



**Legal Services Department**  
 2101 Maryland Circle  
 Tallahassee, FL 32303

**AGREEMENT # 21-21-0012-63 FOR**  
**CLAIMS LEGAL SERVICES**

This Agreement establishes the terms and conditions for the provision of Claims Legal Services between Citizens Property Insurance Corporation (“**Citizens**”) and the following law firm (“**Firm**”): Peterson & Martin, P.A. d/b/a Peterson Bernard.

- 1. Scope of Engagement:** The scope of Firm’s engagement is to provide legal services related to the Service Area(s) identified below, as set forth in this Agreement and any other written communication by Citizens authorizing Firm to perform hereunder. Citizens will not guarantee how many assignments, if any, will be made to the Firm under this Agreement.

**Service Area(s) for which Firm is authorized to provide Claims Legal Services on behalf of Citizens:**

<b>First Party Property (including EUO)</b>	<b>Yes</b>
<b>Third Party Liability (including EUO)</b>	<b>Yes</b>
<b>Subrogation</b>	<b>No</b>
<b>Appellate</b>	<b>No</b>

- 2. Term:** The initial term of this Agreement commences on February 3, 2022 (the “Effective Date”) and expires at 11:59 pm February 2, 2027. This Agreement may be renewed upon mutual agreement for two (2) additional renewal periods of one (1) year each.

**With the exception of fees, as further described in Section 3.a., if the Firm was representing Citizens on Claims Legal Services matters prior to the Effective Date of this Agreement (“Prior Matters”), the services performed on such prior matters following the Effective Date will be governed by the terms of this Agreement.**

- 3. Fees and Expenses:**

- a. Rates for Service.** Citizens hereby approves the following billing rates for Claims Legal Services. Any changes must be pre-approved by Citizens in writing; unilateral rate increases will not be honored. **Citizens reserves the right, as a cost containment measure, to negotiate a fixed fee or reduced rates for any particular assignment.**

**The fees in this Agreement will apply to all Claims Legal Services matters assigned on or after the Effective Date and do not apply to Claims Legal Services matters assigned to the Firm prior to the Effective Date.**

“Complex Matters” include matters that are complex in nature or involve Firm’s unique skills/resources. Firm must obtain Citizens’ written consent in advance of

charging the “Complex Matters” hourly rates. **Citizens, at its sole discretion, will determine whether a matter qualifies for “Complex Matter” rates at the time of assignment.**

Citizens allows for two designations for billing attorney time, Partner and Associate. The Partner rate shall only be applied to those individuals who possess the experience and qualifications to handle matters at a level traditionally associated with an attorney holding a Partner designation. The attributes that contribute to an attorney possessing the experience and qualification to bill for services at a Partner rate include the following: (1) the ability to handle matters with minimal to no oversight from another attorney within the firm and the ability to exercise independent judgment without the need for extensive consultation with other attorneys within the firm, (2) considerable experience handling all facets of litigation in the practice area for which they are providing services, and (3) responsibility for supervising other attorneys within the firm. **In no event will Citizens allow/consider an attorney to bill at a Partner rate if that attorney has been admitted to the practice of law for less than five (5) years and does not hold the designation of “Partner” within the firm.**

**First Party Property General Matters (Hourly Rate):**

	<b>Partner</b>	<b>Associate</b>	<b>Paralegal</b>
<b>February 3, 2022 – February 2, 2025</b>	<b>\$200</b>	<b>\$165</b>	<b>\$95</b>
<b>February 3, 2025 – February 2, 2027</b>	<b>\$208</b>	<b>\$172</b>	<b>\$99</b>
<b>February 3, 2027 – February 2, 2028</b>	<b>\$208</b>	<b>\$172</b>	<b>\$99</b>
<b>February 3, 2028 – February 2, 2029</b>	<b>\$216</b>	<b>\$178</b>	<b>\$103</b>

**First Party Property Complex Matters (Hourly Rate):**

	<b>Partner</b>	<b>Associate</b>	<b>Paralegal</b>
<b>February 3, 2022 – February 2, 2025</b>	<b>\$280</b>	<b>\$185</b>	<b>\$95</b>
<b>February 3, 2025 – February 2, 2027</b>	<b>\$291</b>	<b>\$192</b>	<b>\$99</b>
<b>February 3, 2027 – February 2, 2028</b>	<b>\$291</b>	<b>\$192</b>	<b>\$99</b>
<b>February 3, 2028 – February 2, 2029</b>	<b>\$303</b>	<b>\$200</b>	<b>\$103</b>

**Third Party Liability General Matters (Hourly Rate):**

	<b>Partner</b>	<b>Associate</b>	<b>Paralegal</b>
<b>February 3, 2022 – February 2, 2025</b>	<b>\$200</b>	<b>\$165</b>	<b>\$95</b>

<b>February 3, 2025 – February 2, 2027</b>	<b>\$208</b>	<b>\$172</b>	<b>\$99</b>
<b>February 3, 2027 – February 2, 2028</b>	<b>\$208</b>	<b>\$172</b>	<b>\$99</b>
<b>February 3, 2028 – February 2, 2029</b>	<b>\$216</b>	<b>\$178</b>	<b>\$103</b>

**Third Party Liability Complex Matters (Hourly Rate):**

	<b>Partner</b>	<b>Associate</b>	<b>Paralegal</b>
<b>February 3, 2022 – February 2, 2025</b>	<b>\$280</b>	<b>\$185</b>	<b>\$95</b>
<b>February 3, 2025 – February 2, 2027</b>	<b>\$291</b>	<b>\$192</b>	<b>\$99</b>
<b>February 3, 2027 – February 2, 2028</b>	<b>\$291</b>	<b>\$192</b>	<b>\$99</b>
<b>February 3, 2028 – February 2, 2029</b>	<b>\$303</b>	<b>\$200</b>	<b>\$103</b>

**EUO Assignments (Flat Fee):\***

<b>Examination of one (1) person</b>	<b>\$1,750</b>
<b>Examination of additional persons</b>	<b>\$625 each additional person</b>

\*Flat fee EUOs include all EUOs arising out of all residential policies issued by Citizens. At Citizens' discretion, EUOs arising out of residential matters deemed complex by Citizens' will be compensated at the General or Complex hourly rate, as described above. EUOs arising out of commercial and commercial-residential policies are not included in the EUO Flat Fee agreement. Citizens will compensate EUO services arising out of commercial and commercial-residential policies, including EUOs arising out of claims made by insured condominium associations, at the General or Complex hourly rate, as described above. In the event EUO representation concludes prior to the completion of the scheduled EUO, such as a decision by Citizens not to pursue the EUO or the insured(s) fails to attend/participate, then Citizens will compensate the Firm for EUO representation in accordance with the First Party Property General Matter hourly rates, not to exceed \$1,750 in total compensation for the EUO representation. The hourly rate applied in these circumstances, not to exceed \$1,750 in total compensation, is inclusive of all witnesses involved in the assignment.

**Subrogation (Maximum Contingency Fee):\*\***

<b>Claim Amount</b>	<b>Pre-Suit Collection</b>	<b>Litigation</b>	<b>Litigation with Appeal</b>
<b>Less than \$15,000</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>\$15,001 - \$100,000</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>\$100,001 +</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

\*\*Contingency fees shall be based on the amount of the initial claim and the stage through which the Firm has provided services to recover on the claim. Fee percentages will be negotiated at the outset of the assignment. Payment will be made based on the gross amount of funds actually collected by Citizens for assigned claim. *In addition to the contingency fees, Citizens will pay Firm's litigation expenses as those expenses are incurred and invoiced to Citizens, to the extent allowed in Exhibit A, Citizens' Guidelines for Claims & Litigation Legal Services.*

**Appellate Services (Hourly Rate):**

	<b>Partner</b>	<b>Associate</b>	<b>Paralegal</b>
<b>February 3, 2022 – February 2, 2025</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

<b>February 3, 2025 – February 2, 2027</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>February 3, 2027 – February 2, 2028</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>February 3, 2028 – February 2, 2029</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

- b. Collections Matters.** Upon mutual agreement, Firm may be engaged to pursue collection of a judgment or claim against a third party. Citizens is not obligated to hire Firm to pursue collections, nor is Firm is not obligated to accept a request to pursue collections. Fees may be based on the hourly rates set forth above, or on a contingency fee arrangement established at the time of assignment in accordance with applicable Florida Bar regulations.
- c. Reimbursement of Travel Expenses.** To the extent Citizens agrees to reimburse Firm’s pre-approved expenses for travel, Firm agrees to comply with the travel reimbursement provisions set forth in **Exhibit A, Citizens’ Guidelines for Claims & Litigation Legal Services**. Firm shall be solely responsible for reimbursing all attorneys or paralegals performing services under this Agreement for their travel expenses. Except as otherwise directed by Citizens, the Firm will submit travel expenses for reimbursement through the use of the online billing services employed by Citizens.
- 4. State Government Entity:** Firm acknowledges that Citizens is established pursuant to its enabling statute, F.S. 627.351(6), and is subject to certain, but not all, laws applicable to state government entities.
- a. Citizens’ Code of Ethics:** Firm acknowledges and agrees to the following ethical restrictions:
- i. Firm will not give a gift to a Citizens employee or member of Citizens’ Board of Governors;
  - ii. Firm will not accept a gift from a Citizens policyholder that is, or could be interpreted to be intended to influence Firm’s handling of their claim or could be interpreted as an expression of gratitude for such an act;
  - iii. Firm will not have a relationship with a Citizens employee or Board member that qualifies as a conflict of interest unless an exception is granted; and,
  - iv. Firm will promptly contact Citizens’ Legal Department if an exception or interpretation is needed. An exception granted by Citizens must be confirmed in writing.

- b. Public Records:** Firm acknowledges and agrees that Citizens is subject to Chapter 119, Florida Statutes, regarding public record requests (“PRRs”); therefore, any information provided to Citizens may fall within the disclosure requirements of Chapter 119, Florida Statutes. Firm must clearly label and mark each page or section of information provided to Citizens that contains Firm’s trade secrets or which Firm otherwise believes is confidential or exempt from Chapter 119, and s. 24(a), Art. I., State Const. (“Firm’s Confidential Information”).

If Citizens receives a PRR or request from any regulatory or legislative entity regarding Firm’s Confidential Information it shall promptly notify Firm in writing, or electronically. The parties agree (to the extent permitted by law) that Citizens shall not produce Firm’s Confidential Information unless authorized by Firm, or by order of a Court of competent jurisdiction. In the event a legal proceeding is brought to compel the production of Firm’s Confidential Information, the parties agree that Citizens is authorized to deliver Firm’s Confidential Information to the Court or other legal tribunal for disposition. If Firm continues to assert in good faith that Firm’s Confidential Information is confidential or exempt from disclosure or production pursuant to Chapter 119, Florida Statutes, then Firm shall be solely responsible for defending its position, or seeking a judicial declaration. Nothing in this Agreement shall create an obligation or duty for Citizens to defend or justify Firm’s position. Firm also agrees to indemnify and hold harmless Citizens for any award, damages, fines, fees, penalties or impositions of whatsoever nature or kind and all costs and fees, including attorney’s fees, incurred by Citizens in connection with this section.

If Firm receives a PRR that is in any way related to this Agreement, Firm agrees to immediately notify Citizens’ Record Custodian and forward the PRR to Citizens’ Record Custodian for logging and processing. Citizens’ Records Custodian’s email address is: [Recordsrequest@citizensfla.com](mailto:Recordsrequest@citizensfla.com). Citizens shall be the party responsible for coordinating the response and production to the PRR. Firm shall communicate with Citizens to determine whether requested information is confidential and/or exempt from public records disclosure requirements.

As described in **Exhibit A, Citizens’ Guidelines for Claims & Litigation Legal Services**, various exemptions to the Public Records Laws may apply for legal files. Firm therefore agrees to assist Citizens in responding to any PRR in a prompt and timely manner as required by Chapter 119, Florida Statutes.

- c. Right to Review Firm’s Records:** Citizens, and other government entities and individuals authorized by law such as the State of Florida Auditor General, shall have the right to review and audit any of Firm’s business books, works or documents specifically related to work performed under this Agreement (“**Firm’s Records**”), upon reasonable written notice of at least three (3) business days. Firm shall not unreasonably delay or inhibit Citizens’ right to review and audit as set forth in this section. Firm agrees to reimburse Citizens for the reasonable costs of investigation incurred by Citizens for investigations of Firm’s compliance with this

Agreement which results in termination for cause or in regulatory or criminal penalties in connection with performance of the Agreement. Such costs shall include, but shall not be limited to: salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. Firm shall not be responsible for any costs of investigations that do not result in termination for cause or in regulatory or criminal penalties in connection with performance of the Agreement.

- d. Immunity:** Except for breach of contract claims under this Agreement, nothing in this Agreement shall be deemed to waive the Citizens' immunity as set forth in its enabling statute and as otherwise provided by law.
- 5. Exhibit A, Citizens' Guidelines for Claims & Litigation Legal Services:** Firm agrees to and shall be subject to the terms set forth in **Exhibit A, Citizens' Guidelines for Claims & Litigation Legal Services**, and all subsequent amendments thereto received by Firm. Citizens, at its sole discretion, reserves the right to amend these guidelines at any time during the term of the Agreement. Such amendments to the guidelines do not require a formal amendment to this Agreement. If Firm does not agree with such amendments, it must promptly notify Citizens and exercise its right to terminate this Agreement as provided herein.

Failure to adhere to the terms of this Agreement, including the terms set forth in Exhibit A (as amended from time to time), may result in the withholding of payments due to Firm under this Agreement, to the extent necessary to cover any potential damages or costs to Citizens.

