



Citizens Property Insurance Corporation Agency Agreement

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

Definitions

“**Agency**” is an insurance agency, as defined in Section 626.015, Florida Statutes, and is the entity through which an Agent conducts the Agent’s business operations.

“**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 all Customer Representatives who have been appointed by the Agency 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 an Agent through which the Agent conducts insurance business with Citizens.

“**Agent Discipline and Performance Standards Page**” is the page that is accessible on the Agent Portal where the applicable agent discipline and performance standards materials are posted, including, but not limited to, any discipline or performance standards established pursuant to Sections I.D. and VII.J. of this Agreement.

“**Agent Guidelines**” mean collectively the Citizens:

- Underwriting Manuals,
- Agent Bulletins,
- Plan of Operation, as applicable, and
- Any other official publications disseminated to the Agent and Agency which set forth Citizens’ official policies or requirements.

“**Agency Personnel**” means any and all personnel, including but not limited to Agents who are employees or independent contractors of the Agency and any Customer Representatives that are appointed by the Agency, who perform work relating to Citizens business under the supervision of the Agency.

“**Agent Portal**” means the website accessible to the Agency through the use of a unique credential, where the Agent Guidelines as well as the Agent Discipline and Performance Standards Page may be found and accessed.

“**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.

“**Citizens Systems**” means any and all electronic or online systems maintained by Citizens through which data relating to policyholders or to Citizens business is stored and to which the Agency is provided access for purposes of conducting Citizens business in accordance with this Agreement.

“Confidential Information” means all information related to Citizens business that is confidential as required by Section 627.351(6)(x), Florida Statutes, and other relevant laws relating to privacy and data security. Confidential Information includes, but is not limited to:

- Personal information that identifies or could reasonably be used to identify an individual,
- Materials in the underwriting files of Citizens’ policyholders,
- Materials in a Citizens’ claims file, and
- Proprietary information licensed to Citizens by contract where the contract provides for the confidentiality of such proprietary information.

“Customer Records” refers to all applications, expirations, records, and other written or electronic information relating to any and all policies written by or applications submitted to Citizens pursuant to this Agreement that are possessed or maintained by or on behalf of the Agency.

“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.

“Security Incident” means an incident in which there has been, or the Agency reasonably believes there has been, unauthorized or unintentional access to or acquisition, use, modification, loss, unavailability, or disclosure of Confidential Information in the custody or control of the Agency or any of its Agency Personnel.

“Transmitted Records” means data and records, including copies of any Customer Records, which have been transmitted by the Agency or any Agency Personnel to Citizens or to Citizens’ Clearinghouse for the purpose of transacting business with Citizens in accordance with this Agreement.

I. Agreement

- A. Agency Relationship.** By executing this Agreement, the Agency, through its Agency Principal, agrees to supervise and facilitate the business operations of all Agency Personnel engaged in Citizens business and to comply with the terms and obligations of this Agreement, the Agent Guidelines, and any materials posted on the Agent Portal. 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 Citizens business is appointed by Citizens and that only Appointed Agents transact insurance on behalf of Citizens. The Agency is responsible for annual verification of the renewal of those Appointed Agents whose appointments are being renewed, and for ensuring that the renewal fees of those Appointed Agents are paid to Citizens. Furthermore, the Agency represents that it has read and understands the Agent Appointment Agreement, which is the agreement by which Citizens appoints Agents to sell and service Citizens business. The Agency will ensure that all of its Agency Personnel are aware of and comply with the terms of the Agent Appointment Agreement, the Agent Guidelines, and materials posted on the Agent Portal. 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.** The Agency acknowledges and agrees that Citizens has established and may modify the discipline and performance standards for agencies. The Agency acknowledges and agrees that failure to abide by the Citizens’ performance standards is a basis for action pursuant to Sections VI. 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, as may be amended from time to time.
- B. Compliance with Law.** The Agency agrees to follow all applicable laws and regulations.
- C. Compliance with Citizens’ Requirements.** The Agency agrees to comply with the Agent Guidelines and all other

materials posted on the Agent Portal, as may be amended from time to time. The Agency hereby acknowledges and agrees that the parties continued performance under this Agreement binds the Agency to any subsequent amendment to the Agent Guidelines or the materials posted on the Agent Portal. The Agency agrees to independently and routinely monitor the Agent Portal to ensure compliance with any subsequent amendments to the Agent Guidelines or agent discipline and performance standards. If the Agency does not agree to be bound by any subsequent amendment to the Agent Guidelines or agent discipline and performance standards, the Agency agrees to immediately terminate this Agreement pursuant to Section VI.B.1.

