

CITIZENS PROPERTY INSURANCE CORPORATION

**MINUTES OF THE
EMERGENCY BOARD OF GOVERNORS MEETING
Wednesday, September 6, 2017**

The Board of Governors (Board) of Citizens Property Insurance Corporation (Citizens) convened telephonically on September 6, 2017 immediately following the Claims Committee Meeting at 1:00pm.

The following members of the Board were present telephonically:

Chris Gardner, Chairman
Gary Aubuchon
Bette Brown
James Holton
Freddie Schinz
Blake Capps
John McKay

The following Citizens staff members were present telephonically:

Barry Gilway
Dan Sumner
Barbara Walker
Jay Adams

Call Meeting to Order

Barbara Walker: Good morning and welcome to Citizens September 6, 2017 Emergency Board of Governors Meeting. This meeting is publically noticed in the Florida Administrative Register. Please do not place this call on hold, press (*6) to mute your line and (#6) to unmute your line. We will convene with a roll call for quorum. Citizens Board Committee Meetings are recorded with transcribed minutes available at our website. Thank you. Chairman, would you like for me to proceed with a roll call? (All were in attendance telephonically)

1. Chairman's Report

Chairman Gardner: Thank you, Barbara and thank you members for taking time so we can hold this emergency board meeting. Our first item on the agenda is the Chairman's report. I really have no remarks other than I want to acknowledge Governors John McKay and Blake Capps who are new members to the board. I'm sorry your first board meeting is under these circumstances and we all look forward to meeting you and hearing from you in our board meeting in a few weeks.

So, thank you for your participation. With that, I'm going to go to item two on the agenda and recognize Jay Adams to talk about Independent Adjusting Services with their action items. Jay you are recognized.

Jay Adams: Thank you, Chairman and Board members. We'd like to thank you for taking the time for this emergency board meeting. This is an action item that we were going to present at the September Board Meeting dealing with Independent Adjusting Services for Catastrophe. As we spoke in a prior meeting, we have done a few solicitations to try and obtain the number of CAT resources that we needed. Our RFP -17-0020 for Independent Adjusting Services – Catastrophe was conducted on July 13, 2017. We did a Request for Proposal and we had a public meeting on August 2, 2017. A list of firms recommended for award are in the Notice of Intent to Award and the attachment A. This contract is budgeted for and the amount is not to exceed \$343,900.00. As spoken to earlier, that number is actually the same number that we have for all CAT Adjusting Services; this contract kind of pays back the ones we already have in place. If there's any questions, I'll take those, otherwise I'd like to read the recommendation. Chairman?

Chairman Gardner: Please.

Jay Adams: Staff recommends Citizens Board to approve the recommended award and resulting contract including renewal periods for Independent Adjusting Services – Catastrophe, RFP-17-0020 to the list of attached vendors as set forth in the Action Item. To also, authorize staff to take any appropriate or necessary actions consistent with the Action Item and approve the Action Items not to exceed \$343,900.00.

Chairman Gardner: Members, any questions for Jay Adams? (Pause...not questions) Is there a motion?

Freddie Schinz: This is Freddie, I'll make the motion to approve.

Gary Aubuchon: This is Gary, and I'll second the motion.

Chairman Gardner: Okay, thank you. We'll do a roll call vote, Barbara?

Roll was called and all were in agreement voting yes to award RFP-17-0020, Independent Adjusting Services – Catastrophe not to exceed \$343,900.

Chairman Gardner: Alright, thank you very much, members. Barry, do you have anything else before we go to new business for Dan Sumner?

Barry Gilway: Yes, I'd like to recognize Dan Sumner to make some opening comments before we move on to the next agenda item.

Chairman Gardner: Thank you.

Dan Sumner: Good afternoon, Mr. Chairman, and members of the Board. In looking at the next Action Item we have to understand that the framework for the Action Item is the very strong

Executive Orderⁱ that Governor Scott issued with regard to Hurricane Irma earlier this week. And to give you an idea of the framework and how we are working within a very specific framework, I would just like to very quickly note a couple of the provisions in the Executive Order. The Executive Order on a broad basis indicates that there are some state and local governmental bodies, and of course, Citizens is a governmental entity that has special duties and responsibilities which may require them to waive or deviate from statutes rules they administer in order to respond to the emergency. So this is a very strong and very broad scope of this Executive Order. There are two things that really define the boundaries of this Executive Order and that is under section 4b of the order, it says that a state agency may suspend any and all statutes and rules which affect leasing, purchasing, travel conditions and compensation of employees. And here's the key word..."if strict compliance with the provisions of any such statute, order or rule would in any way prevent, hinder, or delay necessary action in coping with the emergency". So again, the boundaries of this would be in essence deviating from statute of provisions which would in any way prevent necessary action encompassing with emergency. And then the other thing that is a boundary is that the term of the Executive Order is for 30 days to be extended for an additional 30 day periods by the Governor. Now the other thing that is very important in looking at this action item, particularly in regard to purchasing matters, is that by a written statement of CEO Gilway has made it finding that the upcoming emergency represents an immediate danger to public health safety and welfare with regard to Citizens' activities. Having made that finding, under section 287.057 purchasing law, in addition to the Executive Order, we have the ability under that statute to engage in emergency procurement activities which bypass the normal solicitation requirements and again would allow us to directly procure through direct action any additional resources we need with regard to the emergency situations resulting from Irma. The third thing that I would point out very quickly, is that again, with regard to our internal operating procedures that the Board certainly has the power to amend those or to alter those in order to respond to this emergency. So whenever you look at the Governor's Executive Order, you look at the finding of emergency with regard to procurement by CEO Gilway and the Board's general powers under the plan to amend or modify internal procedures, I think there's a very straight forward pathway here for a very focused effort for the Board to respond to this emergency in a way which completely is consistent with and is within the framework, the Governor's Executive Order and our powers under 287.057.