- 6. Assignment / Subcontracting:** Firm may not assign or subcontract its rights or obligations without first obtaining the written permission of Citizens.
- 7. Retention of Firm's Records:** Firm shall retain Firm's Records for the longer of: (a) three (3) years after the expiration of the Agreement; (b) the period required by the General Records Schedules adopted in Citizens' Records Management Policy; or (c) the period required by the Florida Bar Rules, General Accounting Principles, or any other relevant provisions of law. Citizens' Records Management Policy can be found at <https://www.citizensfla.com/vendors>.
- 8. Security and Confidentiality:** Firm acknowledges and agrees that certain information disclosed by Citizens to Firm in the course of this Agreement is confidential and exempt from Florida Public Record laws contained in Chapter 119, Florida Statutes, and may contain other proprietary or Trade Secret information. Firm further agrees that this information, together with any data and documentation, including all nonpublic personal information such as to be subject to the provisions of Section 627.351(6), Fla. Stat., and 15 U.S.C. §§6801 et seq., and further including, without limitation, all information, data, and documentation related to manuals, lists, policyholder information, operating and other systems or programs, business practices or procedures, insurance policies, claimants or claims, and business, governmental, and regulatory matters of Citizens are confidential

(“**Citizens’ Confidential Information**”). Firm shall not use, disclose, communicate, possess, transmit, copy or reproduce any of Citizens’ Confidential Information, and shall not permit any third parties or business entities to disclose, distribute or otherwise transmit Citizens’ Confidential Information, in whole or in part, in any manner, except as necessary to perform the legal services under this Agreement or as otherwise expressly permitted by Citizens.

Firm agrees to exercise a high level of care sufficient to protect Citizens’ Confidential Information, documents, files, system programs, or data in any form from unauthorized disclosure. The unauthorized sale, disclosure, duplication, or use of this information is grounds for immediate termination of the Agreement as a material breach. This provision shall not apply to documentation, information or material that: (1) is publicly available through no fault of Firm; or (2) Firm developed independently without relying in any way on Citizens’ Confidential Information. To ensure confidentiality, Firm shall take appropriate steps to notify and train its personnel, agents, and subcontractors.

Firm acknowledges and agrees that Citizens will suffer irreparable harm and that monetary damages will not be adequate to compensate Citizens, in the event Firm fails to comply with the terms of this section. Accordingly, in addition to any other remedies available to it at law or in equity, Citizens shall be entitled to injunctive relief to enforce the provisions of this section and the Agreement.

Firm is not subject to any action by Citizens if disclosure of any such information or documents is at the direction of Citizens when necessary and appropriate to (1) service an insurance claim, (2) respond to a discovery request in a litigated matter, or (3) comply with a Court Order.

This section shall survive the termination or expiration of the Agreement, regardless of the reason for termination or expiration.

- 9. Indemnification:** Firm shall be fully liable for the actions of its agents, employees, partners, or subcontractors, and shall fully indemnify, defend, and hold harmless Citizens, and its officers, members of the Board of Governors agents, and employees, from suits, actions, damages, and costs of every name and description, including attorneys’ fees, arising from or relating to personal injury and damage to real or personal tangible property alleged to be caused in whole or in part by the negligent acts or omissions or willful misconduct of Firm, its agents, employees, partners, or subcontractors, provided, however, that Firm shall not indemnify for that portion of any loss or damages proximately caused by the negligent act or omission of Citizens.

Further, Firm shall fully indemnify, defend, and hold harmless Citizens, and its officers, members of the Board of Governors, agents, and employees from any suits, actions, damages, and costs of every name and description, including attorneys’ fees, arising from or relating to violation or infringement of a trademark, copyright, patent, Trade Secret or intellectual property right.

Firm's obligations under the preceding two paragraphs of this section with respect to any legal action are contingent upon Citizens giving Firm (1) written notice of any action or threatened action, (2) the opportunity to take over and settle or defend any such action at Firm's sole expense, and (3) assistance in defending the action at Firm's sole expense. Firm shall not be liable for any cost, expense, or compromise incurred or made by Citizens in any legal action without Firm's prior written consent, which shall not be unreasonably withheld.

10. **Professional Liability Insurance:** Firm shall maintain in effect, at its sole expense, professional liability insurance with an aggregate limit of no less than \$1,000,000. Within thirty (30) days of Agreement execution and upon renewal, Firm shall provide Citizens with a proof of coverage.
11. **Compliance with Law:** Firm will comply with all applicable laws, ordinances, rules, and regulations governing Firm's duties or responsibilities under this Agreement. Firm is responsible for ensuring that all persons who perform services for Citizens under this Agreement are properly licensed and are in compliance with all applicable laws governing their conduct.
12. **Professional Code:** Firm shall ensure that its personnel providing services under this Agreement comply with applicable standards of ethics and rules of professional responsibility, including the Florida Rules of Professional Conduct promulgated by the Florida Supreme Court for attorneys practicing in Florida. Such standards include rules related to conflicts of interest and confidentiality that are intended to protect Citizens and Citizens information.
13. **Use of Citizens' Name and Logo:** Firm may use Citizens' name and logo in its marketing materials, website and social media to indicate that it is a participating or contracted vendor for Citizens. However, Firm may not in any way state, imply or infer that it holds a "preferred," "approved," "awarded," "selected" or otherwise special status with Citizens in any such materials. This prohibition includes, but is not limited to, the use of endorsements or quotes from Citizens officials, Citizens vendor scores, or any other Citizens-related materials that may directly or indirectly imply that Firm enjoys a special or preferred status with Citizens. Citizens reserves the right to determine that its name and/or logo have been misused and to request that Firm cease using its name and/or logo in any way it deems inappropriate. Failure to comply will result in disciplinary action, up to and including Agreement termination. Vendor may only use the approved Citizens logo, which may be obtained by sending a request via email to: [newsroom@citizensfla.com](mailto:newsroom@citizensfla.com).
14. **Modification of Terms:** The Agreement may only be modified or amended upon mutual written agreement of Citizens and Firm. No oral agreements or representations shall be valid or binding upon Citizens or Firm.
15. **Waiver:** The delay or failure by a party to exercise or enforce any of its rights under this Agreement shall not constitute or be deemed a waiver of the party's right thereafter to



enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

**16. Jurisdiction and Venue; Waiver of Jury Trial:** This Agreement shall be deemed to have been made in the State of Florida and shall be subject to, and governed by, the laws of the State of Florida, and no doctrine of choice of law shall be used to apply any law other than that of the State of Florida. Each party hereby irrevocably consents and submits to the exclusive jurisdiction of the State courts sitting in Tallahassee, Leon County, Florida, for all purposes under this Agreement, and waives any defense to the assertion of such jurisdiction based on inconvenient forum or lack of personal jurisdiction. THE PARTIES ALSO AGREE TO WAIVE ANY RIGHT TO JURY TRIAL.

**17. Termination:**

**a.** Citizens may cancel or terminate this Agreement at any time upon advance written notice to Firm. After receiving such notice, Firm will cease to render services to Citizens as soon as allowed by applicable law and ethical and/or court rules, which may include court approval of our withdrawal from litigation.

**b.** Firm reserves the right to withdraw from its representation if, among other things, Citizens should fail to honor the terms of its engagement, fail to cooperate or follow Firm's advice on a matter Firm considers material, or if any circumstance arises that would in our view render Firm's continuing representation unlawful, unethical, or undesirable.

**c.** If Firm elects to withdraw, and in the event of any other termination, Citizens will take all steps necessary to relieve Firm of any obligation to perform further, including the retention of substitute counsel.

**d.** A termination of Firm's services will not affect Citizens' responsibility for payment of legal services rendered and other charges incurred both before termination and afterwards in connection with an orderly transition of the matter, including fees and other charges arising in connection with any transfer of files to Citizens or to other counsel.

**18. Dispute Resolution:** Firm acknowledges and agrees that Citizens is not an agency for purposes of the Florida Administrative Procedures Act, Chapter 120 of the Florida Statutes. Prior to commencing any litigation relating to the terms of the Agreement the parties agree that they will attempt to resolve any dispute through non-binding mediation. The parties agree that, if a disagreement arises as to the terms or enforcement of any provision of this Agreement, each party shall in good faith attempt to resolve the disagreement and exhaust all applicable administrative remedies prior to the filing of a lawsuit or commencing a legal action. This section shall not apply to the extent the delay in commencing a legal action could reasonably be expected to result in irreparable harm to a party.

**19. Warranty of Authority:** Each person signing the Agreement warrants that he or she is duly authorized to do so and to bind the respective party to the Agreement.

- 20. Warranty of Ability to Perform:** Each party warrants that, to the best of its knowledge, there is no pending or threatened action, proceeding, or investigation, or any other legal or financial condition, that would in any way prohibit, restrain, or diminish the party's ability to satisfy its contractual obligations.
- 21. Force Majeure:** A party shall not be liable for delays in performance to the extent (i) the delay was not caused by the negligence of that party or its employees or agents, and (ii) the delay is due directly to acts of God, wars, acts of public enemies, fires, floods, or other similar cause wholly beyond that party's control. Each party must promptly advise the other in writing of any such delay or potential delay and describe the cause thereof. No claim for damages, other than for an extension of time, may be asserted by a party affected by such delays.
- 22. Contract Administrator:** Citizens shall name a Contract Administrator during the term of this Agreement whose responsibility shall be to maintain this Agreement. The Citizens' Contract Manager may designate other authorized individuals to participate in overseeing the Firm's performance hereunder. As of the Effective Date, the Contract Administrator is:

Lori Newman, Vendor Management and Purchasing  
Citizens Property Insurance  
301 West Bay Street, Suite 1300  
Jacksonville, Florida 32202  
(904) 407-0225  
[lori.newman@citizensfla.com](mailto:lori.newman@citizensfla.com)

Citizens shall provide written notice to Firm of any changes to the Contract Administrator; provided, such changes shall not be deemed Amendments.

- 23. Contract Managers:** Each party will designate a Contract Manager during the term of this Agreement whose responsibility shall be to oversee the party's performance of its duties and obligations pursuant to the terms of this Agreement. The Citizens' Contract Manager may designate other authorized individuals to participate in overseeing the Firm's performance hereunder. As of the Effective Date, Citizens' and Firm's Contract Managers are as follows:

**Citizens' Contract Manager**  
John Cipolla, Assistant Director - Vendor Relationship Management  
301 W. Bay Street, Suite 1300  
Jacksonville, FL 32202  
(904) 407-0476  
[John.Cipolla@citizensfla.com](mailto:John.Cipolla@citizensfla.com)

**Firm's Contract Manager**  
Heather S. Rogers

707 SE Third Avenue, Suite 500  
Fort Lauderdale, FL 33316  
(954) 763-3200  
heather.rogers@petersonbernard.com

24. **Execution in Counterparts:** The Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
25. **Severability:** If a court deems any provision of the Agreement void or unenforceable, that provision shall be enforced only to the extent that it is not in violation of law or is not otherwise unenforceable and all other provisions shall remain in full force and effect.
26. **Inconsistencies:** This Agreement controls, to the extent of any inconsistencies, any engagement letter, work assignment, or other legal services agreement.
27. **Notice of Material Adverse Change:** Firm agrees to notify Citizens in writing of any “Material Adverse Change” to Firm within ten (10) days of said change. A “Material Adverse Change” means: (i) a change in the business operations or financial condition of Firm which negatively impacts its capacity to meet its professional or financial obligations; (ii) any material impairment of human or material resources necessary to perform legal services under this Agreement; or (iii) any occurrence or event relating to Firm or a senior level attorney that adversely reflects on Firm’s reputation or standing in the community.

A Material Adverse Change includes, but is not limited to:

- a. the filing by Firm of a voluntary petition in bankruptcy, or a petition or an answer seeking an arrangement with creditors to take advantage of any bankruptcy, insolvency, readjustment of debt;
- b. the departure from Firm of a senior level attorney who oversees Citizens assignments and provides a substantial amount of the legal services rendered to Citizens;
- c. Changes in staffing resulting in the Firm having less than three (3) full-time attorneys licensed to practice law in the State of Florida who are currently practicing in the Service Areas described in Section 1. [This does not apply to Firms providing Appellate Services only.];
- d. a senior level attorney receiving an adjudication of guilt by a court of competent jurisdiction of any crime that is a felony or a misdemeanor involving moral turpitude under any state or federal law; or
- e. a senior level attorney receiving disciplinary measures pursuant to Rules Regulating the Florida Bar, including admonishment, probation, public reprimand, suspension, or disbarment, or the filing by a senior level attorney for disciplinary revocation.

As a result of a Material Adverse Change, and pursuant to provisions in this Agreement, Citizens may exercise its right to terminate or suspend specific assignments, all assignments, or this Agreement in its entirety.

If Firm is dissolved during the term of this Agreement, Firm shall notify Citizens' Contract Manager at least thirty (30) days prior to dissolution. At its sole discretion, Citizens reserves the right to (1) withhold written permission to assign this Agreement to any successor firm(s) and (2) determine whether any successor firm(s) will retain pending assignments.

**28. Credentialing:** Firm shall be required to access Citizens' online vendor credentialing system ("CAIS") to input, update and maintain certain information about Firm and the persons who will perform work related to this Agreement ("Staff"), as provided below and in **Exhibit B** attached hereto.

**a. Staff Credentialing Requirements.** Firm shall ensure that all credentialing requirements are met by its Staff. Citizens may change the credentialing requirements and/or procedures as it deems appropriate in response to changing business, regulatory and technological requirements and conditions.

- i. Firms will be provided CAIS access to upload all required documentation (based on Staff position) for Citizens' approval.
- ii. Citizens will review each submission for compliance with minimum criteria outlined in this Agreement.
- iii. Staff who meet the minimum criteria will be placed in an "Approved" status.

**b. Other Requirements.**

- i. Within thirty (30) days of execution of this Agreement, Firm shall:
  1. Upload into CAIS the required information for each Staff person submitted on behalf of Firm to perform work under the Agreement. The specific credentialing requirements for each role are outlined in in **Exhibit B**, attached hereto.
  2. Upload into CAIS Firm's proof of insurance that meets the insurance requirements of this Agreement.
- ii. Firm will have a continuing obligation to (i) provide updated or new information for any uploaded items that expire, and (ii) upload the necessary forms for each new staff person prior to such persons accessing Citizens' systems or performing services on behalf of Citizens.
- iii. **A summary of these Credentialing requirements is attached as Exhibit B.**

- 29. Public Records Addendum (“Addendum”):** Vendor agrees that the Addendum attached hereto is hereby incorporated into this Agreement in order to address the public posting of this Agreement and its disclosure to third parties.

