



Exhibit B -  
Citizens' Outside Counsel Guidelines for  
Non-Claims Matters

**TABLE OF CONTENTS**

**1. Overview ..... Error! Bookmark not defined.5**

**1.1. Definitions ..... 5**

**1.2. Approved Law Firms and Counsels ..... 5**

**1.3. Acknowledgment ..... 5**

**1.4. Understanding the Unique Nature of Citizens Property Insurance Corporation ..... 5**

**1.5. Citizens’ Values ..... 6**

**1.6. Code of Ethics ..... 6**

**1.7. Professional Conduct ..... 7**

**1.8. Conflict of Interest ..... 7**

**1.9. Compliance with Laws ..... 7**

**1.10. Duty to Disclose Disciplinary Action ..... 8**

**1.11. Cooperation with Other Law Firms ..... 8**

**1.12. Nature of Business Relationship with Citizens ..... 8**

**1.13. Professional Liability ..... 8**

**2. Legal Services Reporting Requirements ..... 8**

**2.1. Reporting Requirements ..... 8**

**2.2. Early Case Assessment and Conference ..... 8**

**2.3. Reporting Significant Developments ..... 9**

**2.4. Interim Reports ..... 9**

**2.5. Pre-Mediation Report ..... 9**

**2.6. Pre-Trial Report ..... 10**

**3. Billing For Legal Services ..... 10**

**3.1. Budget ..... 10**

**3.2. Invoice Submission Procedure ..... 10**

**3.3. Format ..... 11**

**3.4. Authorized Billing Personnel ..... 13**

**3.5. Use of Associate/Junior Attorneys or Paralegals ..... 13**

**3.6. In-Firm Conferences and Memoranda ..... 13**

<b>3.7. Multiple Attendees .....</b>	<b>13</b>
<b>3.8. Fees .....</b>	<b>14</b>
<b>3.9. Expenses .....</b>	<b>14</b>
<b>3.10. Travel Expenses .....</b>	<b>14</b>
<b>3.11. Expenses for Professional Services/Experts .....</b>	<b>15</b>
<b>3.12. Vendor Bills .....</b>	<b>15</b>
<b>3.13. Retainer .....</b>	<b>15</b>
<b>3.14. Citizens Right to Decline Payment.....</b>	<b>15</b>
<b>4.Discovery/Motion Practice .....</b>	<b>15</b>
<b>4.1. Focused/Purposeful .....</b>	<b>15</b>
<b>4.2. Written Discovery .....</b>	<b>15</b>
<b>4.3. Depositions .....</b>	<b>16</b>
<b>4.4. Depositions of Corporate Representatives .....</b>	<b>16</b>
<b>4.5. Motions.....</b>	<b>16</b>
<b>5.Settlement Opportunities/Proposals For Settlement .....</b>	<b>16</b>
<b>5.1. Settlement Demands.....</b>	<b>16</b>
<b>5.2. Proposal for Settlement .....</b>	<b>16</b>
<b>5.3. Serving a Proposal for Settlement .....</b>	<b>16</b>
<b>5.4. Managing Litigation Strategy .....</b>	<b>17</b>
<b>6.Appeals.....</b>	<b>17</b>
<b>6.1. Receipt of Notice of Appeal .....</b>	<b>17</b>
<b>6.2. Serve a Notice of Appeal.....</b>	<b>17</b>
<b>6.3. Representation in Appellate Matters.....</b>	<b>17</b>
<b>6.4. Appellate Bonding Requirements .....</b>	<b>17</b>
<b>7.Legal Research .....</b>	<b>17</b>
<b>7.1. Legal Research Request.....</b>	<b>17</b>
<b>7.2. Legal Research Guidelines .....</b>	<b>17</b>
<b>7.3. Legal Research Results .....</b>	<b>17</b>
<b>8.Audit/File Review.....</b>	<b>17</b>

**8.1. Office of Internal Auditor..... 17**

**8.2. Associated Fees ..... 18**

**8.3. Document Retention..... 18**

**8.4. Audit Results..... 18**

**9.Public Comment/Media Relations ..... 18**

**10.Performance Monitoring ..... 18**

**11.Termination Of Services ..... 18**

**11.1 Termination of Assignment ..... 18**

**11.2 Receipt of Termination of Assignment ..... 18**

**12. Appendix A – Vendor Travel Reimbursement Guideline.....19**

1. **Overview.** Citizens Property Insurance Corporation (hereinafter “Citizens”) has procured numerous law firms to provide legal services under the supervision of Citizens Legal Management Team. Each law firm so procured has entered into a Contract (or Contracts) identifying the topics for which legal services may be performed, identifying those attorneys that are available to perform such services, and setting forth the rates that will be charged for the services performed. Citizens’ needs may vary, from requiring intermittent advice on isolated issues, to engaging in prolonged representation in litigation.

