



## Citizens Property Insurance Corporation Agent Appointment Agreement

The purpose of this Agent Appointment Agreement (“Agreement”) is to set forth the terms and obligations of appointment as a Citizens insurance agent 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 agent (“Agent”), and effectuates your appointment as a Citizens insurance agent. By executing this Agreement, the Agent 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 Agreement**” means the contract between Citizens and the Agency through which the Agent conducts the Agent’s insurance business.

“**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**” is the individual insurance agent, as defined in Section 626.015, Florida Statutes, executing this Agreement.

“**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 that are 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 which set forth Citizens’ official policies or requirements.

“**Agent Personnel**” means anyone other than the Agent, including, but not limited to, Customer Representatives, who perform work on behalf of the Agent or the Agency relating to Citizens business.

“**Agent Portal**” means the website accessible to the Agent 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.

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, Agent, and certain Agent Personnel are provided access for purposes of conducting Citizens business in accordance with this Agreement or the corresponding Agency 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 Agent or Agency.

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

"**Notice of Approval**" means the written notice from Citizens to the Agent accepting the Agent's offer to be appointed as a Citizens insurance agent.

"**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 agents or employees.

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

## I. Agreement

- A. Agent Relationship.** By executing this Agreement, the Agent agrees to be bound by its terms and obligations and the Agent Guidelines. Further, Agent understands and recognizes his or her responsibilities to Citizens and agrees to strictly adhere to the terms and obligations set forth in this Agreement, including any items incorporated herein by reference, the Agent Guidelines, and any materials posted on the Agent Portal.
- B. Scope of Appointment.** The Agent's appointment is limited to those lines of insurance shown in the Appointment Authority section of his or her Notice of Approval.
- C. Binding Authority.** The binding authority of the Agent is subject to, and limited by, the authority conferred by and the procedures set forth in the Agent Guidelines. Additionally, the Agent's binding authority is determined by Citizens and Citizens may modify or withdraw such authority at any time within its sole discretion.
- D. Agent Performance.** The Agent acknowledges and agrees that Citizens has established and may modify the discipline and performance standards for agents. The Agent acknowledges and agrees that failure to abide by Citizens' performance standards is a basis for action pursuant to Section VI. of this Agreement.
- E. Effective Date and Term.** This Agreement is effective on the date shown in Citizens' Notice of Approval to the Agent. This Agreement is renewable each year on or before the anniversary of the Agency Agreement. Renewal must be accomplished in a manner set forth by Citizens, with any renewal conditioned upon such requirements as set forth by Citizens, including the payment of annual fees, the completion of any required training, and the Agency's annual verification that the Agent's appointment is being renewed. The Agent understands and acknowledges that the payment of annual fees and the annual verification must be effectuated by the Agency. The Agency's failure to timely renew the Agreement will result in the administrative termination of the Agent's appointment.

## II. General Requirements

- A. Compliance with the Citizens' Policyholder Declaration of Rights.** The Agent hereby agrees to comply with the Policyholder Declaration of Rights contained in Citizens' Plan of Operation, as it may be amended from time to time.

