1,307,949	711,090	475,697
2024 (Commercial)	5,800	3,129	2,124
2025 (Personal)	2,334,362	737,443	583,588
2025 (Commercial)	11,365	3,915	1,844
1/20/2026 (CL)	5,400	626	225
2/17/2026	350,579	73,587	55,081
3/17/2026	282,350	16,288	0
3/24/2026 (CL)	1,652	72	0
4/21/2026	314,302	0	0
2026 (Personal)	947,231	89,875	55,081
2026 (Commercial)	7,052	698	225
Total	4,613,759	1,546,150	1,118,559



Notes:

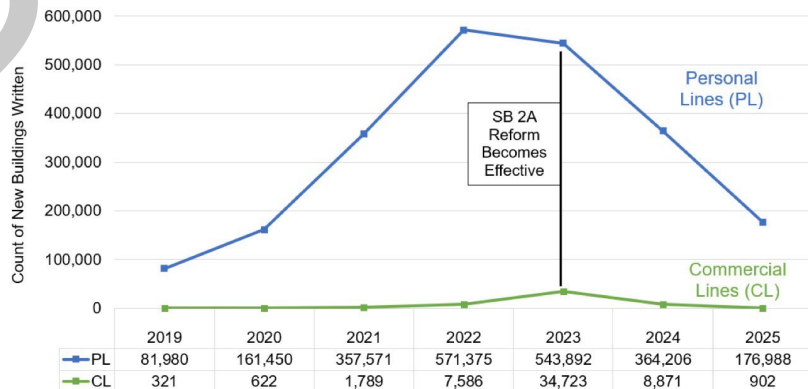
- 1) Policyholder Choice Letters Mailed indicates the number of depopulation letters mailed, one per policy. Multiple offers may be contained in a single mailing.
- 2) Number assumed refers to policies assumed on date of assumption.
- 3) The hexagon map shows all personal lines and commercial lines (CL) policies assumed through February 2026.

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Next slide. Statewide, this gives a visual of the depopulation activity from 2024 through 2026. The map shows that over the past two years, policies have been removed from across the state, where the top five counties make up 48% of the total insured value removed—Miami-Dade, Broward, Palm Beach, Pinellas, and Hillsborough. Again, as you’ve heard us discuss before, depopulation companies traditionally avoided these areas because of excessive litigation. The litigation is down, so there’s a lot of depopulation activity here.

Next slide. This is our annual new business trend going back to 2019. You can see the rate of new business coming into Citizens significantly declined in 2024, and that trend continues. We’re forecasting just under 113,000 new policies coming into Citizens in 2026. This is good news, and again it’s because of market stabilization. Fewer policies

Policies Return to Private Market – New Business



Note: Personal lines includes policies from insolvent carriers.

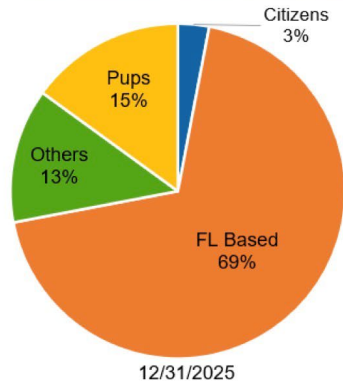
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coming into Citizens shows that these policies are finding a home with private insurers and is confirmation of a healthy market.

Historical Residential Property Insurance Market

Year	Citizens' Market Share
2011	23%
2012	20%
2013	15%
2014	9%
2015	6%
2016	5%
2017	5%
2018	5%
2019	4%
2020	5%
2021	8%
2022	14%
2023	15%
2024	10%
2025	3%



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: Market Intelligence Report, FL Office of Insurance Regulation

Pups: FL only subsidiaries of major national writers

FL Based: FL domiciled companies where the majority only write in FL

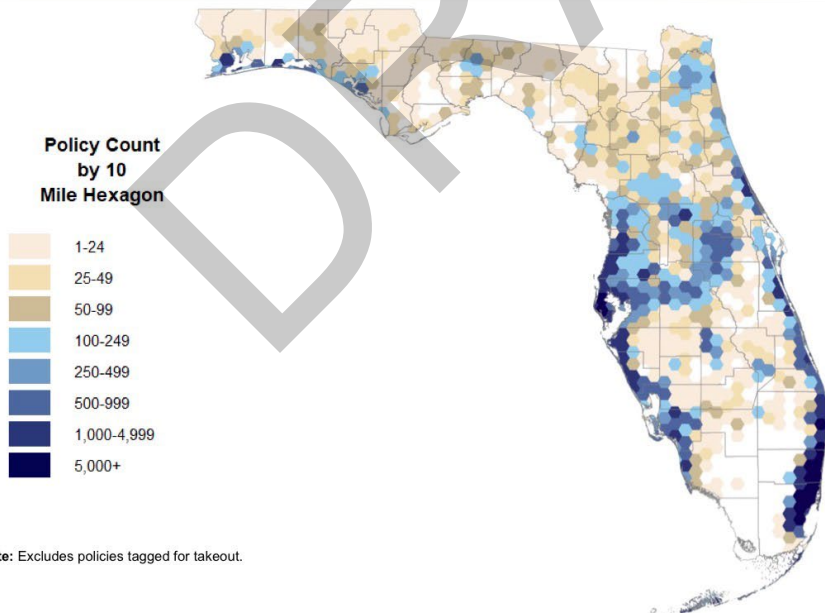
Others: Predominately national writers



Slide eight. This table shows the historical residential property insurance market share for Citizens. As of the end of 2025, our market share is again 3%, which is a historical low for Citizens. The pie chart shows the December 31, 2025 market share of admitted insurers along with Citizens. You can see those

Florida-based companies represent almost 70%. The “depops,” which are subsidiaries of the big national insurers, are about 15%, and the other category—the national insurers—is about 13%.