Citizens’ Legal Management Team will be responsible for overseeing and managing the provision of services by Firm under this Contract. These Guidelines provide the parameters for the efficient and effective delivery of the wide array of legal services that Firm may be asked to provide. The Firm, including all attorneys and professional staff who provide legal services on matters for Citizens, will be responsible for performing legal services on any such matters in conformity with these Guidelines. It is incumbent that the Firm ensure that all persons performing legal services for Citizens pursuant to this contract read and be familiar with these Guidelines. These Guidelines supersede previously issued guidelines or information governing the handling of such matters, and, unless exceptions are approved in writing, constitute the terms under which the Firm is engaged for both current and future matters.

**1.1. Definitions.**

- 1.1.1. **Citizens Legal Management Team** - Citizens’ Chief Legal Officer, Deputy General Counsel , or Chief of Internal Audit (as applicable), or designee thereof, who will be responsible for overseeing and managing the provision of services by Firm on any given matter assigned to Firm under this Contract.
- 1.1.2. **Early Case Assessment** - Refers to the initial analysis of (a) the strengths and weaknesses of Citizens position in a given case based on the known and available evidence and the applicable law; (b) available defenses; (c) the anticipated costs of the case; (d) the potential exposure (or recovery); and, (e) early settlement opportunities. The Early Case Assessment is an important component of the litigation process, but may also be necessary in non-litigated matters.
- 1.1.3. **Firm** - The procured law firm including all attorneys, of counsels, staff, employees, or personnel who are authorized to perform legal services for Citizens.
- 1.1.4. **Outside Counsel** - The attorney(s) selected by Citizens from the Firm to handle a legal matter in accordance with the Contract and these guidelines.

**1.2. Approved Law Firms and Counsels.** The Firm is not authorized to retain the services of other legal counsel on behalf of Citizens without first obtaining the prior, written approval of Citizens.

**1.3. Acknowledgment.** Unless otherwise specified by Citizens, a separate communication is required each time the Firm is engaged to provide legal services to Citizens. The rates will be those that have been approved by Citizens and reflected in the Contract with the Firm, unless otherwise agreed to by Citizens.

**1.4. Understanding the Unique Nature of Citizens Property Insurance Corporation.** A thorough understanding of the unique nature of Citizens is critical to effective representation of Citizens.

Citizens is a governmental entity and an integral part of the state under section 627.351 (6), Florida Statutes. It is not a private insurance company. Its Board of Governors is appointed by the State’s Governor, Chief Financial Officer, Senate President and House Speaker. It

is subject to the chapter 119 public records law and record retention requirements. It does follow chapter 286, Florida Statutes, and sunshine law requirements.

Citizens' enabling statute grants immunity for all causes of action against Citizens, as follows:

There shall be no liability on the part of, and no cause of action of any nature shall arise against, any assessable insurer or its agents or employees, the corporation or its agents or employees, members of the board of governors or their respective designees at a board meeting, corporation committee members, or the office or its representatives, for any action taken by them in the performance of their duties or responsibilities under this subsection. Such immunity does not apply to:

- 1.4.1. Any of the foregoing persons or entities for any willful tort;
- 1.4.2. The corporation or its producing agents for breach of any contract or agreement pertaining to insurance coverage;
- 1.4.3. The corporation with respect to issuance or payment of debt;
- 1.4.4. Any assessable insurer with respect to any action to enforce an assessable insurer's obligations to the corporation under this subsection; or
- 1.4.5. The corporation in any pending or future action for breach of contract or for benefits under a policy issued by the corporation; in any such action, the corporation shall be liable to the policyholders and beneficiaries for attorney's fees under s. 627.428.

Citizens acknowledges that this is a unique and novel issue for most courts and the legal community. As such, it is important that Outside Counsel evaluate the applicability of Citizens' immunity to any case in which Citizens is the defendant. In the event that Citizens' immunity is implicated in any matter, the issue must be immediately raised to the attention of the Citizens Legal Management Team.

Citizens aspires to be a responsive steward of the public trust. We strive to be an important insurance safety net for Floridians.

- 1.5. **Citizens' Values.** In accomplishing our mission, we embrace the following values:
  - 1.5.1. Public Service - We contribute to the public health, safety and welfare of our customers and the state.
  - 1.5.2. Integrity - We embrace our values and code of ethics with pride.
  - 1.5.3. Respect - We respect one another and those we serve.
  - 1.5.4. Courtesy - We are polite and display respectful behavior at all times.
  - 1.5.5. Responsiveness - We provide quality service to our customers that is comparable to the standards of the private market.
  - 1.5.6. Fairness - Our overriding culture is to always do the right thing.
- 1.6. **Code of Ethics.** 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 and their employees (including the Firm) that personally benefits the Citizens employee or Board member unless they are relatives and the relationship has been disclosed to Citizens. Therefore, neither the Firm nor its employees shall advance any such gift or expenditure to Citizens employees or Board members. Further, the Firm and its

employees shall not accept a gift from a Citizens policyholder or from another Citizens vendor in connection with the provision of legal services under this contract 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.