- D. Ethics and Standards of Conduct.** The Agency agrees to conduct business honestly and with integrity towards all customers and Citizens' staff or representatives. The Agency shall also ensure that Agency Personnel conduct all Citizens business in compliance with all applicable ethical standards established in Citizens' Agent Guidelines and the ethics requirements established for insurance representatives by the Florida Department of Financial Services or as otherwise required by law or regulation.
- 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 all of 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 coverage limits must be at least \$1 million per occurrence and \$1 million annual aggregate. The Agency agrees to provide proof of compliance with this coverage requirement upon request. The Agency agrees to notify Citizens of any changes to its Errors and Commissions coverage within ten (10) days of any such change to that policy.
- F. Citizens as the Residual Market Insurer.** The Agency acknowledges that Citizens is a residual market entity and should be marketed as the insurer of last resort when placing new and renewal business. It is therefore essential that new risks must be initially marketed, and that all renewals be remarketed, to the Agency's other available markets in accordance with all applicable Agent Guidelines and Florida law.
- G. 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. This provision does not prohibit the Agency from using Citizens' name or logo in order to assist customers with claims services.
- H. Professional Reputation of Citizens.** The Agency agrees not to dishonor, discredit or injure the reputation of Citizens.
- I. Licensure or Registration.** The Agency must maintain its insurance agency license or registration, as applicable, in good standing for each agency location, pursuant to Sections 626.112 and 626.172, Florida Statutes.
- J. 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.
- K. 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.
- L. 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.

M. Departure of Agent(s) from Agency. The Agency Principal shall notify Citizens, by way of email to Agents@citizensfla.com, immediately, but no later than 48 hours after an Appointed Agent leaves, relocates or takes leave of 30 calendar days or more from the Agency.

1. If an Agent's relationship with an Agency ends, Citizens agrees to transfer the Agent's book of business to a new insurance agency from the former Agency only upon the former Agency's written consent on a form approved by Citizens or as ordered by a court of competent jurisdiction. When a transfer of the Agent's book of business is authorized, the Agency agrees to act in good faith to assist Citizens in effectuating a smooth transition of the book of business to ensure there is no delay in transition and no harm to any policyholder.
2. In the event that a transfer of the Agent's book of business to a new insurance agency is not authorized, the Agent will receive no commission on any such policy that remains with the former agency.
3. Upon an Agent's departure from the Agency, the Agency is responsible for terminating the departing Agent's access to any Confidential Information that remains in the custody and control of the Agency.

N. Right to Review and Audit. The Agency acknowledges and agrees that Citizens has the right to review and audit Customer Records, including any such records that the Agency or its Agents are required by law to maintain. By entering into this Agreement, the Agency agrees to promptly provide Citizens access to all Customer Records for purposes of review and audit. The Agency shall not unreasonably delay or inhibit Citizens' right to audit or review Customer Records as set forth in this section. Failure to comply with this obligation constitutes a material breach of this Agreement and will be a basis for action pursuant to Section VI. of this Agreement.

O. Ownership of Customer Records. Agency and Citizens agree that Citizens does not own the Customer Records, but that the ownership of Customer Records will be controlled by the terms of the contractual relationship between the Agency and its Appointed Agents. To the extent such Customer Records are owned by Agency, Agency grants to Citizens an irrevocable license to use and distribute Transmitted Records in the normal course of business. Such license shall survive this Agreement. Any dispute over the ownership of any Customer Records is a private matter to be resolved between the Agent and the Agency. Transmitted Records will not be shared with third parties except as set forth in or otherwise authorized by applicable laws, rules, or the rules of administrative, civil, or criminal procedure.