*Signature Page Follows*

Agreed and accepted:

On behalf of **Citizens Property Insurance Corporation**, by:

On behalf of **Peterson & Martin, P.A. d/b/a Peterson Bernard**, by:

DocuSigned by:

*Jay Adams*

52091D0BF5B7478...

Signature

Jay Adams

Typed Name

Chief Claims Officer

Title

2/3/2022

Date Signed

*HSR*

Signature

*Heather S. Rogers*

Typed Name

*Shareholder*

Title

*2/2/21*

Date Signed

DocuSigned by:

*Timothy M. Cerio*

846664E142F14C9...

Signature

Timothy M. Cerio

Typed Name

General Counsel

Title

2/4/2022

Date Signed

**ADDENDUM 1  
PUBLIC RECORDS ADDENDUM ("ADDENDUM")**

Peterson & Martin, P.A. d/b/a Peterson Bernard
21-21-0012-63
Heather S. Rogers
(954) 763-3200
heather.rogers@petersonbernard.com

Citizens is subject to Florida public records laws, including Chapter 119, Florida Statutes. As a part of providing public access to Citizens' records, Citizens makes its contracts available on Citizens' external website located at [www.citizensfla.com/contracts](http://www.citizensfla.com/contracts). This Addendum is incorporated into the Agreement in order to address Citizens' public posting of the Agreement and its disclosure to third parties.

If Vendor asserts that any portion of the Agreement is exempt from disclosure under Florida public records laws, (the "Redacted Information"), such as information that Vendor considers a protected "trade secret" per Section 815.045, Florida Statutes, then Vendor must select the corresponding declaration below and provide the following to [Vendor.ManagementOffice@citizensfla.com](mailto:Vendor.ManagementOffice@citizensfla.com):

- (1) A copy of the Agreement in PDF format with the Redacted Information removed (the "Redacted Agreement"); and,
- (2) A dated statement on Vendor's letterhead in PDF format clearly identifying the legal basis for Vendor's redaction of the Redacted Information (the "Redaction Justification").

**Vendor must select one of the two declarations below.** If Vendor does not select one of the two declarations below, or if Vendor fails to provide the Redacted Agreement and Redaction Justification within thirty (30) days of Vendor's receipt of the fully executed Agreement, then without further notice to Vendor, Citizens may post the non-redacted version of the Agreement on its public website and may release it to any member of the public.

<u>Vendor Declaration:</u>
<input checked="" type="checkbox"/> Vendor <b>WILL NOT SUBMIT</b> a Redacted Agreement. Citizens may post Vendor's full, complete, and non-redacted Agreement on its public website, and may release the Agreement to any member of the public without notice to Vendor.
<p><b>Or</b></p> <input type="checkbox"/> Vendor asserts that a portion of the Agreement is confidential and/or exempt under Florida Public Records law. Therefore, Vendor <b>WILL SUBMIT</b> a Redacted Agreement and a Redaction Justification within thirty (30) days of receipt of the fully executed Agreement. Citizens may post Vendor's Redacted Agreement on its public website, or release it to any member of the public, without notice to Vendor. If Citizens receives a public records request for the Agreement, Citizens will provide only the Redacted Agreement and Redacted Justification to the requestor. Vendor acknowledges that, in the event of any legal challenge regarding these redactions, Vendor will be solely responsible for defending its position or seeking a judicial declaration.





# Legal Services

## **Exhibit A -**

# **Citizens Property Insurance Corporation**

## **Guidelines for**

# **Claims & Litigation Legal Services**

**Effective Date: October 23, 2017**



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## 1. OVERVIEW

### 1.1 **Understanding the Unique Nature of Citizens Property Insurance Corporation**

A thorough understanding of the unique nature of Citizens Property Insurance Corporation (Citizens) is critical to effective representation of Citizens and its insureds.

Citizens is committed to maintaining a versatile legal services plan that encourages superior customer service, quality file handling, exceptional legal representation and responsible cost control. Citizens' Guidelines for Claims & Litigation Legal Services is a manual intended to bring flexible uniformity to the handling of all matters in which legal services are necessary. These Guidelines are centered on teamwork and flexibility in order to ensure effective and efficient legal representation on behalf of Citizens and its insureds in a third party matter.

The Guidelines focus on early evaluation and planning, ongoing communication, a clear delineation of responsibilities and appropriate use of legal services. The goal is to identify the most effective and efficient case plan and invest resources accordingly. Through teamwork, joint accountability and commitment to the overall ideals of Citizens Property Insurance Corporation, we strive to achieve superior customer service, effective relationships with the Firms representing Citizens and its insureds in third party matters and fiscally responsible management of matters involving legal services.

#### *Our Vision*

As a government entity fulfilling a public purpose, Citizens aspires to provide insurance products and services that meet the needs of Florida property owners who are, in good faith, entitled to obtain coverage through the private market but are unable to do so. We strive to reduce the financial burden on all Floridians by being good stewards of the premium funds entrusted to us. In all that we do, we will conduct ourselves with the highest level of ethical behavior.

#### *Our Corporate Mission*

Efficiently provide property insurance protection in Florida to those who are, in good faith, entitled to obtain coverage through the private market but are unable to do so, while also providing levels of customer service that are comparable to the standards of the private market.

#### *Our Values*

In accomplishing our mission, we embrace the following values:

- **Public Service:** We support the private marketplace, providing quality services to our customers and being there when Florida policyholders need us.
- **Integrity:** We embrace our values and code of ethics with pride.
- **Respect:** We are polite, courteous and respect one another and those we serve.
- **Responsiveness:** We will provide quality service that meets the needs of our customers.
- **Sound Judgment:** In every situation, we strive to do the right thing.

*Our Claims Mission*

Citizens' Claims is a customer focused organization intent on delivering fast, fair, honest and accurate claims service. We continuously strive to be efficient, dynamic and committed to managing claim costs, while adhering to the highest ethical standards.

**1.2 State Government Entity [Citizens' Enabling Statute, F.S. 627.351(6)]**

Citizens is a Florida government entity established pursuant to its Enabling Statute, F.S. 627.351(6), and is subject to certain, but not all, laws applicable to state government entities. It is the responsibility of any Firm providing legal services on behalf of Citizens to thoroughly review and gain a competent understanding of the enabling legislation and consider such legislation during the representation of Citizens.

**1.3 No Gift Rule**

Citizens' enabling statute imposes ethical standards on Citizens, its employees and Board of Governors. The standards include a "no gift" rule prohibiting employees and Board members from directly or indirectly accepting **any gift or expenditure** from vendors (including the Firm) that personally benefits the Citizens employee or Board member. Therefore, the Firm shall not advance any such gift or expenditure to Citizens employees or Board members. Nor shall the Firm accept a gift from a Citizens policyholder or from another Citizens vendor in connection with the legal services that is, or could be interpreted to be, intended to influence the handling of Citizens' business or could be interpreted as an expression of gratitude for the Firm's services to Citizens.

**1.4 Public Records**

In no event shall the Firm respond to a Public Records Request outside of Citizens' direction and involvement.

Citizens is subject to Florida's public records requirements under Chapter 119, Florida Statutes and s. 24(a), Art. I of the State Constitution. There are various exemptions applicable to Citizens, under Citizens' enabling statute, including:

- "Matters reasonably encompassed in privileged attorney-client communications" (continues through and after conclusion of matter);
- Claims files (until termination of all litigation and settlement of all claims arising out of the same incident, although portions of the claims files may remain exempt, as otherwise provided by law);
- Information relating to negotiations for contractual services (until conclusion of the negotiations); and
- Under Chapter 119, including the attorney-work product (until the conclusion of litigation). Certain documents generated by the Firm in its representation of Citizens may be subject to public records laws. Subject to applicable exemptions.

Upon receipt of a public records request directed to the Firm pertaining to Citizens' subject matter, the Firm shall immediately notify Citizens' **Records Custodian** (and the Citizens' employee supervising the Firm's work) of such request and will work

cooperatively with Citizens to respond to the request, in accordance with the requirements of Chapter 119, Florida Statutes. In no event shall the Firm respond to a Public Records Request outside of Citizens' direction and involvement.

### **1.5 Public Communication / Media Relations**

Unless specifically authorized by Citizens' Claims & Litigation Legal Services or Citizens' Senior Management, the Firm shall not comment publically on any matter associated with representation on behalf of Citizens or Citizens' insured. Citizens will be solely responsible for responding to any external inquiries. All such inquiries must be immediately reported to Citizens.

### **1.6 Immunity**

Citizens' enabling statute grants immunity for all causes of action against Citizens, except as listed by statute. Citizens acknowledges that this is a unique and novel issue for most courts and the legal community, in general. As such, it is critical that Citizens be aware of any challenges to immunity from the outset.

In the event that any issues challenging Citizens' immunity are raised in the course of litigation, such issues shall immediately be (the same day) raised to the attention of the Litigation Specialist and Citizens' Claims & Litigation Legal Services.

### **1.7 Professional Conduct**

Any Firm providing legal services to Citizens shall ensure that its personnel complies with all applicable standards of ethics and rules of professional responsibility, including the Florida Rules of Professional Conduct promulgated by the Florida Supreme Court for attorneys practicing in Florida (or similar standards applicable to attorneys practicing outside the State of Florida). Such standards include rules related to conflicts of interest and confidentiality that are intended to protect Citizens and Citizens' information.

Additionally, in keeping with the vision and mission of Citizens as entrusted by the Florida legislature, Citizens expects all attorneys and legal professionals acting on its behalf, or on behalf of Citizens' insureds, to adhere to the initiatives for Professional Conduct as promoted by the Florida Bar Center for Professionalism.

On January 30, 2015 the Florida Bar Board of Governors approved "Professionalism Expectations." In keeping with the vision and mission of Citizens as entrusted by the Florida legislature, Citizens expects all attorneys and legal professionals acting on its behalf, or on behalf of Citizens' insureds, to adhere to the letter and spirit of Professional Conduct as promoted by the Florida Bar's Standing Committee on Professionalism expressed within this document.

### **1.8 Depopulation and Takeouts**

The Florida Legislature authorized Citizens to develop a Depopulation Program to reduce the number of property owners who have insurance coverage through Citizens by encouraging new or existing private insurance companies to take on Citizens policies. Citizens expects Firms to be familiar with this process as described in

Citizens' Enabling Statute, F.S. §627.351(6)(a)-(ff); and Depopulation of Citizens F.S. §627.3511. Counsel is also expected to be familiar with Citizens' internal procedures regarding depopulation and takeout carriers. A current list of takeout carriers can be found at: <http://www.citizensfla.com>. Counsel should check these listings on a regular basis. The list provides a quick reference of other insurance carriers that may be clients of your Firm.

### **1.9 The Assumption Agreement and Opt Outs**

The Assumption Agreement is a contract between Citizens and a takeout carrier which specifies the terms under which the rights and obligations of a group of policies are transferred from Citizens to a takeout carrier. Citizens can only enter into Assumption Agreements with carriers that have been approved for depopulation of a certain number and certain types of Citizens' policies by the Office of Insurance Regulation. A listing of consent orders between the takeout carriers and the Office can be viewed at: <http://www.floir.com>.

When a takeout carrier is approved to assume a Citizens' policy, it sends an Opt Out form to notify the insured about the pending assumption and their right to opt out of assumption and remain with Citizens. The Opt Out form is mailed approximately 30 days prior to the scheduled assumption. Examples of takeout carrier notices of assumption and Opt Out forms can be viewed at: <http://www.citizensfla.com>.

If the insured does not opt out, Citizens sends a Notice of Assumption and Non-Renewal notifying the insured that the Citizens' policy was successfully assumed by the takeout carrier as of the date listed in the Notice of Assumption. The takeout carrier is responsible for claims with a date of loss after the assumption date. The insured is also informed that their Citizens' policy will not be renewed.

Questions regarding whether the Citizens' policy or the takeout policy provides coverage for a loss may arise. This coverage question is similar to any coverage issue involving two carriers that provide successive coverage. However, the issue is complicated by the mid-term assumption of Citizens' policy by a takeout carrier. Any claim with an unknown, unclear or debatable date of loss presents an actual or potential conflict of interest for a Law Firm that has Citizens and the assuming takeout carrier as clients.

### **1.10 Professional Liability Insurance**

The Firm shall maintain in effect, at its sole expense, professional liability insurance with an aggregate limit of no less than \$1,000,000. Within thirty (30) days of Contract execution and upon renewal, Firm shall provide Citizens with a proof of coverage.

### **1.11 Compliance with Laws**

The Firm will comply with all applicable laws, ordinances, rules, and regulations governing the Firm's duties or responsibilities associated with providing legal services on behalf of Citizens. The Firm is responsible for assuring that all persons who perform services for Citizens are properly licensed by the Florida Bar, in good standing with the Florida Bar and are maintaining compliance with all applicable laws governing their conduct.

### **1.12 Cooperation with Other Law Firms**

Situations may arise when it is necessary for Citizens to retain the services of additional counsel to work independently or in conjunction with your Firm on common issues or matters. The Firm's cooperation and compliance with all requests for information, assistance and collaboration from Citizens or other counsel is required.

### **1.13 Nature of Business Relationship with Citizens**

For any Law Firm providing legal services on behalf of Citizens, the Firm acknowledges that the business relationship between the Firm and Citizens is that of an independent contractor. Nothing herein, or in any representation undertaken, shall be deemed to constitute that Citizens and the Firm are engaged in a partnership, joint venture, or agency for any purpose whatsoever. The Firm shall be responsible for maintaining its own public liability, professional liability and malpractice insurances.

## **2. FILE ASSIGNMENT AND HANDLING**

### **2.1 Conflict of Interest**

Prior to representing Citizens, the Firm must undertake reasonable and customary efforts to determine that no actual or potential conflicts of interest exist with any individual attorney or staff personnel working for the Firm that would bar that individual or Firm from representing Citizens or Citizens' insureds. In the event the Firm hires or retains additional individual attorneys or staff personnel, the Firm must undertake the same reasonable and customary efforts to determine whether any such conflicts may exist. Performing a conflict check and any tasks associated with curing a conflict are non-billable administrative tasks.

