



# Attachment B

## Management Representation Letters

**FORV/S**

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office

**CITIZENS PROPERTY INSURANCE CORPORATION**  
2101 MARYLAND CIRCLE  
TALLAHASSEE, FLORIDA 32303-1001



Representation of:  
Citizens Property Insurance Corporation  
Attention: Andrew Woodward  
2101 Maryland Circle  
Tallahassee Florida 32303

*Provided to:*  
**FORVIS, LLP**  
Certified Public Accountants  
400 N. Ashley Drive, Suite  
2540  
Tampa, Florida 33602

The undersigned ("We") are providing this letter in connection with FORVIS' audit of our statutory financial statements as of and for the years ended December 31, 2023 and December 31, 2022.

Our representations are current and effective as of the date of FORVIS' report: May 23, 2024.

Our engagement with FORVIS is based on our contract for services dated: October 19, 2023.

### **Our Responsibility & Consideration of Material Matters**

We confirm that we are responsible for the fair presentation of the statutory financial statements subject to FORVIS' report in conformity with statutory accounting principles. Statutory accounting principles are those accounting principles prescribed or permitted by Florida Department of Financial Services, Office of Insurance Regulation (Office).

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

### **Confirmation of Matters Specific to the Subject Matter of FORVIS' Report**

We confirm, to the best of our knowledge and belief, the following:

#### ***Broad Matters***

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the statutory financial statements in accordance with accounting principles prescribed or permitted by the Office, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S.

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Carlos Beruff, Chairman, Manatee County • Josh Becksmith, St. Johns County • Jason Butts, Pinellas County  
LeAnna Cumber, Duval County • Erin Knight, Miami-Dade County • Charlie Lydecker, Volusia County  
Jamie Shelton, Duval County • Robert A. Spottswood, Monroe County • M. Scott Thomas, St. Johns County  
Tim Cerio, President/CEO and Executive Director

GAAP).

2. We acknowledge our responsibility for the design, implementation, and maintenance of:
  - a. Internal control relevant to the preparation and fair presentation of the statutory financial statements that are free from material misstatement, whether due to fraud or error.
  - b. Internal control to prevent and detect fraud.
3. We have provided you with:
  - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the statutory financial statements, such as financial records and related data, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. All minutes of directors' and committee of directors meetings held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the board, if applicable, and maintained as part of our records.
  - e. All significant contracts.
4. We have responded fully and truthfully to all your inquiries.

***Misappropriation, Misstatements, & Fraud***

5. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:
  - a. Misappropriation of assets.
  - b. Misrepresented or misstated assets, deferred outflow of resources, liabilities, deferred inflows of resources, equity, net position, equity balance, or net assets.
6. We have no knowledge of fraud or suspected fraud affecting the entity involving:
  - a. Management or employees who have significant roles in internal control over financial reporting, or
  - b. Others when the fraud could have a material effect on the financial statements.
7. We understand that the term "fraud" includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in statutory financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity's assets where the effect of the theft causes the statutory financial statements not to be presented in conformity with accounting principles prescribed or permitted by the Office, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP).

8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, policyholders, regulators,, or others.
9. We have assessed the risk that the statutory financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

### ***Ongoing Operations***

10. We have evaluated whether there are conditions or events known or reasonably knowable, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year of the date of this letter without consideration of potential mitigating effects of management's plans not yet fully implemented and concluded substantial doubt does not exist.
11. We acknowledge the current economic volatility presents difficult circumstances and challenges for our industry. Entities are potentially facing declines in the fair values of investments and other assets, changes in the volume of business, constraints on liquidity, and other economic challenges. We understand the values of the assets and liabilities recorded in the statutory financial statements could change rapidly, resulting in material future adjustments to invested asset values, allowances for accounts and premiums or contributions receivable, capital, etc., that could negatively impact the entity's ability to meet regulatory capital requirements or maintain sufficient liquidity.

We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the entity's statutory financial statements. Further, management and governance are solely responsible for all aspects of managing the entity, including questioning the quality and valuation of investments and other assets; evaluating assumptions regarding defined benefit pension plan obligations, reviewing allowances for uncollectible amounts; or loan losses evaluating capital needs and liquidity plans amongst other things.