P. Public Records Obligations. As a State of Florida governmental entity, Citizens is subject to Chapter 119, Florida Statutes. Agency acknowledges and understands that records regarding business between Citizens and Agency may be considered public records under Chapter 119, Florida Statutes (although exemptions to public inspection requirements may apply). If the Agency, or any of the Agency Personnel, receives a Public Records Request that appears to be in any way directed to or involve Citizens, the Agency shall immediately provide notice to Citizens' Records Custodian by way of email to: recordsrequest@citizensfla.com.

IF THE AGENCY HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE AGENCY'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT CITIZENS' RECORDS CUSTODIAN AT:

**ATTENTION: RECORDS CUSTODIAN
recordsrequest@citizensfla.com
2101 Maryland Circle
Tallahassee, FL 32303
850-521-8302 / 850-513-3992**

Upon request of Citizens' Records Custodian, the Agency shall promptly provide Citizens with copies of all of the public records to be inspected or copied pursuant to a public records request. The Agency shall also meet all applicable requirements for retaining public records, including those that are kept or maintained by the Agency upon completion of this Agreement.

- Q. Subpoena Responses.** If the Agency receives a subpoena for Customer Records or records relating to Citizens' insurance transactions, the Agency agrees to immediately forward a copy of such subpoena to Citizens' Record Custodian at: recordsrequest@citizensfla.com.

III. Technology and Data Security Requirements

- A. Technology Requirements.** The Agency agrees that Citizens requires the utilization of technology, hardware, software and equipment in conformity with the reasonable requirements established by this Agreement, including, but not limited to, maintaining a working and unique e-mail address for the Agency Principal and each Agency Personnel who access Citizens Systems on behalf of the Agency, and any electronic system required for the processing and servicing of Citizens business. The Agency's technology, hardware, software, or equipment may be administered by a third party. However, the Agency remains responsible for ensuring that any such technology, hardware, software, or equipment complies with this Agreement. Citizens may provide and require the Agency to use certain software, data or specialized internet-based services in the course of the Agency's duties. The Agency agrees to execute and comply with any terms of use of such software, data or services and any non-disclosure agreements required by Citizens or the vendors of such software, data or services. The Agency agrees to ensure that all of its Agency Personnel are in compliance with the Technology and Data Security Requirements set forth in this section. Citizens is not responsible for any costs associated with the implementation and utilization of any technology, hardware, software and equipment requirements.
- B. Access to Citizens Systems.** The Agency agrees that Citizens may limit or deny the Agency or any of the Agency Personnel's credentials to access Citizens Systems at any time during the term of this Agreement if Citizens, at its sole discretion, determines that such action is reasonably necessary to protect the security of Citizens Systems, the privacy of policyholder data, or the confidentiality of other such Confidential Information. The Agency Principal and any Agency Personnel who accesses Citizens Systems on the Agency's behalf is prohibited from sharing his or her credentials with anyone, including any other Agency Personnel. Any Agency Personnel who support the Agency's Citizens customers must have his or her own login credentials to access Citizens Systems. Nothing in this subsection shall be construed to limit Citizens' rights pursuant to any other provision of this Agreement.
- C. Data Export Restriction.** The Agency shall not allow any Citizens' policyholder data or Confidential Information to be exported to or accessed from outside of the United States without first obtaining the prior written consent of Citizens, which may be withheld by Citizens in its absolute discretion, 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.
- D. Records Custody and Retention.** Agency is responsible for the custody and retention of Customer Records in accordance with all applicable state and federal laws and regulations. Citizens is responsible for custody and retention of Transmitted Records in accordance with all applicable state and federal laws and regulations.
- E. Security Incidents.** In the event of a Security Incident:
1. Agency must take all reasonable measures to secure the information and mitigate or prevent any further unauthorized disclosure;
 2. Agency shall provide written notice of such Security Incident to Citizens via email to privacy@citizensfla.com as expeditiously as possible after its occurrence, but no later than 48 hours after learning of its occurrence. If Agency does not learn of the Security Incident within 48 hours of its occurrence, then Agency must immediately (same day) notify Citizens upon learning of such occurrence.
 3. Agency understands and acknowledges that Citizens must investigate any notice of a Security Incident. Agency must cooperate in any such Investigation or response to such investigation. Citizens may also be required to take further steps to respond to a Security Incident. Such steps may include, but are not limited to, all or any of the following:

