

Agency Management Services Update

June 26, 2024

Carl Rockman, Vice President – Agency
& Market Services



Current Agent and Agency Counts

Current Agent and Agency Counts vs. YE 2023			
	May-24	Dec-23	Net Change
Agencies	6,080	6,080	0
Agents	12,521	12,272	249
LCRs	3,103	3,098	5

Current Tricounty Agent and Agency Counts vs. YE 2023			
	May-24	Dec-23	Net Change
Agencies	2,472	2,465	7
Agents	4,419	4,292	127
LCRs	1,098	1,067	31

Agency Segmentation						
Tiers	May-24			Dec-23		
	Total Agencies	Total PIF	% of Overall PIF	Total Agencies	Total PIF	% of Overall PIF
Tier 1 (2,000+ PIF)	50	291,070	24.4%	56	308,937	23.7%
Tier 2 (500-1,999 PIF)	446	376,720	31.6%	469	391,074	32.0%
Tier 3 (200-499 PIF)	963	300,908	25.2%	954	300,694	25.3%
Tier 4 (50-199 PIF)	1,724	186,875	15.7%	1,734	191,059	15.8%
Tier 5 (49 or less PIF)	2,292	37,911	3.2%	2,272	36,954	3.2%
Tier 6 (0 PIF)	605	0	0.0%	595	0	0.0%

Note: 48% of Citizens agencies have fewer than 50 policies in force.

Data as of 5/31/24



Performance Violations (PV) Program Update

Performance Violation Key	
Ineligible Risk	Submitting insufficient documentation to establish that the risk meets Citizens' eligibility requirement (no offer of coverage or the 20% rule)
Uninsurable Risk	Submitting an application for a risk that is uninsurable as defined in the Personal Residential Multi Peril (PR-M) and Personal Residential Wind-Only (PR-W) manuals
Premium Posted on Unbound Risk or Failure to Provide Premium Finance Company Contract	The agent/agency posted a premium on an unbound new-business submission prior to Underwriting review and approval, regardless of the final determination of eligibility and/or insurability, or the premium finance company contract was not submitted with the new-business submission or policy renewal.
Incorrect Application of Credits, Discounts or Surcharges; or Missing Signatures	<p>The agent/agency applied one or more of the following without proper documentation and resulted in a premium increase, or required signatures were missing:</p> <ul style="list-style-type: none"> • Documentation to support mitigation credits was not submitted, or insured signature was missing. • Documentation to support protective device discount (i.e., alarm, sprinkler) was not submitted. • Acceptable proof of prior insurance was not submitted. • Insured or agent signature was missing on application.

Annual Performance Violation Summaries							
Year	Total Submissions	Annual PV Total	% Total Submissions w/ PV	Ineligible Risk	Uninsurable Risk	Premium on Unbound / PFC Contract Missing	Incorrect Credits / Missing Signatures
2019	89,873	7,222	8%	65	1,163	105	4,538
2020	178,812	10,135	6%	147	2,068	66	6,437
2021	391,604	19,830	5%	268	4,370	53	12,813
2022	613,559	12,430	2%	140	3,424	62	7,601
2023	576,229	18,147	3%	615	13,295	83	4,154

Agents Under:		
	1/31/24	4/30/24
Warning Notices	2,473	2,577
Suspensions	273	277
Terminations	0	0



Performance Violations (PV) Program Update

2024 Monthly Performance Violation Counts							
Month	Total Submissions	Monthly Total	% Total Submissions w/ PV	Ineligible Risk	Uninsurable Risk	Premium on Unbound / PFC Contract Missing	Incorrect Credits / Missing Signatures
January	36,406	2,177	6%	1,170	523	6	478
February	37,797	2,777	7%	1,833	446	5	493
March	40,302	3,165	8%	2,276	355	7	527
April	42,550	2,745	6%	1,660	469	8	608
May							
June							
July							
August							
September							
October							
November							
December*							
YTD Grand Total	157,055	10,864	7%	6,939	1,793	26	2,106

Data as of 4/30/24



Late-Submission Violations (LSV) Program Update

Late-submission violations occur when all required documents are not submitted to Underwriting within 15 calendar days of the requested effective date on a bound-approved or bound-unapproved new-business submission.

Citizens sends a *Late Submission Alert for Required Documents* activity six business days after the effective date when required documents have not been uploaded or if upload has not been completed by selecting the **Submit** button. This activity warns that a late-submission violation will be incurred if the agent takes no action. A *Late Submission Alert for Required Documents* activity cannot be disputed.