### ***Related Parties***

12. We have disclosed to you the identity of all of the entity's related parties and all the related-party relationships of which we are aware.

In addition, we have disclosed to you all related-party transactions and amounts receivable from or payable to related parties of which we are aware, including any modifications during the year that were made to related-party transaction agreements which existed prior to the beginning of the year under audit, as well as new related-party transaction agreements that were executed during the year under audit.

Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles prescribed or permitted by the Office, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP).

13. We understand that the term related party refers to:
  - Affiliates
  - Entities for which investments are accounted for by the equity method
  - Trusts for the benefits of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management
  - Principal owners and members of their immediate families

- Management and members of their immediate families
- Any other party with which the entity may deal if one party can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Another party is also a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

14. Related-party transactions asserted to or disclosed in the financial statements as arm's length were conducted on terms equivalent to those prevailing for comparable transactions with unrelated parties or, in the absence of comparable transactions, terms that would be offered in good faith to unrelated parties, and support regarding the assertion has been provided.

#### ***Litigation, Laws, Rulings & Regulations***

15. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the statutory financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles prescribed or permitted by the Office, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP).
16. We have no knowledge of communications, other than those specifically disclosed, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the statutory financial statements.
17. We have disclosed to you all known instances of violations or noncompliance or possible violations or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.
18. There are no regulatory examinations currently in progress for which we have not received examination reports.

#### ***Nonattest Services***

19. You have provided nonattest services, including the following, during the period of this engagement:
  - Preparing a draft of the statutory financial statements and related notes and supplementary information
  - Maintenance of tax depreciation schedules
20. With respect to these services:
  - a. We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.
  - b. We have established and monitored the performance of the nonattest services to ensure they meet our objectives. We have made any and all decisions involving management

functions with respect to the nonattest services and accept full responsibility for such decisions.

- c. We have evaluated the adequacy of the services performed and any findings that resulted.
- d. We have established and maintained internal controls, including monitoring ongoing activities.
- e. When we receive final deliverables from you, we will store those deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.

***Financial Statements & Reports***

- 21. We have reviewed and approved a draft of the statutory financial statements and related notes referred to above, which you prepared in connection with your audit of our statutory financial statements. We acknowledge that we are responsible for the fair presentation of the statutory financial statements and related notes.
- 22. With regard to supplementary information:
  - a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.
  - b. We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.
  - c. The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - d. We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.
- 23. We do not issue an annual report, nor do we have plans to issue an annual report at this time.

***Transactions, Records, & Adjustments***

- 24. All transactions have been recorded in the accounting records and are reflected in the statutory financial statements.
- 25. We have everything we need to keep our books and records.
- 26. We have disclosed any significant unusual transactions the entity has entered into during the period, including the nature, terms, and business purpose of those transactions.
- 27. There are no uncorrected misstatements or omitted disclosures.

***Insurance Company Matters***

- 28. We understand that you will render a general use opinion, which gives an adverse opinion on the statutory financial statements due to lack of conformity with accounting principles generally accepted in the United States of America and gives an unmodified opinion as to the conformity with the statutory requirements prescribed or permitted by the Insurance Department.
- 29. We have provided you with copies of the most recently received regulatory audit reports. To our

knowledge, there are no significant unresolved matters or contingencies that need to be accrued for or disclosed in the statutory financial statements for the years ended December 31, 2023, and December 31, 2022, as a result of these reports. Also, we have provided you with all communications from regulatory agencies concerning noncompliance with, or deficiencies in, statutory financial reporting practices. All required tax returns and statutory reporting requirements have been filed on a timely basis with the appropriate regulatory bodies.