- a. Reporting such Security Incident to the appropriate law enforcement entity or entities and cooperating in any law enforcement investigation;
- b. Developing and delivering legal notices required by applicable law or other informal notices;
- c. Establishing a toll-free telephone number where affected persons may receive information relating to the Security Incident; and
- d. Providing credit monitoring/repair and/or identity restoration for affected persons for at least one (1) year following the announcement or disclosure of the Security Incident or following notice to the affected persons, whichever is later.

The investigation and other steps described in this section will be carried out and directed by Citizens, and the costs thereof will be initially incurred by Citizens, unless the parties agree otherwise.

4. The indemnification provision contained in Subsection VII.G. of this Agreement is applicable to any costs incurred by Citizens in the course of investigating or responding to a Security Incident.

The Agency must ensure that Agency Personnel are aware of the requirements of this section and can appropriately identify circumstances that may constitute a Security Incident. Agency must ensure that if Agency Personnel become aware of circumstances that may constitute a Security Incident, they immediately notify the Agency.

- F. Use and Retention of Confidential Information.** Agency must ensure that Confidential Information is not disclosed to third parties unless authorized by law and that Confidential Information is not processed for any purpose except as expressly allowed by applicable federal and state laws and this Agreement. In the event that Agency, for any reason, receives Confidential Information that Agency is not authorized to access, Agency must securely destroy such information and assist Citizens in ensuring that no further unauthorized use of such information is made.
- G. Disclosure to Agency Personnel and Third Parties.** Prior to any disclosure of Confidential Information to Agency Personnel or any third party that is expressly allowed by applicable federal or state law, Agency shall enter into a written, valid and enforceable agreement with such Agency Personnel or third party that includes terms that are substantially the same as the terms applicable to the disclosure and protection of Confidential Information contained in this Agreement.
- H. Written Information Security Program.** Agency shall maintain a Written Information Security Program ("WISP"), a written program of administrative, technical and physical safeguards to protect against Security Incidents that involve Confidential Information in the custody or control of the Agency or Agency Personnel. Appropriate safeguards shall include, but are not limited to, policies and procedures that are designed to: 1) protect the security of Confidential Information; 2) protect against any anticipated threats to the security or integrity of Confidential Information; 3) protect against Security Incidents; 4) ensure the proper and secure disposal of Confidential Information; 5) secure business facilities, data centers, paper files, servers, back-up systems and computing equipment including, but not limited to, all mobile devices and other equipment with information storage capability; 6) provide for personnel security and integrity including, but not limited to, background checks consistent with applicable law; and 7) require ongoing privacy and information security training for all personnel. The Agency must ensure that all of its Agency Personnel are bound by and comply with such program.
- I. Security Requirements.** Agency shall comply with all applicable laws relating to the privacy and security of Confidential Information and shall take all reasonable measures to protect and secure any Confidential Information in Agency's custody or control or in the custody or control of Agency Personnel. Additionally, Agency shall comply with Citizens' Information Security Requirements attached hereto as Exhibit 1.
- J. Security Self-Assessment.** Upon reasonable notice to Agency, Citizens may, no more than once per year during the term of the Agreement, require that the Agency complete a security self-assessment questionnaire provided by Citizens of Agency's privacy and security safeguards and practices to ensure that Agency complies with the terms and conditions of this Section and the Information Security Requirements set forth in Exhibit 1; and promptly report the results of any such self-assessment to Citizens.