Decreasing Policy Count Results

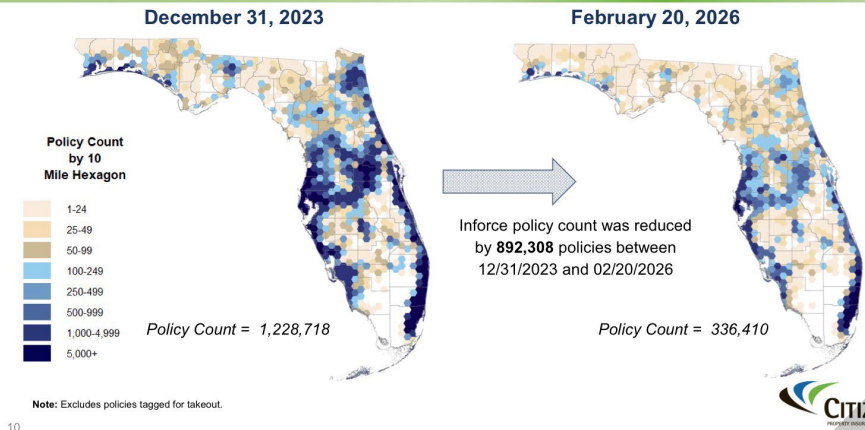


Note: Excludes policies tagged for takeout.



Next slide. There’s a visual here showing the decreasing policy count from December 31, 2023 to February 20, 2026. Go ahead and click the slide, Bonnie. You can see in that graphic how the density has decreased—significantly fewer policies—with over 829,000 having shifted to the market from Citizens.

Decreasing Policy Count Results

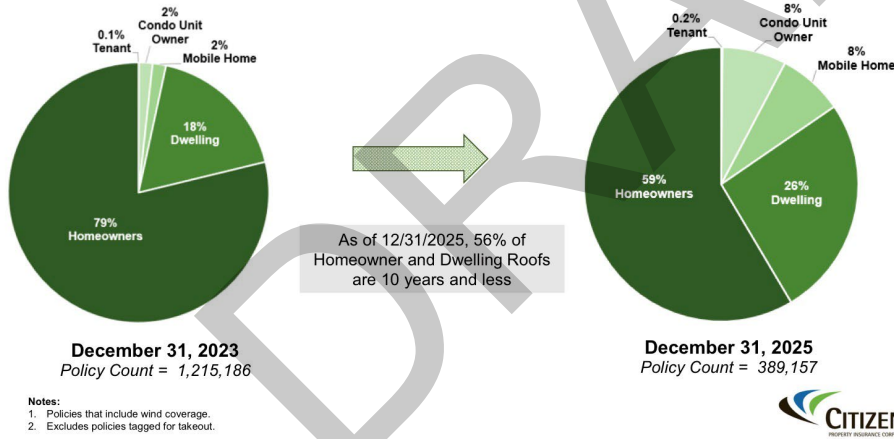


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some of the color differences in the smaller areas, but West Palm Beach, Brevard, and Broward have significantly less density than previously. Similarly, in Tampa, which is another highly populated area, almost 212,000 policies were returned to the private market through depopulation.

Next slide. This is a snapshot of both maps from the previous slide of our policy concentration throughout the state at the end of December 2023, compared with the latest data as of February 20, 2026. The darker the color, the higher the policy count. We went from 1.2 million policies to just over 336,000. Significant policy decreases occurred statewide. It's hard to see