30. Citizens reports a prescribed practice as provided in Section 625.305 of the Florida Statutes. This statute provides limitations on the admission of invested assets as a percentage of total admitted assets, for securities with ratings of 5 and 6 as issued by the Securities Valuation Office (SVO) or equivalent rating agency, among other limitations not applicable to Citizens. . This prescribed practice is adequately described and disclosed in the notes to the financial statements.
31. We represent that we have complied, as applicable, with the following Statements of Statutory Accounting Principles:
  - a. The entity has properly disclosed and recorded all changes in accounting principles in accordance with SSAP No. 3, *Accounting Changes and Corrections of Errors*.
  - b. The entity has properly classified all assets as admitted or nonadmitted in accordance with SSAP No. 4, *Assets and Nonadmitted Assets*.
  - c. There are no material unasserted claims or assessments that are probable of assertion or other gain/loss contingencies requiring accrual or disclosure in accordance with Statements of Statutory Accounting Principles ("SSAP") No. 5R, *Liabilities, Contingencies and Impairments of Assets*.
  - d. The entity has properly classified goodwill in accordance with SSAP No. 68, *Business Combinations and Goodwill*.
  - e. Investment securities are properly valued and there has not been a significant decline in the market value since year-end. Investments are recorded based on the following principles and interpretations thereof, as follows:
    - i. Bonds are recorded and disclosed in accordance with SSAP No. 26R, *Bonds*, and SSAP No. 43R, *Loan Backed and Structured Securities*.
    - ii. Investments in subsidiaries and affiliated or controlled companies is recorded and disclosed in accordance with SSAP No. 97, *Investments in Subsidiary, Controlled and Affiliated Entities*.
    - iii. Short term investments are recorded and disclosed in accordance with SSAP No. 2R, *Cash, Drafts, and Short-term Investments*.
  - f. The entity has recorded and disclosed pension benefits in accordance with SSAP No. 102, *Accounting for Pensions*.
  - g. The entity has evaluated subsequent events in accordance with SSAP No. 9, *Subsequent Events*, through the date of this letter. There were no subsequent events that merit disclosure or would have a material effect on the statutory basis financial condition of the entity, except as communicated to you and disclosed in the financial statements.
32. As a property and casualty Insurer, we represent:

- a. The entity has recognized premium revenue, including properly disclosed and recorded premium deficiency reserve, in accordance with SSAP No. 53, *Property Casualty Contracts – Premiums*.
- b. All material reinsurance transactions have been recorded and disclosed in accordance with SSAP No. 62R, *Property and Casualty Reinsurance*.
- c. All reinsurance contracts properly transfer risk in accordance with SSAP No. 62R, and the entity has proper documentation on hand to prove as such.
- d. The entity's actuary has certified to the propriety of the basis and amounts at which the claim reserves and all actuarial liabilities are stated. The entity's liabilities for unpaid claims and claim adjustment expenses are based upon and recorded at management's best estimate in accordance with SSAP No. 55, *Unpaid Claims, Losses and Loss Adjustment Expenses*. We believe the assumptions and methods used by the actuary are appropriate, and we agree with the actuary's findings. The losses and LAE paid data, case basis reserve data, subrogation data, and the discounted reserve data that we have provided to the actuary for the purpose of determining a reasonable loss reserve was complete and accurate at the time it was provided.
- e. We agree with the actuarial methods and assumptions that the actuary used for determining the loss reserve and know of nothing that would make such methods of assumptions inappropriate in the circumstances.
- f. The entity's liabilities for unpaid losses and loss adjustment expenses are based on, and recorded at, management's best estimate in accordance with SSAP No. 55, *Unpaid Claims, Losses and Loss Adjustment Expenses*.
- g. Agents' balances or uncollected premiums have been recorded and disclosed in accordance with SSAP No. 6, *Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due from Agents and Brokers*.

#### **Accounting & Disclosure**

33. All transactions entered into by the entity are final. We are not aware of any unrecorded transactions, side agreements or other arrangements (either written or oral) that are in place.
34. Except as reflected in the statutory financial statements, there are no:
  - a. Plans or intentions that may materially affect carrying values or classifications of assets, deferred outflow of resources, liabilities, deferred inflows of resources, equity, net position, equity balance, or net assets.
  - b. Material transactions omitted or improperly recorded in the financial records.
  - c. Events occurring subsequent to the balance sheet date through the date of this letter, which is the date the statutory financial statements were available to be issued, requiring adjustment or disclosure in the statutory financial statements.
  - d. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements.
  - e. Guarantees, whether written or oral, under which the entity is contingently liable.