- B. Compliance with Law.** The Agent agrees to follow all applicable laws and regulations. The Agent further agrees to conduct business in strict accordance with the scope of the Agent's licensure and appointment.
- C. Compliance with Citizens' Requirements.** The Agent 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 Agent hereby acknowledges and agrees that the parties continued performance under this Agreement binds the Agent to any subsequent amendment to the Agent Guidelines or the materials posted on the Agent Portal. The Agent 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 Agent does not agree to be bound by any subsequent amendment to the Agent Guidelines or agent discipline and performance standards, the Agent agrees to immediately terminate this Agreement pursuant to Section VI.B.1.
- D. Ethics and Standards of Conduct.** The Agent agrees to conduct business honestly and with integrity towards all customers and Citizens' staff or representatives. The Agent must comply with all applicable ethics requirements for insurance representatives established by the Florida Department of Financial Services or as otherwise required by law or regulation. The Agent also agrees to offer the correct insurance product for the customer's needs, consistent with Citizens' Agent Guidelines, and to promptly handle all customer service requests.
- E. Errors and Omissions Insurance.** At all times during the term of this Agreement, the Agent must be covered under the Agency's Errors and Omissions insurance policy. 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 Agent agrees to provide proof of compliance with this coverage requirement upon request. The Agent agrees to notify Citizens of any changes to the Agency's Errors and Omissions coverage within ten (10) days of any such change to that policy.
- F. Citizens as the Residual Market Insurer.** The Agent 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 Agent's other available markets in accordance with all applicable Agent Guidelines and Florida law.
- G. Disclosure of Potential Surcharge and Assessment Liability.** The Agent acknowledges and agrees, as part of Agent's duties under this Agreement, to disclose to Citizens' applicants the risk of surcharges and assessments to Citizens' policyholders. The disclosure must also include an explanation that voluntary market insurers offer coverage without the substantial Citizens' policyholder surcharge risk.
- H. Advertising and Use of Citizens' Name and Materials.** The Agent shall not, via any medium, advertise or promote the Agent's relationship with Citizens or the Agent's ability to obtain insurance for customers through Citizens. The Agent shall not use the logos, trademarks or trade name of Citizens in any advertisement, marketing, or promotional materials. This provision does not prohibit the Agent from using Citizens' name or logo in order to assist customers with claims services.
- I. Professional Reputation of Citizens.** The Agent agrees not to dishonor, discredit or injure the reputation of Citizens.
- J. License and Competency.** The Agent must possess and maintain an active 0220 or 2044 Florida Resident Agent's License or an active 0920 or 9044 Non-Resident Agent's License, and must possess the requisite knowledge, ability, and skills to sell and service those lines of Citizens business for which appointment or renewal is requested. Failure of the Agent to maintain the appropriate licensure in good standing will result in the immediate termination of the Agent's appointment.
- K. Other Appointments.** The Agent must maintain at least the minimum required qualifying appointments with other carriers, as required by Florida law. This provision does not prevent Citizens from imposing more stringent requirements for the Agent's appointment or from restricting the Agent's appointment to select lines of business.
- L. Certification and Training.** The Agent must successfully complete Citizens' initial training requirements and must

complete such other training and certification requirements during the term of this Agreement as Citizens may require from time to time. Failure of the Agent to meet the mandatory training requirements will result in the termination of the Agent's appointment.

**M. Power of Attorney for Countersignature.** The Agent grants to Citizens a special power of attorney to countersign all Citizens' policies, endorsements and renewals on behalf of the Agent.

**N. Affiliation with Agency.** The Agent agrees:

1. Agent must conduct Citizens business through the Agency, which must have an active Agency Agreement with Citizens. For purposes of conducting Citizens business, the Agent may only be affiliated with one insurance Agency at any given time;
2. In the event of Agent's departure from the Agency, the Agent will provide written notice to Citizens within 48 hours of such departure.
3. If the Agent 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 Agent agrees to act in good faith to assist Citizens and the former agency in effectuating a smooth transition of the book of business to ensure there is no delay in transition and no harm to any policyholder.
4. 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.

**O. Supervisory Responsibilities.** Agent accepts primary responsibility for and the duty to ensure the accuracy and compliance of all actions relating to Citizens business undertaken pursuant to this Agreement. This includes a duty to actively supervise the work performed by Agent Personnel on the Agent's Citizens business to ensure that all such actions comply with the terms of this Agreement. All of the obligations imposed upon the Agent by this Agreement apply equally to Agent Personnel undertaking actions relevant to such obligations of the Agent, and if Agent Personnel violate any of the terms of this Agreement, such violation will be deemed to have been committed by the Agent.

**P. Relation to Agency Agreement.** The Agent represents that the Agent has read and understands the Agency Agreement and understands the Agency's obligations to Citizens in addition to his or her own obligations to Citizens.

**Q. Right to Review and Audit.** The Agent acknowledges and agrees that Citizens has the right to review and audit any Customer Records, including any such records that Agent is required by law to maintain. By entering into this Agreement, the Agent agrees to promptly provide Citizens access to all Customer Records for purposes of review and audit. The Agent 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 as basis for action for action pursuant to Section VI. of this Agreement.

**R. Ownership of Customer Records.** Agent 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 Agent and the Agency. To the extent such Customer Records are owned by Agent, Agent 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.