In the event an actual or potential conflict is identified, the Firm shall immediately notify Citizens' Claims & Litigation Legal Services. Citizens retains the right to decline representation and to withdraw any pending matters with the Firm in the event of an actual or potential conflict. A waiver of conflict must be approved by Citizens before the Firm may proceed with representation on behalf of Citizens or Citizens' Insured.

The initial conflict review should also consider whether the Firm represents insurance agents and brokers. Conflicts may also arise if the Firm represents manufacturers of building construction products or other products that may cause damage covered under a Citizens policy and/or any client that may be involved in a subrogation claim with Citizens.



Should any conflict of interest arise during the course of representation of Citizens' insured(s), the Firm will take no action that would prejudice the interests of the insured(s) in the matter.

It is not a prima-facie conflict for a Firm to provide legal services to Citizens and other insurance carrier clients, including takeout carriers. However, the Firm must closely scrutinize all assignments to determine if there was an assumption, the assumption date, the date of loss and whether the insured exercised their right to opt out or decline assumption. Citizens considers it an impermissible conflict of interest for a Firm to represent Citizens and the takeout carrier when the two are co-defendants in the same lawsuit and the date of loss is at issue. See generally Florida Bar Rules of Professional Conduct 4-7.1. It is also a conflict to represent a takeout carrier in any suit or claim in which Citizens is not a party and a Firm alleges the date of loss occurred wholly or partially prior to the assumption date.

It may also be a conflict for a Firm to represent Citizens in a case where the Firm is not able to argue the date of loss occurred after the assumption date because you represent the takeout carrier in unrelated matters.

## **2.2 Acknowledgement of Assignment**

Matters are assigned to the Firm through Citizens' litigation management billing system, Acuity, notifying the Firm via an automatically generated email to the Firm's designated Lead Attorney on the matter. Prior to accepting any specific assignment, counsel must undertake reasonable and customary efforts to determine no actual or potential conflicts of interest exist that would bar counsel from representing Citizens or Citizens' insureds. The Firm accepts or declines the assignment in Acuity by selecting the appropriate radio button within two (2) days of receipt of the assignment. Acceptance of the assignment in Acuity serves as the Firm's acknowledgement the conflict check was completed. Therefore, an Acknowledgement Letter from the Firm to Citizens is unnecessary and not billable.

In addition, if the case is a Third Party liability matter, the Firm shall contact the Insured/Defendant within three (3) business days of assignment and confirm in Acuity that the Firm has contacted the Insured/Defendant.

## **2.3 Budget**

The Firm must submit a budget and the budget must be approved by Citizens prior to the payment of attorney/paralegal fees and costs by Citizens to the Firm.

For each matter assigned to the Firm, a detailed budget must be submitted prior to or as part of the Initial Report reflecting the anticipated fees and expenses for the various stages throughout the assignment. Citizens reserves the right to amend any budget submitted by the Firm prior to approval by Citizens. Preparation of the budget is not a billable task and any invoice line entries submitted for such preparation or communication concerning the budget will not be honored by Citizens.

Over the lifespan of the matter, revised budgets should be submitted by the Firm when case developments significantly alter the existing budget or case plan.

## **2.4 Third Party Matters**

Third Party liability matters involve a unique relationship consisting of Citizens, the insured and the Firm. The relationship involves corresponding rights and obligations undertaken by Citizens and the Firm, as well as duties owed by the Firm to both the insured and Citizens. Nothing contained herein shall interfere with the independent, professional judgment, nor shall it be construed to limit the contractual or ethical obligations, of counsel acting on behalf of an insured in defense of a Third Party matter.

The Firm is expected to comply with all reasonable requests by Citizens for information and documentation, provided that any such documents or information deemed privileged or intended by the insured to be confidential shall not be disclosed without prior consent from the insured.

Nothing in these Guidelines should be understood to relieve you from the Rules Regulating the Florida Bar; specifically but not limited to the Rules of Professional Conduct as expressed in Chapter 4 of the Rules Regulating the Florida Bar.

## **3. LEGAL SERVICES REPORTING REQUIREMENTS**

Communication is an essential element of Citizens' strategic partnership. It is imperative that Citizens is informed, in a timely manner, of emerging facts, shifting emphasis and other significant developments that impact case evaluation. Therefore, there are five (5) required reports Citizens expects in each case. In partnership with our Defense Counsel, Citizens requires that each case be proactively handled to its final resolution.

### **3.1 Initial Evaluation Report (Required)**

This report is due to Citizens within forty-five (45) days of case or matter assignment. This report should include the following information necessary for an initial evaluation and the development of a case plan:

- A) Facts (date and circumstances of loss, claim history, significant background information)
- B) Damages
- C) Preliminary Liability Analysis (anticipated defenses, legal theories, application of fact to theories, conclusions based on application of facts to theories)
- D) Significant evidentiary issues
- E) Discussion and justification of approved initial discovery propounded to date, including a timeline for anticipated dates of receipt of the opposing party's responses, and recommendations regarding any additional discovery. It is expected that initial discovery will have been served on Plaintiff prior to the receipt of this report by Citizens.
- F) Initial Case Evaluation including the strengths/weaknesses of case defenses including the anticipated likelihood of success, strengths / weaknesses of

- Plaintiff's allegations, discussion concerning the strengths and weaknesses of the experts retained/used by all parties to the litigation.
- G) Motion Practice (pending or anticipated motion(s), anticipated benefit and outcome)
  - H) ADR
  - I) Further investigation/other activities including but not limited to recommendations concerning the re-inspection of the property at issue in this case.
  - J) Case evaluation to date including but not limited to the development of a case theme for trial purposes.
  - K) Settlement opportunities and recommendations including offers made prior to suit being filed.
  - L) Projected completion date for initial phase
  - M) Projected budget tailored to specific litigation phase

In First Party matters, it is expected that all approved discovery discussed in the report, including the deposition of the plaintiff/policyholder/homeowner, will take place within 90 days of assignment of the case.

### **3.2 90 Day Report (Required)**

The 90 Day Report is intended to supplement the Initial Evaluation Report. This report, at a minimum, shall contain the following information (if not previously provided):

- A) A summary of Plaintiff Interrogatory Responses
- B) A summary of the documentation received in Plaintiffs' response to our propounded Request for Production
- C) Summaries of all depositions taken to date
- D) Suggested motions with well-reasoned justifications for same
- E) Suggested update discovery with timeline for completion
- F) Case evaluation to date including but not limited to the refinement, if needed, of the case theme.
- G) If applicable to the matter, discussion of Assignment of Benefits issue and implementation of current AOB strategies in the case
- H) Recommendations for a Proposal for Settlement
- I) Settlement opportunities and recommendations
- J) Further investigations/other activities
- K) Recommendations for the use of experts
- L) Dates of availability for a conference with Citizens, including Legal Services, ten (10) days following submission of report.

### **3.3 Interim Evaluation Reports (As dictated by the matter)**

Interim Evaluation Reports are intended to supplement prior reports as needed for significant case developments. Only new, additional, or updated information should be provided. An Interim Evaluation Report shall be submitted as significant case developments occur and as needed for revision of the case plan/budget.

### 3.4 Pre-Mediation Report (Required)

The Pre-Mediation Report is due to Citizens no later than thirty (30) days prior to the scheduled mediation date. The Pre-Mediation Report should include the following necessary for settlement evaluation:

- A) Facts
- B) Damages
- C) Liability analysis
- D) Significant evidentiary issues
- E) Settlement evaluation and recommendations
- F) Settlement offers made to date. (Include Proposals for Settlement)
- G) Concise summary of significant plaintiff arguments
- H) Concise summary of significant defense arguments
- I) Evaluation of all fact witnesses and expert witnesses expected to testify at trial
- J) Updated evaluation of case (including settlement recommendations, potential judgment / verdict – best day vs. worst day outcomes, likelihood of success for defense)
- K) A concise statement of your Case Theme
- L) Trial cost estimate (Plaintiff and Defendant)

### 3.5 Pre-Trial Report (Required)

The Pre-Trial Report is due to Citizens no later than ninety (90) days prior to the scheduled trial date. The Pre-Trial Report should include the following necessary for a comprehensive evaluation of the case and potential for success at trial:

- A) Trial date
- B) Trial judge (prior experience, reputation, evaluation, etc.)
- C) Potential jury panel
- D) Facts
- E) Damages
- F) ADR
- G) Discussion of Proposal for Settlement, recommendation concerning the filing of a new Proposal for Settlement if necessary.
- H) Pending pre-trial discovery
- I) Pre-trial motions (Daubert, In Limine, Motion for Summary Judgment)
- J) Concise summary of significant plaintiff arguments
- K) Concise summary of significant defense arguments
- L) Evaluation of all fact witnesses and expert witnesses expected to testify at trial
- M) Brief summary of deposition testimony for all those expected to testify at trial
- N) Updated evaluation of case (Including settlement recommendations, potential judgment / verdict – best day vs. worst day outcomes, likelihood of success for defense)
- O) A concise statement of your case theme for trial purposes
- P) Trial cost estimate (Plaintiff and Defendant)
- Q) Discussion of potential appealable issues
- R) Dates of availability for a conference with Citizens, including Legal Services, ten (10) days following submission of report

### **3.6 Trial Preparation Exercises**

At its discretion, Citizens may require a Trial Preparation Exercise, commonly referred to as a mock trial, be conducted in cases where a trial date has been set and Citizens has made the determination that the case will proceed through trial. The exercise shall take place between 45-60 days prior to the first day of trial as identified in the Trial Order. Citizens expects the Firm to fully prepare for the Trial Preparation Exercise in the same manner as would be for an actual trial. Unless otherwise directed by the assigned Litigation Specialist, Citizens will permit the attendance of two (2) attorneys from the Firm to act as Citizens' counsel and opposing counsel in the exercise.

### **3.7 Post-Trial Report (Required)**

The Post-Trial Report is due to Citizens within five (5) days after termination of the trial. The Post-Trial Report should summarize the evidence and events at trial and the outcome and basis for such findings. The Post Trial Report should also state any appealable issues for both Plaintiff and Defendant and confirm if the appealable issues were preserved, on the record, at trial.

A copy of all case law cited in any report and relied upon by the attorney in forming his/her legal opinion should be provided to Citizens.

## **4. DISCOVERY / MOTION PRACTICE**

### **4.1 Focused / Purposeful**

Assignments from Citizens are to be handled in a proactive manner. As a result, early investigation and discovery are expected and necessary. It is recognized that many cases will not be tried to conclusion; therefore early discovery should be targeted, fact finding, and relevant to further the litigation position in the matter and assist in both early settlement activities as well as trial if settlement is not reached.

Any discovery, including depositions, conducted on behalf of Citizens or Citizens' insured shall be focused and purposeful in light of the needs and issues associated with the specific matter.

### **4.2 Depositions**

Depositions should not be taken if a less complicated or more cost effective procedure will obtain the desired information.

**4.2.1** The Firm should evaluate the need for each deposition and should only pursue such depositions when necessitated by the unique circumstances of the specific matter. The Firm should evaluate the need for transcription of the deposition; however, a copy of any transcript obtained should be provided to Citizens in a timely manner and uploaded into Acuity.

**4.2.2** The Firm shall consult with Citizens prior to initiating any deposition, if not already approved through the case plan. The Firm shall make its recommendations concerning the depositions it expects to take in the Initial

Evaluation Report. In the event that the case plan necessitates the need for additional depositions, the Firm shall notify Citizens of all additional depositions recommended by the Firm and/or requested by other parties. The Firm shall coordinate with Citizens for the scheduling of any deposition of a Citizens representative, and provide timely updates as to the rescheduling or cancellation of any deposition.

**4.2.3** It is the responsibility of the Firm to ensure that all witnesses testifying on behalf of Citizens are sufficiently prepared for each and every deposition. In the event a Corporate Representative is required for deposition, the Firm shall immediately notify Citizens and cooperate with Citizens in the designation and preparation of such witness for deposition.

**4.2.4** In the event that a notice for deposition requires production of any documents held by Citizens, the Firm shall immediately notify Citizens and comply with Citizens' policies regarding records production.

### **4.3 Depositions of Corporate Representatives**

In any instance when the deposition of a Corporate Representative on behalf of Citizens is requested by another party, such request shall be communicated to the Litigation Specialist immediately (the same day) and documented in Acuity. Prior to designating a Corporate Representative for any purpose, Citizens requires receipt of the Notice of Deposition outlining the specific topic areas for which a Corporate Representative is required. Only after Citizens' review and careful consideration of the topic areas outlined in the Notice of Deposition will the appropriate individual(s) be designated by Citizens to testify as Corporate Representative(s) on behalf of Citizens. Additionally, Citizens requires that the Firm file a "Notice of Designation" prior to producing any individual as Corporate Representative outlining the specific topic areas for which the designee is offered, along with any applicable discovery objections. An exemplar of the "Notice of Designation" can be obtained from the Litigation Specialist.

### **4.4 Depositions of Independent Adjusters Released from Citizens**

In the event that a matter requires the testimony of an Independent Adjuster that has been released from Citizens, it is the responsibility of the Citizens' Litigation Specialist assigned to the matter to obtain the last known address/location of the Independent Adjuster and work with the Firm to locate, contact and make arrangements for the appearance of the individual.

### **4.5 Records Production**

As stated above, Citizens is a government entity and subject to Florida's public records requirements under Chapter 119, Florida Statutes and s.24 (a), Art I of the State Constitution. As such, it is imperative that the Firm consult with Citizens prior to responding to any discovery requests that may arise out of litigation. Upon receipt of any discovery requests, the Firm shall notify Citizens in a timely manner and work closely with Citizens to respond appropriately to any requests.

## **4.6 Motions**

**4.6.1** The Firm should evaluate the need for motion practice and consult with Citizens regarding the intent and expected outcome of each motion. In First Party claims, no motion shall be prepared, filed or served prior to approval from Citizens' Claims & Litigation Legal Services or Citizens' Litigation Specialist. In Third Party Liability actions, no motions shall be prepared, filed or served without prior consultation with Citizens' Claims & Litigation Legal Services or Citizens' Litigation Specialist.