What does Citizens have left? Personal Residential Total Insured Value

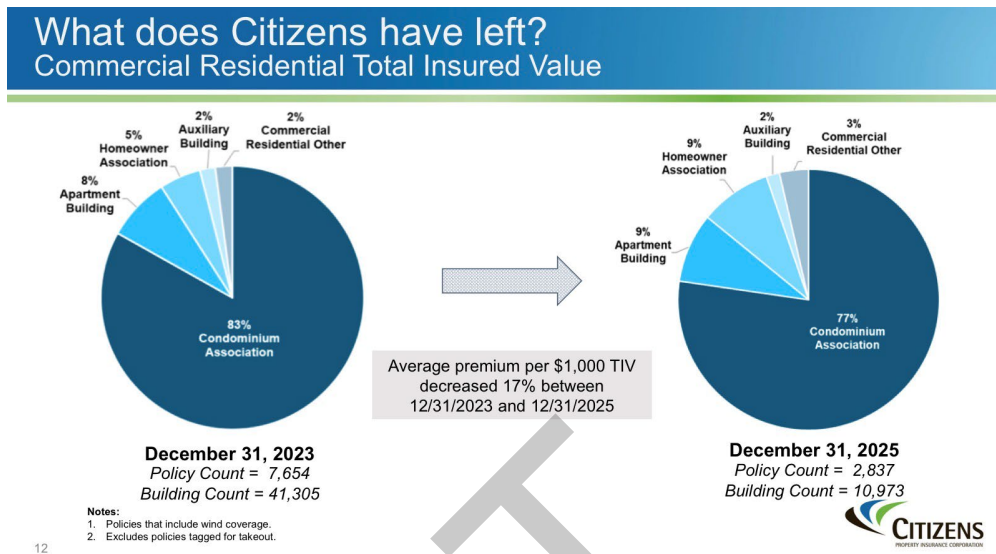


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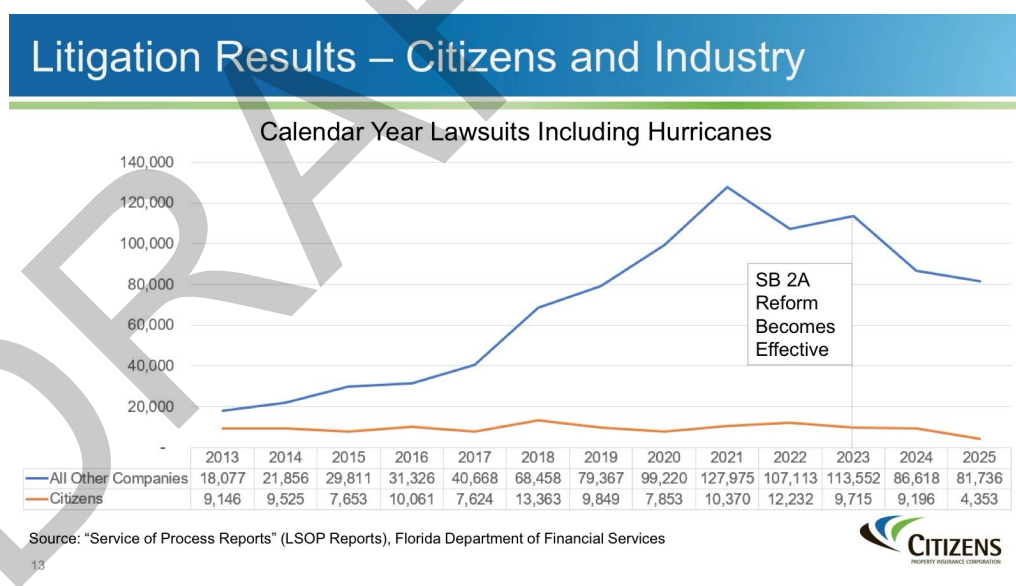
depopulated. As an aside, some great news is that in our current book of homeowners and dwelling policies, the roofs are 10 years old or less. Obviously, that means they could still be attractive for depopulation, and if they stay younger, roofs are certainly good for minimizing our own losses.

Next slide. This pie chart shows the personal residential policy form types and the shift between 2023 and the 2025 book of business. Prior to the significant depopulation, our book was predominantly homeowners at about 79%. Now that's decreased to about 59%. In general, HO-3 or homeowners policies make up the lion's share of what was

Next slide. This is the commercial residential book comparison. Our building counts have dropped from 41,000 buildings insured down to almost 11,000. The predominant policy type, by far, is condominium associations. As a percentage of our business, condo associations dropped from 83% to 77%. Again, while the brunt of depopulation has been in personal lines, there has been much activity in commercial residential from 2024 to current, which again goes back to the positive position of the market today post-reform.



Next slide. This last slide shows the calendar-year lawsuits for the industry and for Citizens separately, where the data includes hurricanes. This data is based on calendar year, where the lawsuit is associated with the year in which the lawsuit was filed, not necessarily the date of loss. For example, a lawsuit related to Hurricane Milton that was filed in 2025 would not appear in the 2024 data when Milton hit, but it would appear in the 2025 data. So, the trends can be a little distorted.



Nevertheless, the results are trending in a very positive direction in terms of new claims entering litigation. The litigation and AOB reform provided by Senate Bill 2-A has had a tremendous impact. Since 2023, after the reforms were enacted, the industry experienced about a 28% decrease in lawsuits filed, and Citizens lawsuits have decreased by about 55%. That's why the industry, as well as Citizens, is able to provide these rate decreases. It all goes back to the litigation reforms. Happy to answer questions, Mr. Chairman. That is my report.

Chair Beruff: I think we're pretty caught up on everything. Mr. Cerio.

Tim Cerio: Thank you very much.

New Business

Chair Beruff: Unless the Board wants to hear the reports that were already presented at the committee meeting this morning, I think we could skip those presentations. Are there any action items, or were those handled when we moved them to the Consent Agenda, Barbara?

Barbara Walker: Yes, sir. The action items on the Consent Agenda have been taken care of.

Chair Beruff: Okay, so there's no new business?

Barbara Walker: Well, sir, we do need to hear from Dave Newell for the MAAC Report.

Chair Beruff: Let's get him up here.

