



AGREEMENT FOR COMPREHENSIVE ADJUSTING SERVICES - SUPPLEMENTAL

This Agreement (“Agreement”) is between CITIZENS PROPERTY INSURANCE CORPORATION (“**Citizens**”), a legislatively created Florida governmental entity, having its principal place of business at 2101 Maryland Circle, Tallahassee, Florida 32303, and JIMMIE GILES FINANCIAL LLC (“**Vendor**”) having its principal place of business at 8401 J R Manor, Suite 200, Tampa, Florida 33634. Citizens and Vendor shall each be known as a “Party,” and collectively shall be known as the “Parties.”

Recitals

On February 21, 2023, Citizens issued an Invitation to Negotiate No. 23-0001 for Adjusting Services for Catastrophe and Non-Catastrophe Claims (the “Solicitation”). Vendor’s response to the Solicitation was accepted by Citizens, subject to the terms set forth in this Agreement.

In consideration of the mutual promises and restrictions stated in this Agreement, the Parties acknowledge and agree as follows:

Terms of Agreement

1. **Definitions.** As used in this Agreement, the following terms have the following meanings:
 - 1.1. “Adjuster” means a properly licensed and appointed independent adjuster as defined by Section 626.855, Florida Statutes, and who meets the requirements of this Agreement.
 - 1.2. “Assignment Capacity” means Vendor’s confirmed Claim Assignment volume capacity and related terms (e.g., approved resource deployments or timeframe for deployment) mutually agreed by the Parties in writing as provided in Section 3.2. of the Agreement.
 - 1.3. “CAIS” means Citizens’ Credentialing Administration Information System.
 - 1.4. “Catastrophe Claim” means a Claim Assignment involving a natural or man-made event where Citizens receives or anticipates receiving no less than five hundred (500) claims, as determined and confirmed by Citizens in writing.
 - 1.5. “Catastrophe Deployment” means a deployment involving a natural or man-made event where Citizens receives or anticipates receiving no less than five hundred (500) claims, as determined and confirmed by Citizens in writing.
 - 1.6. “Citizens Best Claims Practices” or “BCP” means the claims and estimating guidelines developed by Citizens for the administration and adjustment of claims incurred on Citizens’ policies. A copy of the 2023 Best Claims Practices &

Estimating Guidelines is attached to this Agreement as Exhibit A. Citizens, in its sole discretion, reserves the right to periodically revise the BCP to meet Citizens' business needs, legislative requirements, or for other legal or business-related purposes.

- 1.7. "Citizens Confidential Information" means any and all information and documentation of Citizens that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by Citizens; (b) if disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by Citizens and marked "confidential" or with words of similar meaning; (c) should reasonably be recognized as confidential information of Citizens; (d) protected under any applicable state or federal law (including Chapter 119, Florida Statutes; Sections 501.171, and 627.351(6), Florida Statutes; Chapter 690-128, Florida Administrative Code; and, 15 U.S.C. § 6801 et seq.); or, (e) whether marked "Confidential" or not, consists of Citizens' information and documentation related to any Citizens manuals, lists, operating and other systems or programs, business practices or procedures, insurance policies, claimants or claims, or any business, governmental, and regulatory matters affecting Citizens. "Citizens Confidential Information" does not include any information or documentation that: (a) is publicly available through no fault of Vendor or Vendor Staff; or, (b) Vendor developed independently without relying in any way on Citizens Confidential Information.
- 1.8. "Citizens Data" means any and all data of Citizens in an electronic format that: (a) has been provided to Vendor by Citizens; (b) is collected, used, processed, stored, or generated as a result of the Services; or, (c) is private information or personally identifiable information collected, used, processed, stored, or generated as a result of the Services, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements listed herein.
- 1.9. "Claim Assignment" means an assignment from Citizens to Vendor to provide Services for a reported Citizens claim through one of the Claims Workflows.
- 1.10. "Claims Workflows" means the Fast Track, Field Inspection, Residential Field Adjuster, and Commercial Field Adjuster Workflows approved by Citizens for handling of Claim Assignments based on certain parameters determined by Citizens, such as the nature and severity of the loss.
- 1.11. "Commercial Adjuster" means a Desk Adjuster responsible for a commercial Claim Assignment, or an Adjuster responsible for certain tasks assigned through the Commercial Field Adjuster Workflow. Citizens may require a Commercial Adjuster deployment subject to the minimum qualifications for an Associate Commercial Adjuster, Commercial Adjuster I, or a General Commercial Adjuster as described in Exhibit B - Compensation Schedule.
- 1.12. "Commercial Field Adjuster Workflow" means the Claims Workflow for commercial Claim Assignments that involves Commercial Adjusters in both field and Desk Adjuster roles, as described in Section 3.1.3.
- 1.13. "Comprehensive Adjusting Services" means the Services provided under this Agreement, which encompass the adjustment and management of a Claim Assignment from first notice of loss ("FNOL") through closure of the claim using a Claims Workflow.

- 1.14. "Deliverables" means the quantifiable, measurable, and verifiable items required to be delivered to Citizens by Vendor under this Agreement.
- 1.15. "Desk Adjuster" means an Adjuster responsible for a Claim Assignment from FNOL through closure of the claim, including timely completion and review of certain tasks that may be assigned to other Adjusters or Field Inspectors through a Claims Workflow.
- 1.16. "Effective Date" means June 1, 2024.
- 1.17. "Estimating System" means the system, including pricing guidelines, which is designated by Citizens for use in the estimation of costs related to a claim. The Estimating System as of the Effective Date is Xactimate, which is third party computer software licensed by Citizens. Citizens may change such system by providing sixty (60) calendar days' notice to Vendor.
- 1.18. "Fast Track Adjuster" means an Adjuster responsible for certain tasks assigned through the Fast Track Workflow, including investigation, creating a scope and estimate of damages, sketching, and attaching photos within the Estimating System as needed.
- 1.19. "Fast Track Workflow" means the Claims Workflow that involves settling a claim without the need for physical inspection, which may include a task assignment to a Fast Track Adjuster or solely a Desk Adjuster, as described in Section 3.1.3.
- 1.20. "Residential Field Adjuster" means an Adjuster responsible for certain tasks assigned through the Residential Field Adjuster Workflow, including inspecting the loss, creating a scope and estimate of damages, sketching, and attaching photos within the Estimating System as needed.
- 1.21. "Residential Field Adjuster Workflow" means the Claims Workflow that involves physical inspection and estimate preparation by a Residential Field Adjuster in coordination with a Desk Adjuster, as described in Section 3.1.3.
- 1.22. "Field Inspector" means an individual responsible for certain tasks through the Field Inspector Workflow, including inspecting the loss and providing it to a Desk Adjuster responsible for creating a scope and estimate of damages, and who may have limited adjusting experience but must be licensed as an emergency adjuster in accordance with 69B-220.001, F.A.C., or otherwise authorized through the Florida Department of Financial Services to provide adjusting services.
- 1.23. "Field Inspector Workflow" means the Claims Workflow that involves physical inspection by a Field Inspector in coordination with a Desk Adjuster responsible for creating a scope and estimate of damages, as described in Section 3.1.3.
- 1.24. "Quality Assurance" or "QA" means a defined methodology and set of procedures for the purpose of monitoring and enforcing Quality Assurance performance standards related to Services.
- 1.25. "Services" means all services and Deliverables to be provided by Vendor to Citizens under this Agreement. If any service or Deliverable is not specifically described in this Agreement but is necessary for the proper performance and provisioning of the Services, that service or Deliverable shall be included within the definition of the Services to the same extent and in the same manner as if specifically described herein.
- 1.26. "Specialty Team" means a team of Adjusters who work exclusively on a particular type of claim, such as non-weather water, as may be required by Citizens as described in Section 3.1.4.

- 1.27. "Team Adjusting Model" means a variation of the Commercial Field Adjuster Workflow that involves a single field General Adjuster responsible for a team of field Adjusters completing the Commercial Field Adjuster Workflow including file documentation, reserve recommendations, estimating, and reporting.
- 1.28. "Team Lead" means an Adjuster with primary responsibility of oversight and management of a team of Desk Adjusters. Vendor must notify Citizens of the Team Lead for each Desk Adjuster.
- 1.29. "Vendor Staff" means any of Vendor's employees, agents, subcontractors, or representatives who: (a) provide the Services; or, (b) have access to Citizens Confidential Information or Citizens Data.
- 1.30. "Work Product" means each Deliverable and any drawing, design, specification, rendering, notebook, tracing, photograph, reference book, equipment, material, negative, report, finding, recommendation, data and memorandum of every description, created for Citizens under this Agreement and shared with or delivered to Citizens by Vendor or Vendor Staff in the course of performing this Agreement.

2. Term and Renewals.

- 2.1. Term of Agreement. This Agreement shall commence on the Effective Date and, unless terminated as provided for herein, shall continue for five (5) years.
- 2.2. Renewals. This Agreement may be renewed for one (1), three (3) year renewal period followed by one (1), two (2) year period by mutual written agreement of the Parties. Renewals shall be subject to the same terms and conditions set forth in this Agreement at the time of renewal, including any amendments signed by the Parties.

3. Services; Service Requirements.

- 3.1. Comprehensive Adjusting Services. Vendor shall provide professional, scalable Services for non-litigated residential and commercial Catastrophe and non-catastrophe claims throughout the State of Florida. Vendor shall provide the Services in accordance with Citizens Best Claims Practices from FNOL through closure of the claim. Vendor shall provide the Services through the following processes and Claims Workflows:
 - 3.1.1. Assignment and Triage. Citizens will assign claims through Citizens Claims management software and/or Estimating System. Citizens may assign claims twenty-four (24) hours a day, seven (7) days a week, three hundred and sixty-five (365) days a year. Vendor shall complete first contact to the policyholder in accordance with Exhibit C - After Hours Process regardless of the day or time of assignment.

Citizens shall include the FNOL in the Claim Assignment. Vendor shall review the FNOL and contact the policyholder as needed to assess and confirm the cause of loss, severity, or other information relevant to determining the appropriate Claims Workflow for the Claim Assignment. If Vendor learns of new information during the Claim Assignment that impacts the appropriateness of the selected Claims Workflow, Vendor shall promptly redirect the Claim Assignment to the more appropriate Claims Workflow.

- 3.1.2. Desk Adjuster. Vendor shall assign a Desk Adjuster to each Claim Assignment. The Desk Adjuster is responsible for the Claim Assignment from FNOL through closure of the claim, including timely completion and review of certain tasks that may be assigned to other Adjusters or Field Inspectors through the selected Claims Workflow. The Desk Adjuster shall directly handle all aspects of the claim except as otherwise provided for the applicable Claims Workflows, or as otherwise provided in Citizens Best Claims Practices. The Desk Adjuster for a commercial Claim Assignment must meet the qualifications for a Commercial General Adjuster, as specified in Exhibit B. The Desk Adjuster for a residential Claim Assignment must have at least eighteen (18) months of experience adjusting first-party property claims. Citizens may require that field Adjusters coordinate with Citizens staff desk adjusters under the Commercial Field Adjuster Workflow, rather than Vendor assigning a Desk Adjuster, at Citizens sole discretion.
- 3.1.3. Claims Workflows. Vendor shall determine the Claims Workflow appropriate for each Claim Assignment based on cause of loss, severity, and other eligibility directives that may be provided by Citizens. The Desk Adjuster shall oversee each Claim Assignment through the selected Claims Workflow. The eligibility directives for the Claims Workflow as of the Effective Date are provided below. Citizens may revise the directives for a Claims Workflow by providing written notice to Vendor. Citizens may also determine maximum Claim Assignment volume for all or certain Adjusters/Field Inspectors for a Claims Workflow. Citizens may require a specific Claims Workflow for a Claim Assignment regardless of general eligibility directives.

Vendor shall use the following severity table in determining the Claims Workflow for residential claims:

Severity	1	Minor Exterior Damage Only (No Interior Damage) – Any of the following: Damage to gutters, fences, sheds, pool/patio screen. Fallen trees that did not land on roof. Power outage or electrical/appliance damages.
Severity	2	Minor Interior/Exterior Damage – Any of the following: Missing roof shingles, broken windows or skylights, damaged or missing siding, water stain on ceiling or wall in ONLY one room. Fallen tree on home that did not create a hole in the roof.
Severity	3	Medium Interior/Exteriors Damage – Any of the following: Hole(s) in roof, walls, or siding from fallen tree, debris, or wind. Water stain on ceilings or walls in MORE THAN one room.
Severity	4	Major Interior/Exterior Damage (Home is Still Livable) - Any of the following: Exposed framing is visible on roof or exterior walls due to wind, tree limbs, or fallen tree.
Severity	5	Severe Interior/Exterior Damage (Home is NOT Livable) – Any of the following: External damage to include major structural damage to the roof or walls, interior collapsed ceilings, water damage from flood or storm surge, medical needs due to power outage.

- a. Fast Track Workflow. The Fast Track Workflow involves settling a claim without the need for physical inspection. The Fast Track Adjuster is responsible for certain tasks in coordination with a Desk Adjuster, including investigation, creating a scope and estimate of damages, sketching, and attaching photos within the Estimating System as needed. The Desk Adjuster may also serve as the Fast Track Adjuster.

Fast Track
<p>Eligibility Directives: Only Residential Claims Only Severity 1 or 2 No non-weather water cause of loss No public adjuster or attorney representation No late report (e.g., claims nine (9) months and older)</p>
<p>Minimum Qualifications for Fast Track Adjusters:</p> <ul style="list-style-type: none"> - Minimum of one (1) year experience adjusting first-party property claims. - Proficiency in investigating, documenting, scoping, and estimating damages using the Estimating System through discussions with the policyholder over the phone, and without physical inspections.

- b. Field Inspector Workflow. The Field Inspector Workflow involves a Field Inspector who may have limited adjusting experience. The Field Inspector is responsible for certain tasks in coordination with a Desk Adjuster, including physically inspecting the loss and providing collected information to the Desk Adjuster. The Desk Adjuster is responsible for creating a scope and estimate of damages. The Field Inspector must be licensed as an emergency adjuster in accordance with 69B-220.001, F.A.C., or otherwise authorized through the Department of Financial Services to provide adjusting services.

Field Inspector
<p>Eligibility Directives: Only Residential Claims Only Severity 1 through 3 No non-weather water cause of loss No hail cause of loss No public adjuster or attorney representation</p>
<p>Minimum Qualifications for Field Inspectors:</p> <ul style="list-style-type: none"> - No adjusting experience required. - Ability to physically inspect and document damages.

- c. Residential Field Adjuster Workflow. The Residential Field Adjuster Workflow involves a Residential Field Adjuster responsible for certain tasks in coordination with a Desk Adjuster, including inspecting the loss, creating a scope and estimate of damages, sketching, and attaching photos within the Estimating System as needed.

Residential Field Adjuster Workflow
Eligibility Directives: Only Residential Claims
<p>Minimum Qualifications for Residential Field Adjusters</p> <ul style="list-style-type: none"> - Minimum of eighteen (18) months experience adjusting first-party property claims. - Proficiency in conducting onsite inspections and investigating, documenting, scoping, and estimating damages using the Estimating System.

- d. Commercial Field Adjuster Workflow. The Commercial Field Adjuster Workflow involves field Adjuster(s) responsible for certain tasks in coordination with Desk Adjuster(s) (or a Citizens staff desk adjuster), including inspecting the loss, creating a scope and estimate of damages, sketching, and attaching photos within the Estimating System as needed. This workflow may use the Team Adjusting Model for various reasons such as high-value exposures or a large number of buildings for the Claim Assignment. Under the Team Adjusting Model, a single field Adjuster ("Field GA") is responsible for a team of field Adjusters completing the Commercial Field Adjuster Workflow including file documentation, reserve recommendations, estimating, and reporting. Vendor will notify Citizens of Claim Assignments that may be appropriate for the Team Adjusting Model. Citizens will determine whether to use the Team Adjusting Model at Citizens' sole discretion.

Commercial Field Adjuster Workflow
Eligibility Directives: Only Commercial Claims
<p>Minimum Qualifications for Commercial Field Adjusters</p> <ul style="list-style-type: none"> - Commercial Adjuster I, as specified in Exhibit B. - Field GA (Team Adjusting Model): Commercial General Adjuster, as specified in Exhibit B. - Proficiency in conducting onsite inspections and investigating, documenting, scoping, and estimating damages using the Estimating System.

- 3.1.4. Specialty Teams. Citizens requires Specialty Teams for certain types of claims. The purpose of a Specialty Team is to provide additional consistency and efficiency for such claims through a team of Adjusters who work exclusively on that particular type of claim. Vendor shall establish Specialty Teams of Adjusters as required by Citizens. As of the Effective Date, Citizens requires Specialty Teams as follows:
- a. Non-weather water cause of loss: minimum of two (2) years of experience adjusting water claims for both the Desk Adjuster and Residential Field Adjuster.
 - b. Residential large loss: high severity loss, such as total or near total loss with structural damage (typically, severity levels 4 or 5). Minimum of two (2) years of adjusting experience for both the Desk Adjuster and Residential Field Adjuster.

- 3.1.5. Quality Assurance Review. Vendor shall establish Quality Assurance processes to ensure that Services are provided consistent with Citizens Best Claims Practices. The processes must include Vendor Staff whose primary responsibilities relate to Quality Assurance and management. For residential claims the processes must also include a Team Lead(s) for all Desk Adjusters, with a ratio of not more than fifteen (15) Desk Adjusters per Team Lead, unless otherwise approved by Citizens. Team Leads must have a minimum of two (2) years of experience adjusting first-party property claims. As part of these processes, the Team Lead shall review and approve all estimates, letters, and payments prior to submission to Citizens unless it is within the Adjusters authority. Vendor shall also designate personnel that Citizens may contact as needed to address concerns with any Claims Workflow or specific Claim Assignment.
- 3.1.6. Citizens Review. Vendor shall obtain approval from Citizens on claims decisions in accordance with Citizens Best Claims Practices and any other written directives from Citizens.
- 3.1.7. Closure. The Desk Adjuster shall complete all required closing activities in accordance with Citizens Best Claims Practices and any other written directives from Citizens.
- 3.1.8. Reopened Claims. Vendor is responsible for any follow up activities that may be needed after closure of a claim, such as handling requests, inquiries or supplements, or providing a referral to an alternate Citizens claims process for further handling by Citizens (e.g., referral to litigation, subrogation, salvage, mediation, appraisal, or certain paperwork handling for mobile home total loss claims).
- 3.2. Claim Assignments. At any time during the term of this Agreement, Citizens may request information from Vendor regarding Vendor's capabilities to handle Claim Assignments in the upcoming days, weeks, or months. Based upon the information provided and mutual agreement, Citizens will send an email to Vendor's Contract Manager or designee confirming Assignment Capacity (including related terms, e.g., approved resource deployments or timeframes for deployment). Vendor shall maintain its confirmed Assignment Capacity unless and until otherwise agreed by the Parties.

Citizens anticipates commencing the following Claim Assignments to Vendor within sixty (60) calendar days of the Effective Date: (a) most reported commercial claims, and (b) reported residential claims involving non-weather water; wind; weather-related water; loss assessment; sinkhole; catastrophic ground cover collapse; earthquake, landslide and earth movement; explosion. Vendor shall coordinate with Citizens Contract Manager or Designee to confirm that Vendor meets required Claims Capacity upon Citizens' request. Vendor shall promptly notify Citizens Contract Manager or Designee if at any time Vendor has reason to believe that Claim Assignment volume may exceed Vendor capacity.

The Parties must promptly discuss revisions to Assignment Capacity as may be needed from time to time, such as to address Claim Assignment volume exceeding Assignment Capacity. Vendor must exercise best efforts to increase Assignment Capacity as requested by Citizens.

Vendor acknowledges that Citizens does not in any way represent or guarantee that Vendor will receive any specific or minimum volume of Claim Assignments under this Agreement. Citizens will provide Claim Assignments at its sole

discretion.

3.2.1. Non-Catastrophe Claim Assignments. At least once annually, the Parties must discuss and confirm Vendor's Assignment Capacity for non-catastrophe claims.

3.2.2. Catastrophe Claim Assignments. Vendor acknowledges that Claim Assignment volume may increase dramatically due to a catastrophe event. Citizens may request revised Assignment Capacity as needed to address a catastrophic event. Vendor shall acknowledge receipt of such a request within one (1) hour. Vendor shall confirm its Assignment Capacity within eight (8) hours of receipt of Citizens' request.

3.3. Technology.

3.3.1. Prior to using a technology that accesses Citizens Data, Vendor must obtain Citizens' advanced written approval of that technology.

3.3.2. Vendor is responsible for ensuring any Vendor Staff with access to Citizens systems maintains minimum requirements for hardware, software, and internet connectivity as provided by Citizens.

3.3.3. Any issues that arise due to incompatible technology must be addressed with Vendor Staff by Vendor's IT staff.

3.4. Accurate Data on Vendor Staff. Vendor shall collect and verify the information below for each Vendor Staff member. Vendor shall maintain this information according to Section 14.1. and provide it to Citizens as may be requested from time to time. Except as otherwise approved by Citizens' Contract Manager or designee in writing, a Vendor Staff member is not authorized to provide Services unless and until Vendor has collected and verified all information below for that Vendor Staff member. Vendor shall submit the Florida Adjusters License and Appointment Information into CAIS for each applicable Vendor Staff member.

3.4.1. Resume. A current and detailed resume. Each detailed resume shall include at minimum, the Adjuster's principal location of residence, prior adjusting experience and relevant work history with dates of employment, and any certifications or related training. The resume shall substantiate the Adjuster's property loss adjusting experience and that the adjuster satisfies the qualifications required for Services as provided in Section 3.

3.4.2. Ethics and Confidentiality Attestation. An Ethics and Confidentiality Attestation executed by Vendor Staff within the first thirty (30) calendar days of deployment.

3.4.3. Florida Adjusters License and Appointment. Documentation proving that Vendor Staff is a licensed and appointed Adjuster for claims within the State of Florida. This documentation is to be added to CAIS prior to deployment of the Adjuster.

3.4.4. Photo Identification. A recent, clear head-shot photograph of Vendor Staff and upon any change in appearance.

3.5. General Management. Vendor is responsible for the overall management and actions of Vendor Staff providing Services. In the discharge of its general duties to manage the successful performance of the Services, Vendor shall:

3.5.1. provide dedicated internal training personnel and resources and ensure Vendor Staff are adequately trained to provide Services;

- 3.5.2. within thirty (30) calendar days of the Effective Date, identify to Citizens the primary and secondary management contacts responsible for the oversight and management of Services for Citizens;
- 3.5.3. ensure that all Vendor Staff maintain a well-groomed appearance and wear appropriate work attire while performing Services; and,
- 3.5.4. ensure that Adjusters are available as needed for preparation and attendance as a Fact Witness for Testimony at a Civil Proceeding as further described in Exhibit B.

3.6. Process and System Requirements. Within seventy-two (72) hours of notice of deployment, at no expense to Citizens, Vendor shall ensure Adjusters possess the required equipment and utilize Citizens' current software including the Estimating System to perform Services in both field and office settings. Vendor shall have in place and ready for use all the appropriate processes, systems, software, and hardware to ensure its ability to perform Services. Vendor agrees to execute any third-party agreements to permit it to obtain access to Citizens' systems. Upon request by Citizens, Vendor shall provide Citizens with proof that it meets all the requirements of this provision prior to performing Services.

In coordination with Citizens, Vendor will configure the Estimating System at Vendor's expense within thirty (30) calendar days of the Effective Date.

3.7. Vendor Staff Qualifications and Removal. All Vendor Staff shall be properly trained and qualified. Upon request, Vendor shall furnish a copy of all technical certifications or other proof of qualification to Citizens. All Vendor Staff must comply with all reasonable administrative requirements of Citizens and with all controlling statutes, laws, and regulations relevant to the Services.

If Vendor knows or learns of circumstances indicating that a Vendor Staff member (a) lacks the proper training or qualifications to perform the Services; or, (b) is lacking in honesty or integrity, then Vendor will not allow that person to perform Services under this Agreement. Further, if Citizens determines that a Vendor Staff member is unsuitable for his/her role under this Agreement for any reason, including but not limited to knowledge, skills, experience, abilities, academic qualifications, credentialing, licensure, veracity, or conduct, Citizens has the right to disallow that person from performing in such role and to require Vendor to promptly provide a qualified replacement reasonably acceptable to Citizens.

3.8. Criminal Background Investigations. Vendor must conduct a criminal background check on each Vendor Staff within twelve (12) months prior to Vendor Staff providing Services and every twenty-four (24) months after that. All criminal background checks will be at Vendor's expense and, unless otherwise approved in writing by the Contract Manager or designee, shall include but not be limited to: (a) state and federal felony convictions or pending adjudications; (b) state and federal misdemeanor convictions or pending adjudications; and, (c) a seven (7) year minimum timeframe, extending as close as practicable to the date of assignment to perform Services.

If it is determined that an individual has a criminal conviction (misdemeanor or felony), regardless of adjudication (adjudication withheld, a plea of guilty or nolo contendere, or a guilty verdict) (a "Conviction"), Vendor will not allow that individual to act as Vendor Staff under this Agreement until Vendor determines whether that individual should be allowed to do so considering (a) the nature and gravity of the offense; (b) the amount of time that lapsed since the offense; (c) the rehabilitation efforts of the individual involved; and, (d) the relevancy of the offense to the

individual's role in connection with this Agreement. A disqualifying offense is any Conviction (in any jurisdiction within or outside of the United States of America) where the nature of the criminal activity is such that a reasonable person would agree that the engagement would create a risk of injury, loss, or damage to any person or property (including that of Citizens, its employees, policyholders, and others).

Vendor must disclose all felony Convictions to Citizens prior to allowing an individual to act as a Vendor Staff member under this Agreement. Vendor must also inform Citizens of Vendor's reasoning for why the individual should be allowed to perform Services. Any individual whose criminal background check indicates, to Vendor or Citizens, conduct that demonstrates a lack of honesty or integrity, or otherwise demonstrates an inability to safely and reliably perform Services, will not be allowed to act as Vendor Staff under this Agreement.

Vendor agrees that additional statutory requirements apply to Vendor Staff persons who are engaged in insurance underwriting, claims adjusting, or who otherwise engage in the business of insurance on Citizens' behalf. For these individuals, Vendor is required throughout the term of this Agreement to make reasonable efforts to ensure that the individual has never been convicted of any criminal felony involving dishonesty or a breach of trust or an offense under 18 U.S.C. §1033. Failure by Vendor to comply with this requirement may constitute a federal crime under 18 U.S.C. §1033. Citizens may require Vendor to certify compliance with this requirement in writing on an annual basis.

- 3.9. Other Background Checks. Vendor shall take reasonable measures to verify that the proposed Vendor Staff has met the minimum education, qualifications, or experience requirements as required by Citizens' Contract Manager or designee.
- 3.10. Compliance with Fair Credit Reporting Act. Vendor will comply with all requirements of the federal Fair Credit Reporting Act, including the provision to Vendor Staff of all required pre-notification and post-report notices. Vendor is responsible for any adverse action notices that may apply to its employment decisions.
- 3.11. Key Vendor Staff Resources. Vendor shall identify key Vendor Staff resources for Citizens using the Vendor contact list provided by Citizens Contract Manager or designee. Vendor shall provide the initial list within thirty (30) calendar days of Citizens' request. Any alternative or substituted key Vendor Staff resources require prior written approval by Citizens' Contract Manager or designee.

