



## Citizens Property Insurance Corporation Agency Agreement

The purpose of this Agency Agreement (Agreement) is to set forth the terms and obligations of a Citizens agency and the consequences for failing to meet such obligations. Once accepted by Citizens, as indicated by the issuance of a *Notice of Approval*, this Agreement constitutes the contract between Citizens and the executing insurance agency ("Agency"). By executing this Agreement, the Agency agrees to the following terms and conditions:

### Definitions

**"Agency"** has the same meaning as the term "Insurance Agency" defined in Section 626.015, Florida Statutes and is the entity executing this Agreement.

**"Agency Principal"** means the individual specifically designated within the Agency to serve as the contact for Citizens and the person responsible for assuring that the Agency, all Appointed Agents, and Customer Representatives are aware of, and fully comply with, Florida law, the terms and conditions of this Agreement and all rules relevant to conducting Citizens business.

**"Agent"** has the same meaning as defined in Section 626.015, Florida Statutes.

**"Agent Appointment Agreement"** means the contract between Citizens and the Agent through which the Agent conducts insurance business with Citizens.

**"Agent Guidelines"** mean collectively the Citizens:

- Underwriting Manuals
- Underwriting Rules of Practice
- Agent Technical Bulletins
- Plan of Operation, as applicable
- Other official publications communicated to agencies, which set forth Citizens' official policies or requirements.

**"Appointed Agent"** means an Agent who is an employee or contractor of the Agency, and who has been appointed by Citizens through execution of an Agent Appointment Agreement.

**Citizens' "Board of Governors"** has the same meaning as defined in Section 627.351(6), Florida Statutes.

**Citizens' "Market Accountability and Advisory Committee"** has the same meaning as defined in Section 627.351(6), Florida Statutes.

**Citizens' "Plan of Operation"** means the written plan governing Citizens as required by Section 627.351(6), Florida Statutes and approved by the Florida Financial Services Commission.

**"Customer Representative"** has the same meaning as defined in Section 626.015, Florida Statutes.

**"Notice of Approval"** means the written notice from Citizens accepting the Agency's offer to enter into this Agreement with Citizens.

### I. Agreement

**A. Agency Relationship.** By executing this Agreement, the Agency, through its Agency Principal, agrees to supervise and facilitate the business operations of the Appointed Agents, Customer Representatives and all other Agency personnel engaged in Citizens' business and to comply with the terms and conditions of this Agreement and the Agent Guidelines. The Agency will ensure that its Appointed Agents are aware of and comply with the terms of the Agent Appointment Agreement and the Agent Guidelines. The Agency understands and recognizes its responsibilities to Citizens and agrees to strictly adhere to the obligations set forth in this Agreement.

**B. Agency Performance.** Agency Principal acknowledges and agrees that Citizens may, with Agent Roundtable (ART) and Market Accountability and Advisory Committee (MAAC) input, and with Board of Governors (Board) approval, establish, and from time to time, modify performance standards for agencies. Agency Principal agrees

to strictly adhere to such performance standards and understands the failure to do so constitutes a material breach of this Agreement.

- C. **Effective Date and Term.** This Agreement is effective on the date shown in Citizens' Notice of Approval to the Agency. This Agreement will remain effective so long as the Agency complies with the provisions of this Agreement or until this Agreement is terminated.