- f. Supplier finance arrangements.
35. Except as disclosed in the statutory financial statements, the entity has:
- a. Satisfactory title to all recorded assets, and those assets are not subject to any liens, pledges, or other encumbrances.
  - b. Complied with all aspects of contractual agreements, for which noncompliance would materially affect the statutory financial statements.
36. We agree with the findings of specialists in evaluating the Loss and LAE reserves and have adequately considered the qualification of the specialists in determining the amounts and disclosures used in the statutory financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.

### ***Estimates***

37. We have identified all accounting estimates that could be material to the statutory financial statements and we confirm the appropriateness of the methods and the consistency in their application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in making the accounting estimates, including those measured at fair value reported in the statutory financial statements.
38. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the statutory financial statements. We understand that “near term” means the period within one year of the date of the statutory financial statements. In addition, we have no knowledge of concentrations, which refer to volumes of business or premiums, existing at the date of the statutory financial statements that would make the entity vulnerable to the risk of severe impact in the near term that have not been properly disclosed in the statutory financial statements.

### ***Fair Value***

39. With respect to the fair value measurements of financial and nonfinancial assets and liabilities, if any, recognized in the statutory financial statements or disclosed in the notes thereto:
- a. The underlying assumptions are reasonable and they appropriately reflect management’s intent and ability to carry out its stated course of action.
  - b. The measurement methods and significant assumptions used in determining fair value are appropriate in the circumstances for financial statement measurement and disclosure purposes and have been consistently applied.
  - c. The significant assumptions appropriately reflect market participant assumptions.
  - d. The disclosures related to fair values are complete, adequate, and in conformity with SSAP No. 100R, *Fair Value*.
  - e. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the statutory financial statements.

***Off-Balance-Sheet Risk***

40. The following information about financial instruments with off-balance-sheet risk and financial instruments with concentrations of credit risk have been properly disclosed in the statutory financial statements:
- a. The extent, nature, and terms of financial instruments with off-balance-sheet risk.
  - b. The amount of credit risk of financial instruments with off-balance-sheet risk and information about the collateral supporting such statutory financial statements.
  - c. Significant concentrations of credit risk arising from all financial instruments and information about the collateral of such financial instruments.
  - d. The common activity, region, or characteristic that identified the concentration.
  - e. The maximum loss that could result if the counterparties completely failed to perform their obligations and any collateral for the amounts due were worthless.
  - f. The entity's policy of requiring collateral to minimize the risk, the nature of this collateral, and information about the entity's access to collateral.

***Long-Lived Assets to Be Held & Used***

41. We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have appropriately recorded the adjustment.

***Tax Matters***


42. We understand the potential penalties for failure to disclose reportable tax transactions to the taxing authorities and have fully disclosed to FORVIS any and all known reportable tax transactions.

***Other Matters***

43. Citizens is responsible for determining and maintaining the adequacy of the allowance for uncollectible premium installment receivables and reinsurance recoverable, as well as estimates used to determine such amounts. In making its determination of the necessary allowance, management considered past experience and all information currently available. Management further considered information with respect to receivable aging and credit ratings of debtors, challenges or potential challenges, including litigation and arbitration proceedings, with respect to reinsurance balances and amounts due from other reinsurers as a result of loss communication, solvency and other actions. Management believed the allowances are adequate to cover uncollectible account balances as of December 31, 2023.
44. Citizens has no plans or intentions to discontinue the operations of any subsidiary or division or to discontinue any significant product lines.
45. Regarding Citizens' Information Systems (IS) function, we have made available to you all information and documentation responsive to your review of the IS function; and we have, to the best of our knowledge and belief, answered all questions and inquiries fully and accurately.
46. None of the Company's third party service providers, upon which the Company relies, has known problems which would be likely to threaten the reliability of Company's information


systems and/or the systems' internal controls, or which could have a material impact on Company's statutory basis financial statements.