4. Service Warranties and Standards.

- 4.1. General Warranty. Vendor warrants that the Services will be performed and delivered in a professional manner in accordance with this Agreement and the standards prevailing in the industry. To this end, and without limiting any other remedies of Citizens, Vendor will undertake the following actions without additional consideration during the term of this Agreement and for one (1) year thereafter: (a) promptly make necessary revisions or corrections to resolve any errors and omissions on the part of Vendor; and, (b) confer with Citizens as Citizens deems appropriate for the purpose of interpreting any of the Services or information furnished. Acceptance of or payment for the Services by Citizens shall not relieve Vendor of these responsibilities. The warranty and covenants in this Section will extend to and bind Vendor's subcontractors, if any.

- 4.2. **Ability to Perform.** As of the Effective Date, Vendor warrants that, to the best of its knowledge, there is no pending or threatened action, proceeding, or investigation, or any other legal or financial condition, that would in any way prohibit, restrain, or diminish Vendor's ability to perform the Services or satisfy its contractual obligations. During the term of this Agreement, Vendor shall immediately notify Citizens Contract Administrator of any change in circumstances that would in any way diminish Vendor's ability to perform the Services or satisfy its contractual obligations. Whether by Vendor's notification, Citizens' sole determination, or otherwise, in any case where Citizens is concerned with Vendor's ability or willingness to perform this Agreement is in jeopardy, Vendor acknowledges and agrees that, upon Citizens' request, Vendor shall timely provide Citizens with all reasonable assurances requested by Citizens to demonstrate that Vendor will continue to be able and willing to perform this Agreement.
- 4.3. **Monitoring of Performance.** Vendor shall continuously monitor and record its performance to ensure that all of Vendor's responsibilities and obligations hereunder are being met and fulfilled. Citizens may conduct programmatic and other administrative contract monitoring during the term of this Agreement. The purpose of this monitoring is to ensure that all of Vendor's responsibilities and obligations are being met and fulfilled. Such monitoring may include on-site visits, report reviews, invoice reviews, compliance reviews, and a review of any other areas reasonably necessary. Vendor acknowledges and agrees that Citizens may also monitor and record Vendor Staff communications to the extent they occur within or are connected to any Citizens resource, such as electronic or telecommunications systems.
- 4.4. **Service Level Standards.**
- 4.4.1. **Description.** In addition to all other requirements in this Agreement, Vendor shall use reasonable and good faith efforts to meet the Service Level Standards set forth below. If a failure to satisfy a Service Level Standard is caused in whole or in part by Claim Assignment volume in excess of Assignment Capacity, solely by Citizens, or any other factor not under Vendor's responsibility or control, then at Citizens' sole discretion, Citizens Contract Manager or designee will equitably reduce or not apply the Service Credit.

Adjusting Service	Service Level Standard	Description	Service Credit Due
All	Quality Assurance	<p>95% of Claim Assignments audited by Citizens on quarterly basis will meet the timeframes required in the BCP for all of the following tasks:</p> <ul style="list-style-type: none"> • Upload the completed undisputed damage estimate with photographs and sketch after the inspection/assessment of dwelling and/or 	If fewer than 95% of the audited Claim Assignments meet the required timeframes, a Service Credit will be due for each Claim Assignment that does not meet one or more of those

		<p>building losses (including completion of QA review and approval as outlined in Section 3.1.5.)</p> <ul style="list-style-type: none"> • Upload and issue payment for third-party expense invoices • Set initial and subsequent indemnity and expense reserves 	<p>timeframes.</p> <p>The Service Credit for each Claim Assignment is 5% of the Services fees invoiced by Vendor to Citizens for the Claim Assignment (with a minimum of \$25.00 and a maximum of \$250.00 per residential claim and a minimum of \$50.00 and a maximum of \$500.00 for commercial claim).</p>
All	Correct loss Estimating System address	On a quarterly basis, 95% of Estimating System addresses provided for the purposes of receiving assignments are accurate	If fewer than 95% of the workforce addresses are accurate, a Service Credit of \$100.00 will be due for each address that is not accurate.
All	Correct license details and active, appointed license	On a quarterly basis, 100% of license numbers are entered correctly in CAIS and license is active and appointed as per Section 3.4. this Agreement	A Service Credit of \$250.00 will be due for each license that does not meet the requirements
All	Invoice	On a quarterly basis, 95% of all Vendor invoices uploaded to Citizens meet the requirements of Section 8.3.	If fewer than 95% of the invoices meet the requirements, a Service Credit of \$75.00 will be due for each invoice that

			does not meet the requirements
All	Completion of Ethics and Confidentiality Attestation	On a quarterly basis, 100% of deployed adjusters and vendor staff have completed the required Ethics and Confidentiality Attestation (expires annually)	A Service Credit of \$50 will be due for each deployed vendor staff member that has not completed the required Ethics and Confidentiality Attestation within the designated timeframe.

- 4.4.2. Service Credit Dispute. If Vendor disputes Citizens’ application of a Service Credit, Vendor must notify Citizens within thirty (30) calendar days of notice of the Service Credit. Vendor must provide the notification to Citizens in writing using a service credit dispute template provided by Citizens. The notification must describe Vendor’s basis for disputing Citizens’ application of the Service Credit, and must include accompanying documentation to support Vendor’s position. The notification must also identify Vendor’s single point of contact for the dispute. Citizens must respond to the notice within thirty (30) calendar days of receipt from Vendor.
- 4.4.3. Failure to Meet Service Level Standards. Time is of the essence in meeting the Service Level Standards. Citizens will apply the Service Credits to amounts due to Vendor. The Service Credits are intended only to cover the diminished value of a Service that is delivered to Citizens. The acceptance of a Service Credit does not waive Citizens’ right to pursue other remedial actions or claims under this Agreement. To the extent the underlying acts or omissions constitute an event of default under another section of this Agreement, Citizens may declare an event of default under that section. Notwithstanding the issuance of a Service Credit, Vendor will use its best efforts to minimize the impact or duration of any outage, interruption or degradation of Service.
- 4.4.4. Temporary Suspension of Service Level Standards. Vendor shall advise Citizens in writing as soon as possible of any circumstance or occurrence which would excuse or affect Vendor’s ability to achieve any of the Service Level Standards. In all such cases, Vendor will continue to make all reasonable efforts to achieve the Service Level Standards. Suspension of a Service Level Standard shall not excuse Vendor from accumulating data relevant to that Service Level Standard and reporting such data to Citizens.

5. Work Product

- 5.1. Title to Work Product. With the exception of the Pre-Existing Materials described in Section 5.2., Citizens will have all right, title, and interest in and to each Work

Product and any derivative works relating thereto (including ownership of copyrights). The use of these Work Products in any manner by Citizens shall not support any claim by Vendor for additional compensation. Each Work Product, and any portion thereof, shall be a "work made for hire" for Citizens pursuant to federal copyright laws. To the extent any of the Work Product is not deemed a work made for hire by operation of law, Vendor hereby irrevocably assigns, transfers, and conveys to Citizens, or its designee, without further consideration all of its right, title, and interest in such Work Product, including all rights of patent, copyright, trade secret, trademark, or other proprietary rights in such materials. Vendor acknowledges that Citizens shall have the right to obtain and hold in its own name any intellectual property right in and to the Work Product. Vendor agrees to execute any documents or take any other actions as may reasonably be necessary, or as Citizens may reasonably request, to perfect or evidence Citizens' ownership of the Work Product. This Section shall survive the termination of this Agreement.

5.2. Pre-Existing Materials.

5.2.1. Citizens acknowledges that, in the course of performing the Services, Vendor may use materials, software, reports, routines, language, instructions, methods, techniques, trade secrets, patents, copyrights, or other intellectual property that have been previously developed, purchased, licensed, or acquired by Vendor or by third parties (collectively, the "Pre-Existing Materials"), and that such Pre-Existing Materials shall remain the sole and exclusive property of Vendor or the third parties. Where Vendor seeks to embed Pre-Existing Materials in the Work Product, Vendor must first obtain written approval from Citizens.

5.2.2. If and to the extent any Pre-Existing Materials of Vendor are embedded or incorporated in the Work Product, Vendor hereby grants to Citizens the irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license to: (a) use, execute, reproduce, display, perform, distribute copies of and prepare derivative works based upon such Pre-existing Materials and any derivative works thereof for Citizens' internal business purposes only; and, (b) authorize others to do any or all of the foregoing for Citizens' internal business purposes only.

5.2.3. If and to the extent any Pre-Existing Materials of third parties are embedded or incorporated in the Work Product, Vendor shall secure for Citizens an irrevocable, perpetual, non-exclusive, worldwide, royalty-free and fully paid-up right to use, execute, display, and perform such Pre-Existing Materials. Vendor shall secure such right at its expense and prior to incorporating any such Pre-Existing Materials into any Work Product, and such right must include, if practicable, a right to: (a) copy, modify, and create derivative works based upon such Pre-Existing Materials; and, (b) sublicense all or any portion of the foregoing rights to an affiliate or a third party service provider of Citizens. This Section does not apply to standard office software (e.g., Microsoft Office).

5.3. The provisions of this Section shall survive the termination of this Agreement.

6. Changes.

6.1. Change Process. Citizens may require changes altering, adding to, or deducting from the Services (each, a "Change"), provided that: (a) such Change is within the

general scope of this Agreement; and, (b) Citizens will make an equitable adjustment in Vendor's compensation or delivery date if a Change materially affects the cost or time of performance of the Services. Such equitable adjustments require the written consent of Vendor, which consent shall not be unreasonably withheld, delayed or conditioned. The Parties will cooperate in good faith to determine the scope and nature of a Change, the availability of Vendor Staff, the expertise and resources to provide such Change, and the time period in which such Change will be implemented.

- 6.2. Modifications. A Change resulting in an increase or decrease to Vendor's compensation or the scope of Services must be evidenced by a formal amendment to this Agreement. All other changes shall be evidenced by either a writing signed by the Contract Manager or designee of each Party or a formal amendment to this Agreement.

7. Acceptance.

- 7.1. Acceptance Period. For all Services provided under this Agreement, Vendor grants to Citizens a thirty (30) calendar day acceptance period ("Acceptance Period") commencing on the date completed Services are delivered to Citizens. Citizens shall have the right to reject the Services, in whole or in part, during the Acceptance Period for Vendor's failure to meet the specifications associated with the delivered Services (a "Defect"), with such determination to be made in Citizens' reasonable judgment. At the end of the Acceptance Period, if Citizens has not rejected the Services, the Services shall be deemed to be accepted by Citizens; provided, however, that Citizens' acceptance of the Services shall not be deemed a waiver of any of Citizens' warranty rights or other contractual remedies as expressly provided in this Agreement.
- 7.2. Correction of Defects. To the extent a Defect can be corrected and was not the result of any bad faith by Vendor, Vendor shall have thirty (30) calendar days to correct the Defect. The determination as to whether a Defect can be corrected shall be made by Citizens in its reasonable discretion. If Vendor is unable to correct the Defect within this thirty (30) calendar day period, Citizens may, in its sole discretion, terminate this Agreement in whole or in part for cause and pursue such other rights and remedies allowable in law or equity.
- 7.3. Corrective Action Plan. At any stage during the thirty (30) calendar day period provided above or whenever Citizens identifies a deficiency in Vendor's performance of this Agreement, Citizens may require Vendor to take the following actions: (a) perform a cause analysis to identify the cause of the deficiency; (b) provide a written plan (the "Corrective Action Plan") detailing the cause of, and procedure for, correcting such deficiency (Citizens will be afforded the time necessary to review and approve the proposed Corrective Action Plan or require Vendor to make revisions); (c) implement the Corrective Action Plan as approved by Citizens; and, (d) provide Citizens with satisfactory assurance that such deficiency will not reoccur following the implementation of the Corrective Action Plan. In the case of a Defect identified by Citizens during an Acceptance Period, completion of the cause analysis and implementation of the Corrective Action Plan by Vendor must occur before the end of the thirty (30) calendar day period provided above, unless otherwise agreed to by Citizens in its sole discretion.

8. **Compensation.**

- 8.1. **Maximum Compensation and Budget Requirement.** Citizens' obligation to pay Vendor for all Services accepted and reimbursable expenses under this Agreement (a) shall not exceed a total dollar amount of \$500,000,000.00; and, (b) is contingent on the availability of budgeted funds approved by Citizens' Board of Governors on an annual basis.
- 8.2. **Compensation Schedule.** Vendor will be paid as Services are accepted by Citizens according to the tables in Exhibit B. During a catastrophe deployment, Vendor may submit requests for compensation as frequently as daily to expedite payment for the Services accepted by Citizens in the preceding period.
- 8.3. **Invoices.** Vendor must timely submit all requests for compensation for completed Services or expenses, where permitted, via Citizens' invoicing portal. Vendor must timely submit the compensation requests in sufficient detail for a pre- or post-audit. The compensation request must include a unique invoice number, applicable assignment details, adjuster name, and be in US dollars. Vendor must not submit the request until Vendor has completed the following (as applicable) for the relevant Claim Assignment(s), unless otherwise determined by Citizens:
 - 8.3.1. Sufficient Adjusting and Other (A&O) reserves to cover Vendor invoice.
 - 8.3.2. All expert invoices have been paid.
 - 8.3.3. Gross Claim Amount (GCA) billing is limited to policy limits plus deductible.
 - 8.3.4. Indemnity payment has been issued.
 - 8.3.5. Citizens Supervisor approval noted in the claim file for Time & Expense (T&E) billing.
 - 8.3.6. Denial contains Citizens Supervisor approval.
- 8.4. **Payment Processing.** Citizens may require any other information from Vendor that Citizens deems necessary to verify any compensation request placed under this Agreement and Vendor agrees that it will provide such information as reasonably requested by Citizens. Payment shall be due net thirty (30) calendar days of Citizens' actual receipt of a complete and undisputed invoice. Where a submitted invoice is incomplete, such as not containing the information described in this Section, Citizens will return the incomplete invoice to Vendor for correction within thirty (30) calendar days of Citizens' actual receipt of such invoice. Where Citizens reasonably disputes any part of a complete invoice, such as the amount of the compensation request, Citizens shall withhold payment until the invoice is accurate. Where Vendor disagrees with Citizens' dispute of any invoice, the Parties shall seek to resolve the dispute in accordance with the Dispute Resolution Process further described in this Agreement. In no case shall Citizens be subject to late payment interest charges where Vendor has submitted an incomplete invoice or where Citizens has reasonably disputed an invoice. Where Vendor fails to submit an invoice within twelve (12) calendar months of the Services for which compensation is being requested, Vendor acknowledges and agrees that any payment due for such Services is forfeited by Vendor for its failure to timely submit an invoice.
- 8.5. **Travel-related Expenses.** Vendor agrees to comply with Citizens' then-current Vendor Travel Reimbursement Guidelines, a copy of which can be found on Citizens' website: <https://www.citizensfla.com/b2b>. All travel-related expenses must be pre-approved in writing by Citizens' Contract Manager or designee.

Citizens shall reimburse Vendor for pre-approved travel-related expenses incurred in the performance of Services following Citizens' receipt of Vendor's reimbursement request submitted in accordance with the then-current Vendor Travel Reimbursement Guidelines.

- 8.6. No Additional Charges. Except for the compensation described in the Compensation Schedule and travel-related expenses, if permitted, Citizens shall not be billed for or be obligated to pay to Vendor any charges, expenses, or other amounts for the Services or otherwise.
- 8.7. Offsets and Credits. Any amounts due from Vendor may be applied by Citizens against any amounts due to Vendor. Any such amounts that are not so applied shall be paid to Citizens by Vendor within thirty (30) calendar days following Citizens' request.
- 8.8. Taxes. Citizens is a State of Florida, legislatively created, governmental entity which does not pay federal excise or state sales taxes on direct purchases of tangible personal property. Vendor represents and warrants that it is an independent contractor for purposes of federal, state, and local employment taxes. Vendor agrees that Citizens is not responsible to collect or withhold any federal, state, or local employment taxes, including personal property tax, income tax withholding, and social security contributions, for Vendor or Vendor Staff. Any and all taxes, interest or penalties, including personal property tax or any federal, state, or local withholding or employment taxes, imposed, assessed, or levied as a result of this Agreement shall be paid or withheld by Vendor or, if assessed against and paid by Citizens, shall be immediately reimbursed by Vendor upon demand by Citizens.

9. Indemnification and Limitation of Liability.

- 9.1. Indemnification. Vendor shall be fully liable for the actions of Vendor Staff and shall fully indemnify, defend, and hold harmless Citizens, and its officers, members of the Board of Governors, agents, employees, and policyholders (each, an "Indemnitee" and collectively, the "Indemnitees") from suits, actions, damages, liabilities, demands, claims, losses, expenses, fines, penalties, fees, and costs of every name and description (collectively, "Claims"), including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from any Indemnitee, by reason of any Claim arising out of or relating to any act, error or omission, or misconduct of Vendor, its officers, directors, agents, employees, or contractors, including without limitation: (a) a violation of federal, state, local, international, or other laws or regulations; (b) bodily injury (including death) or damage to tangible personal or real property; (c) a breach of any obligation or representation made by Vendor under this Agreement; (d) any claim that any portion of the Services violates or infringes upon a trademark, copyright, patent, trade secret or intellectual property right; or, (e) Vendor's failure to timely forward a public records request to Citizens for handling.
 - 9.1.1. Vendor's obligations of indemnification with respect to any Claim are contingent upon Citizens (or other Indemnitee) providing Vendor: (a) written notice of the Claim; (b) the opportunity to settle or defend against the Claim at Vendor's sole expense; and, (c) assistance in defending against or settling the Claim at Vendor's sole expense. Vendor shall not be liable for any cost, expense, or compromise incurred or made by an Indemnitee in any legal action without Vendor's prior written consent, which

shall not be unreasonably withheld.

9.1.2. Notwithstanding anything in this Agreement to the contrary, Vendor shall not indemnify for that portion of a Claim proximately caused by: (a) a negligent act or omission of an Indemnitee; (b) an act or omission (of an Indemnitee or Vendor) that a Claim alleges to constitute a breach of the terms of an insurance policy entered by Citizens, if Vendor provided all related Services in accordance with the requirements of this Agreement; or, (c) an Indemnitee's misuse or modification of the Service or Work Product.

9.1.3. The obligations in this Section are separate and apart from, and in no way limit Citizens' rights under any insurance provided by Vendor pursuant to this Agreement or otherwise.

9.1.4. The provisions of this Section shall survive the termination of this Agreement.

9.2. Limitation of Liability.

9.2.1. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECULATIVE OR REMOTE DAMAGES, INCLUDING LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH A BREACH OF THIS AGREEMENT.

9.2.2. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS A WAIVER OF THE LIMIT ON CITIZENS' LIABILITY FOR TORT CLAIMS UNDER SECTION 768.28, FLORIDA STATUTES.

9.2.3. THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

10. Insurance.

10.1. Vendor Insurance Requirements. During the term of this Agreement, Vendor will maintain at its sole expense the following insurance, purchased from an insurer licensed to transact business in the State of Florida:

10.1.1. Workers' Compensation which provides coverage for Vendor's employees and independent contractors' employees, regardless of the state of hire, in at least the minimum statutory limits required by the State of Florida, and Employers' Liability with limits of \$1 million per accident; provided, however, that such workers' compensation policy may exclude coverage for independent contractor employees who are covered by a workers' compensation policy that meets the requirements (including Employers' Liability coverage) set forth herein.

10.1.2. Commercial General Liability with minimum limits of \$1 million per occurrence (to include contractual liability for liability assumed hereunder) and \$2 million in the aggregate;

10.1.3. Automobile Liability with combined single limits of not less than \$1 million per accident (this policy must include Symbol 1 "Any Auto" coverage); provided however, that if Vendor does not own any vehicles and Vendor does not have a schedule of vehicles covered under a Vendor automobile policy, then the policy may instead include both Symbol 8 "Hired Autos Only" and Symbol 9 "Nonowned Autos only". Vendor agrees to secure

Symbol 1 “Any Auto” coverage as set forth herein prior to taking ownership of any vehicle, and prior to scheduling any vehicles under a Vendor automobile policy;

- 10.1.4. Umbrella Excess General Liability and Auto Liability insurance with minimum limits of \$4 million in the aggregate; the umbrella excess policy must afford coverage equivalent to the commercial general liability and automobile liability coverages required in subsections 10.1.2. and 10.1.3.; the policy inception date must also be concurrent with the inception dates of the underlying general liability and automobile liability policies; if vendor maintains commercial general liability and automobile liability coverage that exceeds the minimum limits identified in 10.1.2. and 10.1.3., then Vendor may reduce its umbrella excess coverage limit by the corresponding amount;
- 10.1.5. Professional Liability (errors and omissions) with minimum limits of \$1 million per claim and \$2 million in the aggregate Coverage must be renewed for three (3) years after completion of the Services. The “retroactive date” for this policy, and any subsequent policies purchased as renewals or replacements, shall coincide with or precede the effective date of this Agreement. If the policy is terminated for any reason, Vendor agrees to purchase, or cause its professional staff and consultants to purchase, an extended reporting provision of at least three (3) years to report claims arising from Services performed prior to the termination of the policy and allow for reporting of incidents that might give rise to future claims;
- 10.1.6. Information Security/Cyber Liability insurance written on a “claims-made” basis covering Vendor and Vendor Staff for expenses, claims and losses resulting from wrongful acts committed in the performance of, or failure to perform, all Services, including, without limitation, claims, other demands and any payments related to electronic or physical security, breaches of confidentiality and invasion of or breaches of privacy. The Information Security/Cyber Liability Insurance must include internet media liability including cloud computing and mobile devices for protection of confidential information and customer data whether electronic or non-electronic, network security and privacy; privacy against liability for system attacks, digital asset loss, denial or loss of service, introduction, implantation or spread of malicious software code, security breach, unauthorized access and use, including regulatory action expenses, and notification and credit monitoring expenses with at least the minimum limits listed below. Coverage must be renewed for two (2) years after completion of the Services.
- a. Each occurrence - \$5,000,000
 - b. Network Security/Privacy Liability - \$5,000,000
 - c. Breach Response/ Notification Sublimit - a minimum limit of fifty percent (50%) of the policy aggregate
 - d. Technology Products E&O - \$5,000,000
- 10.2. Insurance Company Qualifications. Each company issuing policies required under Section 10. must: (a) be licensed to transact business in the State of Florida; and, (b) have an AM Best Financial Strength rating of “A-” or above.

- 10.3. Acceptable Deductible Amounts. The policies required under Sections 10. shall not have deductibles in excess of \$100,000 per claim/occurrence, except as pre-approved by Citizens in connection with financially reasonable self-insured retention limits. Prior to approving a self-insured retention alternative, Citizens shall have the right to request, and Vendor shall be obligated to timely provide, financial documents demonstrating that Vendor has the assets, income, and liquidity necessary to pay such retention. Citizens shall be exempt from, and in no way liable for, any sum of money which may represent a deductible in any of these policies. The payment of deductibles as well as any self-insured retention shall be the sole responsibility of Vendor.
- 10.4. Defense Costs. The limits of indemnity coverage required under Section 10. shall not include costs incurred in defending against a claim and shall not be reduced by the payment of such costs; provided, however, that with respect to professional liability coverage as set forth in Section 10., Vendor may alternatively maintain coverage with minimum limits of \$2 million per claim and \$4 million in the aggregate.
- 10.5. Loss History. Vendor shall provide, or Vendor shall request its insurer to provide, upon request by Citizens, a list of claims paid (with amounts) in the three years prior to the date of Citizens' request, together with a list of any outstanding claims with current reserves.
- 10.6. Vendor's Insurance is Primary. The insurance required under Section 10.1. shall apply on a primary basis to, and shall not require contribution from, any other insurance or self-insurance maintained by Citizens, any Citizens Board Member, or any Citizens employee.
- 10.7. Citizens to be an Additional Insured. The Commercial General Liability and Auto Liability policies in Section 10. shall include Citizens as an additional insured. For Commercial General Liability coverage, the policy must include ISO Form #CG 20 10 10 01 or a comparable company specific endorsement.
- 10.8. Waiver of Subrogation. The insurance required under Section 10. shall include a provision waiving the insurer's rights of recovery or subrogation against Citizens.
- 10.9. Coverage for Indemnity Obligations. The Commercial General Liability, Auto Liability, Umbrella Liability, and Professional Liability coverages shall cover claims made under the indemnity provisions of this Agreement.
- 10.10. Notice of Cancellation or Change. To the extent practicable, the Commercial General Liability and Professional Liability policies shall require thirty (30) calendar days prior written notice to Citizens of cancellation, non-renewal or change in any coverage, except for ten (10) calendar days prior written notice for non-payment of premium.
- 10.11. Proof of Coverage. Within thirty (30) calendar days of execution of this Agreement, and upon renewal or reissuance of coverage thereafter, Vendor must provide current and properly completed in-force certificates of insurance to Citizens that evidence the coverages required in Section 10. The certificates for Commercial General Liability, Umbrella Liability and Professional Liability insurance certificates must correctly identify the type of work Vendor is providing to Citizens under this Agreement. The agent signing the certificate must hold an active Insurance General Lines Agent license (issued within the United States). Vendor shall provide copies of its policies upon request by Citizens.

11. Contract Administration.

11.1. Contract Administrator. Citizens shall name a Contract Administrator during the term of this Agreement whose responsibility shall be to maintain this Agreement. Except for written notices not otherwise specifically required herein to be delivered to the Citizens' Contract Manager or designee, all written notices shall be delivered to the Contract Administrator in addition to the Citizens Contract Manager named below. As of the Effective Date, the Contract Administrator is:

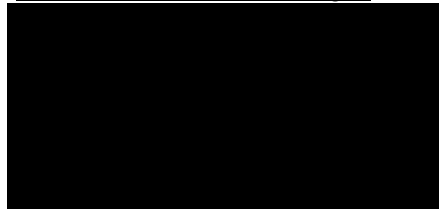
Keri Dennis, Vendor Management and Purchasing
301 West Bay Street, Suite 1300
Jacksonville, Florida 32202
904-328-3712
Keri.Dennis@citizensfla.com

Citizens shall provide written notice to Vendor of any changes to the Contract Administrator; such changes shall not be deemed Agreement amendments.

11.2. Contract Managers. Each Party will designate a Contract Manager during the term of this Agreement whose responsibility shall be to oversee the Party's performance of its duties and operational obligations pursuant to the terms of this Agreement. As of the Effective Date, Citizens' and Vendor's Contract Managers are as follows:

Citizens' Contract Manager
Cherie Hamilton
Citizens Property Insurance Corporation
301 West Bay Street, Suite 1300
Jacksonville, FL 32202
904-559-3771
Cherie.hamilton@citizensfla.com

Vendor's Contract Manager



Each Party shall provide prompt written notice to the other Party of any changes to their Contract Manager; such changes shall not be deemed Agreement amendments.

11.3. Continuing Oversight Team. If a Continuing Oversight Team ("COST") is established in accordance with s. 287.057(26), Florida Statutes, Vendor's Contract Manager will attend the initial meeting of the COST (in person or remotely) and will respond to any written questions from the COST within ten (10) business days. For Agreements of \$10,000,000 or greater, each COST must meet at least monthly. A representative of the Vendor must be made available to members of the COST for at least one (1) meeting every calendar quarter (in person or remotely) to respond to any questions or requests for information from the COST concerning Vendor performance.