Market Accountability Advisory Committee (MAAC) Report

Dave Newell: Thank you, Mr. Chairman. For the record, Dave Newell, Chairman of the Market Accountability Advisory Committee (MAAC). We met on February 18th, and the MAAC was provided some of the same information that you all heard today about the depopulation efforts and what's going on there, as well as future plans for depopulation. Switching gears from that report, Carl Rockman brought us up to date on what we've again heard today regarding less reliance on agents to produce business within Citizens. One of the things that really spells that out is that just a year ago we had a lot of agencies in that upper category that had 2,000 policies or more, and that has been dramatically reduced over the last year to probably a third of those agencies that are now actually writing business with Citizens. So, it's a good sign of what's happening in the marketplace, and certainly agents have other options around the state with new entrants coming in. The performance review program is in place. Agents have gone through the training and have adopted many of those philosophies. I know the Citizens team is looking to address any agencies that fall below those levels. So, Mr. Chairman, that concludes my report.

Chair Beruff: Great. Thank you very much.

Meeting adjourns.

CITIZENS PROPERTY INSURANCE CORPORATION

**DRAFT MINUTES OF THE
BOARD OF GOVERNORS
FLORIDA KEYS PANEL DISCUSSION
Wednesday, March 4, 2026**

The Board of Governors (Board) of Citizens Property Insurance Corporation (Citizens) Florida Keys Panel Discussion convened at Beachside Resort in Key West, FL Wednesday, March 4, 2026.

The following members of the Board were present:

Carlos Beruff, Chair
Jamie Shelton, Vice Chair
Robert Spottswood
Jason Butts
Josh Becksmith
Erin Knight
LeAnna Cumber
Frank White

The following Citizens' staff members were present:

Tim Cerio	Brian Donovan
Jennifer Montero	Mark Kagy
Aditya Gavvala	Carl Rockman
Jay Adams	Michael Peltier
Jeremy Pope	Michael Wickersheim
Joe Martins	Barbara Walker
Brian Newman	Bonnie Gilliland

The following people were present:

Brian Barroso	Key West City Manager
Ron Saunders	Village Manager
Mel Montague	FIRM
Michelle Lincoln	Monroe County Mayor
George Garrett	Marathon City Manager
Danise Henriquez	Key West Mayor
Kapil Bhatia	Raymond James
Dave Newell	FAIA
Sasha Stipanovich	Raymond James
Matt Church	External Auditor Update

Panel Discussion

Robert Spottswood: Brian Barroso, our Key West City Manager; Ron Saunders, the Village Manager; and Mel Montagne from FIRM, please come forward and join us. With that, I'll open this unofficial meeting. First of all, I'd like to thank our Board of Governors and Tim Cerio and his team for making the special effort to have this meeting in Key West. I really felt it was important to bring this Board down to listen to people from the Florida Keys firsthand to hear from the leaders of the county and the cities throughout the Keys and to hear your thoughts and comments. As you can tell from our discussions in the prior committee meetings, the Board has been doing its best to meet the objectives set by the Legislature, while at the same time, finding a path toward making insurance more affordable for everyone. While we haven't quite gotten there yet, I think we're moving in the right direction. So, I want to thank the Board, each of the Governors, and Tim and his team for moving in that direction. Hopefully, we're going to see that progress in the years to come. I'd also like to thank all of our panel members for coming today and spending some time with us. I know you have busy schedules. With that, I think Tim and his staff have a short presentation to explain what the order that came down from the Office of Insurance Regulation (OIR) means beginning in July of 2026 and going forward. After that, we'll engage in a panel discussion between our Board, Tim and his staff, and each of you. So, with that, thanks for being here. Tim, if you wouldn't mind starting, that would be terrific.

Tim Cerio: Governor, respectfully, because we got a little bit out of order, I was going to cover it in my President's Report. So, let me hit the highlights. And I think the tough part, when we do these committee meetings and then get to the full Board meeting, is that my President's Report can be repetitive of what you've already seen because I'm giving the 30,000-foot view, and you all have already been in the weeds. But the bottom line is we've got a rate order that has come down, and the effective date (once we are able to implement the rates set out in OIR's rate order) will be July 1. What that means overall for homeowners' multi-peril statewide is an average decrease of about 8.8%. In Monroe County, the average reduction for homeowners multi-peril is about 11.3%, and about 8,000 wind-only policies are going to see a reduction or no increase at all. In fact, we think the average reduction for wind-only is about 5.7%. It's really great news. I do want to throw out a couple of caveats. Remember that rate does not equal premium. If you have a situation where a home value has gone up, obviously the cost of replacement has gone up, then you might still see a slight increase. You certainly might not see the decrease you would expect if you're just looking at the rate. But, we've never seen a decrease like this in Monroe County. I give a lot of credit not only to my team (because we had to furnish the data) but also to OIR, which really dug in, and to the Governor. This was something that was very important. It was very important to us as well. As Governor Spottswood mentioned, we've spent a lot of time down here. In a peninsular state that has all kinds of issues with insurance, what we've learned over the last several years is that Monroe County has incredibly unique issues beyond the rest of the state of Florida. We've talked with you all about hurricane modeling, building codes, and unique issues with affordable housing down here. That's why I think it's really good to have this discussion. It's really important that you all are here, and we're happy

that you're here. Unless there are any questions, Brian Donovan can get more granular on some of the Monroe County data if you'd like. With that, Governor Spottswood, I'll turn it back to you.

Governor Spottswood: I think the main points have been covered.

Barbara Walker: Brian, if you're going to speak, would you take the mic? And as a reminder, we have 10 minutes left before we have to reconvene the meeting.