The ethical standards also prohibit a vendor or its employees from having business or personal relationships that create a conflict of interest with Citizens. The Firm and its relevant employees will complete an Ethics and Confidentiality Acknowledgement form prior to commencing services. If any potential conflicts of interest are identified Citizens will work with the Firm and/or its employee to establish work practices to mitigate or avoid any such conflict but cannot guarantee that conflicts can be avoided in every circumstance.

**1.7. Professional Conduct.** The Firm shall ensure compliance 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.

**1.8. Conflict of Interest.**

**1.8.1. Initial Conflicts Check.** 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. 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. The acceptance of an engagement on a matter by the Firm constitutes a representation by the Firm that a conflicts check has been conducted and that there are no conflicts.

In the event an actual or potential conflict is identified, the Firm shall immediately notify the Citizens Legal Management Team. 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 executed by Citizens before the Firm may proceed with representation on behalf of Citizens.

**1.8.2. Conflict Waiver Requests.** Citizens expects loyalty from the Firm. Conflict waiver requests are rarely granted and should be used only when absolutely required by the circumstances. Requests to waive an actual or potential conflict shall be made by the Firm at the earliest possible time after discovery, via a signed letter on the Firm's letterhead. No general, prospective or unlimited waivers will be considered and should not be requested. All conflict waivers must be approved by Citizens' Chief Legal Officer.

**1.8.3. Cost of Determining Conflict.** Time spent investigating, reporting and resolving actual and potential conflicts or preparing conflict waiver requests is not billable.

**1.9. Compliance with Laws.** The Firm will comply with all applicable laws, ordinances, bar association 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 and are maintaining compliance with all applicable laws governing their conduct.

- 1.10. **Duty to Disclose Disciplinary Action.** Any disciplinary action relating to the license to practice law taken against a lawyer with the Firm, who is or may be providing services to Citizens, must be immediately reported to Citizens.
- 1.11. **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.
- 1.12. **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.
- 1.13. **Professional Liability Insurance.** In accordance with the requirements of the Contract(s) between Citizens and Firm, the Firm shall maintain in effect, at its sole expense, professional liability insurance with an aggregate limit of no less than \$1,000,000. Firm shall provide Citizens with proof of such coverage as requested by Citizens and as otherwise required under the Contract.

2. **Legal Services Reporting Requirements.** Communication is an essential element of our strategic partnership. Not all matters assigned pursuant to this Contract will require the same level of reporting. Often, relatively simple matters may require one phone call or one email exchange. However, more complex matters that require a deeper level of involvement will require regular reporting. In such instances, and particularly in litigated matters, it is imperative that we are informed, in a timely manner, of emerging facts, shifting emphasis, and other significant developments that impact case evaluation. Communication should always be with the Citizens Legal Management Team, unless the Citizens Legal Management Team has authorized direct communication with another Citizens employee or designee.

- 2.1. **Reporting Requirements.** The specific reporting requirements set forth in Section 2 are generally applicable to all litigated matters referred to the Firm, and may be applicable to non-litigated matters at Citizens discretion. However, the frequency and due dates of any such reporting requirements may be varied or waived as agreed to by Citizens.
- 2.2. **Early Case Assessment and Conference.** A conference to discuss the Early Case Assessment may be set at Citizens discretion at an early stage in any matter assigned to the Firm, and often before any initial or responsive pleadings in litigated matters. At any such conference, Outside Counsel will be asked to provide an Early Case Assessment. Prior to any such Early Case Assessment conference, Outside Counsel is expected to identify and request such additional materials as may be necessary to conduct an Early Case Assessment, conduct a review of any materials that have been provided prior to the conference, review relevant law, and be prepared to discuss the Early Case Assessment with the Citizens Legal Management Team in detail.

This conference is designed to create a collaborative process between Outside Counsel and Citizens for evaluating the risk and potential exposure (or recovery) presented by the matter so that the appropriate resolution strategy may be expeditiously developed and pursued.

Beginning with the Early Case Assessment conference, all involved should make a concerted effort to evaluate and determine whether settlement is efficient, responsible, and prudent before engaging in protracted discovery, motion practice, or other expensive and time-consuming judicial procedures.



Citizens understands that the Early Case Assessment will be conducted at an early stage, and that a case plan developed pursuant thereto will be subject to change as new facts emerge. Nonetheless, it is Citizens' intent that the Early Case Assessment reflect a shrewd and thorough assessment of the all pertinent issues.

Following the conference, Citizens may, at its discretion, request that the Early Case Assessment be reduced to writing.

- 2.3. Reporting Significant Developments.** Outside Counsel shall notify Citizens immediately via e-mail of all significant developments that may affect the outcome of an assigned legal matter or that may cause exposure and expenses to vary significantly. Outside Counsel shall communicate via e-mail to Citizens any request for information from or any request for a decision to be made by Citizens relating to the matter. Such requests shall be timely and allow Citizens a reasonable period of time to respond.