12. Suspension of Services; Termination; Transition Assistance.

- 12.1. Temporary Suspension of Services. Citizens may, in its sole discretion, temporarily suspend all or certain portions of the Services at any time by providing written notice to Vendor. Upon receiving a suspension notice, Vendor shall cease performing the Services in accordance with the suspension notice. Within ninety (90) calendar days after Citizens provides the suspension notice, or any longer period agreed to by Vendor, Citizens shall either: (a) issue a notice authorizing resumption of the Services, at which time the Services shall resume; or, (b) exercise its right under Section 12.2. to terminate this Agreement without cause. Nothing in this Section allows Citizens to withhold or delay any payment for Services satisfactorily performed prior to the suspension. However, Vendor shall not be entitled to any additional compensation for the suspension of Services.
- 12.2. Termination without Cause. By thirty (30) calendar days advance written notice, Citizens may terminate this Agreement in whole or in part, at its sole discretion and without the need to specify a reason for termination. The actual date of termination of this Agreement will be thirty (30) calendar days from the date of the written notice, or as otherwise specified in Citizens' written notice (the "Termination Date"). Where Citizens elects to terminate this Agreement in part, Vendor shall continue to provide Services on any portion of this Agreement not terminated. Vendor shall be entitled to payment for Services satisfactorily performed and accepted by Citizens through the Termination Date but shall not be entitled to charge for or recover any "wind-down" costs, cancellation charges, or damages, including lost profits or reliance damages. Vendor shall not have a reciprocal right to terminate without cause; it being understood that Citizens' payment for Services forms the consideration for Vendor not having this right. In the event of Citizens' termination without cause, Citizens, at Citizens' sole election, may also require Vendor to provide the Transition Assistance as further described in this Agreement.
- 12.3. Termination for Cause. Either Party may terminate this Agreement if the other Party fails to honor its material obligations under this Agreement. Unless otherwise provided herein, before terminating this Agreement, the Party that believes the other Party is failing to perform this Agreement shall notify the breaching Party, in writing, of the nature of the breach and provide a reasonable time certain to cure the breach. The cure period will generally be ten (10) calendar days from receipt of the notice, provided that a cure period is not required if a cure is not feasible as determined by the non-breaching Party or if the breaching Party has already been notified of the breach and given at least ten (10) calendar days to correct it. If the breaching Party does not cure the breach within the time provided by the non-breaching Party, and its breach is not legally excusable, the non-breaching Party may thereafter notify the breaching Party, in writing, that it considers the breaching Party in default and may terminate this Agreement and pursue any remedies allowed in law or equity. Instead of terminating this Agreement in whole, Citizens may elect to terminate this Agreement in part, in which case Vendor shall continue to provide Services on any portion of this Agreement not terminated. If after termination it is determined that Vendor was not in default, or that the default was excusable, the rights and obligations of the Parties shall be the same as if the termination had been issued without cause under Section 12.2.
- 12.4. Scrutinized Companies; Termination by Citizens. In addition to any other termination rights of Citizens as provided for in this Agreement, Citizens may, at its sole election, terminate this Agreement if Vendor: (a) is found to have submitted a false certification as provided under Section 287.135(5), Florida Statutes; (b) has been placed on the "Scrutinized Companies with Activities in Sudan List;" (c) has

been placed on the "Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List;" (d) has been placed on the "Scrutinized Companies that Boycott Israel List;" (e) has been engaged in business operations in Cuba or Syria; or, (f) is engaged in a boycott of Israel.

12.5. Transition Assistance. At any time prior to the date this Agreement expires or terminates for any reason (either, the "Termination Date"), Citizens may request Vendor to provide transition assistance services ("Transition Assistance"). Vendor shall provide such Transition Assistance until Citizens notifies Vendor that Citizens no longer requires such Transition Assistance, which shall in no event be more than one-hundred and eighty (180) calendar days or other specified period following the Termination Date.

12.5.1. Transition Assistance shall mean any transition services, functions, or responsibilities that are ordinarily or customarily provided to a purchaser to ensure that the services provided to that purchaser by a vendor are fully transitioned in a smooth and efficient manner to the purchaser or to a successor vendor. Transition Assistance includes the development and implementation of a detailed transition plan, if requested. To the extent the Transition Assistance will involve a successor vendor, Vendor agrees that it will cooperate with such successor vendor. As reasonably required by Vendor, Citizens shall cause any successor vendor to execute a non-disclosure agreement acceptable to Vendor.

12.5.2. The return of Citizens Data to Citizens by Vendor that is required upon the termination of this Agreement under Section 16.4., is an obligation of Vendor that survives the termination of this Agreement and is separate and distinct from, and not dependent upon, any provisioning of Termination Assistance.

12.5.3. Transition Assistance rendered before the Termination Date shall be provided at no additional cost to Citizens. Transition Assistance rendered after the Termination Date shall be provided at the rates stated in this Agreement or rates negotiated by the Parties prior to the rendering of the post-termination Transition Assistance; provided however, that if Citizens terminates this Agreement because of a breach by Vendor, then the post-termination Transition Assistance shall be provided at no cost to Citizens.

13. Disputes.

13.1. Dispute Resolution Process. Each Party will make a good faith effort to resolve any disputes relating to this Agreement prior to commencing a legal action. These efforts may include an offer to arrange for executive-level discussions or an offer to submit the dispute to non-binding mediation. This section shall not apply if (a) a Party considers the immediate commencement of a legal action for an injunction necessary to protect its interests (e.g., to protect against the improper use or disclosure of its confidential information); or, (b) the dispute is subject to another provision in this Agreement that includes a different dispute resolution process. For the sake of clarity, Citizens is not subject to the dispute resolution processes set forth in The Florida Administrative Procedure Act, Chapter 120, Florida Statutes.

13.2. Jurisdiction and Venue; Waiver of Jury Trial. This Agreement shall be deemed to have been made in the State of Florida and shall be subject to, and governed by, the laws of the State of Florida, and no doctrine of choice of law shall be used to

apply any law other than that of the State of Florida. Each Party hereby irrevocably consents and submits to the exclusive jurisdiction of the Circuit Court of Leon County, Florida, for all purposes under this Agreement, and waives any defense to the assertion of such jurisdiction based on inconvenient forum or lack of personal jurisdiction. The Parties also agree to waive any right to jury trial.

13.3. The provisions of this Section shall survive the termination of this Agreement.

14. Records; Audits; Public Records Laws.

14.1. Record Retention. Vendor shall retain all records relating to this Agreement, with the exception of records contained in Citizens' systems or the Estimating System, for the longer of: (a) five (5) years after the termination of this Agreement; or, (b) the period specified by Citizens as necessary to comply with Florida law.

14.2. Right to Audit and Inquire. Citizens shall have reasonable access to Vendor's facilities and has the right to review and audit any of Vendor's records relating solely to this Agreement, upon written notice to Vendor of at least three (3) business days. Vendor also agrees to reasonably cooperate with any independent inquiries made by Citizens' Office of Internal Audit and Office of the Inspector General. Vendor shall cooperate with the requestor and provide requested documentation in a timely manner (preferably within five (5) business days). Vendor must resolve any deficiencies discovered during an audit within ninety (90) calendar days from being reported. Citizens may extend the response time period in its sole discretion. Citizens has the right to conduct follow-up audits to assess Vendor's corrective action(s). Any entity performing auditing services on behalf of Citizens pursuant to this Section shall execute a non-disclosure agreement with regard to Vendor's proprietary information, unless precluded from doing so by law. Vendor shall not unreasonably delay or inhibit Citizens' right to audit or inquire as set forth in this Section. Vendor agrees to reimburse Citizens for the reasonable costs of investigation incurred by Citizens for investigations of Vendor's compliance with this Agreement which result in termination for cause or in regulatory or criminal penalties in connection with performance of this Agreement. Such costs shall include, but shall not be limited to: salaries of investigators, including overtime; travel and lodging expenses; expert witness fees; and, documentary fees.

14.3. Public Records Laws. Vendor acknowledges that Citizens is subject to Florida public records laws, including Chapter 119, Florida Statutes, (collectively, "Florida's Public Records Laws"). Therefore, any information provided to Citizens or maintained by Vendor in connection with this Agreement may be subject to disclosure to third parties.

14.3.1. Protection of Vendor's Confidential Information. Section 627.351(6)(x)1.e., Florida Statutes, provides that proprietary information licensed to Citizens under a contract providing for the confidentiality of such information is confidential and exempt from the disclosure requirements of Florida's Public Records Law. Other Florida Statutes allow for various protection of vendor's trade secrets and financial information. In order to protect any information provided to Citizens that Vendor considers to be protected from disclosure under Florida law ("Vendor's Confidential Information"), Vendor should clearly label and mark each page or section containing such information as "Confidential", "Trade Secret" or other similar designation.

- 14.3.2. Responding to Request for Vendor's Confidential Information. If Citizens receives a Public Records Request ("PRR") or a request from any regulatory or legislative entity regarding Vendor's Confidential Information, it shall promptly notify Vendor in writing. To the extent permitted by law, Citizens shall not produce Vendor's Confidential Information unless authorized by Vendor, or by order of a court of competent jurisdiction. In the event a legal proceeding is brought to compel the production of Vendor's Confidential Information, the Parties agree that Citizens is authorized to deliver Vendor's Confidential Information to the court or other legal tribunal for disposition. If Vendor continues to assert in good faith that Vendor's Confidential Information is confidential or exempt from disclosure or production pursuant to Florida's Public Records Laws, then Vendor shall be solely responsible for defending its position or seeking a judicial declaration. Nothing in this Agreement shall create an obligation or duty for Citizens to defend or justify Vendor's position. Vendor also agrees to reimburse Citizens for any attorneys' fees, costs, and expenses incurred by Citizens or awarded against Citizens in any legal proceeding in which the issue is a third party's challenge to Vendor's assertion of an exemption under Florida's Public Records Laws.
- 14.3.3. Vendor's Duty to Forward Records Requests to Citizens. If Vendor receives a PRR that is in any way related to this Agreement, Vendor agrees to immediately notify Citizens' Records Custodian and forward the PRR to Citizens' Records Custodian for logging and processing. Citizens' Records Custodian's email address is: Recordsrequest@citizensfla.com. Citizens shall be the Party responsible for coordinating the response and production to the PRR. Vendor shall communicate with Citizens to determine whether requested information is confidential and/or exempt from public records disclosure requirements. Vendor agrees to assist Citizens in responding to any PRR in a prompt and timely manner as required by Florida's Public Records Laws.
- 14.3.4. Additional Duties. To the extent Vendor is "acting on behalf of" Citizens as provided under Section 119.011(2), Florida Statutes, Vendor must: (a) keep and maintain public records required by Citizens to perform the Services; (b) upon request of Citizens' Records Custodian, provide Citizens with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law; (c) ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law, for the duration of the term of this Agreement and following the completion of this Agreement if Vendor does not transfer the records to Citizens; and, (d) upon completion of this Agreement, transfer at no cost to Citizens all public records in possession of Vendor or, alternatively, Vendor may keep and maintain all records required by Citizens to perform the Services. If Vendor transfers all public records to Citizens upon completion of this Agreement, Vendor shall destroy any duplicate public records that are exempt, or confidential and exempt from public records disclosure. If Vendor keeps and maintains public records upon completion of this Agreement, Vendor shall meet all applicable requirements for retaining public records. All public records stored electronically must be provided to Citizens, upon request by Citizens'

Records Custodian, in a format that is compatible with the information technology systems of Citizens.

IF VENDOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO VENDOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, PLEASE CONTACT CITIZENS' RECORDS CUSTODIAN AT (a) (850) 521-8302; (b) RECORDSREQUEST@CITIZENSFLA.COM; OR, (c) RECORDS CUSTODIAN, CITIZENS PROPERTY INSURANCE CORPORATION, 2101 MARYLAND CIRCLE, TALLAHASSEE, FL 32303.

- 14.4. Remedies. Vendor will hold Citizens harmless from any actions resulting from Vendor's non-compliance with Florida's Public Records Laws. Without limiting Citizens' other rights of termination as further described in this Agreement, Citizens may unilaterally terminate this Agreement for refusal by Vendor to comply with this Section unless the records are exempt from Section 24(a) of Article I of the State Constitution and Section 119.07(1), Florida Statutes.
- 14.5. The provisions of this Section shall survive the termination of this Agreement.

15. Non-Disclosure of Citizens Confidential Information.

- 15.1. Obligation of Confidentiality. Vendor agrees to: (a) hold all Citizens Confidential Information in strict confidence; (b) not use Citizens Confidential Information for any purposes whatsoever other than the performance of this Agreement; (c) not copy, reproduce, sell, transfer, or otherwise dispose of, give, or disclose such Citizens Confidential Information to third parties other than Vendor Staff who have a need to know in connection with the performance of this Agreement; (d) be solely responsible for informing any Vendor Staff with access to Citizens Confidential Information of the provisions of this Agreement and to be responsible for any acts of those individuals that violate such provisions; (e) provide Vendor Staff having access to Citizens Confidential Information with work environments that protect against inadvertent disclosure to others; (f) use its best efforts to assist Citizens in identifying and preventing any potential or actual unauthorized appropriation, use, or disclosure of any Citizens Confidential Information and to cooperate in promptly remedying such situation; and, (g) advise Citizens immediately in the event that Vendor learns or has reason to believe that any individual who has or has had access to Citizens Confidential Information has violated or intends to violate the terms of this Agreement and to cooperate with Citizens in seeking injunctive or other equitable relief against any such individual. Nothing in this Agreement prohibits a Vendor from disclosing information relevant to the performance of this Agreement to members or staff of the Florida Senate or the Florida House of Representatives.
- 15.2. Security of Vendor Facilities. All Vendor and Vendor Staff facilities in which Citizens Confidential Information is located or housed shall be maintained in a reasonably secure manner. Within such facilities, all printed materials containing Citizens Confidential Information should be kept locked in a secure office, file cabinet, or desk (except when materials are being used).

- 15.3. Labeling of Citizens Confidential Information. Any documents or electronic files created by Vendor or Vendor Staff that contain Citizens Confidential Information must be conspicuously labeled or marked so that the individual viewing or receiving the information understands that the information is confidential.
- 15.4. Photocopying and Faxing Restrictions. Vendor and Vendor Staff shall not make photocopies or send facsimiles of Citizens Confidential Information unless there is a business need.
- 15.5. Transmission of Citizens Confidential Information Materials. In the event it is necessary to transport materials containing Citizens Confidential Information via mail, parcel delivery service or other means, Vendor Staff must subsequently verify that such materials have been received by the intended parties.
- 15.6. Return of Citizens Confidential Information. Upon Citizens' request during the term of this Agreement or upon the termination of this Agreement for any reason, Vendor shall promptly return to Citizens all copies, whether in written, electronic or other form or media, of Citizens Confidential Information in its possession, or securely dispose of all such copies, and certify in writing to Citizens that Citizens Confidential Information has been returned to Citizens or disposed of securely.
- 15.7. Disposal of Citizens Confidential Information. The disposal of all printed materials containing Citizens Confidential Information must be done in a manner that renders the information inaccessible to others (the use of a reputable third-party shredding company is permissible).
- 15.8. Notification of Anticipatory Breach. Vendor agrees that should it, for any reason, not be able to provide or maintain appropriate safeguards to fulfill its obligations under this Section, it will immediately notify Citizens Contract Administrator in writing of such inability and such inability on Vendor's part will serve as justification for the immediate termination, at Citizens' sole election and without penalty to Citizens, of this Agreement in whole or in part at any time after the inability becomes known to Citizens.
- 15.9. Remedies. Vendor acknowledges that breach of Vendor's obligations under this Section 15. may give rise to irreparable injury to Citizens and Citizens' customers, which damage may be inadequately compensable in the form of monetary damages. Accordingly, Citizens may seek and obtain injunctive relief against the breach or threatened breach of the provisions of this Section 15., in addition to any other legal remedies which may be available, including, the immediate termination, at Citizens' sole election and without penalty to Citizens, of this Agreement in whole or in part.
- 15.10. The provisions of this Section shall survive the termination of this Agreement.

16. Data Security.

16.1. Citizens Data.

- 16.1.1. Ownership. Vendor acknowledges and agrees that Citizens Data is and shall remain the sole and exclusive property of Citizens and that all right, title, and interest in the same is reserved by Citizens.
- 16.1.2. Vendor Use of Citizens Data. Vendor is permitted to collect, process, store, generate, and display Citizens Data only to the extent necessary for the sole and exclusive purpose of providing the Services. Vendor acknowledges and agrees that it shall: (a) keep and maintain Citizens Data

in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Section 16. and applicable law to avoid unauthorized access, use, disclosure, or loss; and, (b) not use, sell, rent, transfer, distribute, or otherwise disclose or make available Citizens Data for Vendor's own purposes or for the benefit of anyone other than Citizens without Citizens' prior written consent.

16.1.3. Extraction of Citizens Data. During the term of this Agreement, Vendor shall, within five (5) business days of Citizens' request, provide Citizens, without any charge, conditions, or contingencies whatsoever (including but not limited to the payment of any fees due to Vendor), an extract of Citizens Data in the format specified by Citizens.

16.1.4. Backup and Recovery of Citizens Data. As part of the Services, Vendor is responsible for maintaining a backup of Citizens Data and for an orderly and timely recovery of such data in the event that the Services may be interrupted. Unless otherwise described herein, Vendor shall maintain a contemporaneous backup of Citizens Data with a recovery time and recovery point of two (2) hours. Additionally, Vendor shall store a backup of Citizens Data in an off-site "hardened" facility no less than daily, maintaining the security of Citizens Data, the security requirements of which are further described herein. Any backups of Citizens Data shall not be considered in calculating any storage used by Citizens.

16.2. Security and Confidentiality of Citizens Data.

16.2.1. General Requirements. Vendor shall implement and maintain appropriate safeguards to: (a) ensure the security and confidentiality of Citizens Data; (b) protect against any anticipated threats or hazards to the security or integrity of Citizens Data; (c) protect against unauthorized access to or disclosure of Citizens Data; (d) protect against the use of Citizens Data that could cause harm or inconvenience to Citizens or any customer of Citizens; (e) ensure the availability of Citizens Data; and, (f) ensure the proper disposal of Citizens Data.

16.2.2. Implementation of NIST 800-53 Controls. Except as permitted in writing by Citizens' Contract Manager or designee, Vendor agrees to implement the privacy and security controls that follow the guidelines set forth in NIST Special Publication 800-53, "Security and Privacy Controls for Federal Information Systems and Organizations," as amended from time to time.

16.2.3. Audit of Vendor's Privacy and Security Controls.

16.2.3.1. Audit Reports. For each calendar year during the term of this Agreement, upon sixty (60) calendar days of issuance but no later than the end of each calendar year, Vendor shall submit to Citizens via email to Citizens' Contract Manager or designee a copy of its annual American Institute of Certified Public Accountants Service Organization Control (SOC) 2 type 2 report (for all Trusted Services Principles) relevant to the Services, such relevancy as solely determined by Citizens.

Should Vendor not have a SOC 2 type 2 report as described herein, Vendor may provide an ISO 27001 attestation, or if not available, shall complete the then current version of Citizens IT Security Questionnaire. If either of these alternative audit reports are submitted, Citizens Contract Manager will advise the

required submission timing and any reoccurrence.

Should Vendor utilize third-party technology provided by subcontractors in the course of performing Services, Citizens may, at Citizens' discretion, require Vendor to provide a SOC 2 type 2 report or attest to the SOC 2 type 2 for those subcontractors on an annual recurring basis. Any such requirements will be provided by Citizens Contract Manager or designee in writing.

- 16.2.3.2. Right of Audit by Citizens. Without limiting any other rights of Citizens herein, Citizens shall have the right to review Vendor's privacy and security controls prior to the commencement of Services and from time to time during the term of this Agreement. Such review may include Citizens' right, at its own expense and without notice, to perform (or have performed) an on-site audit of Vendor's privacy and security controls. In lieu of such an audit, Citizens may require Vendor to complete, within thirty (30) calendar days of receipt, an audit questionnaire provided by Citizens regarding Vendor's privacy and security programs.
- 16.2.3.3. Audit Findings. Vendor shall implement any required safeguards as identified by Citizens or by any audit of Vendor's privacy and security controls.
- 16.2.4. Use of Citizens' Systems. Where Vendor or Vendor Staff have access to Citizens' systems or technology provided by or through Citizens, in addition to the other safeguards required by this Section, Vendor and Vendor Staff shall not share user identifications and/or passwords with any other individual.
- 16.2.5. Data Encryption. Vendor and Vendor Staff will encrypt Citizens Data at rest and in transit using a strong cryptographic protocol that is consistent with industry standards.
- 16.2.6. Data Storage. Except as permitted in writing by Citizens' Contract Manager or designee, Vendor and Vendor Staff shall not store Citizens Data on portable external storage devices or media (such as "thumb drives," compact disks, or portable disk drives).
- 16.2.7. Data Export. Except as permitted in writing by Citizens' Contract Manager or designee, Vendor and Vendor Staff are prohibited from: (a) performing any Services outside of the United States; or, (b) sending, transmitting, or accessing any Citizens Data outside of the United States.
- 16.2.8. Unauthorized Use or Disclosure of Citizens Data. Vendor shall use its best efforts to assist Citizens in identifying and preventing any potential or actual unauthorized appropriation, use, or disclosure of any Citizens Data and shall cooperate in promptly remedying such situation. Without limiting the foregoing, Vendor shall: (a) advise Citizens immediately in the event that Vendor learns or has reason to believe that any individual who has or has had access to Citizens Data has violated or intends to violate the terms of this Agreement and Vendor will cooperate with Citizens in seeking injunctive or other equitable relief against any such individual; and, (b) pursuant to Section 501.171, Florida Statutes, where Vendor maintains computerized Citizens Data that includes personal information,

as defined in such statute, disclose to Citizens any breach of the security of the system associated with the Citizens Data as soon as practicable, but no later than ten (10) calendar days following the determination of the breach of security or reason to believe the breach occurred.

- 16.3. Subcontractors. The provisions of this Section shall apply to each of Vendor's subcontractors at any level who obtain access to Citizens Data.
- 16.4. Return of Citizens Data Upon Termination. Upon the termination of this Agreement for any reason, within five (5) business days following such termination, Vendor shall provide to Citizens, without any charge, conditions, or contingencies whatsoever (including but not limited to the payment of any fees due to Vendor), a full and complete extract of Citizens Data in the format specified by Citizens. Further, Vendor shall certify to Citizens the destruction of any Citizens Data within the possession or control of Vendor; provided, however, that such destruction shall occur only after: (a) Citizens Data has been returned to Citizens; and, (b) Citizens has acknowledged in writing to Vendor that Citizens has fully and adequately received the Citizens Data.
- 16.5. Notification of Anticipatory Breach. Vendor agrees that should it, for any reason, not be able to provide or maintain appropriate safeguards to fulfill its obligations under this Section 16., it will immediately notify Citizens Contract Administrator in writing of such inability and such inability on Vendor's part will serve as justification for the immediate termination, at Citizens' sole election and without penalty to Citizens, of this Agreement in whole or in part at any time after the inability becomes known to Citizens.
- 16.6. Remedies. Vendor acknowledges that breach of Vendor's obligation under this Section 16. may give rise to irreparable injury to Citizens and Citizens' customers, which damage may be inadequately compensable in the form of monetary damages. Accordingly, Citizens may seek and obtain injunctive relief against the breach or threatened breach of any of the provisions of this Section 16., in addition to any other legal remedies which may be available, including, the immediate termination, at Citizens' sole election and without penalty to Citizens, of this Agreement in whole or in part.
- 16.7. The provisions of this Section shall survive the termination of this Agreement.

17. Miscellaneous.

- 17.1. Business Continuity and Disaster Recovery Plan. Vendor shall have a viable, documented, effective and annually tested business continuity/disaster recovery strategy plan in place to mitigate the potential disruption of Services. Within thirty (30) calendar days of execution of this Agreement, at its own cost and expense, Vendor shall provide to Citizens evidence and results of its tested business continuity/disaster recovery plan and following any changes to the plan during the term of this Agreement.
- 17.2. Relationship of the Parties. Vendor is an independent contractor with no authority to contract for Citizens or in any way to bind or to commit Citizens to any agreement of any kind or to assume any liabilities of any nature in the name of or on behalf of Citizens. Under no circumstances shall Vendor or Vendor Staff hold itself out as or be considered an agent, employee, joint venturer, or partner of Citizens. In recognition of Vendor's status as an independent contractor, Citizens shall carry no Workers' Compensation insurance or any health or accident insurance to cover Vendor or Vendor Staff. Citizens shall not pay any contributions to Social Security,

unemployment insurance, federal or state withholding taxes, any other applicable taxes whether federal, state, or local, nor provide any other contributions or benefits which might be expected in an employer-employee relationship. Neither Vendor nor Vendor Staff shall be eligible for, participate in, or accrue any direct or indirect benefit under any other compensation, benefit, or retirement plan of Citizens.

- 17.3. Vendor Conflicts of Interests. Vendor must execute a Conflict of Interest Form as required by Citizens from time to time. Vendor shall not have a relationship with a Citizens officer or employee that creates a conflict of interest. If there is the appearance of a conflict of interest, Vendor will promptly contact Citizens' Contract Manager or designee to obtain a written decision as to whether action needs to be taken to ensure a conflict does not exist or that the appearance of a conflict is not significant.
- 17.4. No Gifts. Vendor shall not give a gift or make an expenditure to or for the personal benefit of a Citizens officer or employee.
- Vendor shall not accept a gift from a Citizens policyholder in connection with the Services that is, or could be interpreted to be, intended to influence the handling of the policyholder's claim, or could be interpreted as an expression of gratitude for such an act.
- 17.5. Convicted Vendor List. Vendor shall immediately notify Citizens' Contract Manager or designee in writing if it or any of its affiliates are placed on the convicted vendor list maintained by the State of Florida pursuant to Section 287.133, Florida Statutes, or on any similar list maintained by any other state or the federal government.
- 17.6. Compliance with Laws. Vendor and Vendor Staff will comply with all applicable laws, ordinances, rules, and regulations governing Vendor's performance under this Agreement. This includes: (a) registration and annual renewal of authority to transact business in the State of Florida (via www.sunbiz.org) or Vendor's annual written attestation that such authorization is not required; and, (b) maintaining all other necessary permits or licenses from federal, state, and local regulatory/licensing authorities.
- 17.7. Subcontracting. Vendor shall not enter into any subcontracts for the performance of the Services or assign or transfer any of its rights or obligations under this Agreement, without Citizens' prior written consent and any attempt to do so shall be void and without effect. Vendor's use of any subcontractors in the performance of the Services shall not relieve Vendor of any of its duties or obligations under this Agreement, and Vendor shall indemnify and hold Citizens harmless from any payment required to be paid to any such subcontractors. Citizens consents to Vendor Staff including Adjusters who are independent contractors of Vendor.
- 17.8. Severability. If a court deems any provision of this Agreement void or unenforceable, that provision shall be enforced only to the extent that it is not in violation of law or is not otherwise unenforceable and all other provisions shall remain in full force and effect.
- 17.9. Headings. The sections and headings herein contained are for the purposes of identification only and shall not be considered as controlling in construing this Agreement.
- 17.10. Publicity; Use of Names and Logos. Vendor may use Citizens' name and logo in its marketing materials, website, and social media to indicate that it is a

participating or contracted vendor for Citizens. However, Vendor may not in any way state, imply or infer that it holds a “preferred,” “approved,” “awarded,” “selected,” or otherwise special status with Citizens in any such materials. This prohibition includes, but is not limited to, the use of endorsements or quotes from Citizens officials, Citizens vendor scores, or any other Citizens-related materials that may directly or indirectly imply that Vendor enjoys a special or preferred status with Citizens. Citizens reserves the right to determine that its name and/or logo have been misused and to request that Vendor cease using its name and/or logo in any way it deems inappropriate. Failure to comply will result in corrective action, up to and including contract termination. Vendor may only use the approved Citizens logo, which may be obtained by sending a request via email to: newsroom@citizensfla.com.

