

Executive Summary

Consumer Services Meeting, June 1, 2020

Board of Governors Meeting, June 24, 2020

2020 Catastrophe Preparation: COVID-19

With the COVID-19 protocols in place and the potential for a response to a hurricane becoming more of a reality with the Atlantic Hurricane Season starting on June 1, several actions have taken place to ensure we are prepared and ready to respond. Overall analysis of dependencies on resources, physical office space at the TIAA bank building in Jacksonville, and technology associated with effectively executing our Catastrophe Response Plan has been conducted. We have different layers of the response that include vendor hosted sites for Fast Track, Field Inspection Services, Task Adjusters and Commercial and Large Loss Desk and Field Adjusters.

The Jacksonville Office serves two main functions in the Catastrophe Response: Desk Adjuster orientation and onboarding, and the Resolution Unit. Our plan is heavily focused on customer communication through the Resolution Unit that is housed on the fifth floor at the Jacksonville Office. This unit receives phone calls for customer inquiries through the Call Center to answer basic claims questions, resolve settlement issues and escalates more complex issues to the appropriate Citizens oversight for proper routing and handling.

With the current restrictions and potential impacts of the COVID-19 safety protocols, we would only be able to leverage enough resources on the fifth floor to respond to a 35,000 claims event. Any event that would exceed 35,000 claims would require leveraging an additional workflow with virtual adjusters off site. Managing two distinctly different workflows is not preferred. Based on our claims volume analysis, and wanting to maintain a single workflow, solutions are being investigated for having a single workflow of virtual adjusters offsite with an emphasis on the phone system and virtual onboarding of Adjusters.

Our vendor firm partners, and their respective Independent Adjusters have been requesting to move to a remote environment for some time. The Independent Adjuster firms believe that they can provide better resources to respond to a catastrophe event in a remote environment as many of the Independent Adjusters do not want to temporarily relocate to the catastrophe location and incur additional expenses. By allowing them to work remotely, we will have additional options for resources that we have not had in the past and we believe they will be more engaged and willing to provide support for a longer term, thus reducing turnover we typically experience. This solution also provides a benefit of not having to wait until the event has exited Florida to start the deployment of the resources and will improve the time to start handling claims.

We have the reporting in place to monitor and measure the effectiveness of virtual adjusters and can leverage new technology through our Power BI platform to more effectively manage resources in a remote environment. Citizens phone system reporting is robust and is already in place to manage phone call times and associated metrics around compliance to preset standards for the Resolution Unit.

The only significant issue that has prevented us from moving to a remote, virtual environment is the phone system for the Resolution Unit. Our Information Technology partners are working on a solution that involves a "soft phone" or computer-based phone system that will allow the calls to the Resolution Unit to be routed to Independent Adjusters while they are offsite. Testing is currently being conducted with two groups of employees to ensure that phone routing will be configurable to our needs and be able to handle the incoming volume. Analysis will be completed, and a recommendation will be sent to the Claims and Executive Leadership Team mid-June.

If this solution is not viable, we have alternate plans in place with our Call Center Vendors. This alternate plan will create a Tier 2 escalation approach that involves the Call Center taking the call from the insured and advising them that a Claims Adjuster will call them back. The Call Center will create messaging

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through ClaimCenter® which will automate the message and a callback to the policy holder by the Resolution Unit. Although the alternative workflow is not as efficient as the soft phone solution, we feel confident that we will provide the same level of customer service to our policy holders.

Traditionally, Citizens has required the Independent Adjuster resources to complete their check-in and orientation in Jacksonville at the TIAA location. We have revised our processes and have communications ready for our Independent Adjuster resources for a virtual orientation and check-in online instead of in person. This new process will not impact our goals for onboarding the number of resources needed and may improve efficiencies with eliminating the potential issue for waiting to open the Jacksonville office. This is where we feel that we will improve the timeframe that the remote resources can start handling claims and assisting our customers.

At the Direction of Chief Claims Officer Jay Adams, a small tactical group of CAT Ops members, Claims Vendor Systems, and Information Technology personnel were convened to assess some of the technical changes that need to occur to support a virtual workflow. This group meets weekly and will engage other key members at Citizens to provide information for strategic analysis on the risks associated with changes and to ensure that Citizens is prepared to respond to a catastrophic event while under the COVID-19 restrictions.

Another cross functional workgroup, including Enterprise Risk Management, is focused on assessing and mitigating risks of the joint scenario of COVID-19 and Tropical Cyclone(s) occurring concurrently. Focus has been on Claims Adjusting, resourcing and Catastrophe Response Center (CRC) and First Notice of Loss (FNOL) Deployment.

One of the critical pieces to Citizens Catastrophe Plan is the deployment of the CRC by Jeremy Pope's team. In order to remain compliant to the COVID-19 restrictions, modifications have been made to our deployment plans. These plans include a Modified Footprint which supports social distancing guidelines and to reduce physical contact where possible. If the COVID-19 restrictions do not allow for the Modified Footprint, Citizens will deploy Drive-Up Servicing where the insured will be serviced from their vehicle. If neither of these options are available, Citizens will implement a Virtual CRC with no physical deployment and will leverage outbound calling campaigns for insured's that have previously filed a claim and offer additional living expense disbursements if eligible and will proactively reach out to insured's that have not filed a claim within designated impact areas to help them file their claim.

Citizens continues to look for ways to make the catastrophe response more consumer centric each year. For 2020, Chief Financial Officer, Jennifer Montero's team was able to implement an Electronic Funds Transfer (EFT) program that will be leveraged at the Catastrophe Response Centers. The EFT process will allow Citizens to make direct deposits into our customer's accounts for additional living expenses when they visit the Catastrophe Response Centers. This will provide immediate access of these funds for our customers instead of the old process where they were issued a paper check that would have to be deposited or cashed prior to being used.

In order to make this process seamless, Chief Operating Officer Kelly Booten's team will be providing kiosks to the Catastrophe Response Centers in the form of iPads or laptops that will allow our customers to sign up for this program on site. As a reminder, our Catastrophe Response Centers are self-sufficient as such that they have generators for power and satellites for cell phone and internet connectivity. This process will ensure that the customer receives their Additional Living Expenses timely.

As we continue to report every year, Citizens Catastrophe Plan is an enterprise wide plan where all divisions engage in the catastrophe preparation. That is no difference this year with the only change being that all divisions are currently evaluating any changes that they may need to make in order to be

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compliant with COVID-19 restrictions. The Executive Leadership Team (ELT) continues to place a great emphasis on catastrophe planning and readiness across the enterprise

Every catastrophe response brings its own challenges and Citizens is prepared to respond and adapt to those challenges as they may occur. The Catastrophe Plan has been designed to be flexible and adaptable in order to allow the Enterprise to respond as a comprehensive team to any challenges faced by engaging the ELT as well as the respective divisions to come together quickly to resolve emerging issues. Our focus is always to be responsive to our customers in their greatest time of need and the Catastrophe Plan will continue to evolve until we have reached that goal.