## II. General Requirements

- A. **Compliance with the Citizens' Policyholder Declaration of Rights.** The Agency hereby agrees to comply with the Policyholder Declaration of Rights contained in [Citizens' Plan of Operation](#).
- B. **Compliance with Law and Citizens' Requirements.** The Agency agrees to follow all applicable laws and regulations, the Agent Guidelines and Citizens' Plan of Operation.
- C. **Ethics and Standards of Conduct.** The Agency agrees to conduct business according to the highest standards of honesty, integrity, and other standards established by law or regulation towards all customers and Citizens' staff or representatives. The Agency shall also ensure that its Agents and staff conduct all Citizens business according to applicable ethics standards established in Citizens' Agent Guidelines and the ethics requirements established by the Florida Department of Financial Services.
- D. **Data Export Restriction.** The Agency shall not allow any Citizens' policyholder data to be exported to or accessed from outside of the United States with the sole exception being that the Agency may send a policyholder's own data to a policyholder who is located outside of the United States as necessary to service a policy.
- E. **Errors and Omissions Insurance.** At all times during the term of this Agreement, the Agency agrees to maintain Errors and Omissions Coverage covering the Agency and its Appointed Agents. The policy must be issued by an insurer authorized to transact insurance in Florida or by an eligible surplus lines insurer. The insurer shall have a financial strength rating of at least "B+" (good) by A.M. Best Company. The Agency agrees to provide proof of compliance with this Errors and Omissions coverage requirement upon request. The coverage limits must be at least \$1 million per occurrence and \$1 million annual aggregate.
- F. **Citizens as Residual Market Insurer.** The Agency acknowledges that Citizens is a residual market entity and should be a market of last resort when placing business.
- G. **Disclosure of Potential Surcharge and Assessment Liability.** The Agency hereby agrees to ensure that Appointed Agents disclose to Citizens' applicants the risk of surcharges and assessments to Citizens' policyholders. The disclosure must include an explanation that voluntary market insurers offer coverage without the substantial Citizens policyholder surcharge risk. The Agency also agrees to ensure Appointed Agents explain the services offered by the Florida Market Assistance Plan (FMAP) and disclose whether they participate in FMAP.
- H. **Advertising and Use of Citizens' Name and Materials.** The Agency shall not advertise or promote its relationship with Citizens or the Agency's ability to obtain insurance for customers through Citizens via any medium. The Agency shall not use the logos, trademarks or trade name of Citizens in any advertisement, marketing, website, promotional, phone directory, or other materials that are distributed to others.
- I. **Professional Representation of Citizens.** The Agency acknowledges that it represents Citizens before the public. The Agency agrees not to dishonor, discredit or injure the reputation of Citizens.
- J. **Licensure or Registration.** The Agency must maintain its insurance agency license or registration in good standing for each agency location, pursuant to Sections 626.112 and 626.172, Florida Statutes.
- K. **Tax Information.** The Agency must ensure that the name and Federal Employer Identification Number (FEIN) initially reported to Citizens in the Application under the Agency Information is correct and matches the legal name and FEIN reflected in Internal Revenue Service (IRS) records. The Agency agrees that Citizens may withhold commission as required by any Federal law, IRS levy, or as reimbursement for any income tax withholding or IRS penalties incurred by Citizens due to the Agency's failure to provide and maintain accurate information.