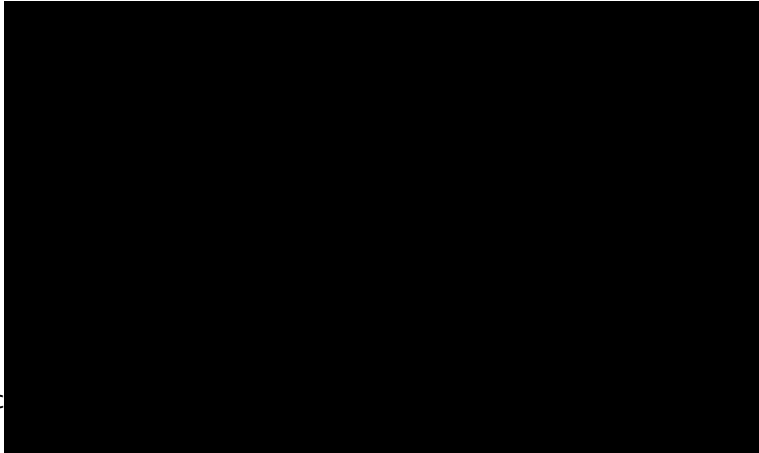
- 17.11. Waiver. The delay or failure by a Party to exercise or enforce any of its rights under this Agreement shall not constitute or be deemed a waiver of the Party’s right thereafter to enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.
- 17.12. Modification of Terms. Except as otherwise provided for herein, this Agreement may only be modified or amended upon a mutual written contract amendment signed by Citizens and Vendor or as otherwise permitted by this Agreement. Vendor may not unilaterally modify the terms of this Agreement in any manner such as by affixing additional terms to any Deliverable (e.g., attachment or inclusion of standard preprinted forms, product literature, “shrink wrap” or “click through” terms, whether written or electronic) or by incorporating such terms onto Vendor’s order or fiscal forms or other documents forwarded by Vendor for payment and any such terms shall have no force or effect upon Citizens or this Agreement. Citizens’ acceptance of any Service or processing of documentation on forms furnished by Vendor for approval or payment shall not constitute acceptance of any proposed modification to terms and conditions or any conflicting terms and conditions.
- 17.13. Assignments. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of each Party, but only as permitted under this Agreement. Each Party binds itself and its respective successors and assigns in all respects to all of the terms, conditions, covenants and provisions of this Agreement. Vendor shall not sell, assign or transfer any of its rights (including rights to payment), duties or obligations under this Agreement without the prior written consent of Citizens. In the event of any assignment, Vendor shall remain liable for performance of this Agreement unless Citizens expressly waives such liability. Citizens may assign this Agreement with prior written notice to Vendor of its intent to do so. Nothing herein shall be construed as creating any personal liability on the part of any officer, employee or agent of Citizens.
- 17.14. Notice and Approval of Changes in Ownership. Because the award of this Agreement may have been predicated upon Vendor’s ownership structure, Vendor agrees that it will give Citizens notice of any transfer of a substantial interest in Vendor by any of its owners. By execution of this Agreement, Vendor represents that it has no knowledge of any intent to transfer a substantial interest in Vendor. A substantial interest shall mean at least twenty-five percent (25%) of the voting shares or control over Vendor. This Section shall not apply to: (a) transfers occurring upon the incapacitation or death of an owner; (b) transfers associated with an initial public offering on a major stock exchange; or, (c) transfers to a company whose stock is publicly traded on a major stock exchange.

- 17.15. Assignment of Antitrust Claims. Vendor and Citizens recognize that in actual economic practice, overcharges resulting from antitrust violations are usually borne by the ultimate consumer. Therefore, Vendor hereby assigns to Citizens any and all claims under the antitrust laws of Florida or the United States for overcharges incurred in connection with this Agreement.
- 17.16. Force Majeure. Neither Party shall be responsible for delays or disruptions in performance if the cause of the delay or disruption was beyond that Party's reasonable control (or the reasonable control of its employees, subcontractors, or agents) to the extent not occasioned by the fault or negligence of the delayed or disrupted Party. In no case shall Vendor's labor matters, such as strikes or availability of subcontractors, if any, be considered a force majeure event. Further, this Section may not be invoked to excuse or delay Vendor's compliance with its obligations to protect Citizens Confidential Information or Citizens Data. To be excused from delays or disruptions hereunder, Vendor must promptly notify Citizens in writing of the delay or disruption. If the delay or disruption is justified, as solely determined by Citizen, Citizens will give Vendor a reasonable extension of time to perform; provided, however, that Citizens may elect to terminate this Agreement in whole or in part if Citizens determines, in its sole judgment, that such a delay or disruption will significantly impair the value of this Agreement to Citizens. THE FOREGOING EXTENSION OF TIME SHALL BE VENDOR'S SOLE REMEDY WITH RESPECT TO FORCE MAJEURE EVENTS. Vendor shall not be entitled to any increase in price or payment of any kind from Citizens for direct, indirect, consequential, or other costs or damages arising because of such delays or disruptions.
- Because of the nature of Citizens' business, Citizens requires that Vendor take every reasonable measure to avoid or minimize any delay or disruption under this Section, including the timely activation of Vendor's business continuity and disaster recovery plans. Where Vendor fails to undertake such efforts, the delay or disruption shall be included in the determination of any service level achievement.
- If a force majeure event results in a partial reduction in Vendor's capacity to serve its clients, Vendor agrees that Citizens will receive the same or better priority as Vendor's other clients with respect to the allocation of Vendor's resources.
- 17.17. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute but one and the same Agreement. The Parties agree that a faxed or scanned signature may substitute for and have the same legal effect as the original signature.
- 17.18. Public Records Addendum ("Addendum"). Vendor agrees that the Addendum attached hereto is hereby incorporated into this Agreement in order to address the public posting of this Agreement and its disclosure to third parties.
- 17.19. Entire Agreement. This Agreement, and any exhibits, schedules and attachments hereto, set forth the entire agreement and understanding of the Parties with respect to the subject matter hereof, and supersedes any prior or contemporaneous proposals, agreements or understandings with respect to the subject matter hereof.

IN WITNESS WHEREOF, this Agreement has been duly executed by authorized representatives of the Parties.

CITIZENS PROPERTY INSURANCE CORPORATION

JIMMIE GILES FINANCIAL LLC



DocuSigned by:
James Adams

Signature

James Adams

Print Name

Chief Insurance Officer

Title

6/6/2024

Date Signed

5-30-2024

Date Signed

DocuSigned by:
Jennifer Montero

Signature

Jennifer Montero

Print Name

CFO

Title

6/6/2024

Date Signed

2024 Best Claims Practices and Estimating Guidelines

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CITIZENS' MISSION, VISION, AND VALUES

Our Mission

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

Our Vision

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

Our Values

In accomplishing our mission, we embrace the following values:

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

PURPOSE & SCOPE

Citizens' goal is to deliver high-quality customer service to our insureds, agents, vendors, and the residents of Florida, by handling all of our claims promptly and efficiently from the moment of dispatch through final resolution.

The purpose of these *Best Claims Practices and Estimating Guidelines* is to provide Citizens' Claims staff, independent adjusters, and adjusting firms with an overview of the general principles and guidelines for receiving, investigating, evaluating, documenting, and communicating Citizens' property claims.

This document was established to provide a consistent methodology for the handling of Citizens' property and casualty claims. Our goal is to provide high-quality customer service and accurate damage estimates for our insureds in their time of need. The application of any information contained in this document will depend on specific facts, circumstances, and laws as related to the specific claim and/or damages in question. Each claim must be considered and handled on its own merit, in concert with these guidelines and practices. This document is not intended to be a set of mandated or "all inclusive" rules and/or procedures but to instead provide a broad overview of claims handling guidelines based on common construction techniques as well as standards and principles generally accepted within the industry.

This document is not intended to supersede any local, state, or federal law. In the event of a conflict, the local, state, or federal mandate must be followed. The adjuster should be familiar with and be able to access all applicable local, state, and federal claims handling guidelines and procedures as required by law.

Application of the guidelines described in this document may differ for each individual claim depending upon that claim's unique facts and circumstances. Adjusters should handle every claim as unique and evaluate each claim on its own merit.

SERVICE TO OUR POLICYHOLDERS

It is Citizens' goal to deliver superior customer service.

Citizens' customers include our policyholders, our agents, our vendors, our employees, and the residents of Florida. Citizens expects prompt claims handling from the initial reporting through final resolution.

All claims should be investigated thoroughly for causation and third-party liability, while analyzing the appropriate policy provisions to determine the broadest form of coverage available for the loss. Subrogation and Salvage opportunities should be recognized. All claims handling should be timely, efficient, well-documented and communicated thoroughly to all applicable parties to the loss. Reassignments between claims personnel should be minimized. When required, reassignments should be conducted timely and the insured(s) or their representative(s) informed of such transitions.

Written and oral communications should be professional, clear, concise, grammatically correct, and conveyed in a consumer-focused manner. In recognizing the need to address complex coverage and legal issues, specific language may be required in the correspondence content. The policy language cited in communications should come from the policy in-force, at the time of the loss.

The insured or their representative(s) are to be kept informed and their expectations clearly addressed throughout the life of the claim. This includes explaining the expected timeline for handling and concluding the claim and evaluating the "next step(s)" in the adjustment process. Prompt and timely responses to any verbal or written inquiries, escalations and/or complaints are expected.

Customer service feedback through surveys, file audits, and onsite reinspections are reviewed and analyzed to identify opportunities and promote good behaviors. Training to achieve such results is important to maintain our quality assurance standards.

CUSTOMER SERVICE

Initial Contact - Initial voice-to-voice contact with the insured(s) or their representative(s) upon assignment or reassignment is to be made within:

- One (1) calendar day
- Three (3) calendar days for:
 - Catastrophic losses during a Citizens' activated catastrophe response
 - Appraisal or Mediation matters
 - Commercial Desk Adjusters
- If the adjuster fails in their initial attempt to contact the insured(s) or their representative(s), they should continue to make every reasonable effort to make contact in a timely manner including, but not limited to, the following:
 - Send a ClaimCenter® e-mail or contact letter within three (3) calendar days if unable to make initial contact with the insured or their representative(s) within the designated time
 - Documenting continued and multiple phone call attempts
 - Leaving telephone messages. (Voice-to-voice is required for first contact. Text or voice mail messages are not a substitute and backdating of the first contact is not permitted)
 - Contacting the insured's agent of record for other potential contact information
 - Initial contact can be made by email and documented in the file, if:
 - A foreclosure claim or any change in ownership, occupancy or substantial change of risk was reported by the mortgagee or mortgagee's representative
 - The insured is represented by a public adjuster (PA) or attorney in an appraisal or mediation matter
- During the initial contact, the adjuster should:
 - Confirm loss details including, but not limited to:
 - All causes of loss
 - Date and time of loss

- Who discovered the loss
- Affected area(s)
- If temporary repairs/mitigation were performed and by whom
- Confirm the identity of lienholders, additional insured(s), witnesses, third parties, attorney, or public adjuster representation. When applicable, secure:
 - Letter of Representation (LOR)
 - Properly executed Power of Attorney (POA)
- Review the loss severity as compared to the First Notice of Loss (FNOL).
- Explain the claims handling process and anticipated timelines.
- Provide insured or their representative(s) with their assigned claim number and the adjuster's contact information.
- Address any Emergency Water Removal Service (EWRS) guidelines, as applicable.
 - Source of leak should be controlled or corrected prior to commencing EWRS
 - Advise insured to not interfere with drying equipment placement/run-time
- Review with the insured or their representative(s) all possible coverages, limits, exclusions, and deductibles that may apply to the loss.
- Discuss the insured's post-loss duties, obligations, and efforts to protect the risk from further damage, for example, tarp and board-up, debris removal and emergency services (mitigation/remediation).
- Advise the insured or representative(s) to protect any evidence of chain of custody.
- Discuss and consider Additional Living Expenses (ALE) and/or advance claim payments as appropriate, reasonable, and necessary.
- Attempt to schedule an onsite damage inspection of the risk with the insured(s) present.

Inspection Scheduling - The adjuster should determine if an onsite inspection is warranted and attempt to schedule the onsite inspection during the initial contact. It is Citizens' goal to schedule the inspection to occur within two (2) calendar days of the initial contact with the insured or their representative(s). If the inspection cannot be scheduled to occur within this time frame, a brief explanation (as to non-compliance) should be entered into the file notes. The following should be noted by the adjuster in preparing for the inspection:

- Forty-eight (48) hour notice to the insured or their representative(s), prior to inspection, is required by Florida statute.
 - Forty-eight (48) hour notice may be waived by the insured or their representative(s).
 - Prior to the inspection, the adjuster should complete a full review of the file, facts of loss, and detailed policy information.

Follow-Up Contact - It is vital that the adjuster has ongoing contact with the insured or their representative(s) during the life of the claim, including the following:

- One (1) calendar day response to phone calls of the insureds or their representatives
- Periodic status updates and anticipated future activities should be documented in the file notes.
- Notify and update insured(s) or their representative(s) of any upcoming or scheduled events, inspections, requirements, due dates, etc.
- Communicate Citizens' ongoing expectations and policy-required duties of the insured or their representative(s).
- Clearly explain why additional information, documentation, items, or actions are required of the insured or their representative(s).
- Contact the insured(s) or their representative(s) to discuss settlement, prior to the issuance of any indemnity payments.
- Document in file notes the details of voice-to-voice and/or written communications regarding, but not limited to:
 - Name of party and role
 - Full or partial payments
 - Vendor and contractor payments
 - Settlement explanations and/or coverage denials, etc.

- When closing claims, with or without payment:
 - Citizens' contact information is relayed and the process for reporting new or undiscovered damages is explained
 - As appropriate, informal and formal dispute resolution options are explained to the insured or their representative(s) and documented in the file notes.

Written Communication - The following requirements should be followed in the preparation and submission of written communications:

- One (1) calendar day response to emails from the insured(s) or their representatives
 - Five (5) calendar days to review and respond to written notifications
 - All outgoing Outlook® emails should be carbon copied to claims.communications@citizensfla.com
 - Citizens-approved SmartCOMM® letter and ClaimCenter email formats and letter templates should be used for consistency, unless a specific business unit requires otherwise.
- Note:** Field Task Adjusters are exempt from compulsory use of ClaimCenter email, however the assigned Citizens corporate email address should be utilized for all email communications.
- Specific claim-related information, as required on a claim-by-claim basis, should be added to the letter template in sections where revisions are allowed.
 - Consider the need for a *Reservation of Rights* (ROR) letter if a coverage question arises during the investigation. This is typically a stand-alone letter and should not be combined with any other written communications (i.e. *Request for Information* (RFI), etc.) unless other business unit protocols deem otherwise.
 - Letters are to be addressed to the named insured(s), any additional insured(s) as listed on the policy, and insured's representative(s):
 - Letters should be mailed separately to each additional insured(s), including a spouse, unless the spouse and/or the additional insured(s) reside in the same household.
 - This includes system generated letters, i.e., Bill of Rights/Initial Duties letters
 - When an insured is represented by an attorney and/or a PA, (including a Power of Attorney) with supporting documentation downloaded in the ClaimCenter file documents, all written communications are to be addressed and mailed to the representative. The insured and any additional named insureds, as detailed on the declaration page of the policy, are to be copied, as indicated directly above.
 - If a letter is addressed to an insured's vendor, then the insured, any additional named insureds, as detailed on the declaration page of the policy, and any insured representative(s) are to be copied, with letters mailed to the appropriate addressee.
 - Other individuals and parties of interest (e.g., loss consultants, mortgage company and premium finance company representatives, etc.) are not to receive copies of written communications, unless you are directed to send by your manager/supervisor.
 - Signatures on letters require the following elements, unless otherwise mandated by unit-specific protocols:

Staff Adjuster Example:

[Enter Your Name]

Florida Adjuster's License Number: [Enter Your Florida Adjuster's License Number]

Citizens Property Insurance Corporation

866.411.2742 ext. [Enter Your Extension]

claims.communications@citizensfla.com

Independent Adjuster Example:

[Enter Your Name]

Contingent Worker assigned to Citizens

Florida Adjuster's License Number: [Enter Your Florida Adjuster's License Number]

Citizens Property Insurance Corporation

866.411.2742 ext. [Enter Your Extension]

claims.communications@citizensfla.com

- All settlement letters, including losses below deductible, a portion of the claim where coverage is not afforded, or full denials should include the following supporting documentation, when applicable:
 - *Final Draft with Age, Life and Condition* damage estimate (if applicable) with the current:
 - Citizens company header (*CITHDR*)
 - Opening Statement (*CIT OPEN SB1598*)
 - See [Xactimate Default Settings](#) Job Aid
 - Personal Property Inventory Form (PIIF)
 - Invoices and other documented expenses
 - Other Citizens' proprietary documents (i.e., engineer, expert, Strikenet® reports, etc.), only upon management approval
 - Mediation brochure to accompany all payments, losses below deductible, partial denials, and full denials, unless otherwise mandated by business unit protocols, policy, or statutory provisions.
 - For full denials, or when a portion of coverage is not afforded, letters should cite applicable policy forms, editions and/or endorsements, specific language, and relevant dates.
 - All fully and partial denials must be sent via physical mail
 - If a letter is sent via email, it should be sent as a PDF attachment.
 - Formal communications of full denials are to be reviewed and approved by Citizens' management prior to issuance.
 - If policy language is quoted in a letter, management review and approval is required.
 - Time sensitive correspondence/letters should be processed and documented in the file as required.
 - Citizens' brand and copy style requirements should be followed. The Brand and Identity Guide is located on the Intranet at: <https://intranet.citizensfla.com/brand-identity>. The Copy Style Best Practices and related guidelines are located on the Intranet at: <https://intranet.citizensfla.com/copy-style>
- Insureds are our customers and have a contractual right to receive originals or copies, when represented or assigning benefits of all written communications pertaining to their claim.

Fulfilling Policyholder Requests - Depending on the type of inquiry, there are two different forms for requesting claim records. Once completed, the form should be emailed or faxed to the address or number located at the bottom of the form:

- Request for Citizens' Claims Document form – May be used when requesting claim documents such as copies of a denial letter or an Xactimate estimate.
 - This form must be sent to the insured or their representative(s) to be completed because it contains a confidentiality provision that requires a signature.
- Certified Policy Request form – May be used for requesting certified policy copies only.
 - This form may be completed by the adjuster or sent to the insured or their representative(s) to be completed.
- See [Requesting Documents](#) job aid for more information.

Proof of Loss - Most Citizen's First Party Property policy forms; residential and commercial, in the 'Conditions' section, under 'Duties of the Insured', require the insured to complete and present a Proof of Loss (POL), when it is requested in writing, by the servicing claim representative.

A POL should be requested and secured by the servicing claim representative and at management direction, in the following instances:

- Where the investigation identifies possible fraud
- When Citizens makes a written 'Request for Information' to the insured
- Dispute resolutions/settlements (i.e. appraisals, negotiated settlements, etc.)
- When the First Notice of Loss (FNOL) is given to Citizens one year or more after the date of loss
- A POL may be requested from the insured on other claims as determined by the servicing claim representative and his/her manager, on a case-by-case basis.

If a POL is required, the servicing claim representative must provide a POL form to the insured and

request the completed form be returned within 60 days of receipt.

Citizens continues to evaluate claims scenarios, in which a POL should be requested and may develop additional standards regarding the use of POLs in the future.

INVESTIGATION

Utilizing information secured through initial contact with the insured or their representative(s), the adjuster should conduct an appropriate, complete, and timely investigation to determine the direct and proximate cause and origin of the loss for a full, fair, and prompt resolution of the claim. (i.e., not "pipe break or "supply line break," but rather include what caused the break).

The insured or their representative(s) must exhibit the insured property and all damages related to their claim. Thus, the insured must allow for the inspection of all damaged property and cooperate with our investigation of the cause of loss. The insured must speak directly with our adjuster to discuss the details of their loss.

Upon reassignment, the handling adjuster should complete an independent review of the facts of the loss and make any necessary modifications to the investigation plan and claim documentation.

Review Loss Details/Action Plan

- Thoroughly review information contained in the FNOL
- Review local, state and/or federal laws and statutes that may apply
- Formulate and document the file with an initial 'plan of action' based on facts of loss received
- Determine any necessary escalations or referrals to Citizens' internal departments
 - If referrals to other resources or units are deemed necessary, the adjuster should complete the referral as soon as the need is recognized.

Review Loss History - Search and review ClaimCenter and ISO® reports for potential matches by insured name and/or property address for prior, duplicate, or existing claims. A file note should be entered to address prior claims, any potential overlap, or lack of prior or related claims matches.

Onsite Inspection - Field inspections are an integral part of the claim's investigation process. Adjusters should take great care when determining the cause of loss. Facts determined should be accurately captured and memorialized through:

- Potential witnesses and third-party contributors
- The need for experts or engineers, if needed
- Notes regarding Subrogation and Salvage potential
- The inability to access damages (ex. shrink wrap or tarp)
 - If there is shrink wrap/tarp covering the roof or a portion of the roof, it may be impractical to remove or have it removed. In those cases, make sure to photographically document the area and attempt to determine when it was installed. If possible, attempt to access the attic area to fully document the underlayment, with photographs to carefully show what the insured(s) identifies as leak area(s) to the interior. If it is necessary to remove the shrink wrap/tarp professionally, discuss with a Citizens' supervisor.

The adjuster should also:

- Obtain the Pre-Inspection Questionnaire in the event of a public health crisis and as mandated by business unit or Claims Governance protocols
- Identify by name and document all parties present at the inspection (including tenants or neighbors)
 - Obtain the business name, contact information, and license numbers of anyone present at the inspection assisting the insured with the adjustment of the claim and in what capacity they are assisting (i.e., PA, loss consultant, contractor, property manager, etc.).
- Consider the need for a ROR letter if a coverage question arises during the investigation

- Fully discuss with the insured(s) or their representative(s) and document any coverage concerns
- Secure any supporting documentation relevant to the claim
- Secure police, fire, weather, and other relevant expert reports as needed
 - Reports are to be reviewed and analyzed within five (5) calendar days of receipt
- Determine ALE/FRV and personal property exposures:
 - Including the need for advanced payments for temporary housing and other emergency needs
- Obtain applicable legal documents such as tax liens, mortgages, sales/purchase agreements, home inspection reports and condo bylaws
 - Confirm through the Property Appraiser's office if/when ownership is in question
- Determine if any damages may exist for liability exposures.
- Determine, in consultation with management, if a Proof of Loss (POL) should be requested from the insured as set-out in the POL section of written communications
- Adhere to the ethical requirements of all adjusters and PAs as required by the [Florida Administrative Code 69B – 220.201](#).

Note: An insured may ask for a recommendation regarding what contractor or other vendor to use to make repairs to the insured property. In addition to the prohibition against steering claimants to vendors found in [Florida Administrative Code 69B – 220.201](#), any vendor referral is inappropriate and a handling adjuster is prohibited from referring an insured to a specific vendor or a specific vendor to an insured under any circumstances.

Follow-up inspection(s) may be required:

- If any potentially covered damages are hidden from view at the initial inspection
- If there is a need for outside experts (i.e., engineer, expert, etc.)
 - Manager approval is needed for an outside expense budget
- If additional damages are claimed or discovered
- To determine the release of recoverable depreciation holdback in initial payments
- If a dispute arises over scope of damages, estimate, or cause of loss

Task assignments for initial inspection and reinspection should be made within four (4) hours of the recognition of the need for a field inspection.

Recorded Interview (RI) – The adjuster should secure the Recorded Interview (RI) at first contact, time of inspection, or as soon as facts arise that would reasonably require an RI. Regarding taking an RI, the adjuster should:

- As a resource, access the Adjusters Portal on the Citizens website for Citizens' Recorded Statement Guides and Standards: [Recorded Statements - Adjusters - Citizens Property Insurance Corporation \(citizensfla.com\)](#).
- Always obtain permission and acknowledgement from all parties present to record the interview.
- Secure the RI(s) from the person(s) most knowledgeable about the facts surrounding the cause of loss, the mitigation of the loss, and the related and unrelated damages.
- Ask focused questions material and relevant to the investigation and follow-up questions based on the answers provided by the person(s) being interviewed.
- Avoid leading the interviewee or supplying answers to the question(s) being asked.
- Do not ask questions which are solely meant to harass, embarrass or "badger" the examinee.
- Identify by name and gain permission from all parties present during the recording that contribute to the RI.
- Once the facts of the loss, cause and origin and resulting damages have been obtained, and a third party has solicited, initiated, or presented a claim without the assistance of the insured, the handling adjuster should consider asking the insured the following questions, **but only after all the facts of the loss have been obtained:**
 - How and under what circumstances did you meet your representative?
 - Who is the point of contact for your representative(s)?
 - What is the representative's role in handling your claim?
 - How has the representative(s) helped you in the claims process?

- Is there anyone else involved in the handling of your claim?
 - Who?
 - What role did these additional representative(s) play?

The adjuster is required to take an RI for the following types of claims:

- Fire
- Large Loss
- Theft or mysterious disappearance
- Motor vehicle impact
- All non-weather-related water damage claims that involve:
 - Long term and/or repeated discharge/seepage
 - Slab water leaks
 - Leaks with no visible damage
- Destructive tear-out of damaged property unrelated to Reasonable Emergency Measures or permanent repairs completed prior to Citizen's inspection
- Roof damage
 - Except when a result of a catastrophic event, unless specific unit protocols deem otherwise.
- Vandalism with vacancy or occupancy issues
- Sinkhole and catastrophic ground cover collapse
- Liability and Medical Payments claims
- Late notice claims
- Mitigation/Remediation issues
- Multiple or similar prior and/or current losses
- Commercial is exempt from RI requirement
 - EUO's are conducted when red flags or industry fraud indicators are identified.

If the insured(s) or their representative(s) request for a copy of the RI, the adjuster may provide a digital media file and or transcription (whichever is available).

Note: If a required RI is **not** conducted, the adjuster should provide reasonable rationale in the ClaimCenter file notes as to why the interview did not occur. Management approval for waiving a required RI **must** be documented in the file notes.

Sensitive Claim Handling

This process is to ensure the privacy of personal information of an employee, contingent worker, or notable person who has a Citizens policy and claim. Private information will be protected through a transparent process, making all documents available for Audit or Records requests and allowing the assigned Adjuster to handle the claim in a secure environment. (See [Policies and Procedures for Handling Sensitive Claims](#))

Employee/contingent worker policyholders are required to do the following when filing a claim, whether through the Customer Care Center, Policyholder Portal, or their Agent of Record:

- Notify Citizens of their status as an employee or contingent worker
- Notify his/her immediate Supervisor and/or Citizens Manager within 24 hours of the FNOL
- Under **NO** circumstance should the employee/contingent workers access Claim Systems or ask anyone else to do so regarding their claim with Citizens
- Disclose any possible conflicts of interest to Citizens

Adjuster Responsibilities - Immediately upon recognition of a sensitive claim, the assigned adjuster should notify the Director of the handling business unit by sending a referral "Activity" through ClaimCenter's Actions tab. (See [Policies and Procedures for Handling Sensitive Claims](#))

Note: Not all who support the claim process are adjusters. If a claim is recognized as sensitive by anyone other than the handling adjuster or a member of the Claims organization, notifying the handling adjuster immediately is required.