- K. Security Audit.** Without limiting Citizens' rights as set forth in this Agreement, and upon reasonable notice to Agency, Citizens is authorized to conduct a security assessment, network scan, forensic investigation and/or audit of any computer or network utilized by the Agency in conducting Citizens business or by Agency Personnel in accessing Citizens Systems if: 1) there has been, or circumstances indicate an elevated risk of, a Security Incident involving the Agency or Agency Personnel; 2) Citizens has discovered or reasonably believes that Agency or Agency Personnel are not employing or maintaining the appropriate privacy or security safeguards in compliance with this Agreement and Exhibit 1; or 3) there is an action, investigation or request by any governmental, statutory, public, or enforcement authority or regulator. Any such assessment, network scan, investigation or audit undertaken pursuant to this provision will be tailored to address the technology and data security safeguards relating to Confidential Information. Failure to cooperate with Citizens during the course of such an assessment, network scan, investigation, or audit is a basis for action pursuant to Section VI. of this Agreement.
- L. Electronic Signature.** Agency and Agency Personnel may submit documents to Citizens using electronic Agent, applicant and policyholder signatures (also called "eSignatures"), subject to the limitations set forth in the Agent Guidelines, which include, but are not limited to:
1. Policyholder statements to exclude windstorm coverage and/or contents coverage;
 2. Notarized forms and required forms signed by an applicant's or policyholder's authorized representative.

Electing to use eSignatures on documents is voluntary. Electronic signature capability must be obtained through use of a third-party provider. Citizens will not be responsible for any costs associated with the use of such third-party provider. All Agency eSignature systems must comply with all applicable state and federal laws relating to the use of eSignatures including, but not limited to the Electronic Signatures in Global and National Commerce Act, the Uniform Electronic Transactions Act, the Florida Electronic Signature Act of 1996, and the Florida Uniform Electronic Transaction Act.

IV. Operational Requirements

- A. Underwriting Submissions.** The Agency agrees to establish and maintain a formal program to review underwriting submissions of its Appointed Agents prior to writing any Citizens business. Such program must ensure that such underwriting submissions are in accordance with the Agent Appointment Agreement and the Agent Guidelines, and must provide reasonable oversight of the Agency's operations to include monitoring underwriting submissions, measuring compliance and error levels, and providing 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. **Trust Account and Submission.** The Agency must timely remit all funds collected to pay premium for a Citizens policy to Citizens without delay and must segregate all such funds from the Agency's or Agent's operating account.
 3. **Fees and Surcharges.** Neither the Agency nor any Agency Personnel may 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 associated with payment of premium. Moreover, this provision does not prevent the Agency from collecting, from policyholders, the exact amount of any discount or other such fee charged by a credit card facility in connection with the use of a credit card to the extent that such collection is permitted by law. However, no charges, fees or surcharges can be communicated to the applicant or policyholder as being a part of the Citizens' premium.
 4. **Assignment.** Neither the Agent nor the Agency may assign or transfer any interest in the Operating or Trust Account to any third party, including, but not limited to, any lender.

5. **Materiality.** Any breach of this subsection (IV.B.) is a material breach of this Agreement and constitutes grounds for termination under Section VI.B.3.b.
- 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 immediate reporting, the Agency shall 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 any claim. Failure to cooperate with Citizens during the course of any such investigation or adjustment of a claim is a basis for adjustment of a claim and constitutes a basis for action pursuant to Section VI. of this Agreement.
- D. **Notification of Financed Premiums.** The Agency acknowledges and agrees that if an Appointed Agent has assisted or arranged for financed premiums through a premium finance company (PFC), the Appointed Agent 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 further acknowledges that the failure to make such a payment to Citizens may result in termination of this Agreement.
- E. **Contact Information.** The Agency agrees that it is solely responsible for keeping all contact information required by Citizens up to date. Furthermore, the Agency acknowledges and agrees that each Appointed Agent must have an official and unique email address that is specific to the individual Agent for notices under this Agent Appointment Agreement. The Agency's failure to maintain up to date contact information is a violation of this Agreement. Service to the Agency's last known mailing or email address of record in Citizens' Systems constitutes adequate and sufficient notice to the Agency for any required communication to the Agency by Citizens except as otherwise provided for by law.

V. Commissions

- A. **Commission Payment.** Citizens shall pay commissions to the Agency, less any deductions, setoffs, refunds, reimbursements, holdbacks or any amounts owed to 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 of commissions shall be made by the end of each month for commissions based on policies effective or issued, whichever is later, in the prior month. Upon Citizens' payment of commissions to the Agency, the Agency hereby and forever releases Citizens from any claim for payment of such commissions.
- 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, offset, denied or recovered by Citizens).
- D. **Authority to Withhold, Offset, Deny, or Recover.** Citizens reserves the right to withhold, offset, deny, or recover 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, offset, deny, or recover commissions on any policy or coverage that was not submitted in accordance with the Agent Guidelines, or as otherwise permitted by law.