Robert Spottswood: So, speak fast. Brian. *(Laughter)*

Brian Donovan: I think the main points have been covered. I'm happy if something comes up that I can answer or add some depth to, I'm happy to do so. Rates are coming down and it's good news.

Chair Beruff: To clear this up, we're not going to stop you from speaking in 15 minutes or 10 minutes. We're going to stop for a second, pause, start the public meeting that's been noticed, and get back to you. So just when I interrupt you, please don't take it personally. All right. Thank you. Go ahead, Mr. Spottswood.

Robert Spottswood: So, I was just going to say as Tim pointed out and as Brian confirmed, we're expecting rates to start coming down across the Board beginning July 2026, but I think you probably have other ideas and improvements you'd like to see with regard to insurance in the Keys. So, feel free to address the upcoming reductions in rates but also any other ideas or thoughts you might have in order to help us guide the way forward in improving the accessibility of insurance in the Florida Keys. So, with that, I'll turn it over to you and Mayor Lincoln will you lead the charge for this group?

Michelle Lincoln: Thank you so much, Mr. Robert Spottswood, and good morning to our Board of Governors. Thank you all for taking Mr. Spottswood up on his offer to come to the Florida Keys and to Key West. We greatly appreciate you being this engaged in a matter that is so important to us here in Monroe County, and we thank you for listening to what we have been asking for year in and year out. Our county pays the highest amount of premiums of anyone else in the state of Florida. We are not seeking any broad subsidies or market distortions. We simply request that you look at us as a unique county in our state. We have been asking for these legislative requests for several years now—to either slow or freeze the annual rate increases for homesteaded and long-term primary residents with the 10% cap. We would also ask that you preserve the accessibility of primary homeowners by updating the cap. It is currently at a limit that we would like to see increased to \$1.5 million. I say that because we have homeowners who have mortgages and have lived here for years, but property values have increased so much that they are now ineligible for Citizens insurance. We would also request that you roll back the blanket flood insurance mandate, because we have so many homes that are elevated and built above flood level that they are low risk, and this is making it even more expensive for homeowners to obtain a mortgage. We would also ask that you reevaluate the catastrophic modeling and the territorial calibration to ensure that Monroe County receives the full benefit of the mitigation we have done to make our homes

more hurricane-proof. I don't think we are asking for much, but I am now going to turn it over to my colleagues who can dive into this a little deeper. Should we start with you, Ron, or with Mel?

Ron Saunders. I'll go briefly. Mr. Chair, Governors, thank you for being in the Keys. It's always great to have you down here. I'm a multi-generational native of the Keys, as is Governor Spottswood. In fact, our fathers served together in the Legislature representing Monroe County back in the 1960s, so we've been working with government for quite a while. I'm currently the Village Manager of Islamorada, which is a municipality in the Upper Keys. Prior to that, though, I served for 14 years in the State Legislature, representing the Keys and part of Dade County from 1986 to 1994. Then I came back from 2006 to 2012. So, when you're talking about the history of Citizens Property Insurance, I have quite a great deal of experience working with Citizens—sometimes positively, sometimes not so positively. But I understand that you are supposed to be the company of last resort, and the competitive argument I heard earlier has always been one that I think is valid. The problem we've had is that Monroe County—everyone says they're unique, I guess—but we are more unique in the sense that we have probably had, for many years, the strictest building code in the state of Florida. There's no question about it. We have the strictest building code, which creates a lot of cost. As Robert will say, it's really expensive to build anything in the Keys because of that strict building code. On the other hand, because of our unique nature—a long string of islands—when a hurricane hits, it's generally been one area or the other. We haven't had the extensive claims from damages because it hits Marathon, Key West, or Key Largo, and not one specific area contrary to the entire county. That's why, over the years, my argument has been that we are a donor county. We send a lot more money to Citizens than we get back in claims, which is just a fact of life. But because we are an Area of Critical State Concern, we have, at least in the Legislature, been treated differently—sometimes good, sometimes bad. We are more restrictive, but we have also been the beneficiary of some additional funding and some special provisions. For example, when I was in the Legislature, I sponsored and passed a cap on Citizens insurance rates for Monroe County because of the arguments I just gave. My colleagues down here said, "Oh, it's too high a cap—we want a lower cap." Now they would love to have that cap again, because it's gone way beyond that. I just want to finish by saying we would like to get whatever relief we can. For example, we have Habitat for Humanity. It's a great program. There is a cap on income, but there's no cap on expenses. So, you can initially afford to get into a home, but if next year your rates double—let's say with Citizens Property Insurance—you can't just go get another job to pay that additional expense. That's a unique situation. President Tim Cerio met with me several months ago in Islamorada. He and I are old friends, and we specifically mentioned Habitat. I still have not heard a solution to that, so that's one thing I want to leave you with. We need to look at some of these specific issues—how we can help. Obviously, the duplication of flood insurance and wind-only insurance, which my colleagues will talk about, are all issues we want to meet with you about and discuss. We know you have an open mind, and we appreciate, once again, you being here.