Outside Counsel must immediately notify Citizens, attaching a copy of any related documents, via e-mail of the following:

- 2.3.1.** All pleadings and motions.
- 2.3.2.** Filings or threatened filings of a motion to compel discovery, motion for sanctions, or any motion related to alleged spoliation of evidence.
- 2.3.3.** Notices to depose Citizens' representatives.
- 2.3.4.** All formal and informal offers to compromise litigation.
- 2.3.5.** All actual or potential conflicts of interest.
- 2.3.6.** All information related to the matter that may impact Citizens' public relations.
- 2.3.7.** All rulings by a court.
- 2.3.8.** Notices of hearing.
- 2.3.9.** Assignments of trial, mediation, arbitration, and hearings dates.
- 2.3.10.** Events that require the appearance or direct involvement of a Citizens representative.
- 2.3.11.** All other material events.

In addition to the copy of the related documents, all communications to Citizens shall be concise and provide sufficient detail to allow Citizens to make an informed decision, if one is required.

- 2.4. Interim Reports.** Interim Reports are intended to supplement prior reports as needed for significant case developments. An Interim Report should be submitted, without being requested, as significant case developments occur and as needed for revision of the case plan. Citizens may, at any point during litigation, request an Interim Report, seeking specified information.

- 2.5. Pre-Mediation Report.** A Pre-Mediation Report may be requested by Citizens. If such report is requested, Citizens will advise as to its due date, but it will generally be due to Citizens no later than twenty (20) days prior to the scheduled Mediation date. The contents of the Pre-Mediation report may vary depending on the matter, but should include, at a minimum, the following information necessary for settlement evaluation:

- 2.5.1.** Facts;
- 2.5.2.** Damages;

- 2.5.3. Liability analysis;
- 2.5.4. Significant evidentiary issues; and
- 2.5.5. Settlement evaluation and recommendations.

2.6. **Pre-Trial Report.** A Pre-Trial Report may be requested by Citizens. If such report is requested, Citizens will advise as to the due date, but such report will generally be due to Citizens no later than thirty (30) days prior to the scheduled trial date. The contents of the Pre-Trial Report may vary depending on the matter, but at a minimum should include the following information necessary for a comprehensive evaluation of the case and potential for success at trial:

- 2.6.1. Trial date;
- 2.6.2. Trial judge (prior experience, reputation, evaluation, etc.);
- 2.6.3. Facts;
- 2.6.4. Damages;
- 2.6.5. Pending pre-trial discovery;
- 2.6.6. Pre-trial motions;
- 2.6.7. Significant arguments of Plaintiff;
- 2.6.8. Significant Defense arguments;
- 2.6.9. Evaluation of witnesses;
- 2.6.10. Updated evaluation (including settlement recommendations, potential judgment/verdict – best day vs. worst day outcomes, likelihood of success for defense); and,
- 2.6.11. Trial cost estimate.

3. **Billing for Legal Services.** As a governmental entity, Citizens must achieve economic and financial efficiencies to maximize its public interest and public purpose. Prudent billing practices should be followed. Citizens will construe each statement for legal services as a representation by the Firm that the statement (a) has been reviewed by the attorney having primary responsibility for that matter; (b) accurately reflects reasonable and necessary time, billing and expenses for that matter; and, (c) complies with Citizens’ billing policies as described herein and applied through any billing service employed by Citizens.

3.1. **Budget.** Upon request, for each matter assigned, the Firm should be prepared to submit a detailed budget reflecting the anticipated fees and expenses for the various stages throughout the assignment. Thereafter, revised budgets should be submitted when case developments significantly alter the existing budget or case plan. Preparation of a budget is not a billable task, and any charges submitted for the same will not be honored by Citizens. From time to time on non-litigation matters assigned, Citizens may request a detailed budget to be submitted.

3.2. **Invoice Submission Procedure.** The billing on each matter is to be submitted on a monthly basis (thirty (30) day cycle). Timely invoices should be submitted no later than thirty (30) days following the end of the billing cycle during which services were rendered. A final bill for all outstanding charges should be forwarded immediately by the Firm upon the conclusion of each matter.

All invoices for the Firm shall be submitted to General Counsel, Citizens Property Insurance Corporation, 2101 Maryland Circle, Tallahassee, Florida, 32303, or by electronic method to [LegalRequests@citizensfla.com](mailto:LegalRequests@citizensfla.com).

All invoices will be reviewed for conformity with these Guidelines and will be returned for correction if they are determined not to conform herewith. Within thirty (30) days of actual receipt of the invoice, Citizens will either return the invoice to Vendor for correction, or approve it and process it for payment. Invoices that must be returned to a Firm due to preparation errors or lack of conformity with these Guidelines will result in a delay in payment. Citizens will not honor interest fees, or other late fees, assessed by the Firm for any invoice submitted for payment.