While no motion should be filed without first receiving approval from Citizens, failure to obtain approval from Citizens' Claims & Litigation Legal Services prior to filing any of the following motions shall be deemed an automatic performance issue for the Firm:

- A) Motion for Sanctions (including but not limited to a Motion for Sanctions pursuant to F.S. 57.105)
- B) Motion to Dismiss for Fraud and/or Material Misrepresentation
- C) Counterclaim against a Citizens' policyholder and/or any pleading that asserts Fraud or Material Misrepresentation against a Citizens' policyholder or agent
- D) Motion for Summary Judgment

**4.6.2** Upon filing of any of the following motions by another party, the Firm must notify and provide a copy of the Motion to Citizens immediately (the same day):

- A) Motion for Sanctions (including but not limited to Motion for Sanctions pursuant to F.S. 57.105)
- B) Motion to Dismiss Counterclaim
- C) Motion to Strike Affirmative Defense(s)
- D) Motion for Summary Judgment
- E) Motion to Compel, of any type

## **4.7 Experts**

Approval from Citizens shall be obtained prior to retaining or incurring any expenses, associated with any expert or consultant. In first party matters, the choice of the particular expert or consultant shall be subject to Citizens' approval or may be selected unilaterally by Citizens.

## **5. LEGAL RESEARCH**

### **5.1 Legal Research Request**

The need for legal research must be discussed and pre-approved by Citizens. The results of any such research must be provided to Citizens in a timely manner.

There are some matters for which Citizens may already be in possession of, or has itself conducted, legal research which may be made available for use by the Firm. In such circumstances, additional research by the Firm will be approved only to the extent needed for unique factual scenarios relevant to a particular case.

## **5.2 Legal Research Guidelines**

All legal research, including computerized or on-line research, requires prior approval from Citizens. Fees submitted for any research conducted without prior approval from Citizens will not be honored.

## **5.3 Legal Research Results**

A copy of any requested memorandum of law and supporting case law relied upon by the attorney in forming his/her legal opinion must be provided to Citizens and posted in the Acuity matter.

# **6. SETTLEMENT OPPORTUNITIES / PROPOSAL FOR SETTLEMENT**

## **6.1 Settlement Demands**

The Firm shall immediately advise Citizens, and the insured in Third Party Matters, of any settlement demands or settlement opportunities that may arise in a matter. The Firm shall consult with Citizens and obtain approval prior to engaging in any settlement negotiations on behalf of Citizens or its insureds.

## **6.2 Receipt of a Proposal for Settlement**

The Firm shall immediately notify Citizens of the receipt of a Proposal for Settlement and submit a copy of the Proposal for Settlement in a timely manner. The Firm shall consult with Citizens, and the insured in Third Party Matters, and obtain approval prior to any acceptance or rejection of a Proposal for Settlement. This is not meant to interfere with any independent Proposal for Settlement from an insured when such a proposal is made outside Citizens' contractual obligations to the insured and for which Citizens is not responsible.

## **6.3 Serving a Proposal for Settlement**

The Firm shall not serve a Proposal for Settlement on behalf of Citizens or its insured without prior approval from Citizens. This is not meant to interfere with any independent Proposal for Settlement from an insured when such a proposal is made outside Citizens' contractual obligations to the insured and for which Citizens is not responsible.

## **6.4 Managing Settlement Negotiations**

The primary responsibility for directing and managing litigation strategy rests with Citizens. Citizens may handle settlement negotiations directly with opposing counsel. In such situations, the Litigation Specialist will notify the Firm of the intent to enter into direct negotiations in order to avoid confusion or contradictory communications to opposing counsel. Further, in such situations in Third Party Matters the Litigation Specialist will keep the Firm apprised of all negotiations with the expectation that the Firm will inform, consult with, and advise the insured on the settlement negotiations.



## **7. COURT APPEALS**

### **7.1 Receipt of Notice of Appeal**

The Firm shall immediately advise Citizens, and the insured in Third Party Matters, of the receipt of a Notice of Appeal and post in Acuity a copy of the Notice in a timely manner. The Firm shall obtain the approval of Citizens' Claims & Litigation Legal Services prior to taking any action in response to the Notice of Appeal.

### **7.2 Serving a Notice of Appeal**

The Firm shall not serve a Notice of Appeal on behalf of Citizens without the express authority and approval of Citizens' Claims & Litigation Legal Services.

### **7.3 Representation in Appellate Matters**

Any Firm representing Citizens, or its insured in Third Party Matters, in an appellate matter shall be expected to work closely in conjunction with the Litigation Specialist and Citizens' Claims & Litigation Legal Services regarding the legal position asserted on behalf of Citizens, or its insured in Third Party Matters.

### **7.4 Appellate Bonding Requirements**

As a state government entity, Citizens is exempt from appellate bonding requirements pursuant to Florida Rules of Appellate Procedure Rule 9.310(b)(2).

## **8. BILLING FOR LEGAL SERVICES**

Citizens will construe each statement for legal services as a representation by the Firm that the statement (1) has been reviewed by the attorney having primary responsibility for that matter, (2) accurately reflects the actual and necessary time, billing and expenses for that matter, and (3) complies with Citizens' billing policies as described herein and applied through any billing service employed by Citizens.

Each billing entry is considered a representation by the billing timekeeper that he/she has in fact performed the work described in the time period indicated on the bill submitted by the Firm to Citizens.

Citizens' expectation is that each attorney working on Citizens' assignments will not bill in excess of 12 hours per day, 200 hours per month or 2,400 hours per year without justification for the excess hours worked.

**Note:** Citizens shall have the right to decline to pay or to seek reductions and/or refunds for any charges that fail to comply with the billing requirements set forth herein, and/or are not fully explained or documented by the Firm.

### **8.1 Use of Online Billing Service**

Citizens currently utilizes a computerized online billing service through which all budgets/invoices for legal services must be submitted. Any Firm performing legal services on behalf of Citizens is expected to cooperate with and utilize any such

services on behalf of Citizens. The Firm is expected to comply with Citizens' billing procedures at its own expense and any charges submitted for the same will not be honored by Citizens.

## **8.2 Billing Cycle**

The billing on each matter shall be submitted on a calendar month basis (30 day cycle). A final bill for all outstanding charges should be forwarded immediately by the Firm upon the conclusion of each matter. Citizens has sole discretion to consider billing for work performed which is submitted late to Citizens. Late is defined as billed events that occurred more than 60 days prior to it being initially submitted to Citizens for payment.

Citizens will not honor interest fees or other late fees assessed by any Firm or Vendor for any invoice submitted for payment.

Billing submitted late to Citizens will not be given priority review.

**8.2.1** No initial appeal will be considered if filed with Citizens more than sixty (60) days after the date of initial denial/reduction by Citizens for the billed event. The date of initial denial/reduction is the date the invoice was paid. Citizens will consider only one appeal by the Firm for each invoice submitted for payment and all line entries appealed from the initial invoice must be included on a single appeal. Appeals must provide additional information for Citizens to reconsider a prior reduction. Appeals that fail to provide additional information will not be considered and Citizens initial denial/reduction of the invoice will be upheld.

**8.2.2** Each invoice submitted to Citizens shall only reflect work that is performed within a single calendar month (approximately a thirty (30) day period). Firms should not submit invoices that contain line item dates that occur outside the period of a single calendar month neither should invoices contain multiple months of billing. Only one invoice should be submitted per service period. If multiple invoices are submitted for a service period or invoices are submitted for a time period not corresponding to the required single calendar monthly billing cycle, invoice(s) may be deleted for resubmittal and will not be given a priority review upon resubmittal.

## **8.3 Types of Invoices**

There are three types of invoices that can be submitted to Citizens through its computerized online billing system (Acuity) by your Firm: Initial Invoices, Appeals, and Vendor Invoices.

### **8.3.1 Initial Invoices**

Initial invoices represent the Firm's initial submittal of time and expenses to Citizens for payment and reimbursement. The Firm is authorized to submit only one (1) initial invoice during a billing cycle. Any entries not included on an initial invoice submitted for a billing cycle must be included in the appeal of the invoice. When new entries are submitted on an appeal invoice, the Firm must indicate that the entries are newly submitted under the line entries description or

comment. All Firm travel expenses and in-firm copy charges (copies made by the firm in house or through a pre-approved copy service; this does not include copies requested from a third party via subpoena or records request) must be submitted on an initial firm invoice.

### **8.3.2 Vendor Invoices**

Acuity Vendor Invoices represent expenses owed to an outside vendor that were incurred on behalf of Citizens during the defense of a matter. These expenses are uploaded to a Vendor Invoice within Citizens online billing system (Acuity) by the Firm who incurred the expense on Citizens' behalf.

Charges for approved services by outside vendors should be submitted to Citizens within thirty (30) days of receipt for direct payment to the vendor in the method directed by Citizens. Late fees assessed due to the Firm's failure to timely upload a Vendor Invoice should be paid by the Firm. For payment to be issued to the vendor directly, the outside vendor invoice must be made payable by Citizens (and NOT payable by the Firm). Further, Citizens is a tax exempt organization. Taxes should not be included on vendor invoices. See "Attachment C" for instructions on submitting a Vendor Invoice.

The following categories of expenses should be submitted on Vendor Invoices: Consultant, Experts, Investigators, Inspector, Mediators, Transcript Request, Interpreters, Video Editing, Couriers, Data Search Services, Process Servers, and Record Request Fees. In the event that the Firm pays for any of the above vendor services or expenses, Citizens will reimburse the Firm for the actual cost of the service or expense. To be eligible for reimbursement, the Firm must submit within thirty (30) days of payment the Vendor's Invoice and any other associated documentation containing the following information: (1) Name of vendor, (2) Date charges incurred, (3) Specific description of services, (4) Identification of matter with which service is associated, (5) Amount charged for service and (6) Proof of payment by Firm to outside vendor.

All other Vendor Invoices should be paid for by the Firm, with a reimbursement request submitted containing proof of payment by the Firm.

### **Use of Citizens Contracted Court Reporters**

For all court reporter services scheduled by the Firm on behalf of Citizens, the Firm must utilize a court reporter contracted with Citizens. A list of Citizens contracted court reporters is available upon request. Once the assignment is complete, the court reporter will fill out the Citizens' Invoice Template and forward this document to [CourtReporterInvoices@Citizensfla.com](mailto:CourtReporterInvoices@Citizensfla.com). No Firm involvement is required for invoicing these services. However, if the court reporter's services are scheduled by another party, the Firm is responsible for uploading the court reporter invoice into Citizens' invoicing system (Acuity) as a vendor invoice.

### 8.3.3 Appeals

Appeals are submitted to request a second review of time/expense reduced on initial firm invoices. The invoice number for the appeal is the initial invoice number with an “S” on the end. For example, Initial Invoice 3456 is appealed as Appeal Invoice 3456S. The amount appealed, based on an initial invoice reduction, should not exceed the amount reduced. Do not appeal the full amount originally billed if a portion of the time or expense was allowed. The description provided on appeal should mirror the description utilized on the initial invoice. A comment is added by the Firm to provide additional information concerning why further time or expenses should be allowed. If the initial invoice requests a document, the document should be attached to the appeal line entry. In most cases, the document should also be uploaded into the Acuity document database for the matter. See “Attachment B” for instructions on submitting an appeal.

**NOTE:** Preparation of an invoice and/or correspondence in reference to invoice questions or issues are not billable tasks and any charges submitted for the same will not be honored by Citizens.

## 8.4 Invoice Fees

### 8.4.1 Fees

All matters are assigned for hourly billing unless a contingency fee or flat fee is specified by Citizens. Any changes in the hourly rates (or alternative fee arrangements), unless a flat fee or contingency fee is assigned, must be pre-approved by Citizens in writing; unilateral rate or fee increases will not be honored.

### 8.4.2 Flat Fee (Examination Under Oath)

Citizens’ contracts with Firms for examinations under oath at a flat fee rate. A flat fee of \$1,500 is allowed for the first examination under oath and must be billed using task code L720. All additional examinations under oath are billed at a rate of \$500 per examination and must be billed using task code L740. If the Firm conducts one examination under oath involving two matters, the Firm is only entitled to the flat fee under one of the matters. The Litigation Specialist and/or Firm should designate in an Acuity note which matter the flat fee(s) will be billed under. The Firm is also entitled to the reimbursement of specific expenses (court reporter fees, transcript costs, interpreter fees, process server fees, and filing fees).

The EUO flat rate includes the following services:

- Receipt of the assignment and on-going contact by telephone, email with Citizens until the conclusion of the EUO assignment;
- Updating Acuity to reflect all communications, documents and activities related to the EUO assignment;
- Scheduling and correspondence with the subject(s) of the EUO and/or their representative(s);

- Review of the claim file and related material in advance of conducting the EUO;
- Preparation of a written pre-examination report submitted to Citizens prior to the examination stating the reason for, and goals of, the examination;
- Travel costs and travel time to and from the examination; and
- Time spent conducting the examination itself; a written, post examination report summarizing the testimony and recommendations for future activity.
- Any other tasks related to the above listed tasks or contemplated under the EUO contract.

#### **8.4.3 Contingent Fees (Subrogation)**

Citizens' contracts with Firms on Subrogation matters for a contingent fee and expenses. The agreed upon contingent fee will be memorialized in a separate contract with Citizens. Once the Firm receives a recovery under a matter, the entire recovery will be forwarded to Citizens and the Firm will submit an invoice for the amount of the contingency fee contractually earned during representation of Citizens. The amount of the contingency fee must be submitted under a line item task code L730. The Firm is also entitled to reimbursement of all expenses allowed under Citizens guidelines Appendix "A".

#### **8.4.4 Retainer Fee**

Citizens does not provide a retainer for fees or costs for legal services rendered on its behalf by your Firm. Any retainer applied by the Firm will be deemed waived for any assignment from Citizens. Citizens may pay a retainer fee for expert services if authorized by the assigned Litigation Specialist.

### **8.5 Format**

#### **8.5.1 Task Codes / Activity Codes**

Each entry on the invoice must be appropriately coded using a task code and an activity code based on Citizens' billing systems' (Acuity's) coding. A copy of the Acuity task and activity codes will be provided upon request and can be located in Acuity under the "Utility" tab.

#### **8.5.2. Time Entries**

The Firm must bill for the actual and reasonable time requested. The minimum increment for a single task/activity is .10 hours. Do not utilize any other form of minimum billing. Further, do not unbundle (break apart) a single task to bill more time than was actually required for the task.