Annual Late-Submission Violation Summaries					
Year	New Submissions	Alerts	% Submissions w/ Alerts	Late Submissions	% Submissions w/ LSV
2019	89,873	15,626	17%	3,806	4%
2020	178,812	36,773	21%	899	1%
2021	391,604	81,399	21%	18,091	5%
2022	613,475	140,119	23%	19,644	3%
2023	576,229	144,194	25%	34,625	6%

Agents Under:		
	1/31/24	4/30/24
Warning Notices	945	1,028
Suspensions	43	69
Terminations	0	0



Late-Submission Violations (LSV) Program Update

2024 Late-Submission Violation Counts					
Month	New Submissions	Alerts	% Submissions w/ Alerts	Late Submissions*	% New Submissions w/ LSV
January	36,406	8,517	23%	2,168	6%
February	37,797	8,413	22%	1,969	5%
March	40,302	9,961	25%	2,617	6%
April	42,550	9,757	23%	2,013	5%
May					
June					
July					
August					
September					
October					
November					
December					
YTD Grand Total	157,055	36,648	23%	8,767	6%

Data as of 4/30/24

Clearinghouse/EZLynx Rollout Update



Clearinghouse Program

In order to facilitate the diversion of ineligible applicants and existing policyholders from Citizens into the voluntary insurance market, Citizens is required by statute to implement a Clearinghouse program. However, the statute provides Citizens broad discretion in how it may implement such a program.

The intention of the Clearinghouse program is to provide a platform that facilitates consistent enforcement of Citizens premium comparison eligibility rules and to allow carriers to present their offered premiums to agents.

Clearinghouse Interim Program Solution (CHIPS)

WHAT

CHIPS New Business

Increased agent requirements for proof of price eligibility at point of sale

CHIPS Renewal

Citizens Identifies "High Potential" policies for private market placement and presents those to agent for remarketing prior to renewal

Clearinghouse Reimagined

WHY

- Improved agent experience
- Shorter application process
- Dynamic questions

- Improved carrier reach
- New business validation
- Broader renewal reach

- More new business averted
- More renewals placed in private market

WHAT & WHEN

- Track A (June 2024)
- New business quoting
- Manual eligibility checks

- Track B (Mid Jan 2025)
- New business quoting
- Automated checks

- Track C (Q4 2025)
- Renewal quoting
- Automated checks

WHO

Applied Systems / EzLynx®

Clearinghouse: Citizens Introduces New Solution for Verifying Eligibility

May 6, 2024

Citizens has selected Applied Systems' EZLynx® Rating Engine as the new solution for the clearinghouse program which helps validate price eligibility before applying for or renewing a policy with Citizens.

EZLynx Rating Engine will provide Citizens-appointed agents with an easy-to-use comparative rater that delivers real-time homeowners quotes from participating carriers that you are appointed with.

Beginning mid-June, agents and credentialed agency staff will use EZLynx Rating Engine as part of the standard rate, quote, and bind process for the following policy types:

- Citizens Homeowners 3 – Special Form (CIT HO-3)
- Citizens Homeowners 6 – Unit-Owners Form (CIT HO-6)
- Dwelling Property 1 – Basic Form (CIT DP-1-D)
- Dwelling Property 3 – Special Form (CIT DP-3-D)

Agents who are not currently subscribed to EZLynx will be provided a no-cost limited access EZLynx account. If you are a current EZLynx subscriber, Citizens rates will be provided on your current platform. EZLynx must be used to determine eligibility for the Citizens policy forms listed above. Proof of eligibility for all policy forms not listed above will still fall under the current eligibility requirements outside of EZLynx.

For agencies that are not currently subscribed to EZLynx, Applied Systems will offer the option to upgrade their limited access EZLynx account to a complete EZLynx account to expand their access to rate auto or add agency management system access.

Look for additional communications soon to announce training opportunities for agents to use the EZLynx Rating Engine and details about credentials for Citizens-appointed agents and credentialed agency staff.

Appointed agents can submit questions to Citizens by replying to this email or logging in to the Agents website and choosing the [Contact Us](#) link on the top of the page. Citizens will respond within five business days. Agents also can contact the Customer Care Center at 888.685.1555.

Training for New Clearinghouse Process

June 5, 2024

As announced on [May 6](#), Citizens now will use the Applied Systems' EZLynx® Rating Engine for the Property Insurance Clearinghouse program. This program is designed to help agents find private-market insurance company offers before applying for or renewing a property insurance policy with Citizens.

Beginning late June, Citizens-appointed agents who currently subscribe to EZLynx will be able to compare Citizens' rates with participating carriers on your current platform for the below policy types.