**3.3. Format.**

**3.3.1.** 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 contract number;
- B) Firm name and address;
- C) Firm Federal Employment Identification Number (FEIN);
- D) Citizens' Contract Manager's name;
- E) The date and time the specific task was performed;
- F) A detailed description of each task performed (each task is to be billed separately; block billing will not be honored);
- G) Name or initials of the individual who performed the task;
- H) The amount of time, by the tenth of the hour, spent to perform each task;
- I) The hourly fee for the individual who performed the task, when applicable;
- J) The total time and fees charged by each individual for the applicable billing period;
- K) The total time and fees charged for all individuals for the applicable billing period; and
- L) Itemized accounting of all expenses with supporting documentation.

**3.3.2.** Generic descriptions of tasks performed, such as the following, without further details are not acceptable:

- A) Review case and issues;
- B) Review correspondence;
- C) Telephone call;
- D) Trial preparation;
- E) Update strategy;
- F) Motion work;
- G) Prepare for meeting;
- H) Receive/review documents;
- I) Travel;

- J) Research; and/or
- K) Analysis;
- L) Evaluation status;
- M) Supplemental evaluation of litigation needs.

**3.3.3.** Citizens may require any other information from Firm that Citizens deems necessary to verify any payment request placed under the Contract.

**3.3.4.** Clerical/Administrative Tasks. The following tasks, clerical and administrative functions are considered overhead and not billable to Citizens:

- A) Open/create/organize file, materials, or records;
- B) File/index/log file materials or records;
- C) Prepare/organize file materials or records (including in preparation for meetings, hearings, conferences, depositions, or trials);
- D) Bates stamping (except as approved in writing by Citizens);
- E) Order records;
- F) Retrieval of file materials or records;
- G) Pick up/delivery of file materials or records;
- H) Photocopying documents;
- I) Scanning of documents into a computer system/digital format for any reason
- I) Regular U.S.P.S. Mailing/faxing/emailing documents;
- J) Posting correspondence, pleadings or documents to online systems utilized by Citizens;
- K) Telephone calls associated with arranging or follow-up for records to be produced in response to subpoena or discovery request;
- L) Data entry functions;
- M) Scheduling functions (including meetings, hearings, depositions, conferences);
- N) Calendaring functions;
- O) Coordinating functions (including meetings, hearings, conferences, depositions, or trials);
- P) Telephone calls associated with scheduling or coordinating functions;
- Q) Travel arrangements;
- R) Transportation arrangements; and/or
- S) Closing a file.
- T) E-filing of documents with the various State and Federal Courts as well as the E-serving of documents upon Plaintiff's, Co-Defendants and/or any other party or non-party;

- U) Reviewing or analyzing any receipt confirming that a Court has received an E-filed document;
- V) Reviewing or analyzing any receipt received in response from an entity that has received an E-served document;
- W) Charges related to the departure of a Firm timekeeper including time spent by the new timekeeper assigned by the Firm to the matter to familiarized themselves with the matter;
- X) Copying or printing of the files by the Firm or a vendor retained by the Firm to perform such copying unless specific need arises and pre- approval from the Citizens Legal Management Team.

**NOTE: Preparation of an invoice is not a billable task, and any charges submitted for the same will not be honored by Citizens.**

**3.4. 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 economically and effectively according to the specific needs of the assignment. It is expected that each task is to be accomplished by one legal professional. Pre-approval must be obtained from Citizens for any given task that may necessitate more than one legal professional. Citizens will not honor fees submitted for tasks deemed to be clerical in nature or time associated with administrative functions (please refer to section 3.3.4 for a list of such tasks). Additionally, Citizens will not honor fees submitted for duplication of efforts caused by the Firm's staffing requirements.

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 and one associate/junior level attorney) should be assigned to an individual matter for handling throughout the life of that matter. Billing by an unauthorized attorney on an individual matter will not be honored. Should it become necessary to assign additional attorneys to the matter, prior approval from Citizens is required.

**3.5. Use of Associate/Junior Attorneys or Paralegals.** A balance must be struck between the efficiency a more experienced lawyer brings to a given task and the advantages of having the task performed by a junior lawyer or a paralegal. In matters where the services of a junior attorney or paralegal are employed, Citizens expects all work performed to be overseen and approved by a senior attorney. **Citizens does not consider a senior attorney's review of a junior level attorney's work to be a billable event and will not honor such bills.**

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.

**3.6. In-Firm Conferences and Memoranda.** Unless otherwise approved by the Citizens Legal Management Team, billing for in-firm conferences and memoranda between attorneys or legal professionals of the same law firm will not be honored by Citizens. Approved billing for such in-firm conferences will be authorized only when the specific need arises in order to provide effective representation due to the unique circumstances of an assignment.

**3.7. Multiple Attendees.** Citizens expects there will be only two attendees at trial and one attendee at all other hearings, court appearances, meetings, depositions, witness interviews, inspections, and other pre-trial events. Advanced approval from the Citizens

Legal Management Team is required for any additional attendees based on demonstrated need.