Mel Montagne: Good morning. My name is Mel Montagne. I am the President of FIRM—Fair Insurance Rates for Monroe—as well as a local insurance agent with over 25 years of experience here in Monroe

County. Thank you, Chair Beruff, members of the Board of Governors, and Citizens staff for your time today. Florida's insurance market has made incredible changes and incredible progress. Citizens' policy count, as we heard this morning, is well under 400,000. Private insurers are returning, and reforms are working. We celebrate that success. Monroe County remains different—there is no real private competition. We are an Area of Critical State Concern, and there is heavy reliance on Citizens for windstorm insurance. I have several things that I want to go through that you may want to consider incorporating going forward. One of the things I think you should really consider is pushing for changes to limit your offerings. What I mean by that is to stick with the wind-only policy and exclude multi-peril coverage, which contributed to past financial troubles. I think that's something that could easily be enacted, and it would move toward your depopulation efforts. With current policy counts at historic lows, this lull represents an opportunity to advocate for a wind-only edict, preventing inevitable future growth in multi-peril policies that could once again strain finances. The ongoing flood insurance requirement is another concern. As an agent on the ground working with people who are dealing with this requirement, I don't see the underwriting criteria for requiring it. While it helps drive depopulation, and I understand that aspect of it, and it protects the overall system, it is burdensome and detrimental for the remaining policyholders in Monroe County, who face limited options, high costs under Risk Rating 2.0, and few or no private alternatives—potentially pricing them out or leaving them underinsured. One of the key issues we are also facing in Monroe County is roof inspections and cancellations amid declining policy counts. With statewide policies dropping due to depopulation, Citizens' focus on roof-related cancellations—for example, roofs over 25 years old requiring proof of remaining life—risks alienating remaining insureds in Monroe County, where no viable alternatives exist. Monroe's robust building codes since 1993 mitigate risk, yet recent inspections have led to non-renewals. As the insurer of last resort, I would propose moratoriums on cancellations in critical areas like Monroe, offering repair incentives or local partnerships to retain policies, especially as policy counts drop. Additionally, I would implement a structured game plan for affected insureds. Assign a dedicated Citizens representative to coordinate meetings with policyholders, associations, agents, and others to review roof specifics, collaboratively devise resolution strategies such as phased repairs or alternative mitigation options, and establish clear timelines for compliance. This proactive, personalized approach acknowledges Monroe's limited roofing resources and contractor availability, fostering retention and trust while aligning with depopulation goals. I also think Citizens needs to address modeling inaccuracies and leverage recent rate relief. Catastrophe models may overstate risk in Monroe despite low historical claims, contributing to high premiums. With approved 2026 rate reductions, there should be a push for model transparency and adjustments to reflect local mitigation efforts. Before I close, I want to specifically thank President Tim Cerio and his incredible staff. Over many years, they have personally helped me and my clients, as well as many others in Monroe County, navigate complex claims and underwriting issues with professionalism, patience, and real dedication. That kind of support has made a tremendous difference for our community. Thank you.

George Garrett: Good morning. George Garrett, I am currently the city manager for the city of Marathon. Thank you very much. Committee members. Thanks particularly to Tim the president, who has made an invitation for all of us, I guess, to be here, and Governor Spottswood. Thank you very much. And particularly, I think we're all pleased here today to have the representation of you know, long time, long term members of the Florida Keys as members of your Board, I think that's absolutely essential. There's really nothing I can add. And although I will certainly speak to you this morning, to what Mayor Michelle has said, or Ron Saunders, or, in fact, Mel, they've made points that the city of Marathon would absolutely support we've been behind them. We speak with unanimity when we come to Tallahassee to discuss these issues. From my own perspective, I think the fact that you've been here twice, I believe I've had the opportunity to have dinner with the president and Tim and many of his staff members over the course of the last two years, I believe, I know you've had the opportunity to, frankly, witness the power of what it is we do in the Florida Keys to construct well under the Florida building code and under FEMA flood standards. I think if each of you had that same opportunity, and many of you have, I think you would be impressed simply by the construction standards and what we see. And I hate to say it, but frankly, the fact that we have had storms makes that even more robust, because we see reconstruction happen as those events occur. So again, I want to tout the Florida building code, frankly, as something that you guys can rely upon and understand that, as Ron Saunders had just said, it's not always about hitting the keys. It's about hitting a section of the keys. So in fact, we have been a donor, committed community to the state, and I think our payouts, or your payouts as a result of those storms have probably been lesser or less than they might have been otherwise, simply because we do meet such a high standard here. You know, one of the things, and I'm going to speak very personally to an issue that really grows more than the flood issue, so the disengagement, potentially, of flood policies, I think, is important. I have, personally have a house that is 100% above base flood. My garage is above base flood, and yet I am required to carry a flood insurance policy that amounts to \$8,900 a year, and it is a house that was built less than five years ago. In fact, it was about four years ago. It meets all flood standards. It meets all windstorm standards. It meets all Florida building code standards. I will never see a dime of that policy, if I ever, unless, frankly, we see a storm that exceeds what our flood maps would predict. Which brings me to another issue, actually. Mel brought it up concerning risk grade 2.0 again, a flood issue, but a serious problem. Again, my house is above base flood, and yet I'm paying \$8,900 for a flood policy that will never, never come to fruition for me, unless we just literally have a catastrophe we don't expect. So, I think I would close out at that point. And again, I know you've been able to see some of the construction that does occur here, simply by being able to go to some of the places, like Habitat for Humanity, and seeing those sort of things that are a little bit more publicly focused. And I would add to Habitat for Humanity. There's certainly the LIHTC projects that have occurred within the keys. I can remember during Irma one on in Marathon 73rd Street, I think there were three buildings. They were multifamily structures. They met the code at the time. Literally, people were able who lived in those facilities, who were our workforce, were able to come back to the keys, occupy those homes, apartments immediately, and become part of our workforce and protecting and reconstructing and bulldozing roads and getting, you know, getting us