VI. Suspension and Termination

- A. **Investigative Suspension.** If Citizens has received information which establishes a reasonable belief that Agency or any Appointed Agent has violated the terms of this Agreement and there is a consequential danger to the public

or Citizens, Citizens may suspend the Agency and/or any Appointed Agents while an investigation is being conducted. The investigative suspension will remain in effect until Citizens has completed its investigation and effectuated final disciplinary action, if any.

B. Terminations.

1. **Termination without Cause.** Citizens may terminate this Agreement without cause upon providing sixty (60) days advance written notice. The Agency may terminate this Agreement without cause at any time upon providing written notice to Citizens.
2. **Administrative Terminations.** Notwithstanding any other provisions herein, this Agreement will be administratively terminated, by a date certain specified in a written notice, upon the occurrence of any of the following:
 - a. The Agency does not have an Agency Principal;
 - b. The Agency does not have at least one Appointed Agent;
 - c. The Agency has not timely provided documentation that Citizens has determined to be necessary to maintain the appointment;
 - d. The Agency has failed to annually verify its Appointed Agents whose appointments are being renewed or pay renewal fees of those Appointed Agents pursuant to Section I.A. above;
 - e. The Agency has not timely complied with any inquiry, request, investigation, adjustment, review or audit from Citizens;
 - f. The Agency has failed to have sufficient coverage under its Errors and Omissions insurance;
 - g. The Agency has failed to provide proof of compliance with the Errors and Omissions coverage requirement upon request by Citizens; or
 - h. The termination of this Agreement is required by a change in Florida law.
3. **Termination for Cause.** Notwithstanding any other provision of this Agreement:
 - a. This Agreement will terminate 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; or
 - iii. Agency becomes the subject of a bankruptcy action.
 - b. Citizens may terminate this Agreement or refuse to appoint an agent due to any of the following:
 - i. Agency has abandoned its business;
 - ii. Agency or any of its Agency Personnel has breached a fiduciary duty(ies);
 - iii. Agency or any of its Agency Personnel has engaged in any deceptive or dishonest act or misrepresentation in connection with Citizens business;
 - iv. Agency has materially breached this Agreement;
 - v. Agency has failed to timely cure any deficiency identified in any disciplinary action issued by Citizens;
 - vi. Agency lacks the knowledge or technical competence to conduct Citizens business;
 - vii. Agency has failed to timely comply with a request from Citizens pursuant to any inquiry, request, investigation, adjustment, review or audit; or
 - viii. Agency or Agency Personnel has transacted Citizens business on behalf of, for

the benefit of, or under the direction of, an agent or agency or agent/agency personnel whose appointment with Citizens has been suspended or terminated.

- C. Suspension and Termination Notices.** Citizens will provide any notice of suspension or termination by email at the official email address of the Agency, as contained in Citizens Systems. Citizens will also send a courtesy copy of any notice of disciplinary suspension or termination via regular mail to the Agency's mailing address of record, as contained in Citizens Systems. The date upon which any notice of suspension or termination is emailed to the Agency's last known email address reflected in Citizens Systems will be considered the operative date for service. For any notice of suspension or termination for cause, Citizens will state the factual basis of the action taken.
- D. Requests and Investigations.** The Agency must fully cooperate with any request or investigation initiated by Citizens related to Citizens business or the Agency's or Agency Personnel's performance under this Agreement, including providing Citizens with prompt access to, and allow copies of, original records in its native format relating to Citizens business, promptly and completely responding to all inquiries for any information relating to Citizens business or the Agency's or Agency Personnel's performance, and providing a sworn, recorded statement to Citizens upon request.
- E. Disciplinary Suspension.** If Citizens determines that the Agency has violated any of the terms of this Agreement, including 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, offset, deny, or recover any such commissions as provided for in Section V.D. of this Agreement. The suspension will take effect on the date specified in the written notice from Citizens. The disciplinary suspension may also contain terms which must be met by the Agency.
- F. Responsibility for Policyholder Records upon Termination of the Agreement.** Upon termination of this Agreement for any reason, the following shall be the sole and exclusive responsibility of the respective Appointed Agent or the Agency, depending on the contract that exists between the Agent and the Agency: 1) ensuring the security of any and all Customer Records as required under the Florida Information Protection Act, §501.171 ("FIPA") and any other applicable state or federal law; 2) all requirements for notification in the event of a breach of security of such Customer Records; and 3) all costs and fees associated with ensuring the security of such Customer Records and the notification of a breach of security thereof.

