



# Citizens Property Insurance Corporation

## Charter

### Risk Steering Committee

The Board of Governors, through the Audit Committee and the Executive Leadership Team (“ELT”) have established a Enterprise Risk Management Framework supported by an Enterprise Risk Policy, methodology and procedures through which risk is identified, recorded, assessed, and managed. A key component of the corporate risk governance process is the Risk Steering Committee (RSC) composed of executive management to guide and monitor risk management processes deployed thereby ensuring adequate oversight in managing Citizens exposure to significant risks. This RSC’s responsibilities are assigned by, and its authority is derived from, the President/CEO and his Executive Leadership Team.

#### Purpose

The Risk Steering Committee (RSC) oversees the risk management processes for Citizens. Members of the RSC are appointed by the President/CEO, and are accountable to the Executive Leadership Team (ELT). The RSC will:

- Provide risk management leadership for Citizens through the alignment of operational risk mitigation activities with enterprise strategic objectives and processes.
- Prioritize Citizens risk exposures and thresholds, and resolve resource allocation issues based on risk prioritization.
- Ensure optimal risk management through service target measurements.
- Ensure open communication between the Enterprise Risk Management Office and the other functional units of Citizens so as to promote collaborative risk management.

#### Agenda

The agenda of a typical RSC meeting will include the following items:

- Identify and review major risks throughout the organization.
- Recommend an appropriate risk appetite or level of exposure for Citizens.
- Review the assessment of the impact and likelihood of identified risks from project proposals.
- Review the prioritized list of risks and recorded mitigation plans.
- Review and communicate overall risk impact and risk management success.
- Assess the *potential future or emerging risks and plans for addressing these risks* appropriately.
- Consider results from internal audits, internal control reviews and compliance monitoring.
- Consider and approve proposed risk acceptance for presentation to the Audit Committee.
- Discuss any other business deemed appropriate by the President/CEO.
- Discuss and review risk acceptances presented for consideration.

#### RSC Composition and Meetings

The RSC is a subset of the ELT and will consist of five members from the ELT. The President/CEO leads the RSC and may replace members of the RSC at his discretion.

Committee members are as follows:

- President/CEO & Executive Director
  - General Counsel
  - Chief Financial Officer
  - Chief of Systems & Operations
  - Chief of Internal Audit
- A quorum will consist of three of the members present.



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The RSC Sponsor is the Chief of Internal Audit who will deliver periodic reports from the Committee to the ELT, quarterly to the Audit Committee and annually to the Board of Governors. Such Committee reports will summarize matters reviewed and actions taken or recommended for consideration by the ELT and provide a detailed understanding of risk management practices including top risks to the Audit Committee and the Board of Governors. The Enterprise Risk Office will facilitate the preparation and collection of RSC meeting documentation and provide guidance to management and presenters where appropriate.

#### Mandate

- The RSC will be chaired by the President/CEO & Executive Director.
- The RSC shall meet at least once a quarter]. The meetings will be scheduled by the RSC sponsor. Duration will be one hour.
- The RSC will consider all top risks for the organization and assess corrective action where appropriate.
- All risk proposals must follow a specific business case methodology as mandated by the RSC. This methodology includes clear definitions of possible risk scenarios and events, and a thorough risk assessment, namely an impact/likelihood analysis, and clear calculation of potential costs to the business and cost to mitigate.
- Copies of all proposals to be reviewed by the RSC will be sent by the committee sponsor to the rest of the committee members at least three business days in advance of the meeting.
- All proposals must be formally presented in person to the RSC by the business unit head (C-level), who will act as the sponsor for the proposed project (corrective action) throughout its lifecycle.
- Approval for top risk ranking and mitigation is achieved through a consensus vote of the RSC. The vote will be administered by the RSC chair. Each member of the committee shall be entitled to one vote].
- RSC reserves the right to disapprove or monitor any proposal which it deems as an insufficient attempt to manage risk, or which does not significantly contribute to the strategic goals of Citizens.
- At each meeting, the committee will receive progress reports on all previously approved risk mitigation.

This charter will be reviewed annually and revised if necessary and approved accordingly by the ELT.

This Charter was originally adopted by the ELT on August 9, 2011, and resubmitted for approval of changes and additions annually thereafter. This revised charter was formally approved by the ELT on January 30 2017.