

## Attachment A: Agent Performance Management Standards

### What is a Binding Violation?

Binding violations occur when Citizens is bound to a new risk in violation of Citizens' underwriting guidelines, or when premium is collected on a risk that has been submitted to Citizens unbound for review, prior to Citizens' acceptance. It is important that you and your office staff are aware of and avoid the following categories of binding violations:

1. *Circumventing the Document Submission Process*: Uploading of any documentation that is incorrect, incomplete or unacceptable for the document indicated.
2. *Ineligible Risk*: Submitting insufficient documentation to establish that the risk meets Citizens' eligibility requirement (no offer of coverage or the 15-percent rule).
3. *Uninsurable Risk*: Submitting an application for a risk that is uninsurable as defined in the Personal Residential Multiperil (PR-M) and Personal Residential Wind-Only (PR-W) manuals.
4. *Premium Posted on Unbound Risk*: Posting of a premium on an unbound new-business application prior to Underwriting's review and approval, regardless of the final determination of eligibility or insurability.

## How do Binding Violations Aggregate?

Citizens will use a progressive, four-step disciplinary process for binding violations, based on individual agent violations (not at the agency level) relative to the agent's submission volume within a 12-month rolling cycle:

Disciplinary Process for Binding Violations (based on a 12-month rolling cycle)				
If the agent submits:	1. Citizens will issue:	2. Citizens will impose:	3. Citizens will impose:	4. Citizens could:
30 or fewer submissions:	A <i>warning notice</i> if the agent receives more than three binding violations.	A <i>30-day suspension</i> if the agent receives three or more additional binding violations in the six months after the warning notice.	A <i>90-day suspension</i> if the agent receives one binding violation in the six months after completing the 30-day suspension.	<i>Terminate</i> the agent's agreement if there are any subsequent binding violations within 90 days after completing the 90-day suspension.
31 or more submissions	A <i>warning notice</i> if the agent receives binding violations in 10 percent or more of their submissions.	A <i>30-day suspension</i> if the agent receives five or more additional binding violations in the six months after the warning notice.	A <i>90-day suspension</i> if the agent receives three or more binding violations in six months after completing the 30-day suspension.	<i>Terminate</i> the agent's agreement if there are any subsequent binding violations within 90 days after the 90-day suspension.