Beginning late June and continuing through August, Citizens-appointed agents and credentialed agency staff who do not currently have access to EZLynx will receive a [Welcome to EZLynx!](#) email providing their EZLynx username.

Once new users log in and acknowledge the *New User Agreement*, agency staff will be able to begin quoting and comparing Citizens' rates with participating carriers for the following policy types:

- Citizens Homeowners 3 – Special Form (CIT HO-3)
- Citizens Homeowners 6 – Unit-Owners Form (CIT HO-6)
- Dwelling Property 1 – Basic Form (CIT DP-1-D)
- Dwelling Property 3 – Special Form (CIT DP-3-D)

For more information on the new clearinghouse process please see the [FAQs](#), and enter *EZLynx* or *clearinghouse* in the *Search* field.

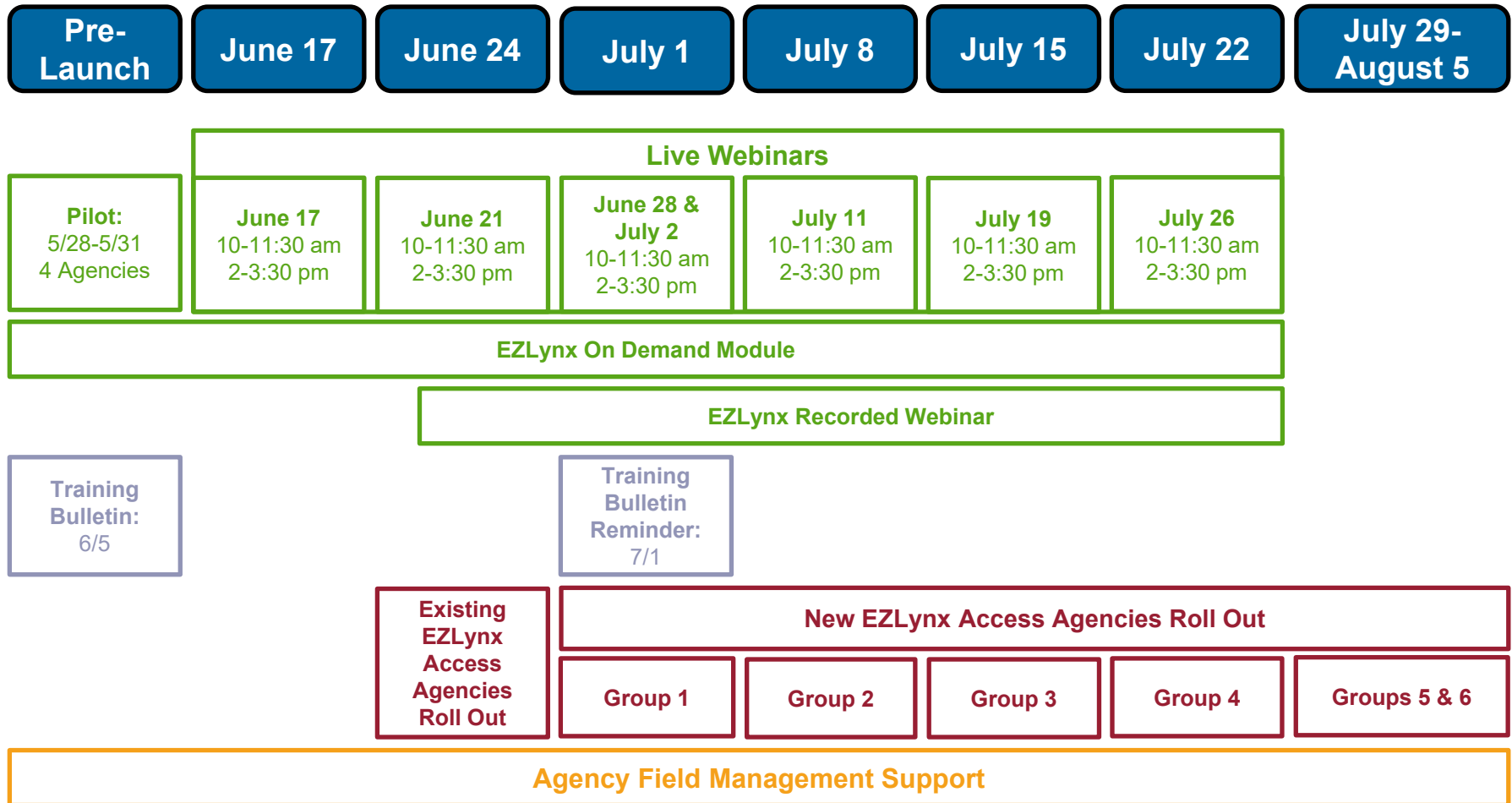
Learning Opportunities

Citizens and representatives from EZLynx will conduct free webinars on the following dates regarding the new process for agents and credentialed agency staff. A recording of the webinar also will be available after June 21. Register for the webinar via the link and follow the instructions below.