47. In accordance with Section 627.351(6) of the Florida Statutes, Citizens is not subject to Risk-Based Capital (RBC) requirements or required to have a pledged deposit on file with the State of Florida.
48. There are no known or expected circumstances, as of the date of this letter that would either threaten the solvency of Citizens under applicable insurance regulations, or require significant capital infusions to Citizens in order to comply with applicable regulations.
49. Citizens has properly disclosed all affiliate transactions in its statutory financial statements.
50. Citizens has acknowledged all guaranty fund assessments as of December 31, 2023.
51. Citizens is in compliance with all covenants and limitations associated with its outstanding obligations.

  
Timothy M Cerio (May 24, 2024 19:01 GMT+1)

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Timothy M. Cerio, President, Chief Executive Officer, and Executive Director

  
Jennifer Montero (May 24, 2024 12:08 EDT)

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Jennifer Montero, Chief Financial Officer

  
Andrew Woodward (May 24, 2024 12:07 EDT)

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Andrew Woodward, Controller



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Representation of:  
Citizens Property Insurance Corporation  
Attention: Andrew Woodward  
2101 Maryland Circle  
Tallahassee, Florida 32303

*Provided to:*  
**FORVIS, LLP**  
Certified Public Accountants  
400 N. Ashley Drive, Suite  
2540  
Tampa, Florida 33602

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Our representations are current and effective as of the date of FORVIS' report: May 23, 2024.

Our engagement with FORVIS is based on our contract for services dated: October 19, 2023.

### **Our Responsibility & Consideration of Material Matters**

We confirm that we are responsible for the fair presentation of the audited financial statements subject to FORVIS' report in conformity with accounting principles established by the Government Accounting Standards Board (GASB) and include all properly classified funds and other financial information of the primary government and all component units required by GASB to be included in the financial reporting entity.

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

### **Confirmation of Matters Specific to the Subject Matter of FORVIS' Report**

We confirm, to the best of our knowledge and belief, the following:

#### ***Broad Matters***

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the audited financial statements in accordance with accounting principles established by the GASB.

2. We acknowledge our responsibility for the design, implementation, and maintenance of:
  - a. Internal control relevant to the preparation and fair presentation of the audited financial statements that are free from material misstatement, whether due to fraud or error.
  - b. Internal control to prevent and detect fraud.
3. We have provided you with:
  - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the audited financial statements, such as financial records and related data, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. All minutes of directors' and committee of directors meetings held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the board, if applicable, and maintained as part of our records.
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4. We have responded fully and truthfully to all your inquiries.

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5. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:
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  - b. Misrepresented or misstated assets, deferred outflow of resources, liabilities, deferred inflows of resources, equity, net position, equity balance, or net assets.
6. We have no knowledge of fraud or suspected fraud affecting the entity involving:
  - a. Management or employees who have significant roles in internal control over financial reporting, or
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7. We understand that the term "fraud" includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in audited financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity's assets where the effect of the theft causes the audited financial statements not to be presented in conformity with accounting principles established by the GASB.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, policyholders, regulators,, or others.
9. We have assessed the risk that the audited financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

### ***Ongoing Operations***

10. We have evaluated whether there are conditions or events known or reasonably knowable, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year of the date of this letter without consideration of potential mitigating effects of management's plans not yet fully implemented and concluded substantial doubt does not exist.
11. We acknowledge the current economic volatility presents difficult circumstances and challenges for our industry. Entities are potentially facing declines in the fair values of investments and other assets, changes in the volume of business, constraints on liquidity, and other economic challenges. We understand the values of the assets and liabilities recorded in the audited financial statements could change rapidly, resulting in material future adjustments to invested asset values, allowances for accounts and premiums or contributions receivable, capital, etc., that could negatively impact the entity's ability to meet regulatory capital requirements or maintain sufficient liquidity.

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16. We have no knowledge of communications, other than those specifically disclosed, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the audited financial statements.
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***Financial Statements & Reports***

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  - d. We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.
23. We do not issue an annual report, nor do we have plans to issue an annual report at this time.