- L. Information Verification.** The Agency shall keep its information with Citizens updated. This information includes the Agency name and contact information. Citizens may also require a list of all agents and support staff. Each year, on a date specified by Citizens, the Agency agrees to certify the completeness and accuracy of such information.
- M. Role of the Agency Principal.** The Agency shall designate one person as the Agency Principal. The obligations of the Agency Principal shall not alter, diminish or waive the obligations and responsibilities of the Agency or individual Appointed Agents. By designating the Agency Principal, the Agency agrees that any decision made by the Agency Principal shall be binding upon the Agency and that, the Agency Principal shall be the official point of contact for any communication or legal notice from Citizens. As it relates to Citizens, the Agency Principal is the only person authorized to make changes in the records of the Agency or to add and remove Appointed Agents. Upon the departure of the Agency Principal, the Agency shall notify Citizens and designate a new Agency Principal within ten (10) business days.
- N. Appointed Agent(s).** The Agency must have and maintain at least one Appointed Agent at all times. The Agency must ensure that every insurance agent within the Agency, who conducts the business of insurance for Citizens is appointed by Citizens. The Agency is responsible for paying periodic certification or renewal fees to Citizens for its Appointed Agents.
- O. Relation to Agent Appointment Agreement.** The Agency represents that it has read and understands the Agent Appointment Agreement, which is the agreement by which Citizens appoints insurance agents to sell and service Citizens' business. The Agency hereby agrees to ensure that all Appointed Agents comply with the obligations under the Agent Appointment Agreement.
- P. Departure of Agent(s) from Agency.** The Agency Principal shall notify Citizens, by e-mail or by such other medium as specified by Citizens immediately, but no later than five (5) business days, from the date that any Appointed Agent leaves, relocates or takes an extended leave from the Agency.
- Q. Right to Audit.** Citizens, and other government entities as required by law, such as the State of Florida Auditor General, shall have the right to review and audit any of the Agency's Records related to Citizens' business. The Agency shall not unreasonably delay or inhibit Citizens' right to audit as set forth in this section and failure to timely comply with this obligation will be grounds for termination of this agreement.
- R. Ownership of Policy Expirations.** The parties acknowledge and agree that Citizens does not own the expirations and records related to policies produced by an Agent in the Agency under this Agreement. Ownership of such expirations and records will be addressed by contract between the Agency and its Appointed Agents.
- S. Records Custody and Retention.** The Agency shall transmit electronic copies of all records produced by the Agency for Citizens business to Citizens and grants to Citizens a license to use and distribute such copies in the normal course of business. The Agency agrees to comply with the obligations to maintain such records, keep such records confidential and disclose such records as required by state and federal law. Further and without limiting the foregoing, the Agency agrees to maintain such records for at least the period that the resulting policies, including renewal periods, are effective plus five years. If the Agency receives notice of litigation involving any policy, the Agency shall maintain the records for that policy until the conclusion of the litigation, including any appeal periods. Records related to applications which do not result in the issuance of a policy must be retained for five years. The Agency shall produce such records to Citizens on request for inspection or audit. The Agency shall maintain such records on premises at its office for a period of two (2) years and may thereafter store them at an appropriate and secure offsite facility.
- T. Citizens' Confidential Information.** The Agency acknowledges and agrees that certain information obtained during the course of the Agency performing its duties under this Agreement will be confidential pursuant to state and federal law. Citizens' Confidential Information includes policy, underwriting and claims information, as well as the personal information of Citizens' policyholders, including any information obtained through the Florida Market Assistance Plan. The Agency agrees not to use, disclose, communicate or reproduce any of Citizens' Confidential Information, in whole or in part, in any manner, except in carrying out the Agency's duties under this Agreement, as Citizens expressly authorizes in writing, or as necessary in any litigation between Agency and Citizens arising under this Agreement. The Agency agrees to exercise a high level of care sufficient to protect Citizens' Confidential Information, documents, files, system programs, or data in any form from unauthorized disclosure. The Agency agrees to develop, implement, maintain and use reasonable and prudent technical and physical safeguards to preserve the integrity, confidentiality and availability to Citizens of Citizens' Confidential Information. The scope of this provision includes implementing and maintaining adequate procedures to maintain

the confidentiality of personal identifiable information pertaining to Citizens' applicants and policyholders, as required by the [Gramm-Leach-Bliley Act](#).

- U. Public Records Obligations.** As a State of Florida governmental entity, Citizens is subject to Chapter 119, Florida Statutes. Therefore, any information in the possession or control of the Agency may fall within the requirements of Chapter 119, Florida Statutes, and be considered a public record. If the Agency receives a Public Records Request (PRR) that is in any way directed or related to the Agency's records, the Agency agrees to immediately forward a copy of the PRR to Citizens' Record Custodian at: [recordsrequest@citizensfla.com](mailto:recordsrequest@citizensfla.com). The Agency agrees to assist Citizens in responding to any PRR directed to Citizens in a prompt and timely manner as required by Chapter 119, Florida Statutes.
- V. Subpoena Responses.** If the Agency receives a subpoena for information or Records that include Citizens' Confidential Information, the Agency must immediately forward a copy of the subpoena to Citizens' Record Custodian at: [recordsrequest@citizensfla.com](mailto:recordsrequest@citizensfla.com). The Agency agrees to not disclose Citizens' Confidential Information until the earlier of the subpoena response deadline or the date which Citizens authorizes its disclosure.