Internal Resources/Communication - Referrals should be submitted in a timely manner to utilize the expertise of Citizens' specialized units. The adjuster engages internal resources, as necessary, based on the facts of the claim. Timely referral or consultation with these units is essential; and therefore, the adjuster should immediately recognize the necessity and act accordingly. The file notes should be documented with the appropriate rationale. Potential internal resources include:

- Special Investigations Unit (SIU)
 - Recovery (Subrogation/Salvage)
 - Claims Legal/Appraisal/Mediation
 - Underwriting
 - Burglary, Lightning & Theft (BLT) Unit
 - Loss Assessment Team
 - Late First Notice of Loss (FNOL) Team
 - Emergency Water Removal Service (EWRS)
 - Managed Repair Program (MRP)
 - Drone Services
 - Liability (3rd Party Claims)
 - Pre-Suit Dispute/Notice of Intent (NOI)
- **Special Investigations Unit (SIU)** – Citizens is required by statute to investigate, and report suspected insurance fraud. The adjuster should review claim facts to identify any industry accepted indicators (red flags) that raise awareness of potential insurance fraud. Adjuster responsibilities are as follows:
 - Utilize the SIU referral form in ClaimCenter within one (1) calendar day of recognition of any fraud indicators
 - Ensure that all available documentation, including estimates, photographs, and reports are uploaded to the claim file at the time of the referral
 - Maintain full file ownership unless there are business unit protocols to follow for escalations to another adjuster level. This includes:
 - Continuing with additional claims handling / investigation as required
 - Managing expert, legal or other collateral resources and their service invoices
 - Notifying SIU of any significant events or decisions that may impact their investigation
 - Working in unison with SIU to ensure all information is obtained to make an informed claim decision
 - Analyzing the materiality of the SIU findings and render the appropriate claims decision based on all facts
 - Requesting an Examination Under Oath (EUO) as appropriate and directed by management
 - Forwarding to SIU any correspondence received from another carrier's designated SIU, requesting file material, pursuant to Florida's Immunity Statutes 626.989(4)(d)
 - Should ISO report identify claims with other insurance carriers, that are material to the loss being adjusted and the potential of misrepresentation exists, the adjuster should collaborate with SIU to obtain the related claim information.
 - Please refer to the NICB Fraud Indicator Tips by logging into the Adjusters Portal on the Citizens website and clicking on these links for:
 - Property Fraud:
<https://www.citizensfla.com/documents/20806/109374/NICB+Property+Fraud+Detection.pdf>
 - Catastrophe Fraud:
<https://www.citizensfla.com/documents/20806/109374/NICB+Catastrophe+Fraud.pdf>
- **Subrogation** - The adjuster is responsible for recognizing any potential third parties that may be legally liable or a party to the loss. The adjuster should:
 - Complete the Subrogation Referral within ClaimCenter within one (1) calendar day of identifying the subrogation opportunity

- Take steps to preserve and document evidence with photographs as well as obtain all information necessary for the pursuit of subrogation
 - Advise the insured or their representative(s) of their obligations regarding subrogation
 - Ensure that the evidentiary chain-of-custody is protected:
 - The assigned recovery adjuster will provide shipping labels to the handling adjuster for evidence that is collected and will coordinate the pick-up of larger evidence items.
 - Work in unison with the recovery adjuster during the referral and investigation process, including automatic system-generated referrals.
- **Salvage** – The adjuster is responsible for recognizing salvage potential of any property or material that may have value. The adjuster should:
 - Consider buy-back option as a priority. This allows the insured to retain or buy-back the item, in turn, offsetting the amount of the claim settlement for that item.
 - Advise of Citizens' intent to take possession of the salvage items if the buy-back option is rejected by the insured or their representative(s).
 - Submit a salvage referral within ClaimCenter and:
 - Advise the agreed buy-back dollar amount
 - Provide photographs of the item(s) to be picked up
 - The assigned recovery adjuster will determine the appropriate method for salvage pickup if the insured does not wish to retain the item(s).
 - Work in unison with the recovery adjuster during the referral.
- **Claims Legal Services, Appraisal and Mediation** - Appropriate referrals should be made to management as they arise during the handling of a claim.
- **Underwriting Department (UW)** - Should be notified if the loss investigation reveals an unusual or adverse characteristic with the risk by completing the Informational Underwriting Risk Referral via the ClaimCenter Referral template. Below are general guidelines for referring Personal Lines (PL) and Commercial Lines (CL) adverse risks to the Underwriting Department including but not limited to:
 - Occupancy/Ownership concerns
 - Vacancy
 - Tenant occupied HO-3's (PL only)
 - Number of families and/or units appropriate for the policy type (PL only)
 - Deceased Insured, named Insured, or Additional Insured(s)' correction
 - Property sold or in foreclosure, mortgage company correction, or lien satisfaction
 - Threat of violence by the Insured or tenant
 - Use
 - Business conducted on the premises (PL only)
 - Including Assisted Living facilities
 - Multiple habitational dwellings on one parcel (PL only)
 - Transitory lodging, i.e., Airbnb®
 - Conditions
 - Deterioration or lack of maintenance
 - Code violations
 - Any illicit/illegal drug operations
 - Hazards
 - Liability exposures including, but not limited to: (PL only)
 - Unfenced/unenclosed pools or appliances
 - Livestock
 - Rare or dangerous animals
 - Trampolines, skate and bike ramps
 - Deteriorated walkways, driveways, steps, or porches (includes CL)
 - Visible sinkhole, settling, or ground collapse damage (CL only)

Underwriting inquiries can be addressed to Underwriting.Inquiry@citizensfla.com (internal use only, not to be shared with Agents, Insured(s) and/or their Representatives).

Note: Payment related lienholder/mortgage changes are to be addressed by the handling adjuster with supporting documentation uploaded to ClaimCenter, followed by the submission of an Informational Underwriting Referral.

- **Burglary, Lightning & Theft (BLT) Unit** - Part of the Centralized Claim Unit (CCU) handles burglary, lightning, and theft claims (Coverage A, B & C) with minimal loss. These claims typically do not require a field investigation and are referred upon FNOL. If a loss that meets the criteria for this unit is received by a field unit, dispatch should be notified, and the claim will be reassigned as appropriate. If a loss is later determined by the BLT Unit to involve excessive physical property damage, vandalism, or malicious mischief, it may be referred back for reassignment to the appropriate field claim unit.
- **Loss Assessment Team** - A claim file should be referred to the Loss Assessment Team when an insured owes a financial obligation to their property owners' association for loss to common property owned by all members collectively. Normally all Loss Assessment claims are handled by the Centralized Claim Unit (CCU) and should be referred as needed.
- **Late First Notice of Loss (FNOL) Team** - Handles claims that are reported nine (9) months or more after the reported date of loss. These claims require a specific *Reservation of Rights* (ROR), *Proof of Loss* forms (POL) and RFI that the insured or their representative(s) provides in support of their claim. The majority of these claims require working closely with Legal and Underwriting to ensure proper claims handling. Therefore, it is necessary that these claims are identified early and referred promptly. If a late notice claim is identified, the adjuster should:
 - Notify a manager, supervisor, or team lead
 - Prepare the file for transfer by:
 - Updating the claim file notes with all pertinent information, activity, photographs, and documentation gathered to that point
 - Submitting any outstanding Loss Adjustment Expense (LAE) invoices for payment
- **Sinkhole Management Team** – As part of the CCU, handling and management of Sinkhole related claims will be consistent with *Citizens' Plan of Operation* and comply with *Citizens Best Claims Practices & Estimating Guidelines*, *Sinkhole Claims Handling Addendum* and relevant Florida statutes and regulations. Sinkhole adjusters and management staff will be knowledgeable of, and follow, relevant statutes as outlined below:
 - 627.706 – Sinkhole insurance; catastrophic ground cover collapse definitions
 - 627.707 – Investigation of sinkhole claims, insurer payment, nonrenewal
 - 627.7072 – Testing standards for sinkholes
 - 627.7073 – Sinkhole reports
 - 627.7074 – Resolution of disputed sinkhole insurance claims
- **Network Emergency Water Removal Service (EWRS) & Managed Repair Program (MRP)**
Citizens has contracted with Contractor Connection® to provide a network of licensed and credentialed contractors for Emergency Water Removal Service and Managed Repair Program (MRP) services, subject to the covered peril of Nonweather Water (NWW) losses, on HO-3 and DP-3 policies with these applicable endorsements:
 - **HO-3**
 - Emergency Water Removal Service (EWRS) is Form **CIT 04 85**
 - Managed Repair Program (MRP) is Form **CIT 04 86**
 - **DP-3**
 - Emergency Water Removal Service (EWRS) is Form **CIT 05 85**

- Managed Repair Program (MRP) is Form **CIT 05 86**

Citizens' EWRS and MRP Network Contractor program is voluntary, and the insured may decline to consent to either program.

- However, if the insured does not consent to the Managed Repair Program the insured is subject to the following:
 - The insured is limited to a \$10,000 non-weather water coverage amount, inclusive of Reasonable Emergency Measures up to \$3,000. In no event shall more than the total sum of \$10,000 be paid, does not consent to the Managed Repair Program including any costs incurred for Reasonable Emergency Measures.

- **Emergency Water Removal Services (EWRS)**

- Provides **free** water extraction and drying services, offered at FNOL to the insured.
- May be initiated by the adjuster after FNOL, if deemed necessary
- Is a **free** service, not subject to the insured's deductible and it paid directly to the vendor as an expense
- No coverage determination has to be made for the insured to be eligible to participate in this program.

- **Managed Repair Program (MRP)**

- Is offered to the insured as an *Adjuster Referral* through ClaimCenter, **after** the adjuster determines coverage, completes their scope, and estimate in Xactimate and the insured signs the mandatory consent form.
- After declining, the insured consent to the program at any time with Citizen's approval and under these conditions:
 - Return any previous payments regarding the adjustment of the claim to Citizens'
 - The insured has not commenced any repairs to the property.
 - The insured has not entered into an agreement with a third-party contractor.

Note: See [Managed Repair Program Claim-Handling Process Guide](#).

- **Drone Services** - Citizens has contracted vendors that will provide drone inspections when approved by management (see [Aerial Imagery - Drone Inspection Services User Guide](#) for instructions).
- **Assignment of Benefits (AOB)** – is prohibited in whole or in part, on any post-loss insurance benefit under any property (commercial and personal lines) insurance policy issued on or after January 1, 2023.
- **Liability (3rd Party Claims)** - In a third-party claim, the claimant is a person or entity who suffered property damage, personal injury, or both, because of the actions or failure to act on the part of a Citizens policyholder and is seeking payment from the Citizens policyholder. If during the first party investigation, a third-party exposure is recognized, it may be necessary to create a third-party claim. Prior to creating a new claim, management approval is required. If unsure whether a new claim is a liability claim or includes a potential liability claim, management should contact the Liability team with questions at: DG_LiabilityManagers@citizensfla.com.
- **Pre-Suit Dispute/Notice of Intent (NOI)** – Effective for policies written or renewed after July 1, 2021, § 627.70152, Fla. Stat. mandates a claimant must provide the Department of Financial Services (DFS) with written notice of intent to initiate litigation at least ten (10) **business** days before filing suit. The notification must be made on a form provided by DFS and may not be given before the earlier of Citizens' denial of coverage or the expiration of the 60-day period to adjust a claim under s. 627.70131, Fla. Stat. The notice must detail the alleged acts or omissions of Citizens giving rise to the suit. If Citizens denied coverage, the notice must include an estimate of damages, if known. If Citizens did not deny coverage, notice must include a pre-suit settlement demand that

itemizes damages, attorney fees, costs, and the disputed amount. The notice may include supporting documents. The notice and supporting documents are admissible only in a proceeding regarding attorney fees. A court must dismiss without prejudice any claimant's suit if the claimant has not complied with the requirement to provide ten (10) **business** days' notice of intent to initiate litigation.

Citizens must respond in writing within ten (10) **business** days after receiving notice of intent to initiate litigation. If coverage was denied, Citizens must either accept coverage, deny coverage, or assert the right to re-inspect the property within fourteen (14) **business** days. If the notice alleges Citizens did an act other than denying coverage, Citizens must respond by making a settlement offer or requiring the claimant to participate in an appraisal or another method of alternative dispute resolution (ADR). If appraisal or ADR is not concluded within ninety (90) days after the 10-day notice of intent to initiate litigation, the claimant may immediately file suit.

Adjusters must respond appropriately to the NOI and document *ClaimCenter* with required information. Refer to the [Pre-Suit Disputes Notice of Intent \(NON-AOB\) Process Guide](#).

External Resources – External resources may be utilized based upon unit-level protocols. Such referrals may be necessary to assist in the timely and accurate loss investigation. Outside resources include but are not limited to:

- Structural and geotechnical engineers
- Personal property experts and valuation companies
- Cause and Origin evaluation
- Specialized and/or technical repair and/or evaluation firms
- Contractors and/or mitigation companies utilized as experts
- Ladder or roof assists
 - Expenses should not exceed \$250 unless approved by management.
- Outside or specialized legal resources
- Appraisers and construction experts

The adjuster should examine Citizens' procurement requirements and use the following guidelines when considering external resources:

- Management approval should be obtained prior to engaging an external resource if the anticipated costs exceed the adjuster's expense authority.
- Document the rationale for use of the external resource to include:
 - Specific services or duties directed
 - Anticipated costs and/or budget

RESERVES

Accurate and timely reserving is a top priority at Citizens. Claim reserves under the coverage exposure are based upon the anticipated Gross Claim Amount (GCA) after application of the deductible, coverages and special limits or other conditions affecting payment. The adjuster should consider the following:

- Review, set, update, and appropriately document the claim file with supporting rationale when creating a coverage exposure and adjusting reserves under the *Reserve Analysis and Recommendation Activity* header. Review the reserves and update the initial reserve as new information relevant to the loss is obtained.

Note: An Exposure should be opened on every loss in order to trigger an ISO Report.
- Reserves for indemnity and LAE are reviewed and adjusted (increased or decreased) as required throughout the life of the claim as related information becomes available.
- Adjust reserves in accordance with business unit directives.

Initial Indemnity Reserves – Are required by the handling adjuster on all new losses. The adjuster

should use the following criteria in setting initial indemnity reserves:

- Reserve should be set:
 - Within 10 calendar days after claim assignment
- Reserves should be based on:
 - FNOL facts of loss
 - First contact additional information
 - Severity
 - System-generated reserve

Subsequent Indemnity Reserves - The adjuster should use the following criteria in setting subsequent indemnity reserves:

- Reserves should be adjusted:
 - Within five (5) calendar days after obtaining any new information that is relevant to claim loss severity

Expense (LAE) Reserves – Should follow the same criteria as outlined above in Initial and Subsequent Indemnity Reserve Guidelines, with the following exceptions:

- Set within five (5) calendar days after recognition of the need for an Expert or Task assignment
- Management approval is required if the adjuster's authority is exceeded.
- Commercial expense reserves are set at \$660 upon assignment and adjusted within seven (7) days after final inspection. In the event of a Catastrophe, expense reserves are set at \$1,500.

COVERAGE

Coverage Analysis/Review - The adjuster reviews all applicable policy limits, forms, endorsements, exclusions, provisions, limitations of coverage, statutes, and regulatory requirements to determine all coverages available for the loss. The adjuster affirms coverage, partial coverage, or the lack thereof with the insured or their representative(s). Managers/supervisors are consulted as deemed necessary.

- Upon reopen or reassignment, the coverage position should be reevaluated and supported with rationale if the position differs from any previous analysis. The file documentation should be straightforward to interpret and support the overall coverage position.

SCOPE

The telephone or field investigation-based *scope of loss* will be determined by the unit-level procedures. Supporting photographs and sketch diagrams are to be imported with the Xactimate estimate. The file should be well-documented in file notes to support the scope rationale.

- Estimates are to be written for all covered damages, even when the amount of damage exceeds the limit of liability, special limit, or sub-limit, where applicable, unless otherwise mandated by unit-specific protocols.
 - Non-covered damage estimates are not permitted unless approved by management.
 - Photographs, scope, and diagrams are required on all onsite inspections when coverage is afforded unless business unit protocols deem otherwise.
 - Document non-covered and unrelated damages in ClaimCenter Notes.
- Note:** Diagrams are not required for non-covered Commercial claims.

Photographs - Are used to record either the existence or lack of damages and support the cause of loss. Photographs should be clear, be annotated, detailed, and include:

- Date taken and by whom
- All available exterior elevations
 - Front elevation with address verification is the only requirement for condominium risks.
- Verification of the risk address
- Support of the damages including damage close-up and room overviews
- Undamaged areas relevant to the location of the direct physical damage, i.e., undamaged cabinet

faces, continuous surfaces, etc.

- Cabinet interiors, drawer side view, dovetail versus staple construction, etc.
- Correct labeling, correlating to the Xactimate sketch
- Roof slopes and pitch for applicable causes of loss including:
 - Roof layers, drip edges, gutters, vents, jacks

Diagrams - Are required in Xactimate sketch and should follow the roof and/or risk floor plan relevant to the damages found and/or reported. **Pod diagramming is prohibited.** Diagram should include:

- Measurements +/- 3" of actual dimensions
- Include ceiling height adjustments when appropriate
- Doors, openings, reference areas and reference blocks each, 32 square feet or greater with areas under, behind and above, factored out appropriately
 - Reference areas/blocks include tub and tile surrounds, cabinets, and built-ins, etc.
- Point of origin should be shown on the diagram or noted within an expert's report. If origin is unknown, note "point of origin unknown" on the diagram
- Exterior elevations when relevant to the loss or damage
- Aerial imagery is an acceptable alternative to roof sketching in Xactimate if the damage and point(s) of origin have been verified by the adjuster's inspection and photographs.
 - During catastrophe events, aerial imagery is auto-generated in the Xactimate assignment.
 - For non-catastrophe claims, aerial imagery can be requested, but management approval is required.

Personal Property Damages - Are addressed in the claim file when coverage is afforded, and the facts suggest an exposure exists. If the insured or their representative(s) asserts a personal property claim or the investigation suggests damages relevant to the cause of loss:

- Conduct a physical inspection, if needed.
- Determine if a Content Unit referral is appropriate.
- Consider policy provisions regarding Personal Property (Coverage C) Limits and Exclusions
- Complete Citizens' *Personal Property Inventory Form* (PPIF). Insured should sign the form if completing it without the adjuster's assistance. The PPIF should include:
 - Item description, brand, serial, and model number
 - Cost
 - Age
- Consider alternative forms for smaller personal property claims or ones adjusted through verbal (telephone) reporting.
- Provide supporting ownership documentation as reasonable. This may include:
 - Receipts, credit card statements, cancelled checks
 - Photographs
 - Instruction manuals, warranty documents
 - Independent appraisals or other methods / forms of documentation for high value items may be appropriate.
- Consider utilization of XactContents as an alternate to the Citizens' PPIF.
- Determine depreciation based on age and condition on a per-item basis.
 - **Global depreciation is prohibited.**

Loss of Use (ALE/FRV) - Discussion should be held with the insured or their representative(s) when coverage is afforded, and the facts suggest an exposure exists. File notes should support rationale. If the insured or their representative(s) asserts a claim, consider the following:

- Home habitable?
- Functioning cooking/bathroom facilities?
- Hazardous conditions?
- HVAC functional?
- Medical conditions?

- Loss of Use is payable as incurred by the insured and comparable to the insured's normal standard of living.
 - Consider an advance payment when the risk is not fit to live in.
 - Loss of Use Worksheet with supporting documentation should include normal and increased cost of living expenses, such as:
 - Monthly rent, hotel/motel expenses
 - Increased utility expense
 - Increased mileage to/from temporary living accommodations
 - Increased food, meal, and emergency household expenses
 - Pet boarding
- *Additional Living Expense* (ALE) is generally payable during the reasonable period of restoration needed to return the insured property to a habitable condition.
 - This coverage is limited to twenty-four (24) consecutive months from the date of the covered loss.
- *Fair Rental Value* (FRV) is payable if a covered loss makes the part of the insured risk that is rented, or held for rent, not fit to live in.
 - The payment should be for the shortest time required to repair or replace that damaged section of the risk.
 - This coverage is limited to twenty-four (24) consecutive months from the date of the covered loss.
 - The following resources should be considered when calculating Fair Rental Value:
 - Online rental valuation or local rental listings
 - Preferred housing vendors
 - Signed lease with supporting documentation
- The period of restoration should be determined at the onset of the claim and managed until repairs are completed or they may stop as soon as a portion of the repairs are completed. If an extension beyond the reasonable period of restoration is requested, the reason should be verified and documented in the file notes.
 - The adjuster should include an initial Period of Restoration agreement or understanding with the insured, their representative(s), and/or servicing contractor.
 - The file notes should be updated appropriately throughout the ALE/FRV process.

TECHNICAL ESTIMATE

- Citizens currently utilizes the *Xactimate Estimating Program* to assist in the preparation of property damage estimates. All estimates should be written in a line-item format and categorized into individual rooms with no 'lump sum' categories.
- All estimates (excluding mold or comparative) should be submitted using the Citizens-approved XactAnalysis[®] protocols[®].
- See [File Management Phase](#) for estimate upload timeframes and documenting claim file activities in XactAnalysis[®]

Note: For an obvious total loss and relevant to the *Valued Policy Law* (§627.702), when subrogation/recovery is not possible, an RCT Express[®] valuation report can be utilized in lieu of an itemized Xactimate estimate. The adjuster should provide reasonable rationale with management approval documented in the ClaimCenter file notes.

Insured's Submitted Estimates and Bids - Contractor's itemized estimates, invoices and contracts should have a comparative line-item estimate completed by the adjuster to verify the correct pricing and cost evaluation is being used.

- Any submissions should be reviewed and analyzed within three (3) calendar days of receipt.
- If upon completing the comparative estimate, the contractor's bid and/or itemized estimate is deemed to be acceptable, the agreed amount should be added to the final Xactimate estimate as a single line-item entry with an Xactimate line-item note explanation.
 - The comparative estimate is to be uploaded into ClaimCenter documents.
- A file or Xactimate note should be added to explain the cost comparative analysis.

- For single line invoices, the *Final with Age, Life and Condition* estimate does not need to be included in the settlement package. A copy of the invoice, upon which the settlement is based, should be attached.

Note: Comparative estimates are not required for the *Emergency Water Removal Services* and *Managed Repair Program*.

Estimate Line-Items - It is recommended and preferred that all Xactimate material and line-item descriptions not be manipulated, changed, or revised. If a line-item description is determined to be ambiguous, it is recommended that an Xactimate note is entered to support the line-item. Adjusters should consider the following when preparing an Xactimate estimate:

- **Price List** – Utilize the default Xactimate Assignment Received price list aligned to the appropriate risk zip code.
 - Reopens, supplements and/or disputed claims may require a more current price list for new and/or adjusted line-items aligned to the period-of-time that evolved from the time of the initial estimate.
 - Consult with management for direction, as needed.
- **Repair versus Replace** - The estimate should include labor and materials relevant to the direct physical damage incurred.
 - Adjustments should be considered between reparability versus replacement. The adjuster should use care regarding the potential for undamaged items, duplication of items and overlap of estimate items.
 - Material Quality – It is vital that the adjuster reviews line-item definitions for each quality style to determine the closest matching replacement product.
 - Material grade ratings utilized other than *Average* grade should be explained in the Xactimate or file notes and supported with photographs.
- **Labor Hours** - Labor assumptions are included in most Xactimate line-items. Labor hours to supplement a line-item are normally not permissible. If there is an exception, the adjuster should support the inclusion with photographs and an Xactimate line-item or file note.
 - Utilize Xactimate line-item descriptions to determine the labor assumptions included in the trade.
- **Supervisory Labor Hours** – Are strictly prohibited unless unique conditions exist at the loss site
 - Management approval is required and must be documented if conditions otherwise warrant job supervision.
- **Contents Manipulation** – Should be utilized using CON ROOM<, ROOM, ROOM>, ROOM>>
 - Avoid factoring CON LAB in normal conditions.
- **Daily and Post-construction Cleaning** - Xactimate line-item *Supporting Events* factors labor in daily set-up / clean-up of tools and equipment, debris removal and floor sweeping or vacuuming in the immediate workspace
 - CLN FINALR (Final Cleaning Construction - Residential) is permissible for post-construction cleaning in the affected room(s) and is:
 - Factored by the SF of the floor area
 - Any additional cleaning should be conveyed and approved by the handling adjuster.
 - CLN LAB or CLN GN should be avoided
- **Matching / Uniformity** - Adjusters should estimate damages and repairs on a claim-by-claim basis. Adjusters should consider, address, and document all factors involved, including but not limited to the repair and replacement costs of undamaged areas, uniformity and the remaining useful life of undamaged areas and Florida governing statutes. The following should be considered when addressing uniformity:
 - Closed doorways and other natural breaks
 - Continuous or vertical runs of tile, wood, or laminate flooring
 - *State of Florida Matching Statute 626.9744*, which can be found at: <https://www.flsenate.gov/Laws/Statutes/2011/626.9744>
Note - Matching is not applicable in commercial losses
 - Cabinets:
 - Attempt to match damaged section with like kind and quality.

- Rebuild boxes, reuse doors and/or faces, reface, replace doors only, etc.
- Detach and reset undamaged cabinet hardware when applicable.
- Siding:
 - Attempt to match damaged section or elevation with like kind and quality.
 - ITEL® should be utilized to determine product availability by manufacturer, style, name, and other same physical specifications, utilizing the SDG NSP series line-item codes in Xactimate.
 - Harvesting from an alternate elevation
- Floor Covering:
 - Doorways with closable doors
 - Transition strips
 - Staircases, steps, or multi-levels
- Paint:
 - Corners, door openings (with or without doors), trims or moldings
 - Material transitions such as drywall to tile
- **Nailable Surfaces** – Will provide a surface to mechanically attach a base sheet or other components (such as decking, sheathing, or sub-flooring). Consider including them in the scope only when damaged by a covered peril.
- **Remediation (Water)** - Adjusters should consider the following when estimating for remediation of water intrusion:
 - If professional water mitigation services have been initiated, (excluding Emergency Water Removal Service), the adjuster should contact the water mitigation company to secure photographs, drying logs and the itemized invoice for services rendered.
 - A comparative estimate should be written to support if submitted charges are reasonable and customary.
 - If water mitigation efforts were completed by the insured or occupant, and the home has no visible wet surfaces upon inspection, the adjuster should write a labor estimate (LAB LBR) and consider materials purchased and/or drying equipment rented, based on insured-provided receipts.
 - If structure components are wet upon inspection, the adjuster should advise the insured or their representative(s) of his/her duties to mitigate, verbally and in writing, and address appropriate mitigation efforts in an Xactimate estimate.
- **Remediation (“Fungi,” Wet or Dry Rot, Yeast or Bacteria)** - If mold, mildew and/or rot is present, the adjuster should notify the insured or their representative(s) of their duties to mitigate any further damage. Adjusters should also consider the following:
 - A Certified Mold Specialist/Hygienist must be used to write a protocol prior to the onset of mold remediation for areas of mold-contaminated matter greater than 10 square feet.
 - The \$10,000 mold limit on Personal Lines and \$15,000 mold limit on Commercial Lines is the most we will pay per policy period, regardless of the number of occurrences or claims made for the total of all loss or costs payable for Dwelling, Other Structures, Personal Property and Loss of Use coverages.
 - Please review and determine any same-policy-year losses which may offset this special limit, including any other policy conditions, limits, or exclusions specific to Mold remediation.
 - **All mold payments should be entered into the *Payment Worksheet Limits* tab under *Mold*.**
 - A *Reservation of Rights* letter should be considered, if applicable.
 - If coverage is afforded and the insured or their representative(s) has engaged a contractor or professional mitigation company (excluding the Emergency Water Removal Service and Managed Repair Programs) for the mold remediation, the adjuster should verify their estimate totals are reasonable and customary by:
 - Factoring Xactimate line-items following IICRC® S-500/520.
 - Refer to Lynx Services for a fee bill/estimate Peer Review.
 - A clearance test should always support the completion of Mold remediation services.
 - Please refer to the [Citizens EWRS & MRP Best Practices and Estimating Guidelines](#) for mold

remediation services being conducted by an in-network Contractor.