***Transactions, Records, & Adjustments***

24. All transactions have been recorded in the accounting records and are reflected in the audited financial statements.
25. We have everything we need to keep our books and records.
26. We have disclosed any significant unusual transactions the entity has entered into during the period, including the nature, terms, and business purpose of those transactions.
27. There are no uncorrected misstatements or omitted disclosures.

***General Government Matters***

28. The audited financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
29. All funds that meet the quantitative criteria in in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, and No. 37, *Basic Financial Statements—and Management's Discussion and Analysis-for State and Local Governments: Omnibus—an Amendment of GASB Statements No. 21 and No. 34*, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
30. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
31. We have appropriately disclosed that the entity is following either its established accounting policy regarding which governmental fund resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or is following paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes and have determined that fund balance is properly recognized under the policy.



***Accounting & Disclosure***

32. All transactions entered into by the entity are final. We are not aware of any unrecorded transactions, side agreements or other arrangements (either written or oral) that are in place.
33. Except as reflected in the audited financial statements, there are no:
  - a. Plans or intentions that may materially affect carrying values or classifications of assets, deferred outflow of resources, liabilities, deferred inflows of resources, equity, net position, equity balance, or net assets.
  - b. Material transactions omitted or improperly recorded in the financial records.
  - c. Events occurring subsequent to the balance sheet date through the date of this letter, which is the date the audited financial statements were available to be issued, requiring adjustment or disclosure in the audited financial statements.
  - d. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements.
  - e. Guarantees, whether written or oral, under which the entity is contingently liable.
  - f. Supplier finance arrangements.
34. Except as disclosed in the audited financial statements, the entity has:
  - a. Satisfactory title to all recorded assets, and those assets are not subject to any liens, pledges, or other encumbrances.
35. We agree with the findings of specialists in evaluating the Loss and LAE Reserves and have adequately considered the qualification of the specialists in determining the amounts and disclosures used in the audited financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.

***Revenue, Accounts Receivable, & Inventory***

36. We have informed you of the existence of any of the following unusual transactions:
37. Adequate provisions and allowances have been accrued for any material losses from:
  - a. Uncollectible receivables.

***Estimates***

38. We have identified all accounting estimates that could be material to the audited financial statements and we confirm the appropriateness of the methods and the consistency in their application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in making the accounting estimates, including those measured at fair value reported in the audited financial statements.
39. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the audited financial statements. We understand that "near term" means the period within one year of the date of the audited financial statements. In addition, we have no knowledge of concentrations, which refer to volumes of business or premiums, existing at the date of the audited financial statements that would make the entity vulnerable to the risk of

severe impact in the near term that have not been properly disclosed in the audited financial statements.

***Fair Value***

40. With respect to the fair value measurements of financial and nonfinancial assets and liabilities, if any, recognized in the audited financial statements or disclosed in the notes thereto:
  - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated course of action.
  - b. The measurement methods and significant assumptions used in determining fair value are appropriate in the circumstances for financial statement measurement and disclosure purposes and have been consistently applied.
  - c. The significant assumptions appropriately reflect market participant assumptions.
  - d. The disclosures related to fair values are complete, adequate, and in conformity with GASB.
  - e. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the audited financial statements.

***Off-Balance-Sheet Risk***

41. The following information about financial instruments with off-balance-sheet risk and financial instruments with concentrations of credit risk have been properly disclosed in the audited financial statements:
  - a. The extent, nature, and terms of financial instruments with off-balance-sheet risk.
  - b. The amount of credit risk of financial instruments with off-balance-sheet risk and information about the collateral supporting such audited financial statements.
  - c. Significant concentrations of credit risk arising from all financial instruments and information about the collateral of such financial instruments.
  - d. The common activity, region, or characteristic that identified the concentration.
  - e. The maximum loss that could result if the counterparties completely failed to perform their obligations and any collateral for the amounts due were worthless.
  - f. The entity's policy of requiring collateral to minimize the risk, the nature of this collateral, and information about the entity's access to collateral.