### **III. Operational Requirements**

- A. Underwriting Submissions.** The Agency understands and agrees that full compliance with underwriting submission requirements is critical to meeting its responsibilities to Citizens and that such requirements will be strictly enforced. Agency agrees, therefore, to submit all risks to the Citizens Clearinghouse, where applicable; and to ensure that all applications and other underwriting submissions made by or on behalf of the Agency are complete, accurate and submitted in accordance with applicable Agent Guidelines. The Agency agrees to cooperate with and assist Citizens in obtaining any additional underwriting-related information. All applications must be signed by the applicant(s), unless the signor has a valid, written Power of Attorney. A complete and signed copy of the application must be provided to the applicant at the time of application. Only the Appointed Agent may sign the application where indicated for the Agent's signature. The Agency acknowledges that Citizens may require, as part of the underwriting submission process, documents in addition to the application, which require both the signature of the applicant and an attestation by the agent. Additionally, the Agency agrees to establish and maintain a formal program to review underwriting submissions of its Appointed Agents. Such program will provide reasonable oversight of the Agency's operations to include monitoring underwriting submissions, measuring compliance and error levels, and provide for internal enforcement of Citizens' underwriting requirements.
- B. Premium Collection and Submission.**
  - 1. **Premium Payments.** All checks paid by or on behalf of the applicant or policyholder must be made payable to Citizens and remitted to Citizens in accordance with the provisions and procedures set forth in the Agent Guidelines. Premium payments must be submitted to Citizens without deduction for commission or other charges.
  - 2. **Fees and Surcharges.** The Agency may not charge or collect any fee in excess of the applicable Citizens' premium (e.g., service, inspection, or photograph fees). This prohibition does not apply to bank charges for returned checks or applicable credit card fees associated with payment of premium. However, no charges, fees or surcharges can be communicated to the applicant or policyholder as being a part of the Citizens' premium.
- C. Claims.** If an insured reports a claim to the Agency, the Agency must immediately report the claim to Citizens electronically or by calling 866.411.2742. If a catastrophic or other weather-related event prevents reporting immediately, the Agency agrees to instruct the claimant to file the claim directly with Citizens by calling 866.411.2742; and the Agency further agrees to report the claim to Citizens as soon as possible. The Agency agrees to cooperate fully with Citizens in the investigation and adjustment of such claim.
- D. Technology Requirements.** The Agency agrees to implement and utilize, at the Agency's sole expense, all technology, hardware, software and equipment required by Citizens including, but not limited to, a working e-mail address and any electronic system required for the processing and servicing of Citizens' business. Citizens may provide and require the Agency to use certain software, data or specialized internet-based services in the course of its duties. The Agency agrees to execute and comply with any non-disclosure or user agreements required by Citizens or the vendors of such software, data or services.

- E. Notification of Financed Premiums.** When the Agency has assisted or arranged for financed premiums through a premium finance company (PFC), the Agency must indicate "premium financed" on the initial application, must notify Citizens whenever renewal policies are financed, and must provide a fully executed Premium Finance Agreement to Citizens. Failure to comply with these requirements may result in unearned premium being refunded to the policyholder followed by a subsequent payment to the PFC. The Agency agrees to reimburse Citizens for any duplicate unearned premium refund caused by the failure to meet this requirement, and acknowledges that failure to make such payment to Citizens may result in termination of this Agreement.
- F. Customer Representatives.** If an Agency is responsible for supervising a Customer Representative who services Citizens' business, then the Agency must ensure that the Customer Representative completes all Citizens' mandatory training and any other Citizens' requirements.

#### **IV. Commissions**

- A. Commission Payment.** Citizens shall pay commissions to the Agency, less any deductions, setoffs, refunds, reimbursements, holdbacks or any amounts owed Citizens by the Agency or any of its Appointed Agents. Commissions will be paid in accordance with the Agent Commission Schedule then in effect. In the event Citizens overpays the Agency, the Agency shall return such overpayment immediately upon request by Citizens. Payment shall be made by the end of each month for commissions based on policies effective or issued, whichever is later, in the prior month.
- B. Performance Management.** Agency understands that Citizens may implement and, from time to time, modify commission structures to reflect compliance with agent performance standards.
- C. Commission Statement.** Citizens shall issue commission statements to the Agency that detail policies issued or renewed, endorsements, cancellations, reinstatements, commissions earned, and the amount due to the Agency (or amounts due to Citizens or otherwise withheld by Citizens).
- D. Authority to Withhold.** Citizens reserves the right to withhold, offset or deny payment of commission should the Agency's or any of its Agent's authority to conduct Citizens' business be suspended or terminated or should the Agency otherwise not fully comply with the terms of this Agreement. Additionally, Citizens may withhold or deny commissions on any policy or coverage not submitted in accordance with the Agent Guidelines.