- **Remediation (Asbestos and/or Lead Paint)** - Asbestos and lead paint claims should be evaluated on a claim-by-claim basis.
 - If these items are discovered as part of a covered cause of loss, the remediation, containment, and disposal should be factored as mandated by governmental authority to facilitate repairs. Citizens management should be notified immediately upon recognition.
- **Drywall** – Adjusters should consider the following when estimating for drywall:
 - Many drywall applications include texture. Adjusters should review Xactimate line-item definitions closely to avoid duplication of texture line-items for walls and ceilings.
 - DRY 5/8 or 5/8- is the common interior ceiling application pursuant to the *Florida Building Code*. It is also used for both walls and ceiling in attached garages.
 - The adjuster should verify the drywall thickness (DRY ½ vs DRY 5/8) and use the appropriate code. The following are common examples of drywall line-items:
 - (DRY ½) Ready for paint
 - (DRY ½-) Ready for texture
 - (DRY ½+) Heavy texture, ready for paint
 - (DRY ½++) Smooth wall finish
 - (DRY FT) Hung and fire tape only
 - (1/2 H) Hung only (with no tape or finish)
 - (DRY LF) up to 2 feet (when drywall has been removed on the lower portion of the walls)
- **Paint** - Adjusters should consider the following when estimating for paint:
 - When drywall, plaster, popcorn and/or texture is replaced, sealer/primer should be applied (PNT S- or PNT S<)
 - Reasonable rationale should support when **more** than two (2) coats of paint are required.
 - While Xactimate includes some content manipulation factored into the unit cost price of paint line-items, rooms with a large number of items or with very large items may require additional personal property manipulation (CON ROOM<, ROOM, ROOM>, ROOM>>).
 - An allowance for extra masking may be appropriate in rooms with chair rails, picture rails, base and crown moldings (PNT MASKLF, MASKLFT, calculated by linear loot (LF) or perimeter ceiling (PC)).
 - Switch/outlet covers and dropping of standard light fixtures are included in the unit cost price of paint line-items in Xactimate.
 - Professional painters normally use their own, reusable canvas drop cloths to protect floors. If additional protection is required, consider PNT MASKSF calculated by the square footage (SF) of the floor and/or CON PROT by SF for the area of the manipulated contents that may remain in the affected room.
 - Exterior paint and waterproofing coverage may not be afforded on wind-only policies. Please refer to applicable policy provisions.
- **Wall and Ceiling Texture** – Adjusters should consider the following when estimating wall and ceiling texture:
 - The accepted repair technique for acoustic (popcorn) ceiling texture is to scrape and re-texture the continuous ceiling (DRY AC). When applying acoustic (popcorn) texture, the surface should first be sealed (PNT S, S-) as a separate operation to allow the proper adherence of the popcorn texture.
 - For textures other than acoustic (popcorn) (i.e. knockdown), when blending/feathering texture is not feasible to reach uniformity, the accepted repair technique is to apply a smooth/skim coat (DRY TEX++) from angle-to-angle before reapplication of the primary texture.
 - Masking the PC of walls (PNT MASKLF), SF of the floors (PNT MASKSF) and light fixtures/ceiling fans (PNT MASKL- / MASKL) should be factored when applying popcorn texture to a ceiling.
- **Plaster** – Adjusters should consider the following when estimating plaster since there are many types of plaster/lath combinations:
 - Determine the correct grade and/or makeup of the wall or ceiling surfaces. If the adjuster is unable to determine the type of lath, 1/2" gypsum blue board (PLA G2) should be factored.
 - When estimating to repair an isolated area of plaster on a wall or ceiling surface, estimate for the

actual square footage of repair and include for a thin coat of plaster (PLA THIN) over the entire surface of the wall or ceiling that is being replaced.

- **Wallpaper** – Adjusters should consider the following when estimating wallpaper:
 - If any portion of wallpaper is damaged, the wallpaper to all adjacent walls should be removed and replaced. Should any of the adjacent walls continue without a natural break into any adjoining room(s), the adjoining room(s) walls should also have the wallpaper removed and replaced.
 - The wallpaper price in Xactimate does not include prep work (WPR PREP) when it is installed over surfaces where the old wallpaper was located.
- **Flooring (Roll Carpet and Sheet Vinyl)** - The following methods of calculation should be used to determine the quantity of roll carpet and sheet vinyl flooring:
 - Xactimate's Floor Wizard tool in sketch
 - The "Drop and Fill" method – should be supported with rationale in an Xactimate line-item or file note.
 - **Xactimate's 15% flooring waste default for these items is strictly prohibited.**
 - The Xactimate Floor Wizard tool preferences should be set to *Use Scrap*.
 - The appropriate code to address additional layers of vinyl is FCV AVALR.
 - The vinyl flooring replacement does not include prep work (FCV PREP) when it is installed over surfaces where the old vinyl was located.
- **Flooring (Wood)** – Typically, sand-in-place hardwood floor refinishing involves two coats of finish which is included in Xactimate FCW FIN / FIN+ codes.
 - The adjuster should support if additional coats of finish (FCW FINADD) are required.
 - Adjusters should consider a dustless sanding upcharge (FCW FINDS) in order to minimize the amount of dust inherently created in this trade to avoid the necessity for additional post-construction clean-up.
 - Designs or diagonal installation may require additional cost. Consider adding for diagonal installation such as FCW (FCT, TIL) DIAGADD.
 - When carpet is laid over hardwood and both are damaged to the extent that they cannot be cleaned or repaired:
 - Replace the carpet
 - Repair hardwood with like kind and quality
- **Tile, Marble, Stone** - The adjuster should consider the following when estimating these items:
 - Mortar beds (FCT MORTAR) and cement backer board (FCT BCEM1/4) are typically not included in Xactimate tile line-items and should be considered when necessary.
 - Additional labor cost may be required when removing tile, mortar, thinset or mastic from a concrete slab, terrazzo, or other solid foundation substrate. Factor such codes as FCT CNCRM when necessary.
 - Discolored grout can be replaced, repaired and/or cleaned (TIL, FCS and FCT GROUT).
- **Abandoned Flooring Surfaces** – If any floor covering(s) is/are placed over a previous floor covering, the underlying floor covering is considered abandoned. Any abandoned flooring may reasonably require a repair, if damaged. However, adjustments for uniformity or matching should not be considered to the abandoned floor covering.
- **ITEL Utilization** – ITEL should be utilized for the replacement of roll carpeting, vinyl sheet goods, hardwood, laminate flooring, and when one or more of the following evaluation criteria exist:
 - Siding replacement
 - 100 SF or more of the same floor covering in the affected area(s)
 - Floor covering other than Average grade (AV), without documentation detailing the quality rating
 - A dispute exists regarding the quality rating and/or replacement cost
 - Adjusters should factor the Xactimate FCC (FCV, FCW) NFCCP (National Floor Covering Program) code that automatically adjusts to the labor assumption by zip code; however, the ITEL material cost must be input through the Components tab.
 - Adjusters should utilize the Xactimate ITEL Submit Form feature to automatically import the material cost into the applicable flooring line-item(s) (See [Xactimate® ITEL Utilization](#)).
 - If insured refuses to allow an ITEL sample, factor for Average grade floor covering.

- Commercial is exempt from utilizing ITEL

Note: If ITEL is required, but not utilized, reasonable rationale should be documented.

- **Roofing** - Claims involving potential roof damages **must** be inspected. If damages are determined to be causally related to the loss, it is expected that all roofs and slopes be measured and diagrammed. It is vital for adjusters to determine and document if the remaining roofing system or roof section meets the local building code or would require upgrade. This rule applies to individual roof sections separated or divided by such items as parapet walls, elevation differences, varying roof types, expansion joints, and some flashing types.
 - If Ordinance or Law coverage is contracted within the policy, consider the applicable Florida Building Code statute below:
The Florida Building Code 25% Roof Replacement Rule - For asphalt, metal, mineral surfaced, slate, and slate type roof coverings on roofs pitched 4:12 or higher, the *2020 Florida Building Code, Existing Building, 7th Edition* (effective December 31, 2020) outlines:
 - **Existing Building 706.1.1** - Not more than 25% of the total roof area or roof section of any existing building or structure shall be repaired, or recovered in any 12-month period unless the entire roofing system or roof section is replaced to conform to the requirements of this code.
 - **Existing Building 706.7 Mitigation** - When a roof covering on an existing structure with a sawn lumber, wood plank, or wood structural panel roof deck on an existing building is removed and replaced, the following procedures shall be permitted to be performed by a roofing contractor:
 - Use Xactimate code RFG RENAIL, factored by the SF of the roof or roof area being replaced.
 - A secondary water barrier shall be provided as required by Section 706.7.2, as outlined below:
 - **In High Velocity Hurricane Zone regions** (Miami-Dade and Broward Counties only, or as mandated by the Office of Insurance Regulation):
 - Use Xactimate codes RFG FELT30 (1 layer of 30# felt) factored by the SQ of the roof area being replaced and RFG WBT factored by the SF of the roof area being replaced.
 - **Outside the High Velocity Hurricane Zone** (All FL Counties, except Miami-Dade and Broward Counties, or as mandated by the Office of Insurance Regulation), return with one (1) of these three (3) Underlayment options, comparable to the risk's existing underlayment material:
 - **Option #1** – Use Xactimate codes RFG FELT30 (1 layer of 30# felt) factored by the SQ of the roof area being replaced and RFG WBT factored by the SF of the roof area being replaced. This is the preferred method and is acceptable in all Florida counties.
 - **Option #2** – Use Xactimate code RFG FELTL30 (2 layers of 30# felt).
 - **Option #3** – Use Xactimate code, RFG IWS (Ice & water barrier), factored by the SF of the roof area being replaced if a self-adhering polymer-modified bitumen underlayment was present before the date of loss.
- Note:** See [Evaluating Roof Damage – 25% Rule](#) job aid.
- **Drip Edge R905.2.8.5** - Drip edge at gables shall be installed over the underlayment. Drip edge at eaves shall be permitted to be installed either over or under the underlayment. If installed over the underlayment, there shall be a minimum 4-inch (51 mm) width of roof cement installed over the drip edge flange. Utilize Xactimate code RFG SEAL.
- Exceptions:**
- Low-pitch roofs: Roof slopes < 4:12 are not subject to the above requirements and would generally have underlayment addressed with RFG FELTL30.
 - Tile Roofing: Clay and concrete tile roof coverings are not subject to the above requirements and would generally have underlayment addressed with RFG RL.
 - An exception permits an existing self-adhered membrane to remain on the roof provided that, if required, re-nailing of the roof deck in accordance with Section R908.7.1 can be confirmed or verified.

- If an existing roofing system or roof section was permitted on or after March 1, 2009, The Florida Building Code 25% Roof Replacement Rule does not apply. If Ordinance or Law coverage is not contracted within the policy, address with like kind and quality materials and installation methods.

Adjusters should consider the following when adjusting roof claims:

Wind - Generally, shingles that are unsealed, with no other signs of damage, would not be considered wind damaged. In many cases unsealed shingles are the effect of nail pops, faulty installation, mechanical damage, or deterioration and not always the result of wind effects.

Hail - Generally, composition shingle hail damage can be identified as:

- Surface indentations and or fractures
- Granule loss at or near the surface depression
- Radiating cracks
- Exposed / fractured fiberglass mat

All roofing claims involving hail damage should include a 10' x 10' test square outlined in chalk, photographed and documented on each directional slope of the affected roof surface.

Adjusters should also document and photograph the condition and presence of hail impact on other potentially affected surfaces such as siding, gutters, downspouts, vents, windows, window screens, trims and HVAC fins.

- **Soft Metals** - It is permissible to include replacement of soft metals (flashings, drip edges, pipe jacks, ridge, off-ridge and turtle vents) when replacing a roof. Review the Xactimate Item Descriptions for the shingle tear-off as it may include the removal of some soft metals.
- **Ridge Cap** – Many Xactimate shingle tear-off line-items include removal of the ridge cap. Review the Xactimate Item Descriptions to confirm:
 - Ridge cap replacement for a 3-tab shingle should **not** be factored as a separate line-item on a full roof replacement. Replacement is factored into the shingle waste.
 - Ridge cap replacement (RFG RIDGC / RIDGC+) and starter row (RFG ASTR) for architectural/dimensional shingles may be factored as a separate line-item.
- **Haul-off/Disposal** - Roofing line-items such as RFG 240S, 300S, ARMV, include allowance for haul-off, disposal and a dumpster.
- **Steep and High Charges**
 - Steep charges (RFG STEEP, STEEP>, STEEP>>) should be factored for 7/12 or greater pitches for the actual squares of the roofing area affected.
 - High charges (RFG HIGH) should be factored for those slopes where roof access is two (2) stories or greater
- **Roofing Waste**
 - Laminate/Asphalt Shingles - Utilize the Xactimate Roof Waste Calculator, which will automatically factor the appropriate roof waste. See [Xactimate Roof Waste Calculator](#) Job Aid.
 - Factoring manual waste should be avoided.
 - Xactimate includes 5% waste in the unit cost price for Roll (peel & stick) Roofing (RFG RL).
 - Allow a 20% waste factor on a *tile* roof to account for tile breakage.
 - Factor the actual SF or SQ on a Metal roof replacement. Xactimate factors waste into the unit cost price.
 - Steep and High access charges apply to the actual SQ's on the roof with no waste applied.
- Note:** Commercial is exempt from utilizing the Xactimate Roof Waste Calculator
- **Roofing Miscellaneous**
 - Most roof coverings should exclude bundling felt within the roofing material/labor item code. Instead, adjusters should utilize:
 - RFG 240S, RFG 300S, RFG TILS and RFG RLS, etc.
 - RFG FELT30 should be factored as replace only, without a waste factor, since tear-off is

included in the shingle Remove action.

- Consider the need to detach & reset roof mounted satellite dishes as required. Use Xactimate code RFG DISHRS. Recalibration and alignment are normally not required as most roofers can remount in the exact location.
 - Additional shingle layer line-item such as RFG ADDR MV should be factored when estimating for the removal of multiple layers of shingles.
 - Starter rows on 25 year, 3-tab shingles are included in shingle waste and should not be factored as a separate line-item.
 - The adjuster should consider footfall damage allowance in the estimate if applicable.
 - If the adjuster experiences a limited access situation due to steep, high or other safety concerns, they should request management authority for a ladder and/or access assist.
 - Consider ground-level pedestrian and/or building perimeter barricades as needed.
 - Replace RFG 220S (20 year, 3-tab shingle) with RFG 240S (25 year 3-tab shingle) due to limited availability.
- **Fencing** – Adjusters should determine the applicable policy settlement provisions regarding RC/ACV when adjusting fence damages. The adjuster should consider the following when estimating fencing, to the nearest linear foot:
 - Repair = section or partial run
 - Replacement = entire run or post-to-post
 - Run = end post-to-end post / corner-to-corner
 - **Tree & Tree Debris Removal** – Tree and tree debris removal should be categorized into two separate line-items for all losses as applicable under the specific policy of coverage. Adjusters should consider:
 - The cost to remove the tree from the covered structure (DMO TREEN*) and place that portion of the tree onto the ground to facilitate necessary repairs.
 - The cost to remove that portion of the tree debris off the premises or location (DMO TREEC*) and consider:
 - Stump grinding is included in the tree debris removal limit.
 - Labor cost to move tree debris to street for city / municipal pickup, versus offsite tree removal, if applicable.
 - DMO TREELHR, if additional labor hours for tree removal/haul off are needed and support with reasonable rationale.

Note: See [Tree and Debris Policy Reference Guide](#).
 - **Debris Removal** - Debris removal should be put into individual line-items to reflect the accurate cost associated with the removal of debris from the loss location. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, refer to policy form to determine if an additional 5% of that limit of liability is afforded.
 - Typically for small amounts of debris removal, users may account for partial loads by using a fraction in the quantity field (ex. .5 may be entered for 1/2 load or .25 for 1/4 load etc.).
 - Review Xactimate line-item descriptions for appropriate debris removal options:
 - DMO PU
 - DMO DTRUCK
 - DMO DUMP<, DMO DUMP, DMO DUMP>, DMO DUMP>>
 - Consider, if applicable, DMO labor hours for cartage of debris transport to onsite dumpster.

Estimate Components

- **Overhead and Profit (O&P)** - should be considered when, based on the complexity of the job, coordination of repairs by a general contractor (GC) would reasonably be required:
 - O&P should be calculated as 10% overhead and 10% profit, not cumulative.
 - Most contractor's bid estimates include overhead, profit, and tax in their calculations; therefore, the adjuster should verify that these costs have/have not already been included and adjust the line-item entry as required to avoid any duplication.
 - Generally, O&P is excluded from the following trades, if not being supervised by a GC:

- Emergency services
- Water mitigation
- Mold remediation
- Personal property cleaning
- Dwelling cleaning being conducted by a mitigation contractor
- Personal property pack-out
- Work performed by insured
- Roofing only project
- Flooring only project
- **Labor Minimums** - Xactimate Labor Minimums will automatically adjust the labor component for all same-trade totals to make sure there is enough labor allocated to complete the repairs. Adjusters should consider the following:
 - The Citizens profile should be set to *Apply Labor Minimums*.
 - Once the estimate is complete, each individual *Labor Minimum* charge should be reviewed by the adjuster and a determination made whether it is applicable. If the *Labor Minimum* does not apply, the *Apply* should be unchecked.
 - If a single tradesperson is expected to perform the task(s), the *Labor Minimums* may need to be turned **off**.
 - Line-item minimums, such as DRY MN, INS MN are prohibited.
- **Sales Tax** - *Tax Jurisdiction* in Xactimate estimate *Parameters* is factored based on location of the risk. The adjuster should be familiar with the applicable sales tax that can vary from county-to-county.
 - *Commercial Tax* should not be utilized.
- **Depreciation** - Citizens does not maintain nor authorize a depreciation guide. When the adjuster evaluates replacement items subject to depreciation, the following factors are considered:
 - Depreciation should be determined on the remaining useful life on a per-item basis.
 - Rationale should be documented to support adjuster's determination.
 - The *Xactimate Depreciation* selector should be set at the *Age/Condition*, the approximate *Purchase Date* entered, and *Condition* selected.
 - Maximum depreciation is 80%.
 - **Global depreciation is strictly prohibited.**
 - Structural items such as framing, concrete, sub-surfaces, roof decking, and rough-in electrical and plumbing are normally not subject to depreciation.
 - Repaired items are not normally depreciated. However, cabinet faces should reflect depreciation if refacing is estimated.
 - Carpet should follow these special depreciation guidelines:
 - For policies with Replacement Cost Value (RCV) coverage on the Coverage A, the affixed carpet should be paid at RCV regardless of the presence of the CIT 04 90 endorsement.
 - Non-affixed carpet and carpet padding (bound or unbound) is considered Coverage C (Personal Property) and should be paid at Actual Cash Value (ACV) unless the Personal Property Replacement Cost Value *endorsement* (CIT 04 90) is applicable.
 - Claims filed on Citizens' Contents (Coverage C) policies, which may offer building addition or alteration coverage (and that may include carpeting), should be paid at Actual Cash Value unless amended by the appropriate Personal Property Replacement Cost Value endorsement.
 - Applicable depreciation on building estimates, as well as personal property items are in accordance with Citizens' policy language and Florida Statute 627.702 which should be reviewed and closely followed in the case of a fire, lightning, or constructive total wind losses.
 - The release of Recoverable Depreciation or Holdback should be considered under the following circumstances:
 - When the amount of the Recoverable Depreciation is:
 - \$2,500 or less for Personal Lines
 - \$5,000 or less for Commercial Lines
 - Receipt of a signed repair contract

- Receipts, invoices, photographs and/or documentation received confirming repair or replacement has been completed
 - Depreciation thresholds are subject to change, namely in the event of a catastrophic event, which will be relayed through formal Claims Governance communications.
- **Ordinance or Law** – For policies with Ordinance or Law coverage, please refer to the specific policy provisions regarding the limit of liability. Ordinance or Law coverage must be enforced and increased costs incurred prior to payment, which should be shown in the Xactimate estimate utilizing the Paid When Incurred (PWI) feature.
- **Permits and Fees** - Permits and fees should be paid based on actual costs documented by the repair contractor or estimated based on the municipal jurisdiction building code requirements. If such charges appear excessive, they should be supported via on-line local city/county websites or the local building code enforcement office.

Note: Insureds or assignees may attempt to recover various types of claim costs such as expert reports, or other fees such as public adjuster fees or appraisal fees. Such fees are incurred to advance, bolster, or process a claim. These fees are generally not necessary for the repair or replacement of damaged property and therefore are not compensable under our policies.
- **Paid When Incurred (PWI)** – When it is determined that the items are payable when incurred, utilize the Xactimate’s Paid When Incurred feature (See [Xactimate Paid When Incurred \(PWI\) Feature Job Aid](#)). PWI may be paid, but is not limited to the following circumstances:
 - Receipt of a signed repair contract
 - Receipts invoices, photographs, and/or documentation received confirming repair or replacement has been completed

Note: Depreciation should not be applied to PWI items.
- **Sub-bids** – Factoring sub-bids as a single line-item entry is prohibited if Xactimate line-items are available in the software tool.
 - If the specialty trade on a sub-bid cannot be broken out by Xactimate line-item entry, the adjuster should ensure that:
 - The corresponding trade Category, i.e., Plumbing and the Selector of BIDITM are utilized
 - The sub-bid is itemized for material and labor and not factored as a lump sum
 - Any O&P and/or sales tax reflected in the sub-bid are not duplicated by the software calculations
 - The use of the sub-bid is supported with an Xactimate note
 - The sub-bid is uploaded into XactAnalysis documents

NEGOTIATION AND SETTLEMENT

Settlement and Payment - The adjuster should adhere to the following settlement guidelines:

- Attempt to reach an agreed ‘scope and damage’ estimate with the insured or their representative(s)
 - If an agreed scope cannot be obtained, the adjuster should issue payment of the undisputed covered damages determined at the inspection.
- Appropriate steps to conclude the loss should be facilitated and documented with rationale in the file notes. This may include:
 - Acknowledging relevant correspondence associated with coverage or damages
 - Negotiation upon receipt of estimates, invoices, receipts, or other documentation from the insured or their representative(s)
- Claim disposition (payment, partial or full denial) shall be issued within 10 calendar days after there are no longer factors beyond the control of Citizens.
 - Care should be taken to ensure payment is mailed to the correct party and mailing address.
- Protect the interests of lienholders, mortgagees, additional insured(s), and insured’s representatives
 - A mortgagee or lienholder is not required on Coverage A and B losses that do not exceed a net amount of \$2,500.
 - Payments for Emergency Water Removal Service, Managed Repair Program, and Reasonable Emergency Measures are not to include a mortgagee or lienholder.
 - An indemnity payment should not be withheld, if interested parties are to be changed, removed or added as payees. However, documentation should be included in the claim file that supports

the change to payee(s). An Informational Underwriting Risk Referral should be completed prior to claim closure (See [Underwriting Department](#)). Such documents may include, but are not limited to:

- Lien satisfaction
- Death certificate
- Mortgage statement
- Written recension of:
 - Insured's representation
 - Assignment of benefits
 - Direction to pay
- In these instances, when submitting a referral to Underwriting for (see [Creating a Manual Underwriting Referral Job Aid](#)):
 - Commercial Lines – From the Actions tab, use the Commercial Urgent Claim Payment UW Referral.
 - Personal Lines – From the Actions tab, use the Informational Underwriting Risk Referral.
- For a covered loss (including ones less than policy deductible), the adjuster is required to complete the Payment Worksheet to generate a Statement of Loss (SOL) to memorialize the claim amounts.
- Calculations should be factored based on:
 - Scope of covered damage
 - Applicable deductible
 - Policy and/or special limits
 - Actual Cash Value (ACV) versus Replacement Cost Value (RCV) with consideration of:
 - Florida Statute 627.702 Valued Policy Law should be reviewed and adhered to in the event of a total loss, or a partial fire or lightning loss. Citizens' liability is the actual amount of the loss but shall not exceed the amount of insurance specified in the policy.
 - Florida Statute 627.7011 should be reviewed and adhered to in the event of a partial loss and/or when an Ordinance or Law claim is presented. Citizens should initially pay the actual cash value of the loss less any applicable deductible. Citizens shall pay any remaining amounts necessary to perform such repairs as work is performed and expenses incurred.
- In accordance with the [Florida Statute 627.70131](#) - Insurer's duty to acknowledge communications regarding claims, investigation:

“(7)(a) Within 60 days after an insurer receives notice of an initial, reopened, or supplemental property insurance claim from a policyholder, the insurer shall pay or deny such claim or a portion of the claim unless the failure to pay is caused by factors beyond the control of the insurer. The insurer shall provide a reasonable explanation in writing to the policyholder of the basis in the insurance policy, in relation to the facts or applicable law, for the payment, denial, or partial denial of a claim. If the insurer's claim payment is less than specified in any insurer's detailed estimate of the amount of the loss, the insurer must provide a reasonable explanation in writing of the difference to the policyholder. Any payment of an initial or supplemental claim or portion of such claim made 60 days after the insurer receives notice of the claim, or made after the expiration of any additional timeframe provided to pay or deny a claim or a portion of a claim made pursuant to an order of the office finding factors beyond the control of the insurer, whichever is later, bears interest at the rate set forth in s. [55.03](#). Interest begins to accrue from the date the insurer receives notice of the claim. The provisions of this subsection may not be waived, voided, or nullified by the terms of the insurance policy. If there is a right to prejudgment interest, the insured must select whether to receive prejudgment interest or interest under this subsection. Interest is payable when the claim or portion of the claim is paid. Failure to comply with this subsection constitutes a violation of this code. However, failure to comply with this subsection does not form the sole basis for a private cause of action”
- An interest payment may be warranted when a claim is not paid within 60 days from the reporting date or more than fifteen days after there are no longer factors beyond the control of the insurer.
 - A Director shall review the submitted payment for approval.
 - Ensure that all exposures are open and reserves are set

- Appropriate explanation letter is to be sent with the interest payment

Discussion with Insured - The insured or their representative(s) must be contacted to discuss settlement, including full denial and/or a portion of the claim where coverage is not afforded. The following procedures should be considered during the settlement 'voice-to-voice' review:

- Review coverage with insured or their representative(s), where applicable, as it applies to the settlement.
 - Explain any exclusions, limitations, a portion of the claim where coverage is not afforded or full denials.
 - Consider calling the agent of record, as a courtesy, if an escalation by the insured appears imminent.
- Review scope and damage estimate.
- Explain payment amount, including:
 - Other payees/additional interests
 - Recoverable and nonrecoverable depreciation holdback process
 - Depreciation is withheld when the amount of the recoverable depreciation is greater than \$2,500.
 - Applicable deductible:
 - All peril
 - Wind
 - Sinkhole
 - Ordinance or Law (O&L)
 - Policy and/or special limits
 - Paid When Incurred (PWI) items
- Address any remaining open items
- Explain the need to advise Citizens, prior to engaging the repairs, if their contractor's repair estimate exceeds Citizen's damage estimate.
- Explain subrogation/salvage process, if applicable.
- Document settlement discussion in file notes.
- If after two (2) separate documented attempts, the insured or their representative(s) cannot be reached, send settlement, denial and/or the portion of the claim where coverage is not afforded by letter or ClaimCenter email.
- For appraisal and mediation matters, the voice-to-voice discussion is not required if the insured is represented by an attorney or PA.

Negotiated Settlement Agreement – When a claim is resolved through a negotiated settlement agreement, Citizens must adhere to the specific terms of the agreement and ensure all terms are met in a timely fashion. The specific terms of the negotiated settlement agreement control and supersede the Conditions of the policy of insurance. If a negotiated settlement agreement is reached, the specific terms of the agreement must be documented in written form and executed by all parties.