***Long-Lived Assets to Be Held & Used***

42. We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have appropriately recorded the adjustment.

***Tax Matters***

43. We understand the potential penalties for failure to disclose reportable tax transactions to the taxing authorities and have fully disclosed to FORVIS any and all known reportable tax transactions.

***GASB Statement 87, Leases***


44. In connection with the adoption of GASB Statement No. 87, *Leases* (GASB 87), we represent the following:
- a. We have identified a complete population of potential leases as of the implementation date.
  - b. We have reviewed all significant contracts to identify lease and nonlease components as of the earliest date of adoption. Allocation of contract prices between lease and nonlease components are based upon standalone prices or other reasonable factors.
  - c. Measurements of the lease assets and liabilities are based upon facts and circumstances that existed at the beginning of the period of implementation.
  - d. The estimates related to any options to extend or terminate the lease terms within the measurement of lease assets and liabilities agree to management's plans for the leases.
  - e. The discount rates for each lease are based upon what would be obtained by the entity for similar loans as an incremental rate.
  - f. The classification and accounting of related-party leases between entities, for which separate financial statements are issued, have been modified to recognize the substance of the transaction rather than only its legal form.
  - g. We have adequate controls in place to prevent and/or detect errors in lease assets and liabilities on a recurring basis.
  - h. The footnotes to the audited financial statements appropriately describe the adoption of GASB 87 and include all additional disclosures required under the Statement.

***GASB Statement 96, Subscription-Based Information Technology Arrangements***

45. In connection with the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96), we represent the following:
- a. We have identified a complete population of potential subscription-based information technology arrangements (SBITAs) as of the implementation date.
  - b. We have reviewed all significant contracts to identify subscription and nonsubscription components as of the earliest date of adoption. Allocation of costs between subscription and nonsubscription components are based upon standalone prices or other reasonable factors.
  - c. Measurements of the subscription assets and liabilities are based upon facts and circumstances that existed at the beginning of the period of implementation.
  - d. The estimates related to any options to extend or terminate the SBITA terms within the measurement of subscription liability and an intangible right to use IT subscription asset agrees to management's plans for the SBITA.
  - e. The discount rates for each SBITA are based upon what would be obtained by the entity for similar payment amounts during the subscription term as an incremental rate.
  - f. We have adequate controls in place to prevent and/or detect errors in subscription assets and liabilities on a recurring basis.
  - g. The footnotes to the financial statements appropriately describe the adoption of GASB 96 and include all additional disclosures required under the GASB 96.

**Other Matters**

46. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances or similar arrangements have been properly disclosed.
47. Citizens has made available all communications from regulators. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
48. Regarding Citizens' Information Systems (IS) function, we have made available to you all information and documentation responsive to your review of the IS function; and we have, to the best of our knowledge and belief, answered all questions and inquiries fully and accurately.
49. None of Citizens' third-party service providers, upon which Citizens relies, has known problems which would be likely to threaten the reliability of Citizens' information systems and/or the systems' internal controls, or which could have a material impact on Citizens' financial statements.
50. There are no known or expected circumstances, as of the date of this letter that would either threaten the solvency of Citizens under applicable insurance regulations, or require significant capital infusions to Citizens in order to comply with applicable regulations applicable to their individual domiciliary states or countries.
51. Citizens has properly disclosed all affiliate transactions in its financial statements.
52. Citizens has acknowledged of all guaranty fund assessments as of December 31, 2023.
53. Citizens is in compliance with all covenants and limitations associated with its outstanding obligations.
54. The financial statements disclose all of the matters of which we are aware that are relevant to Citizens' ability to continue as a going concern. We have evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Citizens' ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable) and determined no such substantial doubt exists.

  
Timothy M Cerio (May 24, 2024 19:01 GMT+1)

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Timothy M. Cerio, President, Chief Executive Officer, and Executive Director

  
Jennifer Montero (May 24, 2024 12:08 EDT)

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Jennifer Montero, Chief Financial Officer

  
Andrew Woodward (May 24, 2024 12:07 EDT)

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Andrew Woodward, Controller