**S. Public Records Obligations.** As a State of Florida governmental entity, Citizens is subject to Chapter 119, Florida

Statutes. Agent acknowledges and understands that records regarding business between Citizens and Agent may be considered public records under Chapter 119, Florida Statutes (although exemptions to public inspection requirements may apply). If the Agent or any Agent Personnel receives a Public Records Request that appears to be in any way directed to or involve Citizens, the Agent must immediately inform his or her Agency Principal and ensure that a copy of such notice is immediately provided to Citizens' Records Custodian by way of email to: [recordsrequest@citizensfla.com](mailto:recordsrequest@citizensfla.com).

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

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

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

- T. Subpoena Responses.** If the Agent or any Agent Personnel receives a subpoena for Customer Records or records relating to Citizens' insurance transactions, the Agent must immediately inform his or her Agency Principal and ensure that a copy of such subpoena is immediately provided to Citizens' Record Custodian at: [recordsrequest@citizensfla.com](mailto:recordsrequest@citizensfla.com).

### **III. Technology and Data Security Requirements**

- A. Technology Requirements.** The Agent agrees that Citizens requires the utilization of technology, software, hardware, and equipment in conformity with the requirements established pursuant to the Agency Agreement. The Agent agrees to comply with all such reasonable technology, software, hardware, and equipment requirements. Citizens is not responsible for any costs associated with the implementation and utilization of any technology, hardware, software and equipment requirements. The Agent further 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.
- B. Access to Citizens Systems.** The Agent agrees that Citizens may limit or deny the Agent'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 any Confidential Information. The Agent is prohibited from sharing his or her credentials with anyone, including any other Agent Personnel. Any Agent Personnel who support Agent'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 Agent 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 Agent 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.** Agent 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.**
1. In the event Agent or any Agent Personnel becomes aware of circumstances that may constitute a Security Incident, Agent must immediately inform his or her Agency Principal, or such other person as designated by the Agency to receive such notice, of the possibility that a Security Incident exists. Agent must ensure that Agent Personnel under his or her supervision are aware of the requirements of this section and can appropriately identify circumstances that may constitute a Security Incident. Agent must ensure that if Agent Personnel under his or her supervision become aware of circumstances that may constitute a Security Incident, they immediately notify Agent, the Agency Principal, or such other person as designated by the Agency to receive such notice.
  2. Agent must assist the Agency and Citizens in investigating and responding to any Security Incidents. Agent must also cooperate with the Agency and Citizens in any such investigation or response.
- F. Use and Retention of Confidential Information.** Agent 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 Agent, or any of the Agent Personnel, receives Confidential Information that Agent is not authorized to access, Agent must securely destroy such information and assist Citizens in ensuring that no further unauthorized use of such information is made.
- G. Disclosure to Agent Personnel and Third Parties.** Agent may only disclose Confidential Information to Agent Personnel or any third party as expressly allowed by applicable federal or state laws and pursuant to a written, valid, and enforceable agreement between such Agent Personnel or third party and either the Agent or the Agency. Any such agreement must include terms that are substantially the same as the terms applicable to the disclosure and protection of Confidential Information contained in this Agreement. The Agent is responsible for reviewing and understanding the terms of any such agreement and ensuring that it meets these requirements prior to disclosing any Confidential Information to Agent Personnel or any third party.
- H. Written Information Security Program.** The Agent acknowledges and agrees that the Agency has adopted a Written Information Security Program ("WISP") and agrees to comply with the terms of the WISP.
- I. Security Requirements.** Agent and Agent Personnel 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 Agent's custody or control or in the custody or control of Agent Personnel. Additionally, Agent and Agent Personnel shall comply with Citizens' Information Security Requirements attached hereto as Exhibit 1.
- J. Security Self-Assessment.** Agent acknowledges and agrees that Citizens may, not more than once per year, require a Security self-assessment of the Agency. Such self-assessment may require the participation and input of the Agent. The Agent agrees to cooperate with the Agency and with Citizens in responding to any self-assessment questionnaire. In addition, the Agent agrees that Citizens may, not more than once per year, require a self-assessment of the privacy and security safeguards and practices of the Agent to ensure compliance with the terms and conditions of this Section and the Information Security Requirements set forth in Exhibit 1. The Agent must 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 Agent, Citizens is authorized to conduct a security assessment, network scan, forensic investigation and/or audit of any

computer or network utilized by the Agent or Agent Personnel in conducting Citizens business or accessing Citizens Systems if: 1) there has been or there is an elevated risk of a Security Incident involving the Agent or Agency; 2) Citizens has discovered or reasonably believes that Agent or Agency is 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 security assessment, network scan, forensic investigation, and/or audit undertaken pursuant to this provision will be tailored to address the technology and data security safeguards relating to Confidential Information. Agent further acknowledges and agrees that Citizens may perform a security assessment, network scan, forensic investigation, and/or audit of any computer or network utilized by the Agency under certain conditions as set forth in the Agency Agreement. Failure to cooperate with Citizens during the course of any such assessment, network scan, forensic investigation, or audit of either the Agent or the Agency is a basis for action pursuant to Section VI. of this Agreement.