#### **V. Suspension and Termination**

- A. Investigative Suspension.** If Citizens has received information which established a reasonable belief that Agency has violated the terms of this Agreement and there is a consequential danger to the public or Citizens, Citizens may suspend the Agency while an investigation is being conducted. The investigative suspension will remain in effect until Citizens has completed its investigation and effectuated disciplinary action, if any.
- B. Termination.**
1. **Termination without Cause.** This Agreement may be terminated without cause by either party upon providing sixty (60) days advance written notice.
  2. **Administrative Termination.** This Agreement may be administratively terminated by written notice upon determination by Citizens of any of the following:
    - a. Agency does not have an Agency Principal
    - b. Agency does not have at least one Appointed AgentAdministrative Termination does not invoke the minimum termination period described below.
  3. **Termination for Cause.** Notwithstanding any other provision, this Agreement will terminate:
    - a. Immediately upon the occurrence of any of the following:
      - i. The termination, deactivation, or dissolution of Citizens
      - ii. The suspension, revocation, expiration, termination or surrender of the Agency's Florida license or registration
      - iii. Agency becomes the subject of a bankruptcy action.
    - b. By written notice upon determination by Citizens that the conduct by the Agency constitutes:

- i. An abandonment of its business
  - ii. Fraud, breach of fiduciary duty, gross, willful or criminal misconduct in relation to the business of insurance; or has engaged in deceptive or misleading practices as prohibited under Florida law or regulation
  - iii. A willful failure to timely comply with a request from Citizens pursuant to an investigation or audit
  - iv. Agency has materially breached this Agreement, or any items incorporated by reference into this Agreement
  - v. Agency's continuing failure to meet requirements specified as a term of a disciplinary suspension.
- C. Suspension and Termination Notices.** Citizens will provide any notice of suspension or termination by email at the official email address, as contained in Citizens' systems. Citizens will also send a copy of any notice of disciplinary suspension or termination via certified mail, return receipt requested, to the Agency's mailing address of record, as contained in Citizens' systems. For any notice of suspension or termination, Citizens will state the factual basis of the action taken.
- D. Investigations.** Citizens will investigate reported or suspected misconduct by the Agency and make a determination as to whether misconduct occurred. The Agency agrees to cooperate with such an investigation including providing full access to records relating to Citizens business and promptly and completely responding to inquiries. Citizens will impose discipline based on any misconduct found to have occurred. The Agency will be provided an opportunity to appeal the discipline imposed. At such appeal, the Agency will be able to provide evidence that the discipline imposed was based on a mistake of fact or law.
- E. Disciplinary Suspension.** If Citizens determines that the Agency has violated any of the terms of this Agreement or items incorporated by reference into this Agreement, in lieu of termination, Citizens may suspend the Agency and its Appointed Agents' authority to write new business, take applications and/or service existing or renewing policies for a stated period up to 180 days. During such suspension, the Agency will remain eligible to receive commissions subject to Citizens' right to withhold. The suspension will take effect on the date specified in the written notice from Citizens. The disciplinary suspension may contain terms, which must be met by the Agency to address the cause of the disciplinary suspension.
- F. Control Parties.** Citizens may terminate the Agreement of an Agency that has directors, officers, or control persons (including beneficially owning 10% or more of the outstanding equity of the Agency) who are or have been owners, directors, officers, or control persons of an Agency terminated for cause or of an insurer that was placed under receivership or liquidation during the time of association with such agency or insurer.
- G. Termination Period.** An Agency, which has been terminated for cause, may not petition for a new Agency Agreement for a minimum of two (2) years from the date of termination. However, if the termination for cause was for misappropriation of premium or fraud, the Agency may not petition for a new agreement with Citizens.
- H. Agent Termination and Policyholders.** If the Agency has exclusive ownership of the policy expirations and the agent of record's appointment has been terminated, the Agency must facilitate the smooth transition of affected policyholders to a new agent of record. Policies for which the agent of record is not changed will be nonrenewed, and Citizens will service such policies for the remaining policy term.