Release of Recoverable Depreciation – Holdback is released as follows:

- Submission of an insured's signed 'certificate of repairs completion' form, provided by the servicing vendor, paid receipts/invoices, other documentation, and photographs supporting completion of repairs/replacement
- Onsite reinspection confirms repairs/replacement completed
- Upon receipt of signed contract/work authorization/certificate of completion from a licensed contractor conducting repairs

EWRS & MRP Payment Processing

- **Emergency Water Removal Service Payments**
 - Are payable as an expense payment without application of the deductible
 - Are paid directly to the in-network contractor providing the services, as the sole payee

- Should be issued within 14 calendar days of the final approved estimate
- **Managed Repair Program Payments**
 - Are payable as indemnity
 - Are paid as a joint payment only to the in-network contractor and the insured(s), for net replacement cost
 - Are for the replacement cost of covered repairs, with no depreciation withheld
 - Are subject to the insured's deductible, which they make payable directly to the in-network contractor
 - Has 50% of the agreed-upon estimate amount withheld from the initial indemnity payment
 - Final 50%, including any approved supplements are jointly payable to the in-network contractor and the Named insured(s) upon receipt of the *Certificate of Satisfaction*.

Expense/Vendor Payments – Refer to the [LAE Guidelines](#) for vendor payment billing and processing requirements.

- Vendor expense invoices should be reviewed for accuracy and appropriate for the services requested.
- Vendor expense invoice(s) should be uploaded, and payment issued within 14 calendar days of receipt and prior to file closure.

FILE MANAGEMENT

Documenting the Claim File - Properly documenting the claim file and activity file notes is an essential part of the claims process. Accurately entering all documentation and activities, on a timely basis, provides a vital means to monitor and assure exceptional customer service to our insureds.

- **Activity Note Quality** – The following should be adhered to in the utilization of claim file notes:
 - ClaimCenter Topic Headers are to be utilized for ease of navigation:
 - All triggered system-generated Topic Headers should be completed for:
 - Coverage Review
 - Cause and Origin Summary
 - Confirm Cause of Loss (COL) and Sub-Loss Cause are accurate in ClaimCenter
 - First Contact Made
 - New Document Upload
 - Reserve Analysis and Recommendation
 - Settlement Recap
 - Any other Topic Headers should be utilized as appropriate (i.e., Letter of Representation Verified).
 - A separate note is required for the following Topic Headers:
 - Inspection Scheduled
 - ALE/FRV
 - Informational Underwriting Referral (when warranted)
 - Avoid cutting and pasting pre-filled templates.
 - Avoid duplicating content from prior entries / templates.
 - All content should be professional, concise, and easy to read:
 - Refrain from entering personal comments.
 - Entries should contain factual observations and be void of personal opinions or mental impressions.
 - Use CPIC-approved or industry-accepted abbreviations that are well known and understood.
 - File notes should be sufficiently documented to allow:
 - A clear understanding of the claim investigation
 - Explanation of how the settlement was achieved
 - An analysis of applicable coverages
 - A description of mitigation and repair or replacement efforts
 - File notes outlining and correctly documenting all Indemnity payments, including:
 - Building, Personal Property, Loss of Use, Fair Rental Value

- Advance payments
 - ACV and RCV payments
- Details of a 'voice-to-voice' conversation with the insured or their representative(s) regarding the claim settlement and amount(s) or a denial of coverage
- Claims personnel are responsible for documenting compliance within the expectations of any business unit protocol.
- Factors, beyond the control of Citizens, causing a delay in the settlement, payment or closure of a file must be outlined.
- Fully document the explanation of the Emergency Water Removal Service (EWRS) and Managed Repair Program (MRP) to include:
 - To whom (proper name and their role in the claim) the adjuster spoke
 - If the insured(s) consent to participate in either or both the EWRS and/or MRP network or formally decline it
 - Explanation of the \$10,000 non-weather water policy limit provision for declining to consent to the MRP program
 - Insured's payment of their full deductible issued to the in-network contractor (only under the MRP)
- No policy deductible is applicable under the EWRS program portion.
- **Timeliness of Activity Notes** – Activity notes should not be backdated. First Contact Made Activity note is not considered backdated if entered within the timeframe of the initial contact requirement. The following timelines should be adhered to or the file documented as to why these timelines cannot be met:
 - Claims should be reviewed and updated at a minimum of every 14 calendar days.
 - Sinkhole claim files should adhere to this expectation unless a reason for extending a longer diary period is clearly identified. In this event, a diary for 45 days may be appropriate. (Examples – grouting completed; engineer informed the insured all grouting must cure for a period of sixty (60) days before beginning cosmetic repairs).
 - Update the file notes with details of the inspection within two (2) calendar days after completion.
 - Document reserves as outlined in the Reserve section of this document to meet required timelines.
 - Enter a Recorded Interview Summary within two (2) calendar days of completing the RI. Summary should include at a minimum:
 - The name of the interviewer and the interviewee(s)
 - Pertinent facts regarding the loss including, but not limited to:
 - Cause of loss
 - Damages
 - Timeline of events
 - Witnesses
 - Contributing parties
 - Mitigation efforts
 - Any other information that may be relevant or applicable during a coverage determination, analysis, or review
- **Documents** - Documentation of the investigation and damages should be uploaded to the claim file. This supporting documentation may include, but is not limited to:
 - Recorded interviews (.wav files)
 - Police, fire and weather reports
 - External resource reports
 - Photographs
 - Receipts, estimates, contractor, or repair invoices
 - Lease agreements/ALE worksheets
 - PPIF forms
 - Underwriting risk referrals
 - Emails

The following documentation guidelines should be adhered to:

- Upload to the file within two (2) calendar days of receipt
 - RI should be uploaded within two (2) calendar days of completing the interview.
- Properly date and rename all documents for clarity, applicable to business unit protocols, including all incoming and outgoing emails.
- Link to individual file Activity notes for support and reference as needed.
- Documents to be linked include, but are not limited to:
 - Documents from insured or insured's representative(s), including:
 - Receipts, invoices, estimates and bids
 - Proofs of Loss
 - PPIFs
 - Condo bylaws, incident reports and loss assessments
 - Releases
 - Lightning Affidavits
 - Appraisal requests, etc.
 - Letters of Representation
 - Vendor and expert reports, including:
 - Property appraiser reports
 - Comprehensive reports
 - Engineer reports
 - Citizens' appraiser estimates and reports

Note: Linking auto-generated reports or reports in the Vendor Services Tab, such as aerial imagery, ISO, drone reports, Lynx® reports, and the Xactimate estimate package is not required.

 - Vendor and expert invoices (IA LAE invoices should be linked in the Activity).
 - Linking is not required for invoices in the Vendor Services Tab
 - Appraisal requests
 - Police, fire, and/or weather reports
 - Subrogation demand letters and claim documents from other carriers

Note: When a previously closed claim is re-opened and re-assigned, all documents received since initial closing are to be appropriately renamed and linked.
- After the inspection/assessment of dwelling and/or building losses, the completed undisputed damage estimate, photographs and sketch should be uploaded to ClaimCenter as follows. Reasonable rationale should be documented and support any delay if these requirement(s) cannot be met. (i.e., awaiting expert report relevant to coverage or exposure).
 - For Personal Lines - within five (5) calendar days
 - For Personal Lines Large Loss - within 21 calendar days for estimates greater than (>) \$50,000
 - For Commercial Losses, the requirement is for all closing documents to be uploaded after completion of the final inspection:
 - Seven (7) calendar days or less for losses up to \$999,999
 - Fourteen (14) calendar days or less for losses of \$1 million or above

Note: If additional time is needed to comply with the above time service requirement, it must be approved by management. In the event of a catastrophe, this time requirement may be modified by the commercial department.

 - The submitted estimate package should be reviewed by the Claim Owner within three (3) calendar days of receipt.
 - Any requests for estimate revisions should be processed and submitted within three (3) calendar days unless mandated by specific unit protocols.
 - An Executive Summary will be required for all covered losses exceeding \$1,000,000.
 - Commercial Large Loss Status Report is to be uploaded and submitted to the commercial team lead manager and contain the following information as outlined in the Citizens approved form:
 - Basic risk information
 - Loss information
 - Coverage information

- General information
 - Damage information
 - Expert utilization
 - Reserve recommendation
 - Subrogation
 - Salvage
 - Special investigations
 - Special issues or concerns
 - Authorizations
 - Any delay in meeting these guidelines for personal lines or commercial losses should be supported with file documentation.
- **XactAnalysis** – If XactAnalysis is the communication conduit and document repository between the Task Adjuster (TA) and the Desk Adjuster (DA), the TA should use XactAnalysis to timely convey:
 - All notes regarding:
 - Customer contact and inquiries
 - Handling adjuster interactions/communications
 - Estimate, inspection, and work delays with rationale of the cause(s)
 - Estimates/photographs/documents
 - Are to be uploaded according to the referenced timelines and labeled appropriately
 - Documents, sub-bids, and other supporting correspondence should be uploaded and labeled appropriately.
 - Update the workflow statuses for the following:
 - Customer Contacted
 - Planned Inspection Date
 - Site Inspected
 - **Activities** – The following ClaimCenter activity guidelines should be adhered to:
 - Parties, contacts, and other relevant information should be added and/or updated upon knowledge or receipt.
 - **Vendor Services** – The *Vendor Services* tab in ClaimCenter should be used appropriately to include but not be limited to:
 - MRP / EWRS statuses:
 - Activity Assigned
 - Assignment Declined
 - Assignment Accepted
 - Contractor Assigned
 - Managed Repair Approved
 - Certificate of Satisfaction Submitted
 - On Hold
 - Insured Declined
 - Cancelled by Citizens
 - Completed
 - No Policy Coverage
 - Some Workflow Statuses can be updated in the Payment Worksheet.
 - **Adjuster-initiated Management Interaction** – The adjuster should engage Citizens’ management as appropriate. Requests can include, but are not limited to:
 - Approval and retaining of external resources, and management of the process
 - Interaction between the adjuster and manager involving reserves, expense payments, etc.
 - When the adjuster’s personal authority is exceeded, an automated function of ClaimCenter requires the manager to review and make a determination of said request via a Workplan generated Activity.

- Requests for roundtables
 - Insured or their representative's inquiry or complaint escalation and its resolution
 - Coverage opinion or file escalation and resolution
 - Response to management requests
- **Management Oversight** – Claims management is to provide direction as appropriate. All management direction is to be clearly detailed in the claim file by an acting manager/supervisor. The following is required:
 - Proper and correct guidance given by management
 - Requests should be responded to and documented within three (3) calendar days.
 - Management is required to perform an initial file review and provide a claim file note within 15 calendar days of assignment. File 'note' should include 'Topic' heading of 'Management Review.'
 - The initial file review note should indicate subsequent diary dates, action plan(s) and/or pending items.
 - If a claim closes prior to day 15, management file review note is not required.
 - **Statutory Compliance** – Citizens is required by the State of Florida and applicable statutes to properly acknowledge, investigate, correspond with the insured or their representative(s) and provide timely claim payments. State of Florida Statutes can be found at: <http://www.leg.state.fl.us/statutes/>. Claims personnel should be familiar with and document the file with regard to the following:
 - Timely claim acknowledgement
 - Setting inspection appointments
 - Investigation timeline requirements
 - Correspondence response time requirements
 - Required payment timelines

All supporting documentation submitted is to be reviewed and acknowledged within the timelines mandated by Citizens and the applicable Florida statutes.

- Florida Senate Bill (SB) 2-D amends, regarding claims-handling, the following:
 - Florida Statute § 627.70131(3)(d): The carrier must send a detailed estimate within the later of seven (7) days after the carrier receives the request or seven (7) days after the estimate of the amount of loss is completed. A carrier is not required to create a detailed estimate if the estimate is not reasonably necessary as part of the investigation.
 - Florida Statute § 627.70131(7)(a): Requires a carrier to provide a written explanation of the basis in the policy, in relation to the facts or applicable law, for the payment, denial, or partial denial of the claim. It also requires the carrier to provide a written explanation if the payment is less than the detailed estimate.
- Senate Bill 2A, which amends Florida Statute § 627.70131 mandates the following:
 - Reducing the time that an insurer has to make a determination of coverage from 90 to 60 days; effective March 1, 2023, for any initial (newly reported), reopened, or a supplement claim.
 - Reducing the time for insurers to review and acknowledge a claim communication from fourteen (14) to seven (7) days.
 - Reducing the time for an insurer to begin an investigation from fourteen (14) to seven (7) days after the receipt of a POL.
 - Reducing the time for an insurer to conduct a physical examination from 45 to 30 days, and
 - Seven (7) calendar days from receipt to respond to written correspondence. If the acknowledgment is not in writing, a notification indicating acknowledgment shall be made in the Insurer's claim file and dated.

Claims Filing Deadlines:

- Reduces the claims filing notice deadline from two (2) years to one (1) year from the date of loss for new or reopened claims.
- Notice of supplemental claims are reduced from three (3) years to eighteen (18) months

from the date of loss.

Insurance Company Duties:

- Requiring insurers to send any adjuster's report estimating the loss to the policyholder within seven (7) days after it's generated.
- Flood Insurance: Senate Bill 2A requires that personal residential insureds must carry flood insurance to be eligible for coverage with Citizens. The statute addresses various underwriting protocols necessary to acquire property insurance protection through Citizens that may be applicable to claim coverage investigations. Senate Bill 2A places the burden on the Insured to prove to Citizens that water damage was not caused by flooding.

- **Closing the Claim** - Prior to closing the claim, the following should occur unless unit-level protocols mandate otherwise:

- Settlement conversation with insured
- Indemnity payment(s) issued
- Settlement letter with supporting documentation sent to parties of interest
- All claim documents uploaded
- LAE invoices paid
- All activities completed in the Workplan
- Exposures closed
- Claim Questionnaire completed

Note - Keeping a file "open" is unnecessary if *recoverable depreciation* has been withheld from a payment.

- **Claim Invalidation** - Occasionally, claims are received that should not have been set up or were set up incorrectly (see [Claims Invalidations/Claim Withdraws Job Aid](#)). These claims may qualify for 'invalidation' if they meet any one of the criteria outlined below:

- Criteria for an Invalidated Claim:
 - Duplicate claim
 - Claim filed on incorrect policy
 - Claim filed without the knowledge or consent of the insured
 - Claim filed as a first party / property damage claim that should have been filed as a third-party / liability claim
- Claims without *Indemnity* payments that meet one or more of the above criteria may be invalidated. These claims are to be referred to a *Citizens'* Manager for submission of the invalidation request.
 - Expense payments are permissible on these files.
- **Invalidated claims Are Not "Withdrawn" Claims** - Occasionally, when an insured files a claim, an adjuster makes contact, discusses their coverage and inspects the loss, only to have the insured state they no longer want to pursue the claim and they want it withdrawn from their record. This may happen when the insured is told the damage isn't covered, or the loss will not exceed the policy deductible, or when the insured just wanted someone to "check for damage". It is important to note that a claim is never truly removed from an insured's claim history unless the claim is invalidated. If a claim is inspected, coverage is discussed, and even if no damage is found, this will always remain on the claim history, even if no payment was ever issued on the claim. Claims resulting from these types of scenarios cannot be invalidated as they do not meet any of the above criteria. Adjusters need to be aware of this and should inform an insured that the claim will remain on the history, for underwriting purposes, and will be reported to credit agencies and on ISO and CLUE reports.

- **Citizens' Privacy Policy** - Citizens may collect customers' personal information only for the purposes identified in the privacy notice and may collect employees' and vendors' confidential and exempt information only for lawful business purposes. Link:

<https://intranet.citizensfla.com/documents/35042/60123/POL406+--+Privacy+Policy.pdf/e2b292d8-4f2a-a008-5f4d-32a01b733c97>

- **Use** - To ensure the privacy of its customers, employees and vendors, *Citizens* employees must classify and handle all information in Citizens' possession as mandated by Citizens' Information Classification and Handling Policy (Policy 404). The use of customers' personal information must be limited to the purposes identified in the privacy notice, and the use of employees' and vendors' confidential and exempt information must be limited to lawful business purposes.
 - Please refrain from entering personal information (dates of birth, Social Security numbers, driver's license numbers, account numbers, medical information, usernames and passwords) into ClaimCenter notes.

EXHIBIT B - COMPENSATION SCHEDULE

Residential Claim Assignments. Citizens will compensate Vendor for Services relating to residential Claim Assignments as provided below. The fees are all inclusive for the Services. Each table includes a "Non-Cat" flat fee and a "CAT Event" flat fee. The CAT Event flat fee applies to Catastrophe Claims. Citizens will provide EagleView (or equivalent) roof reports for Catastrophe Claims at no cost to Vendor. Citizens will consider EagleView report requests for non- catastrophe claims on a limited basis at Citizens' sole discretion. Citizens will also provide drone services, at Citizens' sole discretion, on a case-by-case basis at no cost to Vendor.

The applicable fees are payable upon Vendor's completion of the Claim Assignment in accordance with Citizens Best Claims Practices. This includes closure of the claim or referral to an alternate Citizens claims handling process for further handling (e.g., referral to litigation, subrogation, or salvage).

Renewal Pricing. The fees in Tables 0-6 are subject to increase for the renewal terms according to the formulas below. Citizens will perform the calculation and provide written confirmation to Vendor. "CPI" means the General Index of the Consumer Price Index (All Urban Consumers for the US City Average for all Items) (<http://www.bls.gov/cpi/>).

Optional Renewal 1 (Years 6-8): an increase equal to the lower of (i) 15% or (ii) CPI increase as measured on a cumulative basis from the Effective Date through Year 5 of the Agreement.

Optional Renewal 2 (Years 9-10): an increase equal to the lower of (i) 15% or (ii) CPI increase as measured on a cumulative basis from the Year 6 effective date through Year 8 of the Agreement

Table 0. Administrative Fee (Residential Claim Assignments Only, All Claim Workflows). The following is a comprehensive administrative flat fee (Admin Fee) that Citizens will pay once for each claim assigned by Citizens. Citizens will pay the Admin Fee, plus the fee for the final Claims Workflow as specified in Tables 1-3 (i.e., the Fast Track, Field Inspection, or Field Adjuster Fee). The final Claims Workflow determines the applicable workflow fee (e.g., the Table 3 Field Adjuster Fee will apply, and the Table 1 Fast Track Fee will not apply, if a claim starts as a fast track claim but is rerouted for completion through the Field Adjuster workflow). Any costs associated with reassigning to a different workflow are included in the Admin Fee. The Admin Fee includes all fees for Services, other than the applicable workflow fee specified in Tables 1-3. This includes, but is not limited to, costs for triage, desk adjusters, team leads, training, quality assurance, software, and equipment.

Citizens will not pay an Admin Fee for a Withdrawn Claim or Erroneous Assignment as provided in Tables 1A, 2A, and 3A. The Withdrawn Claim or Erroneous Assignment fee is Vendor's sole compensation in those cases. Citizens will not pay an additional Admin Fee for Vendor to reinspect or reopen a previously assigned claim. Citizens will pay an additional fee for reinspection by a Field Inspector or Field Adjuster as provided in Tables 2A and 3A.

Fee Type	Initial Term Years 1-5
Administrative Fee Non-CAT one-time fee per claim <i>(regardless of claim workflow)</i>	\$500
Administrative Fee CAT Event one-time fee per claim <i>(regardless of claim workflow)</i>	\$600

Table 1. Fast Track Fees (Residential Claim Assignments Only). The following flat fee is all inclusive of all fees (minus the admin fee in Table 0) to complete a fast track claim.

Fee Type	Initial Term Years 1-5
Fast Track Rate Non-CAT Flat Fee Per Claim	\$300
Fast Track Rate CAT Event Flat Fee Per Claim	\$350

Table 1A. Alternative Fees for Fast Track (Residential Claim Assignments Only). The following fees are in lieu of those in Tables 0 and 1. The Table 1A fee is the Vendor's sole compensation, where applicable.

Alternative Fees	Initial Term Years 1-5
<u>Withdrawn Claim</u> . This fee applies when the claim is withdrawn by insured at or before first contact.	\$75
<u>Erroneous Assignment</u> . This fee applies when the claim assignment from Citizens to Vendor is cancelled and/or reassigned away from Vendor.	\$75

Table 2. Field Inspection Fees (Residential Claim Assignments Only). The below fees are all inclusive of all fees (minus the admin fee in Table 0) to complete a field inspection claim.

Fee Type	Initial Term Years 1-5
Field Inspection Track Non-CAT Flat Fee Per Claim	\$375
Field Inspection Track CAT Event Flat Fee Per Claim	\$450

Table 2A. Alternative Fees for Field Inspections (Residential Claim Assignments Only). The following fees will be in lieu of those in Tables 0 and 2. The Table 2A fee is the Vendor's sole compensation, where applicable.

Alternative Fees	Initial Term Years 1-5
<u>Withdrawn Claim</u> . This fee applies when the claim is withdrawn by insured before the inspection.	\$75
<u>Erroneous Assignment</u> . This fee applies when the claim assignment from Citizens to Vendor was made in error, no inspection has occurred, and the claim was closed or reassigned away from Vendor.	\$75
<u>Reinspection Fee</u> . This fee is the minimum fee payable to Vendor for an additional field inspection for a reopened claim. Citizens will not pay Vendor for an additional inspection resulting from failure to properly inspect the original loss.	\$250

Table 3. Field Adjuster Fees (Residential Claim Assignments Only). The following are all inclusive fees using Gross Claim Dollar Amount (GCA) that includes all fees (minus the admin fee in Table 0) to complete a field adjuster claim. GCA means the lesser of the policy limits or the agreed cost to repair or replace before application of depreciation, deductible, or other applicable limit (not to exceed policy limits without written request and approval by Citizens).

GCA FROM	GCA TO	Initial Term Years 1-5	
		Non-CAT Flat Fee Per Claim	CAT Event Flat Fee Per Claim
\$0	\$2,500.00	\$375	\$450
\$2,500.01	\$5,000.00	\$450	\$550
\$5,000.01	\$10,000.00	\$550	\$675
\$10,000.01	\$15,000.00	\$725	\$900
\$15,000.01	\$20,000.00	\$825	\$1,025
\$20,000.01	\$25,000.00	\$875	\$1,100
\$25,000.01	\$30,000.00	\$950	\$1,200

\$30,000.01	\$35,000.00	\$1,050	\$1,300
\$35,000.01	\$50,000.00	\$1,275	\$1,600
\$50,000.01	\$75,000.00	\$1,600	\$2,000
\$75,000.01	\$100,000.00	\$2,275	\$2,850
\$100,000.01	\$150,000.00	\$2,700	\$3,400
\$150,000.01	\$200,000.00	\$3,500	\$4,400
\$200,000.01	\$250,000.00	\$4,300	\$5,400
\$250,000.01	\$300,000.00	\$4,850	\$6,100
\$300,000.01	\$500,000.00	\$6,400	\$8,000
\$500,000.01	Above	1% or a minimum of \$7,500 (whichever is greater)	1% or a minimum of \$9,500 (whichever is greater)

Table 3A. Alternative Fees for Field Adjuster (Residential Claim Assignments Only). The following fees will be in lieu of those in Table 3. Only one fee (from either Table 3 or 3A) will apply. **The Withdrawn Claim or Erroneous Assignment fee is Vendor's sole compensation, where applicable.**

Alternative Fees	Initial Term Years 1-5
<u>Withdrawn Claim</u> . This fee applies when the claim is withdrawn by insured before the inspection.	\$75
<u>Erroneous Assignment</u> . This fee applies when the claim assignment from Citizens to Vendor was made in error, no inspection has occurred, and the claim was closed or reassigned away from Vendor.	\$75
<u>Residential Total Loss</u> . This fee applies to total losses where photos and an estimate by square footage of the slab or footprint are appropriate, consistent with directives from Citizens, due to the total destruction of the structure. This alternative fee applies to Coverage A only.	\$650
<u>Mobile Home Total Loss</u> . This fee applies to total losses where photos and an estimate by square footage of the slab or footprint are appropriate, consistent with directives from Citizens, due to the total destruction of the structure. This alternative fee applies to Coverage A only.	\$650
<u>Reinspection Fee</u> . This fee is the minimum fee payable to Vendor for an additional field inspection for a reopened claim. Citizens will pay the greater of (a) this fee or (b) the difference between (i) the new Table 3 fee, including additional damages from reinspection, and (ii) the previously applicable Table 3 fee. Citizens will not pay Vendor for an additional inspection resulting from failure to properly complete the initial scope.	\$250

Table 4. Residential Time and Expense Rates (Residential Claim Assignments Only). Note: This rate will apply only on a limited case-by-case basis and at Citizens sole discretion. Citizens expects to pay the vast majority of claim assignments using Table 0-3A rates.

* The Drive Time Rate will be paid in lieu of the hourly rate for all personnel and is not cumulative with other fees for the same time.

**Time and Expense mileage will be paid at the mileage rate described in Citizens Vendor Travel Reimbursement Guidelines. Reimbursement for mileage is not limited to travel in excess of 50 miles. Travel in excess of 120 miles require pre-approval from Citizens.

Fee Type	Initial Term Years
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	1-5
Residential Adjuster Hourly Rate	\$85
Drive Time Hourly Rate*	\$65
Mileage	Per Citizens Vendor Travel Reimbursement Guidelines**

Table 5. Residential Daily Fee (Residential Claim Assignments Only). The following are all inclusive fees to deploy a Residential Adjuster for Claim Assignments on a per day basis. The "Non-Cat" flat fee includes deployment to work exclusively on Claim Assignments during Business Hours (8 a.m. ET to 6 p.m. ET). The CAT Event Fee includes up to 12 hours per day seven days a week (generally 7 a.m. ET to 7 p.m. ET).

Note: This rate will apply only on a limited case-by-case basis and at Citizens sole discretion. Citizens expects to pay the vast majority of claim assignments using Table 0-3A rates.

Fee Type	Initial Term Years 1-5	
	Non-CAT Daily Fee	CAT Event Daily Fee
General Residential Adjuster Daily Fee	\$700	\$1,000

Table 6. Civil Proceeding Fact Witness for Testimony. The following are all inclusive fees where an Adjuster is required to participate at a civil proceeding, including but not limited to the Adjuster's time spent for preparation, attendance, and/or testimony at a proceeding directly related to work they performed on a Citizens' claim (Fact Witness Assignment). The fees are divided into three parts: (i) \$75 Assignment Fee payable upon receipt of a Fact Witness Assignment;

(ii) \$625 Preparation Fee payable to Vendor for total preparation and travel time associated with the Adjuster participating in, either live or by video conference, a preparation meeting(s) with Citizens' Outside Counsel; and, (iii) \$700 Attendance Fee for the Adjuster to attend and (as needed) participate at the civil proceeding and a brief post meeting consultation.

Assignment Fee (\$75) includes, but is not limited to, all activities related to the following events:

- receipt of the Fact Witness Assignment and ongoing contact by telephone and email with Citizens and/or Citizens' Outside Counsel until conclusion of the Fact Witness Assignment;
- updating Citizens and/or Citizens' Outside Counsel with all communications, documents, and activities related to the Fact Witness Assignment;
- scheduling, confirmation, and related correspondence with the subject(s) of the Fact Witness Assignment and/or their representative(s); and,
- independent review and familiarity with the claim file and related documents by the Adjuster in advance of the preparation meeting with Citizens' Outside Counsel and attendance at the civil proceeding.

In no event shall total compensation exceed \$75 for the activities included under the Assignment Fee.

Preparation Fee (\$625) includes, but is not limited to, all activities related with traveling to and participation in a preparation meeting(s) with Citizens' Outside Counsel in advance of providing testimony at a civil proceeding.

A preparation meeting with outside counsel or a civil proceeding cancelled or rescheduled prior to the date scheduled, where no meeting occurs, is not compensable under the Preparation Fee. Also, if the preparation meeting with Citizens' Outside Counsel occurs on the same day as attendance at the civil proceeding, the Preparation Fee will be included within the Attendance Fee, for a total single payment of \$625 for all the one-day events. Further, the Preparation Fee is a single payment and cannot be separately charged for multiple preparations.

Attendance Fee (\$700) includes, but is not limited to, all activities related to the following events:

traveling to and attendance at the civil proceeding;

a brief post testimony consultation, if requested by Citizens and/or Citizens' Outside Counsel; and,

any other tasks not included above directly related to the Fact Witness Assignment.