**L. Electronic Signature.** Agent and Agent 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 eSignature systems utilized by the Agent or Agent Personnel 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 Agent understands and agrees that full compliance with underwriting submission requirements is critical to meeting his or her responsibilities to Citizens and that such requirements will be strictly enforced. Agent agrees, therefore, to submit all risks to the Citizens' Clearinghouse, where applicable; and to ensure that all applications and other underwriting submissions are complete, accurate and submitted in accordance with applicable Agent Guidelines. The Agent understands and agrees that the requirement for the submission of complete and accurate applications is a condition of binding authority. The Agent 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 Agent acknowledges that Citizens may require, as part of the underwriting submission process, certain documents in addition to the application, which require both the signature of the applicant and an attestation by the Agent.

**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 any deduction for commission or other charges.
2. **Trust Account and Submission.** The Agent 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.** The Agent 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 associated with the payment of premium. Moreover, this provision does not prevent the Agent 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 expressly authorized 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 Agent, the Agent 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 Agent shall instruct the claimant to file the claim directly with Citizens by calling 866.411. 2742; and the Agent further agrees to report the claim to Citizens as soon as possible. The Agent agrees to cooperate fully with Citizens in the investigation and adjustment of any claim. Failure to cooperate with Citizens during 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.** When the Agent has assisted or arranged for financed premiums through a premium finance company (PFC), the 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 Agent acknowledges that the Agency will be required 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 the Agency Agreement as well as this Agreement.
- E. Agent Information.** The Agent agrees that he or she is solely responsible for keeping all contact information required by Citizens up to date, including an official and unique email address that is specific to the individual Agent for any notices under this Agreement. The Agent's failure to maintain up to date contact information is a violation of this Agreement. Service to an Agent's last known mailing or email address of record in Citizens' Systems constitutes adequate and sufficient notice to the Agent for any required communication to the Agent by Citizens, except as otherwise provided for by law.

## V. Commissions

- A. Commission Assignment.** The Agent hereby assigns and transfers to the Agency all commissions due or that may be generated by the Agent as a result of writing Citizens business. Further, upon Citizens' payment of commissions to the Agency, the Agent hereby and forever releases Citizens from any claim for payment of such commissions.
- B. 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. 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.
- C. Performance Management.** Agent understands that Citizens may implement and, from time to time, modify commission structures to reflect compliance with agent performance standards.
- D. Authority to Withhold, Offset, Deny, or Recover.** Citizens reserves the right to withhold, offset, deny, or recover payment of commissions should the Agent's authority to conduct Citizens business be suspended or terminated or