- 3.8. Fees.** All matters are assigned for hourly billing unless alternative fee arrangements have been specified by Citizens. Any changes in the hourly rates (or alternative fee arrangements) must be pre-approved by Citizens in writing; unilateral rate or fee increases will not be honored.
- 3.9. Expenses.** Citizens is not responsible for charges or reimbursement for overhead office expenses incurred by the Firm. Such overhead expenses would include the following:
- 3.9.1.** Photocopying expenses associated with the lease, purchase or maintenance of equipment;
  - 3.9.2.** Standard First Class postage;
  - 3.9.3.** Telephone charges;
  - 3.9.4.** Facsimile charges;
  - 3.9.5.** Subscriptions, including those for legal periodicals, reference manuals, and research materials;
  - 3.9.6.** Computerized legal research access, software and subscriptions;
  - 3.9.7.** Computerized case management software or subscriptions;
  - 3.9.8.** Reviewing/analyzing conflicts within the Firm;
  - 3.9.9.** Local mileage (within a fifty (50) mile radius from the Firm's local office);
  - 3.9.10.** Parking fees;
  - 3.9.11.** Courier/delivery service (unless pre-approved by Citizens in extraordinary circumstances);
  - 3.9.12.** Office supplies;
  - 3.9.13.** Non-attorney/non-paralegal staff;
  - 3.9.14.** Local meals or refreshments during meetings;
  - 3.9.15.** Utilities or rental fees for office facilities;
  - 3.9.16.** Seminars attended by attorneys or legal professionals;
  - 3.9.17.** E-filing of documents with the various state courts as well as the E-serving of documents upon Plaintiff's, Co-Defendants and/or any other party or non-party;
  - 3.9.18.** Reviewing or analyzing any receipt confirming that a Court has received an E-filed document;
  - 3.9.19.** Reviewing or analyzing any receipt received in response from an entity that has received an E-served document;
  - 3.9.20.** Scanning of documents into a computer system/digital format for any reason;
  - 3.9.21.** Copying or printing of files by the Firm or a vendor retained by the Firm to perform such copying unless specific need arises and pre- approval noted in Acuity from the Litigation Specialist; invoices for such charges must contain the name of the Litigation Specialist who authorized the charge.
- 3.10. Travel Expenses.** Long distance travel is defined as any travel outside of a fifty (50) mile radius from the Firm's local office. The Firm shall consult with Citizens prior to incurring

any expenses associated with long distance travel as defined herein. Except as otherwise agreed to by Citizens in writing, Citizens will reimburse the Firm only for long distance travel expenses that are necessary and reasonable in nature and amount, in accordance with Citizens' **Vendor Travel Reimbursement Guidelines** (Appendix A), as currently in effect and amended in the future. First Class or Business Class airfare will not be reimbursed. To the extent of any conflicts, the terms of the written agreement with the Firm, as modified by any addenda, control over the Reimbursement Guidelines.

- 3.11. Expenses for Professional Services/Experts.** The Firm must consult with and obtain approval from the Citizens Legal Management Team prior to incurring expenses for experts, consultants, investigators, temporary attorneys or outside paralegals, or other professional services.
- 3.12. Vendor Bills.** Citizens prefers that charges for approved services by outside vendors be paid by the Firm and that the Firm present an invoice for reimbursement from Citizens. In the event that the Firm incurs any expenses for such services, Citizens will reimburse the Firm for the actual cost of the service. To be eligible for reimbursement, the Firm must submit the vendor's invoice and other associated documentation containing the following information: (a) name of vendor; (b) date charges incurred; (c) specific description of service; (d) identification of matter with which service is associated; (e) amount charged for service; and, (f) a copy of the W-9 verification of Tax Identification Number for the outside vendor. If a direct payment arrangement to the vendor has been approved by Citizens, the original invoice should be submitted to Citizens for direct payment in the method as directed by Citizens with the information listed above.
- 3.13. Retainer.** Citizens does not provide a retainer for fees or costs for legal services rendered on its behalf. Any retainer routinely applied by the Firm will be deemed waived for any assignment from Citizens.
- 3.14. Citizens Right to Decline Payment.** 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.

#### **4. Discovery/Motion Practice.**

- 4.1. Focused/Purposeful.** Any discovery conducted on behalf of Citizens shall be focused and purposeful in light of the needs and issues associated with the specific matter. All discovery should be conducted with input from Citizens.
- 4.2. Written Discovery.** The Firm shall consult with Citizens prior to drafting and serving Interrogatories, Requests for Production, Requests for Admissions, or any other form of written discovery on another party. Citizens shall be provided a draft of any such written discovery and an opportunity to provide edits prior to serving such discovery upon the other party.
  - 4.2.1. Receipt of Discovery Requests.** The Firm shall immediately (same day) inform Citizens of any written discovery requests received that require Citizens to respond. Citizens and Outside Counsel should work together in preparing responses. Outside Counsel may not send a response to written discovery without first providing Citizens an opportunity to review and make edits thereto.
  - 4.2.2. Review for Privileged / Confidential Information.** The Firm shall conduct a review for privileged and/or confidential information. When necessary, Outside Counsel shall confer with Citizens regarding the identification of privileged and confidential matters. The preparation of a privilege log is ultimately the responsibility of the Firm.

