Office of the Internal Auditor

Quarterly Update to the Audit Committee

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Q3 2026 results | September 23, 2026

Internal Audit • Enterprise Risk • Internal Control

CITIZENS
PROPERTY INSURANCE CORPORATION

Quarter at a Glance - OIA Executive Dashboard

Internal Audit advanced the plan, Enterprise Risk expanded coverage, and Internal Control remained on track. The oversight focus is timely remediation and execution discipline.

INTERNAL AUDIT

Plan On Track

- 8 of 22 engagements complete
- 83% productivity vs. 80% target
- 12 open observations; 3 overdue

ENTERPRISE RISK

Program Progressing

- 82% of operational assessments complete
- Strategic risk profile refreshed
- KRIs and risk sensing continue

INTERNAL CONTROL

Program Progressing

- 120 controls in the annual CSA population
- GRC control alignment expanding
- No material control matters identified

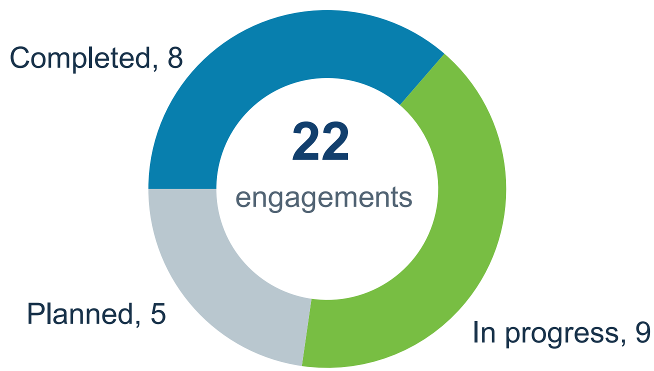
Matters for Committee Attention

- One high-risk technology access-control observation remains overdue; remediation is in progress and OIA validation is required before closure.
- Two medium-risk technology observations remain overdue; progress and revised dates remain under active OIA monitoring.
- Three new medium underwriting observations address flood coverage, primary residence, and opening protection.

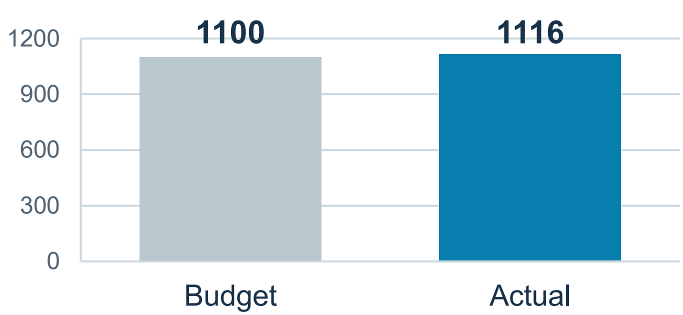
Internal Audit – Plan Progress and Performance

12-month reporting period Q2 2026 – Q1 2027; 3 engagements completed in Q3 2026

Engagements by Status



Q3 engagement hours



83%	Q3 auditor productivity vs. 80% annual target
75%	Engagement completion rate - Q3 deliverables generally completed as scheduled
+16 hrs	Budget to actual - 1,116 of 1,100 budgeted Q3 hours (1.5% overage)
145 days	Average Q3 traditional engagement cycle time (20 weeks), vs. 90 days in Q2
14	Engagements in progress or planned for Q4 2026 / Q1 2027

● On track / within acceptable range ● In progress / under active monitoring ● Significant risk / escalation required

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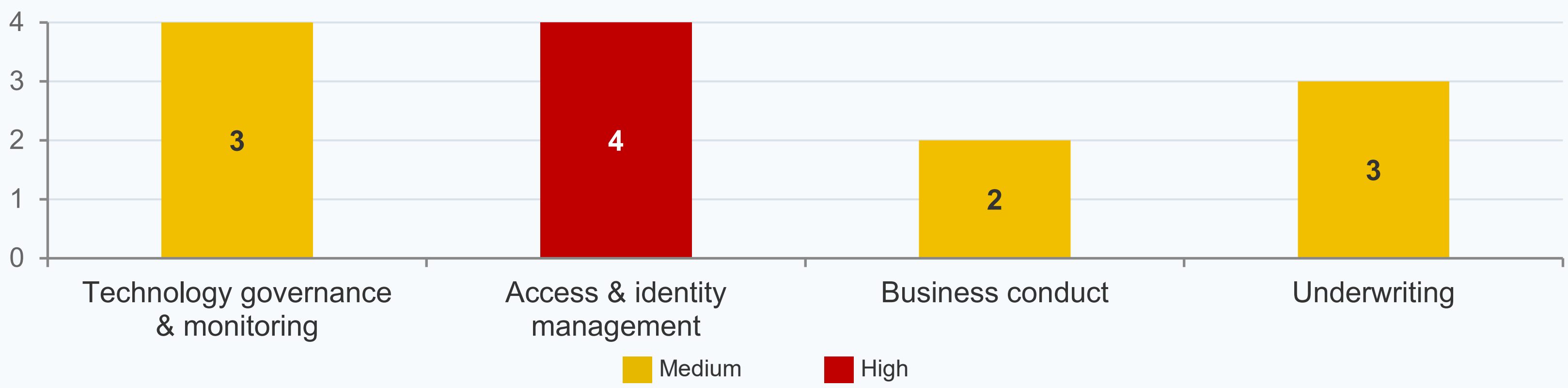
Internal Audit - Observations and Remediation

12 open observations (11 medium, 1 high); escalation focused on three overdue items

Open Observations by Theme



HIGH / OVERDUE	**Technology access controls:** One high-risk matter remains overdue. Remediation is in progress; OIA validation is required before closure. Revised target: 9/30/2026.
OVERDUE	**Technology monitoring and governance:** Two medium-risk observations remain overdue. Progress and revised dates remain under active OIA monitoring.
NEW - Q3 (MEDIUM)	**Personal Lines Underwriting (3 observations):** Proof of flood coverage; proof of primary residence for tenant properties; open protection eligibility for high-value residences.

Enterprise Risk & Internal Control

Risk coverage expanded and control integration advanced without material escalation

ENTERPRISE RISK

82% **operational risk assessments complete**

- Strategic risk profile refreshed with ELT; mitigation plans are being updated.
- Project risk is integrated from concept proposal through implementation.
- KRIs are in development and risk-sensing discussions continue.
- No separate enterprise risk matter identified for Committee escalation this quarter.

INTERNAL CONTROL

120 **controls in the annual management CSA population**

- Business-area assessments remain on track for completion by year-end.
- GRC connections are expanding across requirements, risks, controls, and evidence.
- Collaboration includes ER, Compliance, Privacy, and Information Security.
- No separate control-program matter identified for Committee escalation this quarter.

On track / within acceptable range

In progress / under active monitoring

Significant risk / escalation required

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