#### **8.5.3 All billing is to be submitted in an itemized format reflecting the actual time spent on each task and shall reflect the following information:**

- A) The date the specific task was performed;
- B) A detailed description of each task performed (each task is to be billed separately; block billing of multiple tasks under a single entry will not be

- honored; unbundling of a single task into multiple entries will not be honored);
- C) Timekeeper ID of the individual who performed the task (time should only be billed by the timekeeper who performed the task);
- D) The amount of time, by the tenth of the hour, spent to perform each task (the actual time required for each task should be billed; pattern billing of a set amount of time for the same task across a single matter or multiple matters will not be honored);
- E) The hourly fee for the individual who performed the task, when applicable;
- F) The total time and fees charged for all individuals for the applicable billing period;
- H) Itemized accounting of all expenses must be billed individually with documentation attached; proof of payment must be provided for expenses when applicable.

**8.5.4** Vague descriptions of tasks performed, without further details are not acceptable and any charges submitted using vague descriptions will not be honored by Citizens. Examples include but are not limited to:

- A) Review case and issues
- B) Review correspondence
- C) Telephone call or telephone conference
- D) Receive / review document
- E) Update strategy
- F) Analysis
- G) Evaluation of status or supplemental evaluation of litigation needs
- H) Discovery
- I) Motion work or motion preparation
- J) Prepare for meeting
- K) Research
- L) Court appearance
- M) Trial preparation
- N) Travel

### **8.5.5 Joint Defense / Related Citizens Matters / Split Expense Billing**

#### **Joint Defense:**

Any time billed on more than one matter, including work billed to other clients or other carriers, where a joint defense agreement exists (either within the same case or within a series of similar cases) should be split between each matter at an appropriate ratio and indicate the following: (1) Total billing split; (2) Number of matters time was billed across, and (3) Billing allotted to each matter.

#### **Related Matters:**

If the Firm represents Citizens under two or more related matters, the Firm must split time billed for each task that benefited multiple matters between those matters. However, if the task only required .1 hours, the task should be billed

under only one of the matters. Likewise, if the time required for the task would be split to an increment less than .1 hours if billed across the matters, the time should be split so that only the amount of time required is billed, even if time is not billed under one or more of the matters that benefited from the task. (Example: A task requiring .3 hours was performed to the benefit of four matters. .1 hours should be billed under 3 of the matters and the task is left off the fourth matter.) When time is split across matters, the Firm must indicate within the line entry description for each invoice the task is split across (1) the total amount of time split between matters and (2) list the matter number for each matter time was split across. If the Firm has already assigned invoice numbers to the invoices containing this split time, the invoice numbers should also be provided.

#### **Split Expense Billing:**

If the Firm is splitting an expense across matters, the Firm must provide the (1) total amount of the expense and (2) list the matter number for each matter the expense was split across. If the Firm has already assigned invoice numbers to the invoices the expense was split across, the invoice numbers should also be provided.

#### **8.5.6 Standardized Forms and Templates**

In certain matters, Citizens may require or request the use by the Firm of standardize forms or templates approved by Citizens' Claim & Litigation Legal Services. Only the actual time spent modifying or adapting the standardized form or template to the specific needs of the matter shall be billable.

If the Firm modifies or adapts legal research or documents previously prepared by the Firm for the same matter or another matter, such as reports, pleadings, motions, discovery documents, etc., Citizens should only be billed for the amount of time required to modify or adapt the document. When billing time to modify or adapt a standard form or template, include in the invoice line entry description which sections of the document were modified.

#### **8.5.7 Documentation of Pre-Approval**

Citizens will only honor pre-approval provided to the Firm for a task or expense if justification and pre-approval are documented in an Acuity note under the corresponding matter. Citizens will not honor verbal pre-approval for a task or expense. When invoicing a task or expense that requires pre-approval, include in the line entry description for the task/expense the date an Acuity note was added by the Litigation Specialist providing the required pre-approval.

The following are a few tasks which Citizens requires documented pre-approval prior to work being performed: preparation of summaries and chronologies of medical records, discovery responses, responses to records requests, and page line summaries of depositions or EUOs.

## 8.6 Documentation and Review

Citizens' expectation is that all activity which occurs within a particular matter shall be documented within Citizens' litigation management billing system (Acuity). Activity within a matter includes, but is not limited to, any and all communications and documents (formal pleadings or otherwise) that relate to the particular matter. If activity occurring on an invoice submitted by the Firm is not documented in Acuity, the time allocated to the task will be removed and the Firm will be required to provide the document(s) upon appeal of the reduction(s).

Citizens' document naming convention should be utilized when documents are uploaded into Citizens' litigation management billing system (Acuity). The document should be named in the following manner and order:

**Pleadings:** (1) the date the document was finalized, (2) the unabbreviated name of the document

*Ex: 4/25/16 Second Notice of Deposition of Plaintiff*

**Reports:** (1) the date the report was completed, (2) the unabbreviated name for the type of report prepared

*Ex: 4/15/16 Initial Report*

**Correspondence:** (1) the date the correspondence was sent, (2) the type of correspondence – email, facsimile, memorandum, or letter, (3) who the correspondence was addressed to/from

*Ex: 4/25/16 Email from Counsel to Opposing Counsel*

**Other Document:** (1) the date the document was completed, (2) the type of document

*Ex: 4/5/16 Medical Records Summary*

It is also Citizens' expectation that when the Firm bills Citizens for the review of documents, the billing entry will include a detailed description of the type of documents or actual documents reviewed and a page count representing the number of pages of documents reviewed.

## 8.7 Authorized Billing Personnel

The Firm will designate one senior level attorney to have primary responsibility for each matter assigned by Citizens. Each matter is expected to be staffed according to the specific needs of the assignment. All matters assigned to the Firm are expected to be handled in the most economic and efficient manner. It is expected that each task is to be accomplished by one legal professional. Citizens will not honor fees submitted for duplication of efforts.

In an effort to ensure economic and efficient handling of each matter assigned to the Firm, no more than two attorneys (one senior level attorney, one associate/ junior level attorney) and one paralegal should be assigned to each matter for handling throughout the life of the matter, unless otherwise pre-approved by Citizens. Billing by an unauthorized timekeeper on an individual matter will not be honored. Should it become



necessary to assign additional timekeepers to the matter, prior approval from the assigned Litigation Specialist is required and must be noted by the Litigation Specialist in Acuity prior to the timekeeper becoming involved. Citizens reserves the right to deny all time and/or expenses billed by an unauthorized timekeeper for a lack of documentation showing pre-approval in Acuity. Documentation of pre-approval must reflect the name of the Citizens' representative authorizing a change in assigned timekeepers or the use of additional timekeepers. Further, charges related to the departure of a Firm timekeeper, including time spent by the new timekeeper(s) assigned by the Firm to familiarize himself/herself with the matter is considered firm overhead and billing for this task will not be honored.

Tasks that can be delegated to an associate or paralegal should be delegated to ensure economic and efficient handling of each matter. In matters where an associate's or paralegal's services are employed, Citizens expects all work performed to be overseen and approved by a senior level attorney. Citizens does not consider the review of an associate's or paralegal's work to be a billable event and will not honor such billing.

Citizens is not responsible for the training of Firm personnel. Although it is recognized that frequent reviews and conferences are necessary for the training of new associates and paralegals, Citizens will not honor billing for such matters.

#### **8.8 Clerical, Secretarial & Administrative Tasks**

Regardless of who performs the task, Citizens will not honor fees submitted for tasks deemed to be clerical or secretarial in nature or time associated with administrative functions. Such clerical, secretarial and administrative functions may include, but may not be limited to:

- Opening, creating and/or updating a litigation database or Firm file (to include all data entry functions)
- Preparing an index or log of file materials or records
- Filing, compiling, collating, assembling, binding, bates stamping, tabbing files or folders, or sorting file documents (to include but not limited to, in preparing the corporate deposition notebooks and trial notebooks)
- Retrieving file materials or records
- Preparing or organizing file materials (including preparing for meetings, hearings, conferences, discovery responses, depositions, and trials)
- Accepting a matter, preparing a budget, performing a conflict check and all tasks involved in curing a conflict
- Receiving of documents and distributing mail
- Receiving, reviewing, following up, and processing of vendor invoices
- Receiving and reviewing a W-9 (to include but not limited to receiving a W-9 from an outside vendor)
- Reviewing template emails from Citizens concerning logistics for Trial Preparation Sessions, Mediation, or Fee Hearings.
- Preparing transmittal correspondence to forward documents or prepare notes to Citizens online system for the limited purpose of providing documents

- Posting correspondence, pleadings or documents to online system utilized by Citizens
- Preparing a Notice of Unavailability or Notice of Email Designation
- Preparing a form closing letter
- Preparing or adding a Certificate of Service to a document
- Closing a file
- Responding to correspondence with “Thank You” or a similar sentiment
- Proofreading, editing, reworking, redrafting and/or adding textual changes necessitated by substandard work product or mistakes
- Filing or E-Filing and Serving or E-Serving a document with the Court
- Reviewing or analyzing any receipt received in response to Filing, E-filing, Serving, or E-Serving a document (to include but not limited to e-notice from the Court, return receipt cards from the postal service and proof of service)
- Obtaining and reviewing tracking information for documents sent
- CD Burning
- Scanning documents
- Photocopying or printing documents
- Picking up/Delivery of file materials or records
- Mailing/Faxing/Emailing documents
- Scheduling, confirming, canceling, coordinating, or calendaring functions
- Traveling or transportation arrangements

**Note:** Time allocated to signing a document should be included in the drafting time. Citizens considers signing a document to be an administrative task when a timekeeper other than the timekeeper who drafted the document bills to sign the document and if the signing of the document is billed separate from its drafting.

## 8.9 Paralegal Tasks

According to the American Bar Association, “A legal assistant or paralegal is a person, qualified by education, training or work experience who is employed or retained by a lawyer, law office, corporation, governmental agency or other entity and who performs specifically delegated substantive legal work for which a lawyer is responsible.”

Paralegal tasks should be delegated to a paralegal. Regardless of who performs the task, Citizens will only compensate the Firm for paralegal tasks at a paralegal rate. Such paralegal tasks may include, but may not be limited to:

- Preparing of the following Notices: Notice of Hearing, Notice of Filing, Notice of Cancellation, Notice of Mediation, Notice of Appearance, Notice of Deposition, Notice to Produce, and Notice of Non-Party Production (except for any portion of the request that must be customized by an attorney)
- Preparing of the following Certificates: Certificate of Non-Objection and Certificate of Authority
- Preparing of the Final Disposition Form
- Performing property searches, permit searches, business searches, and social media searches
- Communicating concerning records requests or following up on records requests

- Ordering records or court reporter transcripts
- Reviewing the docket
- Preparing template subpoenas and records requests
- Preparing authorizations to secure records
- Preparing of most form or template correspondence

### **8.10 In-Firm Conferences and Memoranda**

The Firm should not bill for intra-firm conferences, unless an attorney assigned to the matter is seeking advice or counsel on substantive or procedural aspects of the case that result in a more effective defense. Reasonable and necessary conference time will be billable by one timekeeper only, provided that sufficient detail concerning the subject of the conference is set forth under the invoice line entry description to demonstrate the relevance and value of the conference.

Unless otherwise approved by Citizens, billing for in-firm memorandum will not be honored by Citizens. Approved billing for such in-firm memorandum will be authorized only when the specific need arises in order to provide effective representation due to the unique circumstances of an assignment.

Intra-office communications or memorandum with a purpose of assigning tasks, summarizing the file, or similar clerical/administrative functions should be considered firm overhead. Citizens will not honor billing for this type of intra-office conference or memorandum.

### **8.11 Multiple Attendees**

Citizens expects there will be only two attendees at Trial Preparation Sessions facilitated by Citizens and Trials, unless otherwise indicated by the Litigation Specialist.

Citizens expects there will be only one attendee at all other hearings, court appearances, meetings, depositions, witness interviews, inspections, and other pre-trial events.

Attendance approval from Citizens is required for any additional attendees based on the need of the matter. Prior approval from Citizens must be documented in Acuity prior to the event in which the Firm requested additional attendees. If more Firm attendees are invited to attend one of the above events than are permitted in these guidelines, the Firm must confirm with the Litigation Specialist how many Firm attendees are authorized.

Paralegals, associate attorneys, and additional Firm staff may assist in the setup and breakdown of equipment, operating computer equipment or may choose to attend any legal event at the Firm's discretion. However, time allocated to such tasks are not billable.

## 8.12 Expenses

**8.12.1** Citizens is not responsible for charges or reimbursement for overhead office expenses incurred by the Firm. Such overhead expenses include but are NOT limited to the following:

- A) Copying or printing, by the Firm or a vendor retained by the Firm to perform such services, unless specific need arises and pre-approval from the assigned Litigation Specialist is noted in Acuity; invoices for such charges must indicate the reason for the copies, the number of sets of copies produced, and the name of the Litigation Specialist who authorized the charge. If the Firm receives pre-approval to prepare copies, they must be billed at a rate of \$.10 for black and white copies and \$.25 for color copies, unless the pre-approval includes the use of a copy service and a copy service's rates. Preapproval for the use of a copy service must include the number of copies that are preapproved.
- B) Postage
- C) Courier/Delivery services (unless pre-approved by the assigned Litigation Specialist in extraordinary circumstances)
- D) Telephone charges (except long distance)
- E) Facsimile charges
- F) Subscriptions, including those for legal periodicals, reference manuals, and research materials
- G) Any charges for computerized legal research
- H) Local travel expenses (except for local parking and toll fees meeting the requirements under Appendix A)
- I) Office supplies
- J) Non-attorney/non-paralegal staff
- K) Utilities or rental fee for office facilities
- L) Seminars attended by attorneys or legal professionals
- M) Fees associated with the E-filing of a document or access to view and print E-filled documents
- N) Fees associated with scanning documents
- O) The cost of CD(s) or the burning of CD(s)
- P) Travel agency fees

### 8.12.2 Travel Expenses

Citizens only reimburses the Firm for travel expenses associated with long distance travel. Long distance travel is defined as any travel outside a 50 mile radius from the Firm's local office. The Firm shall consult with Citizens prior to incurring any long distance travel expenses. Except as otherwise agreed to by Citizens in writing, Citizens will only reimburse the Firm for long distance travel expenses that are pre-authorized and ordinary and necessary in nature and amount. All travel reimbursement is subject to Citizens' Vendor Travel Reimbursement Guidelines, currently in effect and/or amended in the future. Citizens' Vendor Travel Reimbursement Guidelines are attached as Appendix A.