However, upon such termination, the following will remain the responsibility of Citizens: 1) ensuring the security of any and all Transmitted Records as required under FIPA and any other state or federal applicable law; 2) all requirements for notification in the event of a breach of security of such Transmitted Records; and 3) all costs and fees associated with ensuring the security of such Transmitted Records and the notification of a breach of security thereof.

- G. Responsibility for Policyholder Records upon Termination of the Policy.** Agency and Citizens agree that upon the expiration, assumption through depopulation, nonrenewal or any other termination of any policy written by Citizens pursuant to this Agreement, the following shall be the sole and exclusive responsibility of the respective Appointed Agent or the Agency, depending on the contract that exists between the Agent and the Agency: 1) ensuring the security of any and all Customer Records relating to such policy as required under FIPA and any other applicable law; 2) all requirements for notification in the event of a breach of security of any Customer Records relating to such policy; and 3) all costs and fees associated with ensuring the security of all Customer Records relating to such policy and notification of any related breach of security.

VII. 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 or any Agency Personnel; 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 or other 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 to the terms of this Agreement. 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 any modifications that are 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. Except for matters subject to the process outlined in Section VII.J. of this Agreement, the parties agree to resolve any dispute based on or related to this Agreement through the use of mandatory binding arbitration under the Revised Florida Arbitration Code before the Division of Administrative Hearings in Leon County, Florida. The Agency agrees that service of process in any such arbitration proceeding may be effectuated by Certified Mail at the address for the Agency on record with Citizens. The parties further acknowledge 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 the right to a jury trial for any claim or cause of action based upon or arising out of or relating to this Agreement. Each party hereby further warrants and represents that such party knowingly and voluntarily waives any 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, members of its Board of Governors, members of its Committees, and Citizens' officers, employees, and designees from any liability, damage, claims or causes of action, in law or in equity, with regard to any and all liability, damage, claims, causes of actions, fees and expenses, including legal fees or other expenses reasonably incurred or paid by Citizens ("Losses") on account of: 1) any act, error or omission of the Agency, its Agents, or Agency Personnel in the rendering of any services, act or duty undertaken pursuant to this Agreement, except to the extent that Citizens is found to have caused such liability or damage, 2) any action brought by an insurance agent or agency or any other third party against Citizens and pertaining to the ownership, custody, or control of any Customer Records or Citizens business produced or serviced by or on behalf of the Agency, except to the extent that Citizens is found to have acted negligently or wrongfully with regard to such matter, and 3) the investigation of any Security Incident and any reasonable efforts to respond to such Security Incident, as set forth in Section III of this Agreement, except to the extent that Citizens is found to have acted negligently or wrongfully with regard to such matter. 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 liability, damage, claims, causes of actions, fees and expenses, in law or in equity, including legal fees or other expenses reasonably incurred or paid by the Agency on account of any negligent or wrongful act found to have been committed by 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. Citizens' Servicing of Policies.** By entering into this Agreement, Agency agrees that if the Agency's or any of its Agent's appointment is terminated, Citizens may transfer any policy to the Citizens Insurance Services ("CIS") for servicing if the policy has not been transferred to a new Citizens' appointed agent within thirty (30) days of the Agency's or Agent's termination. If a policy is transferred to CIS:
1. Citizens is not responsible for paying commissions on any policy;
 2. The policy is deemed surrendered by the Agent and Agency and a new Citizens' appointed agent may be assigned to the policy;
 3. The Agency shall remain liable for, and will hold Citizens harmless from, any errors, omission, or wrongful acts committed by the Agency or any of its Agency Personnel in connection with the policy; and
 4. Citizens is not liable to the Agency under any theory of law or equity for any injury to, or damages sustained by, the Agency or any of its Agency Personnel due to the transfer of a policy to CIS.
- I. Immunity.** Nothing in this Agreement shall operate or be deemed to waive Citizens' statutory or sovereign immunity.