back to normality because of the fact that we've got those sort of structures, and we're building those sort of structures and providing for our workforce at the level we are, from a construction and flood standpoint, wind storm standpoint, so I think we've done our job here, and we hope that you will continue to do the fantastic job that you're doing. You're doing at the state level.

Brian Barroso: Mr. Chair, Governors, thank you for the opportunity to present today. As you can see, we ordered up the weather for you, so we are extending a very warm welcome to Key West, and thank you for being here. We had the opportunity to have several meetings in preparation for this one. In those meetings—without speaking for anyone—I will reference a couple of topics of significance that came out of those discussions. One is more of a statement, and the second I will close, or couch, with a question. What came out of those meetings primarily was a philosophical approach regarding the methodology used for pricing policies. The statement is that we would like you to consider using historical data in your algorithms, as opposed to projected claims moving forward. We feel that would be more indicative of a true assessment—using past historical data and actual damage paid out—rather than projections from a modeling perspective. The question is more about shifting the conversation from simply asking what you can do for us to asking what is within our control. From a local versus state perspective, what can we be doing better—either Monroe County or Key West in particular—to strengthen and continue the partnership that we are seeing develop? We see the reductions. This is the second time I have been part of this discussion, and we greatly appreciate the reductions and the emphasis on creating multiple options for policies and lowering costs for our consumers. However, there is a perception out there—whether it is valid or not—that we do not have any control, whether it relates to building standards or elevating structures above certain levels. So, the question is: what could we be doing better to help you help us moving forward? So one point is more of a statement—can we incorporate historical data into the rate-setting process rather than relying primarily on projections? And more importantly, if possible, can you provide clarity on whether there are things we could be doing at a local level, or at the state level, or both, that would allow us to continue advocating effectively rather than simply saying that we want something different. Thank you, Madam Mayor. Thank you all. We are very interested in hearing what you have to say.

Governor Jason Butts: Mr. Chairman, I have a few comments, if I may.

Chair Beruff: Please.

Governor Jason Butts: Thank you. First of all, it's so nice to be here. I think the Florida Keys are such an incredible and unique part of Florida. It's gorgeous if you're someone who loves the water—diving, fishing—and the people are so unique as well. I've always enjoyed my visits down here, so thank you for having us. Thank you to Governor Spottswood for hosting. I think the federal government got it wrong with Risk Rating 2.0. I completely agree with Mel. It's ridiculous. I have a house in Pinellas County that is nowhere near water. When I bought it, flood insurance was about \$400 a year. Now it's over \$1,000, and we'll never see a dime of it. So I agree with you there. One thing I want to make clear is that the flood requirement never came before this Board of Governors. That was a legislative decision that we did not vote on. I personally do not agree with it. I think the benefits do not outweigh the burden it places on homeowners in the state of Florida. I can see why folks thought it was a good idea, but the trickle-down

effect, combined with the changes in Risk Rating 2.0, has created a burden that homeowners should not have. I also agree that the wind coverage limit should be increased. I think \$1.5 million for homes down here that have continued to appreciate over time, along with the cost of construction, is something that should be revisited. I know those conversations were had a few years ago, but with the position Citizens was in at the time—with the massive exposure throughout the state of Florida—I don't think the appetite to do that was there. I'm sure there are folks on this Board who may not agree and would not want that increased, but based on the marketplace down here now, I think that is something that should be picked back up. To answer the question about what can be done, I think most of these changes have to happen legislatively. As a Citizens Board of Governors, we are not really in a position to make those changes directly. Tim Cerio can correct me if I'm wrong on that. I will say that Governor Spottswood has been a tremendous advocate since he joined the Board—probably even a bit of a pain at times, in the best sense—pushing for understanding and bringing attention to the issues here. His love for this area has certainly shown over time. I agree that these conversations should continue and that the push should continue. You've heard the numbers today showing that Citizens is in a much better and different position now. Anything that can be done to bring more relief to Monroe County should absolutely be explored. So please continue your work. I know a lot of time has gone into this. Mel, you and I have talked over the years, especially about the flood issue, and I think that remains an important issue to keep addressing.

Chair Beruff: Thank you.

Tim Cerio: Chair, can I just . . .

Chair Beruff: . . . make a couple comments and I'll go to you. So first of all, we hear you, which is the most important thing. We can advocate for some of the positions – at least this Board member can advocate for some of the positions. As you mentioned, I'm very curious internally what we can do, and internally the modeling is something that we need to review and how we're doing the modeling. Specifically, we don't need the legislature to do that. We can do that ourselves, right?

Tim Cerio: So, Mr. Chair, we have the hurricane modeling commission, and as the CEO, I get to sit on it, but one of the things that we've tried to do. . .