If the preparation meeting with Citizens' Outside Counsel occurs on the same day as attendance at the civil proceeding, the Preparation Fee will be included within the Attendance Fee, for a total single payment of \$700. Also, an additional Attendance Fee may be provided to accommodate travel and participation if more than one (1) day of attendance is needed, as determined in Citizens' sole discretion. Further, a civil proceeding cancelled or rescheduled prior to the date scheduled, where no fact witness attendance occurs, is not compensable under the Attendance Fee.

Commercial Claim Assignments. Citizens will compensate Vendor for Services relating to commercial Claim Assignments as provided below. The fees are all inclusive for the Services. Citizens will determine the fee tables applicable to each Claim Assignment and will provide advanced written confirmation. In most cases, Citizens will pay the Commercial Daily Fee for a Desk Adjuster deployment, if needed (a Citizens staff desk adjuster may coordinate directly with the Commercial Field Adjuster rather than a Vendor assigned Desk Adjuster), plus the Table 2 Commercial Field Adjuster Fee for each completed Claim Assignment. Tables 1 and 2 includes a "Non-CAT" flat fee and a "CAT Event" flat fee. The CAT Event flat fee applies to claims and deployments involving Catastrophe Claims.

The Table 2 and Table 3 fees are payable upon Vendor's completion of the Claim Assignment in accordance with Citizens Best Claims Practices. This includes closure of the claim or referral to an alternate Citizens claims handling process for further handling (e.g., referral to litigation, subrogation, or salvage)

Citizens will provide EagleView (or equivalent) roof reports for Catastrophe Claims at no cost to Vendor. Citizens will consider EagleView report requests for non-catastrophe claims on a limited basis at Citizens' sole discretion. Citizens will also provide drone services, at Citizens' sole discretion, on a case-by-case basis at no cost to Vendor.

Renewal Pricing. The fees in Tables 1-5 are subject to increase for the renewal terms according to the formulas below. Citizens will perform the calculation and provide written confirmation to Vendor. "CPI" means the General Index of the Consumer Price Index (All Urban Consumers for the US City Average for All Items) (<http://www.bls.gov/cpi/>).

Optional Renewal 1 (Years 6-8): an increase equal to the lower of (i) 15% or (ii) CPI increase as measured on a cumulative basis from the Effective Date through Year 5 of the Agreement.

Optional Renewal 2 (Years 9-10): an increase equal to the lower of (i) 15% or (ii) CPI increase as measured on a cumulative basis from the Year 6 effective date through Year 8 of the Agreement.

Table 1. Commercial Daily Fee. The following are all inclusive fees to deploy a Desk Adjuster for Claim Assignments on a per day basis. The "Non-Cat" flat fee includes deployment to work exclusively on Claim Assignments during Business Hours. The CAT Event Fee includes up to 12 hours per day seven days a week (generally 7 a.m. ET to 7 p.m. ET). The two adjuster classifications (General Commercial Adjuster and Commercial Adjuster I) are further described in the Commercial Classifications tab of this workbook. The Daily Fee is determined by the Adjuster classification requested by Citizens for the deployment.

Fee Type	Initial Term Years 1-5	
	Non-CAT Daily Fee	CAT Event Daily Fee
General Commercial Adjuster Daily Fee	\$1,000	\$1,350
Commercial Adjuster I Daily Fee	\$700	\$1,050

Table 2. Commercial Field Adjuster Fee. The following are all inclusive fees using Gross Claim Dollar Amount (GCA) that includes all fees (minus the Table 1 Commercial Daily Fee for Desk Adjuster) to complete the Claim Assignment. GCA means the lesser of the policy limits or the agreed cost to repair or replace before application of depreciation, deductible, or other applicable limit (not to exceed policy limits without written request and approval by Citizens). Note: This fee does not apply if Citizens selects the Team Adjusting Model for the Claim Assignment. Under the Team Adjusting Model, Citizens will pay the Table 3 Time and Expense Fees for each approved field Adjuster within a pre- approved budget.

GCA FROM	GCA TO	Initial Term Years 1-5	
		Non-CAT Flat Fee Per Claim	CAT Event Flat Fee Per Claim
\$0.01	\$10,000.00	\$660	\$800
\$10,000.01	\$35,000.00	\$1,075	\$1,250
\$35,000.01	\$75,000.00	\$1,815	\$2,175
\$75,000.01	\$150,000.00	\$3,190	\$3,800
\$150,000.01	\$300,000.00	\$4,800	\$5,800
\$300,000.01	\$500,000.00	\$6,600	\$7,200

\$500,000.01	\$750,000.00	\$9,240	\$11,000
\$750,000.01	\$1,000,000.00	\$13,500	\$16,000
\$1,000,000.01	Above	1.5% with a minimum of \$16,000	1.5% with a minimum of \$19,000

Table 2A. Alternative Fees for Commercial Field Adjuster. The following fees will be in lieu of those in Table 2. Only one fee (from either Table 2 or 2A) will apply.

Alternative Fees	Initial Term Years 1-5
<u>Withdrawn Claim.</u> This fee applies when the claim is withdrawn by insured before the inspection	\$75
<u>Commercial Inspection Fee with No Damage.</u> This fee applies when the adjuster conducts an onsite inspection and confirms there are no covered damages. This fee is paid for each scheduled building inspected and confirmed to have no covered damage.	\$125 per undamaged building
<u>Erroneous Assignment.</u> This fee applies when the claim assignment from Citizens to Vendor was made in error, no inspection has occurred, and the claim was closed or reassigned away from Vendor.	\$75
<u>Commercial Total Loss.</u> This fee applies to total losses where photos and an estimate by square footage of the slab or footprint are appropriate, consistent with directives from Citizens, due to the total destruction of the structure. This alternative fee applies to Coverage A only.	\$650
<u>Additional Damage Requiring Inspection.</u> This fee applies to losses that require an additional inspection for additional damages reported by the policyholder or their representative. This is not intended for an additional inspection resulting from an Adjuster's failure to properly complete the initial scope. (Example: a customer reports additional damage resulting from rains that occurred prior to having roof repairs completed).	\$500 or any changes in fee resulting from GCA, whichever is greater.

Table 3. Commercial Time and Expense Rates. These Table 3 Fees most commonly apply to the Team Adjusting Model, which may be selected by Citizens at its sole discretion for various reasons such as high-value exposures or a large number of buildings for the Claim Assignment. Under the Team Adjusting Model, Citizens will pay the Table 3 Time and Expense Fees for each approved field Adjuster within a pre-approved budget. The three adjuster classifications (General Commercial Adjuster, Commercial Adjuster I, and Associate Commercial Adjuster) are further described in the Commercial Classifications tab of this workbook. The fee is determined by the Adjuster classification requested by Citizens for the deployment.

* The Drive Time Rate will be paid in lieu of the hourly rate for all personnel and is not cumulative with other fees for the same time.

**Time and Expense mileage will be paid at the mileage rate described in Citizens Vendor Travel Reimbursement Guidelines. Reimbursement for mileage is not limited to travel in excess of 50 miles. Travel in excess of 120 miles require pre-approval from Citizens.

Fee Type	Initial Term Years 1-5
General Adjuster Hourly Rate	\$130
Commercial Adjuster Hourly Rate	\$100
Associate Commercial Adjuster Hourly Rate	\$80
Clerical Hourly Rate	\$25
Drive Time Hourly Rate*	\$65
Mileage	Per Citizens Vendor Travel Reimbursement Guidelines**

<p>Table 5. Civil Proceeding Fact Witness for Testimony - Commercial (\$130 per hour). This rate applies when an Adjuster is needed for preparation and attendance as a fact witness for testimony at a civil proceeding, for their time spent for preparation, attendance, or testimony at a proceeding directly related to work they performed on a Citizens' claim. (Fact Witness Assignment). This includes, but is not limited to, the following activities:</p> <ul style="list-style-type: none"> · receipt of the Fact Witness Assignment and on-going contact by telephone and email with Citizens and/or Citizens outside counsel until the conclusion of the Fact Witness Assignment; · updating Citizens and/or Citizens' outside counsel with all communications, documents, and activities related to the Fact Witness Assignment; · scheduling and corresponding with the subject(s) of the Fact Witness Assignment and/or their representatives; · review of the claim file and related material in advance of attendance or testimony (to include any meetings/preparation in association with Citizens' outside counsel); · any other tasks not included above directly related to the Fact Witness Assignment; · time spent traveling to and from each proceeding; · time spent testifying at each proceeding; · if requested by Citizens and/or Citizens' outside counsel, a brief post testimony consultation; and, · any other tasks not included above directly related to the Fact Witness Assignment. 	
<p>Associate Commercial Adjuster <i>Note: only used for Team Adjusting Model</i></p>	
<p>Minimum of 1 year of property loss adjusting experience in a field environment</p>	
<p>Ability to service and/or assist as a subordinate team Adjuster for property loss claims involving multi-habitation risks, including but not limited to, condominium association and apartment risks</p>	
<p>Basic working knowledge of building construction and/or building equipment relating to various types of construction classes; and,</p>	
<p>Knowledge of and experience using ISO commercial policies, forms and endorsements</p>	
<p>Commercial Adjuster I</p>	
<p>Minimum of 3 year of commercial property loss adjusting experience in a field environment</p>	
<p>Personal involvement in servicing and or assisting as a subordinate team Adjuster in a wide range of commercial risks with loss exposures in excess of \$100,000.00 including but not limited to, a combination of the following:</p> <ul style="list-style-type: none"> a. residential buildings including high rise and/or multi-unit complexes; b. merchant service buildings and structures including high and low-rise office buildings, restaurants or retail businesses; c. storage risks, including warehouses, self-storage facilities or airplane hangars 	
<p>Industry knowledge of building construction and/or building equipment, involving various types of construction classes</p>	
<p>Industry knowledge of mitigation and restoration protocols for water, fungi, and mold</p>	
<p> </p>	
<p>General Commercial Adjuster</p>	
<p>Minimum of 8 years of commercial property loss adjusting experience in a field environment</p>	
<p>Experience handling complex claim damages in excess of \$500,000.00 involving a wide range of commercial exposures, including but not limited to, a combination of the following:</p> <ul style="list-style-type: none"> a. residential buildings, to include high rises or multi-unit complexes; b. merchant service buildings and structures including high and low-rise office buildings, restaurants or retail business; c. storage risks including warehouses, self-storage facilities or airplane hangars; and, 	

d. professional businesses and/or specialty risk
Extensive knowledge of commercial building construction, including various types of construction classes and building codes
High level working knowledge of mitigation and restoration protocols for water, fungi, mold and asbestos
Strong working experience with building consulting professionals and insurance claim service professionals, including but not limited architects; consultants; public adjusters and attorneys
Knowledge of Florida property claim laws, including: elements of the Florida Unfair Claims Practice Act to ensure good faith claim s Condominium Statute defining the "division of responsibility" of covered property between the Condo Association and Unit Owners; ; issues involving local building codes for residential and/ or commercial property risks
Strong knowledge of and experience using ISO commercial policies, forms, and endorsements
Prior working experience with building consulting professionals and insurance claim service professionals, including engineers; architects; consultants; public adjusters or attorneys
Knowledge of Florida property claim laws, including: elements of the Florida Unfair Claims Practice Act to ensure good faith claim service; the Florida Condominium Statute defining the "division of responsibility" of covered property between the Condo Association and Unit Owners; and jurisdictional issues involving local building codes for residential and/ or commercial property risks
Knowledge of and experience using ISO commercial policies, forms, and endorsements

EXHIBIT C - AFTER HOURS PROCESS

After Hours Definition:

Weekdays, Monday – Friday: Beginning at 4:30pm/EST to the next available business day at 7:30am/EST.

Weekends: Friday beginning at 4:30pm/EST to the next available business day at 7:30am/EST.

Corporate Holidays: Beginning at 7:30am/EST until 7:30am/EST the next available business day.

Claim Types:

Mobile Home, Non-Weather Water (NWW), No Policy in Force (NPIF)*

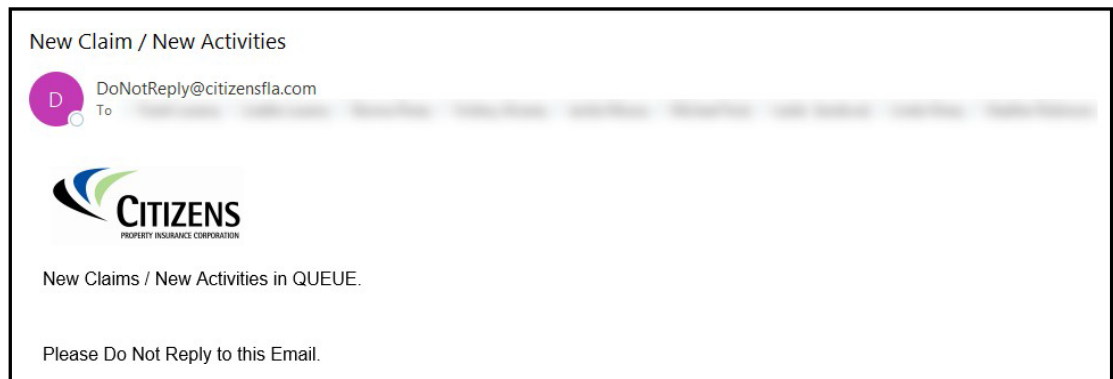
**NPIF claims received after hours will have an After Hours Contact Needed activity routed to the firm. The NPIF claims will have a Policy No Coverage Indicator as shown later in the document.*

Customer Contact Expectations:

- IA firm should immediately, and prior to adjuster assignment, review the details of the claim in ClaimCenter.
- Make voice-to-voice contact within one (1) hour of the task assignment with the Insured or their representative advising that the claim has been received and the assigned adjuster will make contact the next business day, not necessarily within 24 hours. Please be sure to set the expectation of a next business day contact with the Insured at this time.
- Assist with the customer's immediate loss-related needs such as need for emergency mitigation services and/or explaining the applicable coverage in the event the dwelling is uninhabitable. Example: Additional Living Expenses (ALE).

Workflows:

- **All systems functioning – Severity 1-3 Claims**
 - IA firm(s) will be sent an activity to handle AH FNOLs received during Citizens non-business hours (including weekends and holidays).
 - IA firm representatives with the Dispatch role deployed in CAIS will receive an email notification as shown in the example below. ****Note: NPIF claims do not receive an email notification.**



- Claim activities will populate in your Firm's Activity queue for assignment to one of your adjusters. The After Hours adjuster or the After Hours Firm Dispatch personnel should assign the activity to the After Hours adjuster(s) who will be making the contact and notating the file.

Your AH Task Queue

Queued Activities

Claim Assignment Queue PolicyType None available County LossCause None available [Assign Selected To Me](#) [Assign](#)

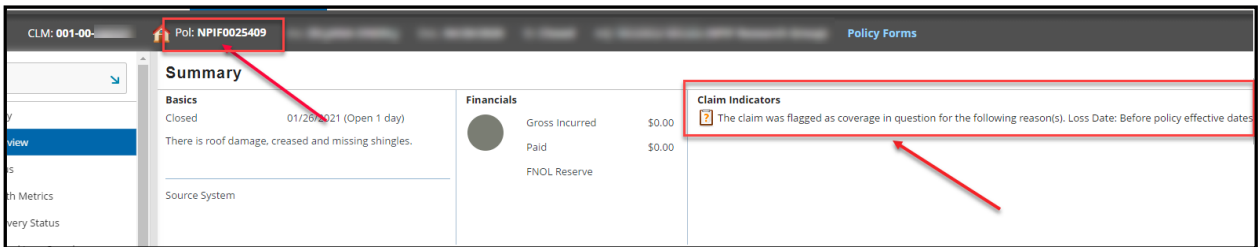
<input checked="" type="checkbox"/>	★	Queued ↑	Activity Create Date	Due	Priority	Subject	Claim	Severity
<input checked="" type="checkbox"/>	★		02/26/2021 02/26/2021 3:08 ...	03/01/2021	High	Pending Claim Assignm...	001-00	2
<input checked="" type="checkbox"/>	★		02/26/2021 02/26/2021 3:26 ...	03/01/2021	High	Pending Claim Assignm...	001-00	2
<input checked="" type="checkbox"/>	★		02/26/2021 02/26/2021 3:34 ...	03/01/2021	High	Pending Claim Assignm...	001-00	2

- After contact is made
 - Complete the Task Assignment to Field or Expert activity in ClaimCenter with a note stating what was communicated during the AH call with the Insured.
- **All systems functioning – Severity 4-5 Claims**
 - IA firm(s) will be Task Assigned to handle AH FNOLs received during Citizens non-business hours (includes weekends and holidays).
 - IA firm representatives with the Dispatch role deployed in CAIS will receive email notification.
 - Severity 4 and 5 (Large Loss) claim activities will populate in your Activity queue for assignment to one of your adjusters.
 - Call Center will call the AH firm to notify of the Severity 4 or 5 assignment
 - After contact is made
 - Complete the Task Assignment to Field or Expert activity in ClaimCenter with a note stating what was communicated during the AH call with the Insured.
- **Systems not functioning/Manual FNOL – Severity 1-3 Claims**
 - External Call Center will advise customer to expect contact by the end of the next business day.
 - If the customer is not in agreement with contact by the end of the next business day:
 - The FNOL will still be coded based on ‘livable’ or ‘unlivable’.
 - Indicate in the subject line as ‘Escalation’.
 - External Call Center will send an email to the assigned firm and copy DailyDispatch@citizensfla.com.
 - The assigned adjuster will send an email including the first/last name of the Insured to DailyDispatch@citizensfla.com advising he/she is the claim owner of the manual FNOL.
 - When the system becomes available, the call center will resume normal business FNOL entry.
 - The previous manual claims taken will be entered into ClaimCenter by Citizens on the next business day.
- **Systems not functioning/Manual FNOL – Severity 4-5 Claims**

- External Call Center will advise customer to expect contact within two (2) hours. **Expectation is that the firm will attempt voice-to-voice contact within one (1) hour of notification.*
- The assigned adjuster will send an email including the first/last name of the Insured to DailyDispatch@citizensfla.com advising he/she is the claim owner of the manual FNOL.
- When the system becomes available, the call center will resume normal business FNOL entry.

● **No Policy in Force (NPIF) Claims**

- NPIF claims will have an indicator and a NPIF policy number prefix as shown below.



- At FNOL, the Call Center reads the script below to the insured and/or insured’s representative:

Unverified policy (NPIF) FNOL Script:

Based on the information you have provided, we are unable to verify that you have an active policy with Citizens for the reported date of loss. We recommend you contact your Agent to obtain your Citizens’ policy number for the reported date of loss. In the meantime, we will assign claim number _____ for your reference. A Citizens claims representative will contact you by the end of the next business day to address any questions you may have. Please call us back at 1-866-411-2742 to provide any updated policy information. Thank you for calling Citizens.

- Reiterate to the insured that a Citizens claim representative will contact them by the end of the next business day.
- There are times when the reporting party provides the Call Center with an incorrect policy number, resulting in NPIF. During the AH contact, if the insured locates the correct policy number, please make a note in the file with the correct policy number for the claim owner to research on the next business day.

How does Citizens Managed Repair Program affect the After Hours process?

If the policy is *eligible* for MRP Services, the insured will be offered Emergency Water Mitigation services at that time by the call center. The insured can either opt into the program or decline the services at FNOL.

If the service was *declined* at FNOL, an assignment to one of Contractor Connection’s contractors was not generated. This assignment type will be manually created by the After Hours adjuster if it is determined during initial contact that Water Mitigation is necessary and if the insured would like to participate in the program.

Before you contact the insured, check to see if: 1) the policy is eligible and 2) if the policy is eligible if the insured opted in or out of the program.

Eligible policies under the program:

- HO3

- DP3 D—**not** the DP3 C (look under Policy>Forms & Endorsements to distinguish between the DP3 D and the DP3 C). Otherwise, the policy type is plainly listed on the FNOL Snapshot>Policy tab in ClaimCenter. Once you determine if the policy is eligible, go to FNOL Snapshot>Vendor Services to see if the insured accepted/declined water mitigation services. Please see the example below.

The screenshot displays the ClaimCenter interface for a claim. The left-hand navigation menu is visible, with 'Vendor Services' selected and highlighted in blue. A red arrow points to this menu item. The main content area shows the 'Snapshot: Vendor Services' section. Key information includes:

- Assignment Type:** Water Mitigation Only (994)
- Service:** Water Mitigation (934)
- Service Created?:** No

 Below this, there is a 'Question and Response' table:

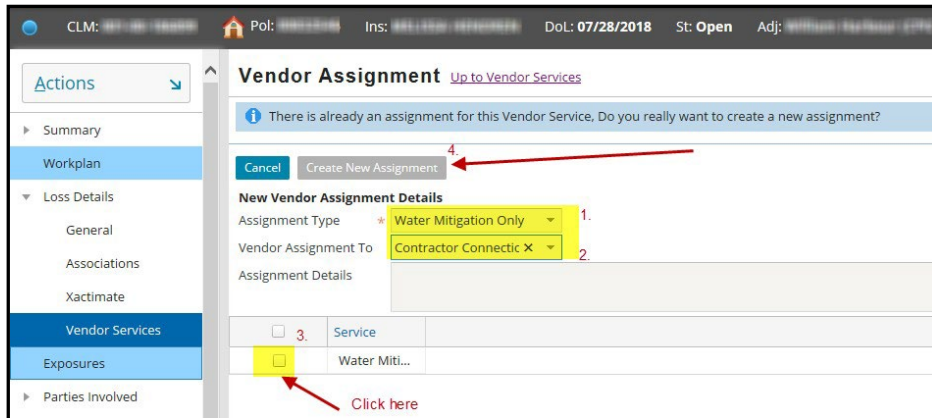
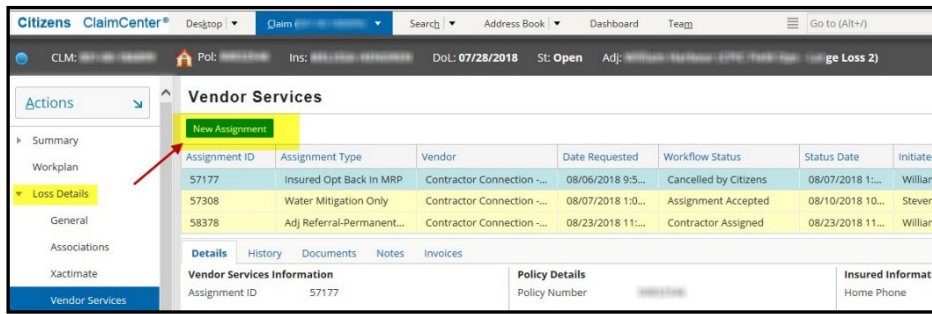
Question Text	Response
Based on your reported claim, you are eligible for Emergency Water Removal Services which Citizens Property Insura...	No
Since you declined Citizens' free water removal services, the terms of your policy limit payment by Citizens for water r...	No
Also, your decision not to accept our free water removal services may decrease the coverage if permanent repairs also ar...	No

 At the bottom, the 'Declination Reason' field contains the text: 'A water mitigation company has already performed water mitigation services.'

- If the insured opted into the program at FNOL, then the Contractor will have been dispatched to extract the water.
- If the program was not accepted, but the insured changes their mind, the AH adjuster would then create an assignment from the Loss Details>Vendor Services tab in ClaimCenter (see below).
- If water mitigation is not necessary, the claim runs its normal course.

Creating an assignment to Contractor Connection:

1. Go to the Loss Details>Vendor Services tab within the claim.
2. Click, "Create New Assignment".
 - a. If there is already an assignment for Water Mitigation Only, do not create a second assignment.
 - b. Assignments can be found within the Loss Details>Vendor Services tab within the claim. In the screenshot below, you will see assignments 57177, 57308 and 58378. You would not create a new assignment for this example because there is already an assignment for Water Mitigation only, Assignment ID 57308.
3. For this exercise, we are going to create a new assignment. After clicking, "Create New Assignment", select the Assignment Type, Water Mitigation Only.
 - a. Do not select any other Assignment Type.



2018 - Current Policies:

The 2018 policy has a \$3000 limit on water mitigation if the insured does not accept MRP. It is a hard limit. A cap. No exceptions. In addition, the 2018 policy has a \$10,000.00 limit for all water losses if the insured does not accept MRP. This \$10k limit includes the \$3k limit if the insured does not accept MRP.

So, if an insured does not accept MRP, the most we will pay for water mitigation is \$3000.00, and if we do pay \$3000.00, the insured will only have \$7000.00 for the repairs.

Scripting used by the Call Center*

**Note: During a system outage, EWRS isn't offered at FNOL until Daily Dispatch entered in the FNOL information the following business day.*

Emergency Water Removal Services:

As part of our commitment to quality service, Citizens Property Insurance has a voluntary Emergency Water removal Services program in your area, where a professional Emergency Service Provider can be dispatched to your property to complete any water related emergency services to prevent further damages to your property.

If you are interested in this program and your claim is determined to be eligible, we can make the assignment to one of our Emergency Service Providers.

Once assigned, the Provider will contact you in less than one hour and begin service at your home within 4 hours of receipt of the assignment.

This program is provided by Citizens at no charge to you whether or not coverage exists within your policy for the reported loss.

Emergency Water Removal Services Providers:

Providers in our Emergency Water Removal Services Program are reliable and credentialed,

meaning they go through a rigorous qualification process, which includes state license verification and insurance certification.

Our business partner, Crawford Contractor Connection monitors the performance of these Emergency Service Providers ensuring only the best companies participate in the Emergency Services Program.

Crawford Contractor Connection also provides a warranty guarantee for the work provided when you utilize the Emergency Services Program, providing a hassle-free experience for our policyholders.

Common Questions:

Q. What if I decline Emergency Water Removal Services?

A. Our Emergency Water Removal Services Program is strictly voluntary, and you do not have to utilize the service. However, please note that per your policy contract, you are responsible taking reasonable emergency measures to protect your property.

Q. Does this mean my claim is covered?

A. If your claim is eligible for Emergency Water Removal Services, it does not necessarily mean that there is coverage afforded within your policy for the reported loss to your property. Your claim will be assigned to a Citizens adjuster who will review your claim to determine if there is coverage afforded within your policy. The Emergency Water Removal Services Provider cannot determine if there is coverage under your policy for this loss. In the event there is no policy coverage for the loss, Citizens will pay the entire cost of the emergency repairs with no cost to you.

Contact Information:

Citizens - DailyDispatch@citizensfla.com

Citizens – Christopher.Bacon@citizensfla.com

Citizens – Rachel.Krzysiak3@citizensfla.com

Contractor Connection - Tina Ogletree - Tina.Ogletree@contractorconnection.com

Contractor Connection – Tanisha Carson – Tanisha.Carson@contractorconnection.com

Contractor Connection – Will Clark - Will.Clark@contractorconnection.com

Contractor Connection - Assignment Center Supervisor
assignmentcentersupervisors@contractorconnection.com

Contractor Connection – Assignments@contractorconnection.com

FNOL Tracking Form:



AH Manual FNOL
Tracking.xls

**ADDENDUM 1
PUBLIC RECORDS ADDENDUM (“ADDENDUM”)**

Company Name (“Vendor”): Jimmie Giles Financial LLC
Agreement Name/Number (“Agreement”): Agreement for Comprehensive Adjusting Services – Supplement No. 24-23-0001-14

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

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

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

Vendor must select one (1) of the two (2) declarations below. If Vendor does not select one (1) of the two (2) declarations below, or if Vendor fails to provide the Redacted Agreement and Redaction Justification within thirty (30) calendar days of Vendor’s receipt of the fully executed Agreement, then without further notice to Vendor, Citizens may post the non-redacted version of the Agreement on its public website and may release it to any member of the public.

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