## VI. GENERAL TERMS AND CONDITIONS

- A. Independent Contractor Status.** Nothing contained herein is intended or shall be construed to create the relationship of employer and employee between Citizens and the Agency; rather the Agency is an independent contractor for all purposes.
- B. Non-Waiver of Rights.** A waiver by Citizens of any breach or default by the Agency under this Agreement will not constitute a continuing waiver or a waiver by Citizens of any subsequent breach or default.
- C. Amendment and Modification.** This Agreement may be modified by Citizens only after providing the Agency with at least sixty (60) days advance notice of any proposed changes. The changes shall be effective on the date specified in the notice, without further action being required by Citizens. This notice provision supersedes all other notice provisions contained in this Agreement. This notice provision does not apply to modifications mutually agreed upon in writing by the Agency and Citizens.
- D. Florida Law, Jurisdiction, Venue and Service of Process.** This Agreement will be governed by the laws of the State of Florida. The Agency hereby consents to personal jurisdiction in the courts of the State of Florida. The Agency agrees that service of process in any proceeding in any such court may be effectuated by Certified Mail at the address for the Agency on record with Citizens. The parties hereby agree that the exclusive venue for any

litigation or arbitration based on or related to this Agreement shall be in Leon County, Florida. The parties recognize and agree that the terms of Chapter 120, Florida Statutes, are not applicable to Citizens, this Agreement, or the relationship between Citizens and the Agency.

- E. Waiver of Jury Trial.** The Agency and Citizens, each hereby waives its right to a jury trial for any claim or cause of action based upon or arising out of this Agreement. Each party hereby further warrants and represents that such party knowingly and voluntarily waives its jury trial rights following consultation with its legal counsel.
- F. Assignment or Transfer.** This Agreement may not be assigned or otherwise transferred, in whole or in part, by the Agency, by operation of law or otherwise.
- G. Indemnification.** The Agency shall indemnify and hold harmless Citizens, its Board Members, employees, designees, committees and committee members from any liability, damage, claims or causes of action with regard to any and all losses, claims, damages, fees and expenses, including legal or other expenses reasonably incurred or paid by Citizens on account of any negligent or wrongful act, error or omission of the Agency or its Agents in the rendering of services pursuant to this Agreement (including but not being limited to, compliance with the provisions of the Federal Fair Credit Reporting Act, Gramm-Leach-Bliley Act, or similar State Acts) except to the extent that Citizens has caused such liability or damage. Citizens shall indemnify and hold harmless the Agency and its officers, employees and Agents from any liability, damage, claims or causes of action with regard to any and all losses, claims, damages, fees and expenses, including legal or other expenses reasonably incurred or paid by the Agency on account of any negligent or wrongful act of Citizens in the performance of any duty set forth in this Agreement except to the extent that the Agency or its Agents caused such liability or damage
- H. Immunity.** Nothing in this Agreement shall operate or be deemed to waive Citizens' statutory or sovereign immunity.
- I. Appeal.** Any disciplinary suspension or termination by Citizens may be appealed. All appeals must follow [Citizens' appeal procedures](#). The appeal procedures will provide the Agent with an opportunity to contest the disciplinary action taken and present evidence that the action taken was based on a mistake of fact or law. Investigative suspensions may not be appealed.
- J. Severability.** In the event any provision of this Agreement is held to be invalid, illegal, unenforceable or in conflict with the law, all remaining provisions will continue in full force and effect.
- K. Integration.** As of its effective date, this Agreement supersedes and replaces all previous Agreements, if any, between the Agency and Citizens.
- L. Injunctive Relief.** The Agency acknowledges and agrees that Citizens will suffer irreparable harm in the event that the Agency fails to comply with the terms of this Agreement. The Agency further acknowledges and agrees that monetary damages will not be adequate to compensate Citizens. Accordingly, in addition to any other remedies available to it at law or in equity, Citizens will be entitled to injunctive relief to enforce the terms of this Agreement.
- M. Survival.** The Agency's recordkeeping, confidentiality and public records obligations shall survive the termination of this Agreement.
- N. Notice.** Except as otherwise provided, notices, designations, consents, offers, acceptances, or any other communications provided for or required by this Agreement must be given by the means specified herein. If a specific means is not provided, notice may be given by electronic mail, addressed as follows:

**As to Citizens:**

[Agents@citizensfla.com](mailto:Agents@citizensfla.com)

**As to Agency:**

To the attention of the Agency Principal at the official email address of the Agency as contained in Citizens' systems

Notices sent by electronic mail shall be deemed effective on the day sent. Notices sent by registered or certified mail shall be deemed effective on the third (3<sup>rd</sup>) business day after being deposited with the post office. Notices

sent by overnight carrier shall be deemed effective on the next business day after being placed into the hands of the overnight carrier. Notices sent by hand delivery shall be deemed effective on the date of hand delivery.