Chair Beruff . . . just stop one second. So, we have a commission that tells us what the modeling has to be.

Tim Cerio: It accepts the model. You know, the commission here, there are various modelers and various models that are utilized. Brian can explain how we sort of amalgamate the different models.

Chair Beruff: Instead of going into a 20-minute discussion about modeling, let me just ask the more direct question: what can this Board do without the legislature that may be able to address some of the comments I heard this morning?

Tim Cerio: I would invite my staff to disagree with me if I'm wrong, but I would say for the Board – very little.

Chair Beruff: Okay, well that's good. We know that the only way we can be effective is to be active in the Legislature next year, because obviously we're going to end this session anyway this week or next, unless it gets extended.

Tim Cerio: I would like to add that one of the things we can do is provide input. I can provide input as a member. We invited Mel and FIRM to meet with the folks who handle the public model. The public model is run out of FIU, and it does not have the same trade secret protections that the private modelers have. Hopefully that meeting was helpful. I think there was some good insight. I don't know if Mel would agree that there was a whole lot of change, but at least it gave some insight into how that modeling is done. I'd love for him to comment.

Mel Montagne: Tim, there was. We're actually working—myself and Joe Walsh behind me—on getting them some additional information that they're looking for regarding the Monroe County Building Code, because there doesn't seem to be a lot of clarity on how they are applying the Monroe County Building Code to the Florida Public Model.

Tim Cerio: So that's where we can help—to open doors and provide avenues like that.

Chair Beruff: Okay. What I'd like to see for the next Board of Governors meeting is an agenda outlining what we can do and where we can help, short of waiting until next year's legislative session to accommodate some of the requests and comments that I, as a member of the Board, have heard. Go ahead, Josh.

Josh Becksmith: Well, I think the comments have been made. I would agree with the comments on the modeling. You can tell the two people on the Board of Governors who are in the business, right? It's kind of wonky, and it's garbage in, garbage out. So I do think looking at how it's done—and the more data that you can provide that Tim Cerio can help get in there—would be beneficial. We've talked about increasing limits as a Board of Governors. Again, there's a split decision on that as far as what the value is. One thing I would offer, and maybe it's something for the Board to consider, is whether there is another avenue outside of Citizens. Maybe we have some friends from the FAIA here as well. Is there a way to put what I'll call a difference-in-conditions policy in place that would build upon the excess coverage that's out there? Again, I'm in North Florida, so I can't tell you exactly how it all works down here, but that approach would take some of the burden off Citizens. It would not be a Citizens product, but there might be a small opportunity somewhere to develop a program for South Florida in general. It would probably be few and far between and would likely involve primary policies rather than secondary carriers or things of that nature. That's just the way the market is right now, and that's where my mind goes. Of course, that could change in two years, but it may be something worth looking at.

Mel Montagne: I like how your brain works. And I'll tell you something. One of the things I think you guys could definitely put into effect is similar to what we do with commercial lines, that you rise right on a commercial building, non-residential, the million dollars, and even if the building's worth \$10 million which allows the agent then to go out and find an excess policy. Why don't you guys do the same on the personal side?

Multiple speakers: (inaudible)

Governor Josh Becksmith: So, you're saying, let me clarify this, though, just to make sure. If our total limit right now is \$750K. Is that a fair statement?

Mel Montagne: It's \$1M here.

Governor Becksmith: So, if it's \$1,000,001, it automatically kicks it out of Citizens.

Mel Montagne: Non-renews are not acceptable.

Chair Beruff: Correct.

Governor Becksmith: Is that something that's...

Chair Beruff: That's Legislative

Tim Cerio: Legislature and OIR.

Chair Beruff: So, we can't do that internally. Like I said, I'd like to ask the staff to come up with an agenda outlining what we can do internally and where we can be supportive. Then, for some of the topics that were brought up today, identify what would need to go on the legislative agenda. From there, we can decide as a Board of Governors at our meeting what we support and then direct the staff to move forward with what we agree on as a Board. Does that make sense? Pretty simple. I'd like to thank everybody for coming today. I don't have the pleasure of knowing any of you, but I can tell you—I have ADD—but I focused on everything you said. That's why I didn't see Barbara waving her arm back there for two minutes. It's important to understand that you do have a unique situation. The Keys are unique. I first came to the Keys as a poor young man when I was seven years old in 1965 and went fishing with my dad. So, I have long memories of this place—way back. We appreciate the circumstances that you live with here, and we will do what we can to try to help alleviate the problems you face on the insurance side. Thank you very much.

Michelle Lincoln: Thank you for coming, Chair. Thank you very much. And Governor Spottswood, thank you for allowing us to continue to paint the picture of the Florida Keys. Thank you.

Robert Spottswood: So, if I can, in closing, I'd just like to thank all of you for all the work you do down here in the Keys. You certainly make it a better place for all of us to live. Thank you for your time here and thank you for all the work you do. And I'll back up the Chairman's statement to the extent that they're not things within our decision making ability, there are certainly things that we've identified from some of the things that you've said and some of the things we think and where we are right now in terms of the health of the organization, that the Chairman and Tim and others on the staff can start to push for changes legislatively and elsewhere that can maybe help improve the insurance market for all of us. So, we'll certainly continue to talk about those things and work on them. Thank you all very much.

DRAFT