**4.3. Depositions.**

- 4.3.1.** 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.
- 4.3.2.** The Firm shall consult with Citizens prior to initiating any deposition. The Firm shall immediately notify Citizens of any depositions requested by other parties, coordinate with Citizens for the scheduling of any deposition of a Citizens representative, and provide timely updates as to the rescheduling of any deposition.
- 4.3.3.** 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 the Citizens Legal Management Team in the designation and preparation of such witness for deposition.
- 4.3.4.** 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 any Citizens' policies regarding records production.

**4.4. 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 must be communicated in writing Citizens immediately (the same day). 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 requested. Only after Citizens' review and careful consideration of the topic areas outlined in the Notice of Deposition will the appropriate individual(s) be designated to testify as Corporate Representative on behalf of Citizens.

**4.5. Motions.**

- 4.5.1.** The Firm should evaluate the need for motion practice, and consult with the Citizens Legal Management Team regarding the intent and expected outcome of each Motion.
- 4.5.2.** The Firm shall not file any Motions without prior approval from Citizens Legal Management Team.
- 4.5.3.** Upon filing of any Motions by another party, the Firm must notify, and provide a copy, to Citizens immediately (the same day) of such Motion.

**5. Settlement Opportunities/Proposals for Settlement.**

- 5.1. Settlement Demands.** The Firm shall immediately advise Citizens of any settlement demands or settlement opportunities that may arise in each matter. The Firm shall consult with the Citizens Legal Management Team and obtain approval prior to engaging in any settlement negotiations on behalf of Citizens.
- 5.2. 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 Legal Management Team and obtain approval prior to any acceptance or rejection of a Proposal for Settlement.
- 5.3. Serving a Proposal for Settlement.** The Firm shall not serve a Proposal for Settlement or make any offer to settle on behalf of Citizens without prior approval from the Citizens



Legal Management Team. Furthermore, the Firm may not enter into any settlement on behalf of Citizens unless expressly and specifically authorized by the Citizens Legal Management Team. This is not meant to interfere with any independent offer for settlement from an insured when such an offer is made outside of Citizens' contractual obligations to the insured and for which Citizens is not responsible.

**5.4. Managing Litigation Strategy.** The primary responsibility for directing and managing litigation strategy remains with Citizens Legal Management Team.

**6. Appeals.**

**6.1. Receipt of Notice of Appeal.** The Firm shall immediately advise Citizens of the receipt of a Notice of Appeal and submit a copy of the Notice in a timely manner. The Firm shall obtain the approval of the Citizens Legal Management Team prior to taking any action in response to the Notice of Appeal.

**6.2. Serve a Notice of Appeal.** The Firm shall not serve a Notice of Appeal on behalf of Citizens without the express authority and approval of the Citizens Legal Management Team.

**6.3. Representation in Appellate Matters.** Any Firm representing Citizens in an appellate matter shall be expected to work closely in conjunction with Citizens Legal Management Team regarding the legal positions asserted on behalf of Citizens.

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

**7. Legal Research.**

**7.1. Legal Research Request.** The need for legal research must be discussed and pre-approved by the Citizens Legal Management Team. The results of any such research must be provided to Citizens in a timely manner.

For certain matters, Citizens may already be in possession of relevant legal research which may be made available to 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.

**7.2. Legal Research Guidelines.** Legal research in excess of three (3) hours in the aggregate on any one particular issue (including computerized research) requires prior approval from the Citizens Legal Management Team. Fees submitted for any such research conducted without prior approval will not be honored.

**7.3. Legal Research Results.** A copy of all case law resulting from such research and relied upon by the attorney in forming his / her legal opinion should be provided to Citizens upon request.

**8. Audit/File Review.**

**8.1. 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 files, work product, or any other 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 in the event such a review is

required. The Firm shall not unreasonably delay or inhibit Citizens' right to review as set forth in this paragraph. Non-cooperation is considered grounds for contract termination.