- J. Challenges to Discipline.** Any disciplinary suspension or termination of this Agreement by Citizens may be challenged by the Agency through a proceeding at the Division of Administrative Hearings. All such challenges must follow Citizens' Procedures for Challenging Intended Disciplinary Action. The Agency agrees that these procedures may be amended hereafter by Citizens. These procedures, and any amendments hereafter, are posted on the Agent Discipline and Performance Standards Page. These procedures will provide the Agency with an opportunity to contest the disciplinary action taken. However, administrative terminations, investigative suspensions, terminations without cause, and terminations for cause pursuant to Section VI.B.3.a. of this Agreement cannot be challenged. Furthermore, the termination of an appointment resulting from the failure to renew is not disciplinary in nature and cannot be challenged by the Agent under any circumstance.
- K. 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.
- L. Integration.** As of its effective date, this Agreement supersedes and replaces all previous Agreements, if any, between the Agency and Citizens.
- M. Injunctive Relief.** The Agency acknowledges and agrees that Citizens will suffer irreparable harm if 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.
- N. Survival.** The Agency's confidentiality, indemnification and public records obligations shall survive the termination or expiration of this Agreement.
- O. 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. Notices sent by electronic mail shall be deemed to be effective on the day sent. Notices sent by registered or certified mail shall be deemed effective on the third 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. If a specific means is not provided, notice may be given by electronic mail, addressed as follows:

As to Citizens:

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.

By signing this Agreement, Agency agrees to the terms and obligations outlined above.

Agency Principal FirstName LastName

Executed using Electronic Signature Processing Software

Month Day, Year

Exhibit 1
Agency Agreement

Information Security Requirements for Agencies

As part of the written information security program required by this Agreement, and in accordance with section 501.171, Florida Statutes, section 690-128, Florida Administrative Code and other applicable law, Agency shall utilize security measures covering any of its information technology systems, including any wireless systems, that are used in any way for the purpose of transacting business with Citizens in accordance with this Agreement.

The security measures must be reasonable and must be appropriate to the activities being undertaken by the Agency and any of its Agency Personnel. Consistent with industry best practices and applicable law, the security measures shall, at a minimum, and to the extent technically feasible, have the following elements:

- 1) Secure user authentication protocols including:
 - a. control of user IDs and other identifiers;
 - b. a reasonably secure method of assigning and selecting passwords, or use of unique identifier technologies, such as biometrics or token devices;
 - c. control of data security passwords to ensure that such passwords are kept in a location and/or format that does not compromise the security of the data they protect;
 - d. restricting access to active users and active user accounts only; and
 - e. blocking access to user identification after multiple unsuccessful authentication attempts;
- 2) Secure access control measures that:
 - a. restrict access to records and files containing Confidential Information to those who need such information to perform their job duties; and
 - b. assign unique identifications plus passwords, which are not vendor supplied default passwords, to each person with computer access, that are reasonably designed to maintain the integrity of the security of the access controls;
- 3) Encryption of all transmitted records and files containing Confidential Information that will travel across public networks, and encryption of all data containing Confidential Information to be transmitted wirelessly.
- 4) Reasonable monitoring of systems, for unauthorized use of or access to Confidential Information;
- 5) Encryption of all Confidential Information stored on laptops or other portable devices;
- 6) For files containing Confidential Information on a system that is connected to the Internet, there must be reasonably up-to-date firewall protection and operating system security patches, reasonably designed to maintain the integrity of the Confidential Information.
- 7) Reasonably up-to-date versions of system security agent software which must include malware protection and reasonably up-to-date patches and virus definitions, or a version of such software that can still be supported with up-to-date patches and virus definitions, and is set to receive the most current security updates on a regular basis.