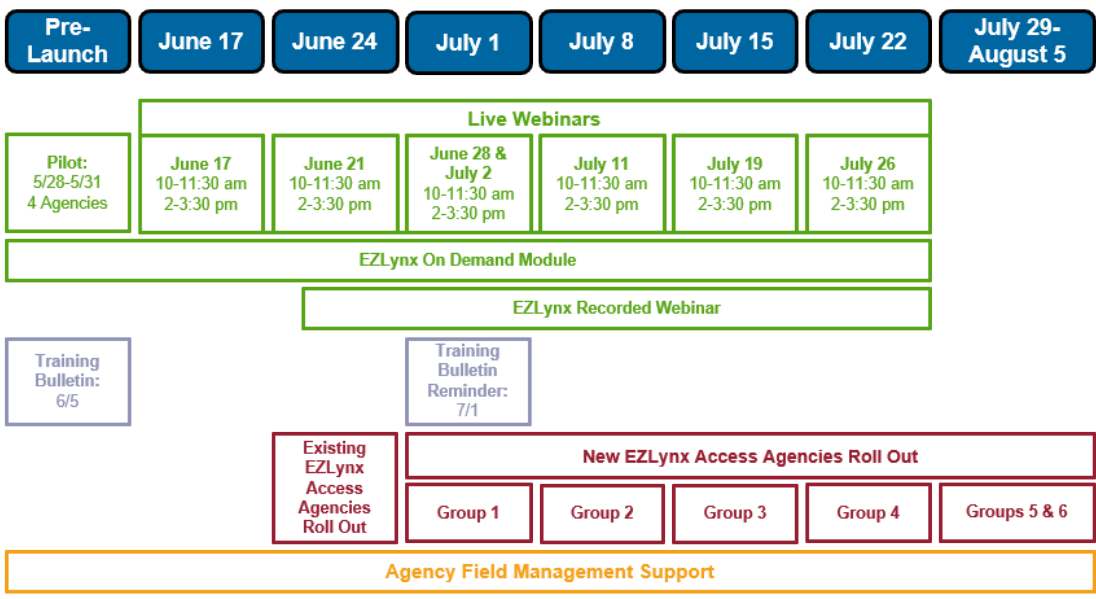
This course will be an introduction to using the Applied Systems' EZLynx Rating Engine and will prepare agents to access and quote in EZLynx in order to establish statutory eligibility with Citizens.

In this session, we:

- Define the EZLynx brand and illustrate the role it will play in verifying statutory eligibility.
- Summarize the implementation timeline and differentiate functionality in each phase.
- Access EZLynx and use the quote comparison to establish statutory eligibility.

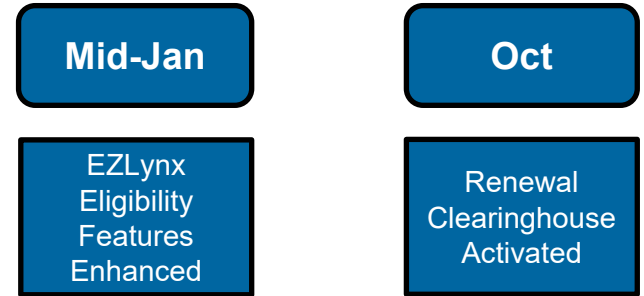


2024



- Eligibility check is manual
- Agent is not blocked from PolicyCenter
- Agent will submit proof of eligibility from EZLynx as required document

2025



- Eligibility check is mechanized
- Agent blocked for policy non-renews from PolicyCenter if risk not eligible

3+ Appointment Requirement Implementation



Reduce the risk of consumers not being placed in the private market by increasing the number of appointments required to be appointed with Citizens.

HB 1503-01 Filed on 2/4/2024: Require agents to have at least 3 appointments to be eligible to write with Citizens

1965 ~~14.~~ Must provide that the corporation appoint as its
1966 licensed agents only those agents who throughout such
1967 appointments also hold an appointment as defined in s. 626.015
1968 by at least three insurers ~~an insurer~~ who are ~~is~~ authorized to
1969 write and are ~~is~~ actually writing or renewing personal lines
1970 residential property coverage, commercial residential property
1971 coverage, or commercial nonresidential property coverage within
1972 the state.