should the Agent 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 Agent has violated the terms of this Agreement and there is a consequential danger to the public or Citizens, Citizens may suspend the Agent 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 Agent 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. Any circumstance, including but not limited to the Agent's departure from the Agency or the termination of the Agency Agreement with Citizens, that results in the Agent no longer being affiliated with or otherwise conducting his or her business through an insurance agency that has an active Agency Agreement with Citizens;
  - b. The termination of the Agent's appointment by the Department of Financial Services ("DFS") (unless such termination of the Agent's appointment coincides with the suspension, revocation, expiration, termination or surrender of the Agent's Florida general lines agent's license as addressed below), provided that the appointment is not reinstated by DFS on or before the termination date set forth in the notice;
  - c. The Agent has not maintained the minimum qualifying appointments with other carriers;
  - d. The Agent or the Agency has not timely provided documentation that Citizens has determined to be necessary to maintain the appointment;
  - e. The Agent has not timely completed his or her mandatory training as required by Citizens;
  - f. The Agent has not timely complied with any inquiry, request, investigation, adjustment, review or audit from Citizens;
  - g. The Agent has failed to have sufficient coverage under the Agency's Errors and Omissions insurance;
  - h. The Agent has failed to provide proof of compliance with the Errors and Omissions coverage requirement upon request by Citizens;
  - i. The termination of this Agreement is required by a change in Florida law; or
  - j. The Agency has failed to renew the Agent's Agreement pursuant to Section I.E. above.
3. **Termination for Cause.** Notwithstanding any other provisions 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 Agent's Florida general lines agent's license.
- b. Citizens may terminate this Agreement or refuse to appoint an agent due to any of the following:
- i. Agent has abandoned Agent's or Agency's business;
  - ii. Agent or Agent Personnel has breached his or her fiduciary duty(ies)
  - iii. Agent or Agent Personnel has engaged in any deceptive or dishonest act or misrepresentation in connection with Citizens business;
  - iv. Agent has materially breached this Agreement;
  - v. Agent has failed to timely cure any deficiency identified in any disciplinary action issued by Citizens;
  - vi. Agent has failed to comply with any condition of continued appointment as a Citizens' agent;
  - vii. Agent lacks the knowledge or technical competence to conduct Citizens business;
  - viii. Agent has failed to timely comply with a request from Citizens pursuant to any inquiry, request, investigation, adjustment, review or audit;
  - ix. Agent 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 Agent, 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 Agent's mailing address of record, as contained in Citizens' Systems. The date upon which any notice of suspension or termination is emailed to the Agent'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 Agent must fully cooperate with any request or investigation initiated by Citizens related to Citizens business or the Agent'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 Agent's performance, and providing a sworn, recorded statement to Citizens upon request.

**E. Disciplinary Suspension.** If Citizens determines that the Agent 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 Agent's 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 Agent 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 Agent.

**F. Cessation of Binding Authority.** The Agent's binding authority will immediately cease upon the suspension or termination of the Agent's appointment.

**G. 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 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 Florida Information Protection Act, §501.171 (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.

- H. Responsibility for Policyholder Records upon Termination of the Policy.** Agent 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 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 Agent; rather the Agent is an independent contractor for all purposes.
- B. Non-Waiver of Rights.** A waiver by Citizens of any breach or default by the Agent 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 Agent 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 Agent 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 Agent agrees that service of process in any such arbitration proceeding may be effectuated by Certified Mail at the address for the Agent 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 Agent.
- E. Waiver of Jury Trial.** The Agent 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 related to this Agreement. Each party hereby further warrants and represents that such party knowingly and voluntarily waives any jury trial rights following consultation with legal counsel.
- F. Assignment or Transfer.** This Agreement may not be assigned or otherwise transferred, in whole or in part, by the Agent, by operation of law or otherwise.
- G. Indemnification.** The Agent 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 action, 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 Agent 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 pertaining to the ownership, custody, or control of any Customer Records or Citizens business produced or serviced by the Agent, 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 Agent 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 Agent 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 Agent caused such liability or damage.

- H. Citizens' Servicing of Policies.** By entering into this Agreement, Agent agrees that if the 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 Agent's termination. If a policy is transferred to CIS:
1. Citizens is not responsible for paying commissions on any such policy;
  2. The policy is deemed surrendered by the Agent and a new Citizens' appointed agent may be assigned to the policy;
  3. The Agent shall remain liable for, and will hold Citizens harmless from, any errors, omission, or wrongful acts committed by the Agent in connection with the policy; and
  4. Citizens is not liable to the Agent under any theory of law or equity for any injury to, or damages sustained by, the Agent 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 Agent through a proceeding at the Division of Administrative Hearings. All such challenges must follow Citizens' Procedures for Challenging Intended Disciplinary Action. The Agent 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 Agent 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 circumstances.
- 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 Agent and Citizens.
- M. Injunctive Relief.** The Agent acknowledges and agrees that Citizens will suffer irreparable harm if the Agent fails to comply with the terms of this Agreement. The Agent 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 Agent'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](mailto:Agents@citizensfla.com)

**As to the Agent:**

To the attention of the Agent at the Agent's email address as contained in Citizens' Systems.

**By signing this Agreement, Agent hereby agrees to the terms and obligations outlined above.**

\_\_\_\_\_  
Agent FirstName LastName

Executed using Electronic Signature Processing Software

Month Day, Year

**Exhibit 1**  
**Agent Appointment Agreement**

**Information Security Requirements for Agencies**

As part of the written information security program required by the Agency Agreement, and in accordance with section 501.171, Florida Statutes, section 69O-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 the Agency 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.