The Firm shall be solely responsible for reimbursing all attorneys or paralegals that will perform services under the Firm's Contract for Legal Services with Citizens for their travel expenses. To the extent that Citizens agrees to reimburse Firm pre-authorized travel expenses, then Citizens will reimburse the Firm for any pre-authorized and approved travel expenses in accordance with Citizens' Vendor Travel Reimbursement Guidelines.

Except as otherwise directed by Citizens, the Firm will submit travel expenses for reimbursement through the use of Citizens' online billing system (Acuity).

### **8.12.3 Expenses for Professional Services**

The Firm shall consult with and obtain approval from Citizens prior to incurring expenses for experts, consultants, investigators, temporary attorneys or outside paralegals or other professional services.

If a retainer fee or pre-payment is required for professional services, the Firm should upload the invoice as a Vendor Invoice. If the need arises, the Firm should email [Claims.Legal.Billing@Citizensfla.com](mailto:Claims.Legal.Billing@Citizensfla.com) and the Litigation Specialist for assistance with expediting the review and payment of the vendor invoice.

## **9. AUDIT / FILE REVIEW**

### **9.1 Office of Internal Auditor**

Citizens' enabling statute establishes the Office of the Internal Auditor ("OIA"). Through its OIA, Citizens has the right to review any of the Firm's business books, work, or documents specifically related to work performed on behalf of Citizens, in case of an audit or investigation. Citizens shall provide to the Firm reasonable written notice of at least three (3) business days. The Firm shall not unreasonably delay or inhibit Citizens' right to review as set forth in this paragraph.

### **9.2 Associated Fees**

In addition, Citizens reserves the right to review all charges for services and disbursements pertaining to any legal services performed on behalf of Citizens. Citizens reserves the right to conduct on-site audits and file reviews consistent with the Firm's ethical obligations and in a manner that will not compromise the attorney-client or work product protection associated with the file. The Firm shall comply with all reasonable requests for information and documents, provided that such documents or information are not privileged or intended by an insured in a Third Party matter to be confidential. In such situations, Citizens must obtain the consent of the insured in the Third Party matter.

### **9.3 Document Retention**

The Firm shall maintain for review by Citizens any documentation, receipts, files, invoices and time-keeping records in support of all disbursements for at least three (3) years after the file is closed by the Firm. Additional document retention requirements may be specified in the Firm's Contract for Legal Services with Citizens. Citizens will not honor fees or expenses associated with audit preparation, proceedings or resolution, unless the expenses are requested and pre-approved by Citizens (i.e. copying services, delivery services, etc.).

#### **9.4 Audit Results**

Audit results may be discussed with the Firm during the visit. Any billing issues identified will be brought to the Firm's attention for review and comment. The Firm will be required to implement corrective measures to bring the billing practices into compliance with Citizens' policies and procedures. Citizens will not honor fees or expenses associated with the implementation of any such corrective measures.

### **10. PERFORMANCE MONITORING**

Any Firm providing legal services on behalf of Citizens shall fully comply with the requirements and expectations stated in these Guidelines. The Firm shall be responsible for ensuring all individuals in the Firm performing services on Citizens' behalf are familiar with and adhere to these Guidelines.

In order to maintain the standards expressed in these Guidelines, Citizens will conduct routine monitoring and evaluation of Firm performance. Such performance will be analyzed and scored using the following key performance indicators: (1) compliance with Citizens' billing guidelines; (2) compliance with Citizens' reporting and file handling expectations as outlined in these Guidelines or as established by Citizens; (3) adherence to Citizens' legal strategies and directives; and (4) timely communication and responsiveness to Citizens. Failure to comply with any portion of these Guidelines may result in corrective action as deemed appropriate by Citizens including, but not limited to, suspension from new assignments, reimbursement of bills paid by Citizens and/or termination of the Firm's Claims & Litigation Legal Services Contract with Citizens.

### **11. TERMINATION OF SERVICES**

#### **11.1 Termination of Assignment**

Citizens and the Firm may each terminate a specific assignment or all assignments held by the Firm, at any time upon advanced written notice. Citizens may also reassign any matter at any time upon advanced written notice.

#### **11.2 Receipt of Termination of Assignment**

After notice is received as to the termination of an individual assignment, or all assignments, (1) the Firm will cease to render services to Citizens as soon as allowed by applicable law and ethical and/or court rules, which may include court approval for withdrawal from litigation, and (2) Citizens will take all steps necessary to relieve the Firm of any obligation to perform further, including retention of substitute counsel.

### **12. INFORMATION PRIVACY AND DATA SECURITY**

Citizens takes seriously the privacy concerns of its insureds and others. The purpose of this Section is to properly address the protection, handling and proper disposal of any information the Firm has received from Citizens ("**Citizens Confidential Information**"). These requirements apply to all information assets, including, but not limited to paper, electronic and film data. The term "Citizens Confidential Information" does not include any information that: (a) is publicly available through no fault of Firm; (b) Firm developed independently without relying in any way on Citizens Confidential Information.

The privacy and data security requirements in this Section are in addition to those set forth in the Firm's Contract for Legal Services with Citizens and any applicable state or federal law.

### **12.1 General Requirements**

Firm shall, and cause those providing services for Firm under the Contract to, implement and maintain appropriate safeguards to: (a) ensure the security and confidentiality of Citizens Confidential Information; (b) protect against any anticipated threats or hazards to the security or integrity of Citizens Confidential Information; and (c) protect against unauthorized access to or use of Citizens Confidential Information that could cause harm or inconvenience to any customer of Citizens.

### **12.2 Use of Citizens' Systems**

Where Firm, or those providing services for Firm under the Contract, have access to Citizens' systems or any other Citizens' system or technology provided by or through Citizens, in addition to the other safeguards required by this Section, Firm and its resources shall not share user identifications and/or passwords with any other individual.

### **12.3 Data Encryption**

Firm and those providing services for Firm under the Contract, will encrypt all electronic data and communications containing Citizens Confidential Information using a strong cryptographic protocol that is consistent with industry standards.

### **12.4 Data Storage**

Except as permitted in writing by Citizens' Contract Manager or designee, Firm and those providing services for Firm under the Contract shall not store Citizens Confidential Information on portable external storage devices or media (such as "thumb" drives, compact disks, or portable disk drives).

### **12.5 Data Export**

Except as permitted in writing by Citizens' Contract Manager or designee, Firm and those providing services for Firm under the Contract are prohibited from: (a) performing any services outside of the United States; or (b) sending, transmitting, or accessing any Citizens Confidential Information outside of the United States.

### **12.6 Security of Vendor Facilities**

The facilities for the Firm and those providing services for Firm under the Contract, in which Citizens Confidential Information is located or housed shall be maintained in a reasonably secure manner.

### **12.7 Printed Material**

Firm and those providing services for Firm under the Contract shall not make copies of Citizens Confidential Information unless there is a business need. The disposal of such printed materials must be conducted in a manner that renders the information inaccessible to others (use of a reputable third party shredding company is permissible).

### **12.8 Authority to Disclose Confidential Information to Others**

Firm acknowledges and agrees that any Citizens Confidential Information disclosed to or acquired by Firm is disclosed and/or acquired solely for the purposes of facilitating

the provision of legal services. Firm shall restrict access to this Citizens Confidential Information to those persons who will actually assist in the provision of legal services. Firm shall be solely responsible for informing any individual or entity with access to Citizens Confidential Information of the provisions of this Section and shall be responsible for any acts of those individuals and entities that violate such provisions.

### **12.9 Unauthorized Disclosure**

Firm will notify Citizens as soon as possible of any potential or actual unauthorized disclosure, misuse, or misappropriation of Citizens Confidential Information of which it becomes aware and will cooperate in remedying such situations promptly. Pursuant to Section 501.171, Florida Statutes, if Firm maintains computerized data that includes personal information, as defined in such statute, on behalf of Citizens, Firm shall disclose to Citizens any breach of the security of the system as soon as practicable, but no later than ten (10) days following the determination of the breach of security or reason to believe the breach occurred.

### **12.10 Notification of Anticipatory Breach**

Firm agrees that should it, for any reason, not be able to provide or maintain appropriate safeguards to fulfill its obligations under this Section, it will immediately inform Citizens in writing of such inability and such inability on Firm's part will serve as justification for Citizens' termination of this Contract, at Citizens' sole election, at any time after the inability becomes known to Citizens.

### **12.11 Remedies**

Firm acknowledges that breach of Firms' obligation of confidentiality may give rise to irreparable injury to Citizens and the customers of Citizens, which damage may be inadequately compensable in the form of monetary damages. Accordingly, Citizens may seek and obtain injunctive relief against the breach or threatened breach of the provisions of this Section, in addition to any other legal remedies which may be available, to include, at the sole election of Citizens, the immediate termination, without penalty to Citizens, of this Contract in whole or in part.

## **13. ACUITY**

The majority of the information that will be entrusted to the Firm by Citizens will be exchanged through the Acuity system. Access to Acuity must be limited to those attorneys, paralegals and legal assistants who are handling Citizens' work. Desktops must not be left unlocked when unattended.

Computers located at the Firm's office that have access to Acuity must not be located in unsecured areas where unauthorized personnel will have access to Acuity and its contents.

Examples of common areas include but are not limited to:

- Break rooms
- Kitchen areas
- Restrooms
- Reception areas (unless access is limited)
- Stock rooms
- Areas of ingress and egress to the Firm



It is the Firm's responsibility to ensure that Acuity user access is immediately terminated within twenty-four (24) hours after any individual ceases employment or otherwise becomes disassociated with the Firm. This requirement also applies to any member of the Firm who, although still employed by the Firm, no longer represents Citizens and therefore does not require Acuity user access.

**14. FLORIDA RULES OF JUDICIAL ADMINISTRATION**

Rule 2.420 allows for public access to court files including those documents filed with the court by parties to a lawsuit. All members of the Firm that will be handling matters for Citizens must be familiar with Rule 2.420 of the Florida Rules of Judicial Administration.

Rule 2.425 designates the limited format in which certain sensitive information must be in when the information is filed with the court. All members of the Firm that will be handling matters for Citizens must be familiar with Rule 2.425 of the Florida Rules of Judicial Administration.

**15. CONTACTS INFORMATION:**

**Vendor Management Email Address:**

[Vendor.Administration@Citizensfla.com](mailto:Vendor.Administration@Citizensfla.com)

**Legal Billing Email Address:**

[Claims.Legal.Billing@Citizensfla.com](mailto:Claims.Legal.Billing@Citizensfla.com)

**Email Address to Request Remittance Statements:**

[ClaimsBulkStatements@Citizensfla.com](mailto:ClaimsBulkStatements@Citizensfla.com)

**Location Where All Refunds Owed Citizens Should be Forwarded:**

You must advise the assigned Litigation Specialist and Vendor Management that your Firm is forwarding a refund.

**Payable to:** Citizens Property Insurance Corp

**Mail to:** Citizens Property Insurance Corp  
Attn: Check Processing Courtesy of John Cipolla  
301 West Bay St., Suite 1300  
Jacksonville, FL 32202

**Required Information Submitted with the Refund:**

- Check Number Reimbursement From,
- Claim Number Reimbursement Related to, and
- Invoice Number Reimbursement Related to.

## **APPENDIX “A” – FIRM TRAVEL REIMBURSEMENT GUIDELINES**

With the exception of parking and tolls, Citizens will only compensate the Firm for Long Distance Travel charges. Long Distance Travel is defined by Citizens as any travel outside a 50 mile radius from the Firm’s local office. The Firm must obtain authorization from Citizens to incur travel expenses prior to travel. Travel without authorization will not be reimbursed.

Upon authorization, Citizens will reimburse the Firm for ordinary and necessary travel expenses incurred by the Firm’s personnel as a result of performing duties on behalf of Citizens consistent with these guidelines. The traveler must utilize the most efficient route, employ the most economical and efficient method of transportation, and request standard accommodations.

Unless otherwise requested in writing, the Firm will submit travel expenses for reimbursement through the use of the online billing services (Acuity) utilized by Citizens. When entering travel expenses, only one type of travel expense (i.e. meals, hotel, rental car, taxi, etc.) should be included under each line entry. Itemized documentation related to the expense must be uploaded to Acuity, however only documentation related to the expense captured under the line entry should be included. If documentation is uploaded to an expense line entry that relates to multiple expenses, the line entry will be disallowed and the Firm will be required to submit an appeal of the line entry with only documentation related to that line entry attached. Further, Citizens may refuse payment of any expense reimbursement requests not invoiced within ninety (90) days of return from travel or when expenses are not properly documented. Invoice descriptions for all travel expense reimbursements should include the purpose for the travel and the to/from travel location. When multiple individuals travel on the same date the Firm must identify the timekeeper who incurred the expense.

Travel expenses must be submitted through the online billing services (Acuity) utilized by Citizens within the “Service Period” for the month prior, month of, or month following the actual travel. Expenses submitted outside this timeframe may be disallowed with a request that the expense be uploaded within the required timeframe.

If the Firm utilizes points and/or vouchers during travel associated with performing duties on behalf of Citizens, the points and/or vouchers are NOT reimbursable by Citizens.

### **Standard Reimbursement Procedure:**

Payment for travel expenses incurred by the Firm will be made only to the Firm. It is the Firm’s responsibility to directly reimburse its employees, consultants and/or subcontractors. Firm personnel should submit their itemized receipts to the Firm (their employer), who will then invoice Citizens through its online billing system (Acuity) for the expenses, including copies of all supporting documentation.