Version: Florida HB 1503 er, posted 3/14/2024 8:13 AM



What & Who

What is Happening:

New law will be Line of Authority (LoA) driven; the agent seeking appointment will be required to have three (3) appointments in each LoA they are trying to write with Citizens.

Personal Residential

1,219 Impacted / 705 With PIF

Commercial Residential

1,020 Impacted / 85 With PIF

Commercial Non-Residential

762 Impacted / 89 With PIF

Who is Impacted:

Action Needed	Definition	Total Impacted Agents	Total Impacted PIF	Total Impacted Premium
No Change	No impact to the agent; they already have the minimum required appointments for all LoA they have.	8,738	N/A	N/A
Edit LoA	Agent will potentially lose one or more LoA but be able to keep their Citizens appointment.	639	4,263	\$76,544,139
Termination	Agent will lose appointment with Citizens if they do not add more appointments. They will lose their book either through transfer to another full agent in their agency or to CIS.	1,139	31,524	\$127,674,594
Totals		10,516	35,787	\$204,218,733



Identify Impacted Agents

Identify the impacted agents and which category they fall into (definitions on previous slide).

Communication Plan

Three separate points of communication between now and July 1 (see chart below for details).

Post Campaign

Work with the AP to comply with the new requirement or move Books of Business (BoB) to compliant agents (see chart to right for details).

No.	Action (Agent Administration)
1	Work with agency's AP to: A. Transition BoB to another appointed agent in agency. B. Obtain additional appointments for agents out of compliance.
2	If the agent out of compliance is the only Full Agent in the location, provide 30-days to sell BoB to another Citizens agent or obtain additional appointments.
3	If agent is unable to comply: Move BoB to CIS* for servicing.

* If original agent or a new agent appointed in their agency obtains proper number of appointments, they can request their BoB back, and we will move it.

No.	Dept.	Date/When	Type of Comm.	Message	Audience
1	CLEA	@ 5/22-23 (or when able)	Agent Alert	Launch campaign to notify affected agents what action is needed and when it is needed by, along with consequences of not complying.	<ul style="list-style-type: none"> Impacted Full Agents. AP (consolidated list for agency)
2	CLEA	@ 6/12	Agent Alert	Reminder: Same message as #1.	<ul style="list-style-type: none"> Impacted Full Agents. AP (consolidated list for agency)
3	AFM	7/1	<ul style="list-style-type: none"> Email Consultation 	Engagement from AFM if the requirement is still not met, to make sure that those who are impacted understand.	Impacted Full Agents.



Please rate your satisfaction of the service provided by your Citizens agent.

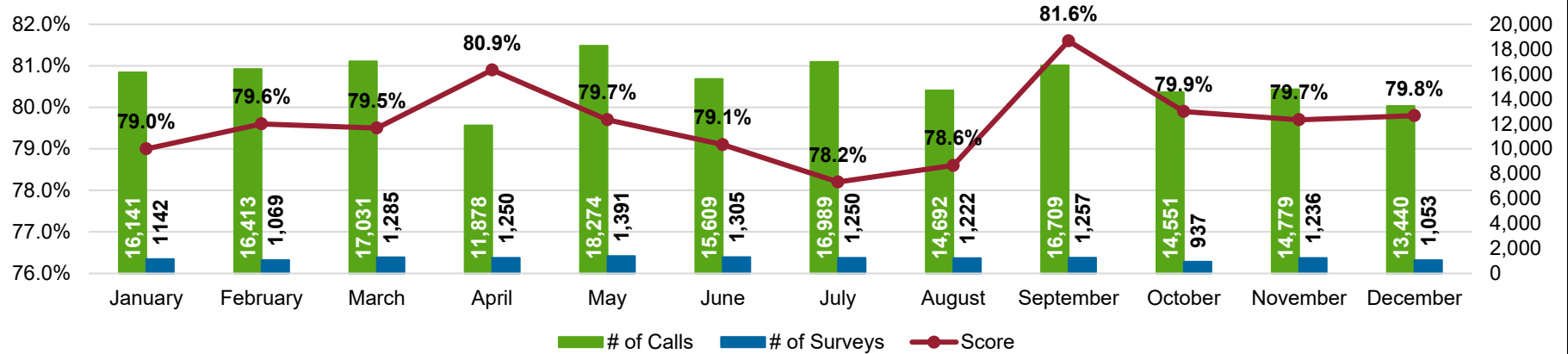
Did you contact your agent before contacting Citizens?



Voice of the Customer (VoC)

Regarding your level of satisfaction with Citizens as an organization, please rate the service provided by your Citizens agent?

2023 VoC Agency Satisfaction Score



2024 VoC Agency Satisfaction Score