Chairman Gardner: Thank you, Dan. Members, any questions for Dan? (pause....no questions) So, Dan, would you like to read the recommendation on the Action Item?

Dan Sumner: I apologize, Chairman Gardner, I am out of the state and I don't have access to the actual document, but I'm very familiar with it, if someone wouldn't mind reading, I don't have it in front of me right now.

Jay Adam: Chairman Gardner, this is Jay Adams, I'll take care of the Action Item from here. Thank you Dan. The Action Item is Catastrophe Response to Hurricane Irma and it deals with multiple contracts and vendors. The scale of Citizen's catastrophe response to Hurricane Irma is not presently known. Our requirements for initial responses will likely exceed \$50 million across multiple vendors and service categories. Total expenditures under this Action Item will be periodically provided to the Board. Upon approval of this Action Item, Citizens staff will be pursuing the following:

- Pursue new contracts to expand access to claims adjusting services
- Amend existing contracts to adjust payment and fee schedules to meet the changing market dynamic of the national catastrophe response environment
- Amend existing contracts to expand scope of services for the purpose of increasing access to loss estimation services
- Enter new contracts and contract amendments as needed to provide for support for Claims Catastrophe Operations, Emergency Operations Center, and business continuity needs. Such needs may include, but are not limited to, leases for office space and associated operation expenses, goods and services needed to stabilize and maintain existing office space, and providing for information technology needs
- Enter new contracts and contract amendments as needed to provide policyholder support, public outreach and communication initiatives
- Pursue new contract, amend existing contracts and exceed originally approved contractual spend authority to the extent doing so is directly related to and necessitated by Citizens' Hurricane Irma response and recovery effort.

Consistent with Executive Order 17-235, this Action Item also requests that the Board authorize Citizens, via its President/CEO, to suspend or waive corporate policies "if strict compliance with the provisions...would in any way prevent, hinder, or delay necessary action in coping with the emergency." Such applicable policies include, but are not limited to, Citizens' Purchasing, Vendor Management, Emergency Office Closure, Catastrophe Pay, Alternative Work Arrangement, Business Travel, Purchasing Card (P Card), Expenses Not Related to Travel, and Vehicle Use Policies.

The Procurement Method would be that Citizens will utilize all appropriate methods of procurement to cope with this emergency, including the following:

- Governmental contracts vehicles
- Emergency procurement processes; and
- Amending existing contracts to modify agreement and expand scope of services.

Chairman, if there's no questions, I'd like to read the recommendation.

Chairman Gardner: Members, any questions?

John McKay: Jay, this is John McKay. My question was whether you could hear me or not because someone just sent me a text asking whether I'd be on the call or not. So, thank you for telling me my line wasn't muted. I don't have a question except that, so thank you.

Chairman Gardner: Any other questions or comments for Jay before he reads the recommendation? Jay, fire away.

Jay Adams: Staff recommends that Citizens' Board of Governors:

- Approve this Catastrophe Response Hurricane Irma Action Item;
- Authorize the president/CEO to suspend or waive applicable corporate policies;

- Authorize staff to enter and amend contracts in accordance with this Action Item including in amounts greater than \$100,000;
- Consistent with this Action Item, authorize Citizens to exceed contract amounts originally approved by the Board; and that
- The authority granted by this Action Item shall not exceed the timeframe of the Governor’s Executive Order, as may be extended, modified or superseded.

Chairman Gardner: Thank you. Is there a motion, members?

John McKay: Move for approval, this is John McKay.

Bette Brown: Second.

Chairman Gardner: Thank you Governor Brown. All those in favor please signify by saying “aye”. (All responded favorably). Any opposed? (None) **Motion carried.**

With that, is there any new business for the good of the order? (Hearing none) I’ll accept the motion to adjourn.

Freddie Schinz: I’ll make the motion to adjourn. And I pray that everybody stay safe.

Chairman Gardner: Thank you, is there a second?

Gary Aubuchon: I’ll second.

Chairman Gardner: Any opposed to the motion? (None) Okay, this meeting is adjourned, thank you everybody.

ⁱ Executive Order Number 17-235, Office of The Governor (Emergency Management – Hurricane Irma)
see Addendum