### **Alternate Reimbursement Procedure:**

Under certain circumstances and upon written notification from Citizens, the Firm will be required to use the following travel reimbursement procedure in lieu of the Standard Reimbursement Procedure above. In order to be eligible for reimbursement under the Alternate Reimbursement Procedure, the Firm must submit an invoice along with a “Vendor Travel Expense Reimbursement Form” with copies or originals of required forms and receipts to Citizens Accounts Payable Department at [AccountsPayable@Citizensfla.com](mailto:AccountsPayable@Citizensfla.com) or by mail to ATTN: Accounts Payable, PO Box 10749, Tallahassee, FL 32302-2749.

Personnel required to submit weekly or monthly time sheets to a Citizens Project or Contract Manager must fill out a "Vendor Travel Expense Reimbursement Form" and have it signed by the appropriate Citizens manager prior to submitting to their employer for reimbursement. The Firm will then invoice Citizens, including a copy of the "Vendor Travel Expense Reimbursement Form" and supporting receipts.

Contracted personnel or professional services personnel not required to submit monthly or weekly time sheets should submit their receipts to their employer, who will then invoice Citizens for the expenses, including copies or originals of all supporting documentation.

**Travel Receipts:**

An itemized receipt must substantiate all expenses submitted for reimbursement other than meals and mileage (which requires documentation of the miles traveled). Credit card statements are unacceptable.

A valid travel receipt must show the following:

- Name of the establishment;
- Location of the establishment;
- Date(s) the expense(s) were incurred;
- The type of expense; and
- The amount of each expense itemized.

If the Firm does not have a receipt to substantiate an expense, no reimbursement will be paid.

A written explanation for reasonable gratuities will be accepted in lieu of a receipt. (See Gratuities Section below for further guidance).

**Transportation:**

In determining the mode of transportation, the Firm should consider relative costs, time efficiencies, and the number of people traveling together and must select the most economical method of transportation.

**Airfare Reimbursement:**

Citizens will reimburse for standard coach airfare and baggage fees only. More than one bag must be justified in writing if an extra charge applies. First-class or business class airfare WILL NOT be reimbursed at full price, but reduced to the standard coach rate. The Firm is responsible for providing documentation of the standard coach rate. If documentation of the standard coach rate is not provided, Citizens will reduce the cost of the first-class or business class airfare by half to account for the extra associated fees. Further, Citizens will reject additional fees associated with air travel, such as priority seating, early seating, upgrades, or flight changes unless incurred at Citizens' request and the request is documented in writing in Acuity.

**Taxi and Bus Reimbursement:**

Reasonable expenses for the use of taxis, ferries, busses, trains, or similar forms of transportation are reimbursable when associated with long distance travel. A receipt must be provided and the Firm must indicate the value of any gratuities included. Neither luxury conveyance nor unjustified immoderate fares will be reimbursed. (See Gratuities Section below for further guidance)

**Tolls & Parking Reimbursement:**

Tolls and parking will be reimbursed for both long distance and local travel when accompanied by a receipt. If no receipt is available for parking charges, Citizens will accept a credit card statement, in this limited situation, as long as the charges are reasonable. If no receipt, toll statement, or credit card statement is available for the expense, a written explanation is required. Valet parking will be reimbursed only when it is mandatory and will always require a receipt and a statement that the charge was a mandatory charge. The valet ticket is not a receipt.

**Mileage Reimbursement:**

Citizens will reimburse mileage at the rate of \$.445 per mile when a personal vehicle is used for Long Distance Travel. Requests for mileage reimbursement must be accompanied by a map or log providing the starting point and destination to support the number of miles invoiced.

**Rental Vehicle Reimbursement:**

Travelers must rent the lowest class size car available (economy, intermediate, standard, full-sized) to accommodate the number of staff traveling and the equipment or materials being transported. If the Firm is required to obtain an upgraded vehicle because the lowest class is not available, an explanation must be included on the Firm's invoice. The Firm is prohibited from requesting luxury or premium rental vehicles. If the Firm chooses to obtain an upgraded vehicle, the Firm must provide documentation of the cost of the lowest class size car available, so that Citizens can reduce the cost accordingly. If documentation of the cost of the lowest class size is not provided, then Citizens will research the cost for the lowest class size and reduce the Firm's expense entry in accord with the current cost for same.

Extra items, such as GPS and rental insurance, will not be reimbursed. Citizens will reimburse the Firm for fuel used in the rental vehicle as long as it is purchased prior to the vehicle's return. Any charges by the auto rental agency for gasoline will not be reimbursed.

**Per Diem:**

For travel including an overnight stay, the traveler may elect to take a per diem of \$80 per day (meals and lodging) or may instead claim necessary expenses for lodging plus a meal allowance as described under Lodging Reimbursement and Meal Reimbursement.

**Lodging Reimbursement:**

When making hotel accommodations, several factors must be considered:

- Cost;
- Appropriateness; and
- Proximity to the business activity or event.

A written justification and quotes from area hotels must be provided if the expense exceeds \$150 per night (room rate only). These must be submitted with the authorization to incur travel.

**Meal Reimbursement:**

The following table provides guidelines for meal reimbursement:

<b>Meal</b>	<b>Traveler Must Depart Before:</b>	<b>Traveler Must Return After:</b>	<b>To Claim Meal Allowance of:</b>
<b>Breakfast</b>	6:00 am	8:00 am	\$6.00
<b>Lunch</b>	12:00 pm (noon)	2:00 pm	\$11.00
<b>Dinner</b>	6:00 pm	8:00 pm	\$19.00
<b>Daily Per Diem</b>	6:00 am	8:00 pm	\$36.00

A meal allowance is provided in lieu of reimbursement for meals and meal tips, therefore receipts for meals are not required. When requesting reimbursement for meals, the Firm must provide the time when travel began and ended for each date meals are claimed. If this information is not provided, the entry may not be allowed and the Firm will be required to submit an appeal with this information.

**Gratuities:**

With a \$5.00 maximum, reasonable tips may be reimbursed up to:

- 15% for Taxi
- \$1 for valet parking
- \$2 per night for housekeeping
- \$1 per bag for bag handling

**Non-Reimbursable Expenses:**

Personal travel expenses are not to be billed to Citizens, neither will they be considered for reimbursement.

The following are examples of expenses that will not be reimbursed. This list is not inclusive of all items not covered.

- Alcoholic beverages
- Gifts
- Laundry
- Movies
- Snacks
- Personal Items
- Internet
- Lost or stolen baggage
- Reading materials
- Traffic and/or parking violation fees
- Maintenance or repair of personal vehicle
- Child care or pet care
- Medicines of any type

## **APPENDIX “B” – INVOICE APPEALS**

Citizens’ Appeal invoices should be processed through Acuity. The Firm should follow the process below for all invoice appeals:

### **1. Uploading the Appeal and the Appeal Invoice Number**

The Firm uploads the appeal through a LEDES document the same way an initial invoice is uploaded. The Appeal invoice is uploaded using the same invoice number as the initial invoice, however an “S” is added to the end of the invoice number to identify the invoice as an appeal. An “S” should only be added at the end of an invoice if the invoice is an appeal.

**Example:** The initial invoice number is 7894. The appeal invoice number is 7894S.

### **2. The Appeal Description**

When the Firm submits an appeal, the Firm must include the original description in the “Description” section so that the Legal Billing Compliance Team can easily identify the line entry appealed. Your Firm’s justification/rationale for the appeal should be included as a “Comment” under the line entry description.

### **3. The Amount of Time /Expense Appealed**

When appealing an invoice, the Firm should not appeal more time than was reduced on the initial invoice. Likewise, only the portion of an expense disallowed on the initial invoice should be appealed.

### **4. Appeal of Document Not Posted – Attaching the Document to the Appeal**

For reductions pertaining to missing documents, the Firm should attach the missing documents to the appeal line entry associated with the initial invoice line entry that was reduced. If the document is already located in Acuity, the Firm may identify in the line entry description the “Title” of the document and the “Date” the document was uploaded into Acuity in lieu of attaching the document to the appeal. However, if the Legal Billing Compliance Team is unable to locate the document based on the information provided, time may be reduced or disallowed on appeal. If this occurs, the Firm will not be allowed to appeal the entry a second time.

The invoice must be in “Draft” for the Firm to attach a document. The Firm will click on the “Paperclip” icon identified below. The Firm will then see the “Add Attachment to Item” box shown below. Fill out the box and click “Add” to add the attachment to your invoice line entry. Once the document is added, the attachment will be displayed on the line entry as seen below.

### **5. Adding an Appeal Comment – Information to Include**

For all other reductions, the Firm should provide additional information or justification in a “Comment” under the line entry appealed. The justification provided must contain new information to explain why the entry is valid, consistent with Citizens’ Guidelines for Claims Litigation Legal Services.

The invoice must be under “Draft” to add a comment. The Firm will click on the “Pencil and Paper” icon to add a comment. The comment box shown below will appear. Once a comment has been added, the Firm will click on the “floppy disk” icon to save the comment.

**6. Only One Appeal Allowed**

Only ONE APPEAL is allowed per initial invoice. ALL line items appealed from the initial invoice must be included on the one appeal submitted. All appeals must be submitted within sixty (60) days of payment of the initial invoice. If an appeal is submitted more than sixty (60) days following the payment of the initial invoice, the appeal will be disallowed. Upon request of the Firm, the Legal Billing Manager has sole discretion to review additional appeals or appeals submitted late.

The invoice submittal date is the date the invoice was moved to "For Approval" status. This date is located under "Sent For Approval" once the invoice is moved to the "For Approval" status.

## **APPENDIX “C” – ACUITY VENDOR INVOICES**

Acuity vendor invoices are invoices submitted on behalf of an outside vendor, contracted by the Firm to render services on behalf of Citizens. Acuity vendor invoices are paid directly to the vendor and therefore the outside vendor’s invoice must be made payable by Citizens and not the Firm. The outside vendor can make the invoice payable to Citizens c/o the Firm.

The following types of invoice must be submitted as Acuity vendor invoices, unless the expense was paid by the Firm:

- Adjusters
- Consultants
- Experts
- Investigators
- Mediators
- Transcript Fees
- Interpreters
- Video Editing
- Couriers
- Data Searches
- Inspectors
- Process
- Records Requests (i.e. medical records, fire department, police department, IRS)

The following expenses are NOT billable on Acuity vendor invoices and must be billed on a Firm invoice:

- In Firm copy charges;
- Copy charges prepared by a third party vendor in lieu of preparing the copies in Firm; and
- Firm travel expenses.

Vendor invoices are also uploaded using a LEDES document. An Acuity vendor invoice is uploaded under the outside vendor’s name instead of the Firm name. The outside vendor’s invoice is attached to the details tab of the invoice, instead of a line entry.

### **Preparing a Vendor Invoice:**

When preparing a vendor invoice, keep in mind:

- The Acuity vendor invoice number must match the outside vendor’s invoice number. If the numbers do not match the invoice will be deleted.
- All outside vendor invoices must be made payable by Citizens. If the outside vendor invoice is not made payable by Citizens, the Acuity vendor invoice will be deleted. The Acuity vendor invoice may be resubmitted, however it will not be approved until the outside vendor invoice is made payable by Citizens.
- The claim number on the outside vendor invoice and Acuity vendor invoice must match.
- The outside vendor invoice MUST be attached to the Acuity vendor invoice.
- Citizens is tax exempt. No sales tax should be included on the outside vendor invoice. If sales tax is included, the “Total Amount” for the Acuity vendor invoice should be the invoiced amount minus sales tax.



- Finance charges and interest submitted on an outside vendor invoice will not be honored and should be removed from the “Total Amount” of the Acuity vendor invoice prior to submittal.
- Late fees submitted on an outside vendor invoice will not be honored by Citizens unless the Firm is not at fault for the assessment of late fees. In most cases, late fees should be removed from the “Total Amount” on the Acuity vendor invoice. If late fees were assessed but were not caused by the Firm, the Firm must provide a reason why the late Fees were assessed under the line entry description for the invoice.
- If the outside vendor invoice was split over two Acuity vendor invoices indicate under the line entry description on all Acuity vendor invoices the total of the vendor invoices and the matter numbers for the matters the expense was split across.
- Make sure the outside vendor invoice was not already paid under a Firm invoice.
- Confirm that the vendor who submitted the invoice was chosen as the payee on the Vendor invoice.

**EXHIBIT B****FIRM (ENTITY) CREDENTIALING REQUIREMENTS**

	<b>Minimum Qualification Requirement</b>	<b>Initial Submission</b>	<b>Renewal Thereafter</b>
<b>Conflict of Interest</b>	Signed Vendor Conflict of Interest Form No. 501b	<b>Submitted with Firm's Response to RFP</b>	<b>June 1<sup>st</sup> annually, beginning in 2022</b>
<b>W-9</b>	Signed IRS Form W-9 showing Legal Business Name, FEIN and remittance address.	<b>Within 30 days of execution</b>	<b>Upon any change to the information submitted</b>
<b>Insurance</b>	As outlined in Section 9 of the Agreement	<b>Within 30 days of execution</b>	<b>Within 30 days prior to any material change in coverage or carrier</b>

**STAFF (DESIGNEE) CREDENTIALING REQUIREMENTS**

	<b>Minimum Qualification Requirement</b>	<b>Required For</b>	<b>Initial Submission</b>	<b>Renewal Thereafter</b>
<b>Confirmation and Acceptance of Citizens Guidelines for Claims &amp; Litigation Legal Services</b>	As outlined in Section 28 of the Agreement	Partners, Associates, Paralegals, Billing, Dispatch, Primary Business Contact, Firm Principal, and Administrative Support staff	<b>Within 30 days of execution (or when a new Resource is added)</b>	<b>Upon any change to the submitted information.</b>
<b>Ethics &amp; Confidentiality</b>	As outlined in Section 28 of the Agreement	Partners, Associates, Paralegals, Admin./Support Staff, Billing, Dispatch, Primary Business Contact, Firm Principal, and Administrative Support staff	<b>Within 30 days of execution (or when new Resource is added)</b>	<b>Upon any change to the submitted information.</b>
<b>Florida Bar/Licensing</b>	Status of "Member in Good Standing" and "Eligible to Practice Law in Florida" per the Florida Bar website	Partners, Associates	<b>Within 30 days of execution (or when new Resource is added)</b>	<b>Upon any change to the submitted information.</b>