- 8.2. 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.
- 8.3. Document Retention.** Notwithstanding other provisions related to record retention herein, 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, unless a longer period is so specified. Citizens will not honor fees or expenses associated with audit preparation, proceedings or resolution, unless the expenses are requested and pre-authorized by Citizens (i.e., copying services, delivery services, etc.).
- 8.4. Audit Results.** Audit results may be discussed with the Firm. 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' requirements and expectations. Citizens will not honor fees or expenses associated with the implementation of any such corrective measures.
- 9. Public Comment/Media Relations.** Unless specifically authorized by the Citizens Legal Management Team, the Firm shall not comment publicly on any matter associated with representation on behalf of Citizens. Citizens will be solely responsible for responding to any external inquiries. All such inquiries must be immediately reported to Citizens.
- 10. Performance Monitoring.** The Firm 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 may conduct routine monitoring and evaluation of Firm performance. 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 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 advance written notice. Citizens may also reassign any matter at any time upon advance written notice. Once terminated, the Firm agrees to timely withdraw as counsel in any court proceeding.
- 11.2. Receipt of Termination of Assignment.** After notice is received as to the termination of an individual assignment, or all assignments, (a) 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, (b) Citizens will take all steps necessary to relieve the Firm of any obligation to perform further, including retention of substitute counsel.

# **Appendix A - Vendor Travel Reimbursement Guidelines**

**Vendors must obtain authorization to incur travel expense prior to travel. Travel without authorization will not be reimbursed.**

Upon authorization, Citizens will reimburse Vendors for ordinary and necessary travel expenses incurred by their 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.

Payment for travel expenses will be made only to the Vendor named on the contract or purchase order. It is the Vendor's responsibility to directly reimburse its employees, consultants and/or subcontractors.

**Standard Reimbursement Procedure: Unless otherwise requested in writing, Vendor will submit travel expenses for reimbursement through the use of the online billing services (Acuity) utilized by Citizens.**

**Alternative Reimbursement Procedure: Under certain circumstances and upon written notification from Citizens, Vendor 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 Alternative Reimbursement Procedure, the Vendor 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. See Paragraphs below for additional requirements.**

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 Vendor will then invoice Citizens, including a copy of the **Vendor Travel Expense Reimbursement Form** and supporting receipts.

Contracted personnel or professional services Vendors 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 Expenses should be invoiced by the Vendor within thirty (30) calendar days of the end of the month in which the expense was incurred. 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.

**Travel Receipts: An itemized receipt must substantiate all expenses submitted for reimbursement, other than meals. (See **Meal Allowance** below).**

A valid travel receipt must show the following:

1. Name of the establishment;
2. Location of the establishment;
3. Date(s) the expense(s) were incurred;
4. The type of expense; and
5. The amount of each expense itemized.

If the Vendor 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, Vendors should consider relative costs, time efficiencies, the number of people traveling together and must select the most economical method of transportation.

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. Citizens will reject additional fees associated with air travel, such as priority seating, upgrades, or flight changes unless at Citizens' request.

Reasonable expenses for local transportation, such as a taxi or bus, are reimbursable. If a receipt is not provided, a written explanation must be submitted with the travel expense reimbursement form. Neither luxury conveyances nor unjustified immoderate fares will be reimbursed.

Tolls and parking will be reimbursed when accompanied by a receipt. If no receipt is available 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.

Citizens will reimburse mileage at the rate of \$.445 per mile when a personal vehicle is used. Requests for mileage reimbursement must be accompanied by a map or log of destinations to support the request.

**Rental Car Guidelines:** Travelers must rent the lowest class size available (intermediate, standard, or full-sized) to accommodate the number of staff traveling and the equipment or materials being transported. Travelers are prohibited from requesting luxury or premium rental vehicles. Extra items, such as a GPS, will not be reimbursed. Citizens will reimburse a Vendor for fuel used in the rental car; prior to returning the vehicle the tank should be topped off. Any charges by the auto rental agency for gasoline will not be reimbursed.

**Subsistence:** 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 below.

**Lodging:** When making hotel accommodations, several factors must be considered:

1. Cost;
2. Appropriateness; and
3. 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:

Meal	Traveler Must Depart Before:	And Return After:	To Claim Meal Allowance of:
Breakfast	6:00 a.m.	8:00 a.m.	\$6.00
Lunch	12:00 noon	2:00 p.m.	\$11.00
Dinner	6:00 p.m.	8:00 p.m.	\$19.00
All Day	6:00 a.m.	8:00 p.m.	\$36.00

A meal allowance is provided in lieu of reimbursement for meals and meal tips, therefore receipts for meals are not required.

**Gratuities:** Reasonable tips may be reimbursed, up to 15% for taxi; up to \$1 for valet parking; up to \$2 per night for housekeeping; up to \$1 per bag for bag handling, with a \$5 maximum.

**Non-Reimbursable Expenses:** Personal travel expenses are not to be billed to Citizens, nor 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. If there are questions regarding reimbursement of expenses please contact Citizens Accounts Payable at 850-513-3724 or [AccountsPayable@citizensfla.com](mailto:AccountsPayable@citizensfla.com) prior to incurring the expense.

- Alcoholic beverages
- Gifts
- Laundry
- Movies
- Snacks
- Personal items
- Lost or stolen baggage
- Reading materials
- Traffic and Parking Violation Fees
- Maintenance or repair of personal vehicle
- Child care or Pet Boarding
- Medicines of any type