

Agency Management Services Update

November 20, 2024

Carl Rockman, Vice President, Agency & Market Services



Current Agent and Agency Counts

Current Agent and Agency Counts vs. YE 2023			
	Sept-24	Dec-23	Net Change
Agencies	5,966	6,080	(114)
Agents	12,504	12,272	232
LCRs	3,529	3,098	431

Current Tricounty Agent and Agency Counts vs. YE 2023			
	Sept-24	Dec-23	Net Change
Agencies	2,443	2,465	(22)
Agents	4,427	4,295	135
LCRs	1,124	1,066	57

Agency Segmentation						
Tiers	Sept-24			Dec-23		
	Total Agencies	Total PIF	% of Overall PIF	Total Agencies	Total PIF	% of Overall PIF
Tier 1 (2,000+ PIF)	57	326,196	25.8%	56	308,937	23.7%
Tier 2 (500-1,999 PIF)	476	404,229	32.0%	469	391,074	32.0%
Tier 3 (200-499 PIF)	978	308,656	24.4%	954	300,694	25.3%
Tier 4 (50-199 PIF)	1,697	186,669	14.8%	1,734	191,059	15.8%
Tier 5 (49 or less PIF)	2,236	37,305	3.0%	2,272	36,954	3.2%
Tier 6 (0 PIF)	522	0	0.0%	595	0	0.0%

Note: 46% of Citizens agencies have fewer than 50 policies in force.

Data as of 9/30/24



Performance Violations (PV) Program Update

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

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

Agents Under:		
	7/31/24	9/30/24
Warning Notices	2,756	2,805
Suspensions	278	280
Terminations	0	0



Performance Violations (PV) Program Update

2024 Monthly Performance Violation Counts							
Month	Total Submissions	Monthly Total	% Total Submissions w/ PV	Ineligible Risk	Uninsurable Risk	Premium on Unbound / PFC Contract Missing	Incorrect Credits / Missing Signatures
January	36,406	2,038	6%	1,110	483	6	439
February	37,797	2,636	7%	1,749	412	5	470
March	40,302	2,945	7%	2,137	316	7	485
April	42,611	2,290	5%	1,357	406	8	519
May	42,289	1,700	4%	917	316	4	463
June	37,207	1,424	4%	718	276	2	428
July	37,446	1,286	3%	567	298	3	418
August	34,068	1,313	4%	586	288	7	432
September	23,997	1,179	5%	483	255	5	436
October							
November							
December*							
YTD Grand Total	332,123	16,811	5%	9,624	3,050	47	4,090

Data as of 9/30/2024



Late-Submission Violations (LSV) Program Update

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

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

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

Agents Under:		
	7/31/24	9/30/24
Warning Notices	1,089	1,120
Suspensions	93	100
Terminations	0	0



Late-Submission Violations (LSV) Program Update

2024 Late-Submission Violation Counts					
Month	New Submissions	Alerts	% Submissions w/ Alerts	Late Submissions*	% New Submissions w/ LSV
January	36,406	8,481	23%	2,141	6%
February	37,797	8,375	22%	1,937	5%
March	40,302	9,910	25%	2,582	6%
April	42,611	9,695	23%	1,983	5%
May	42,289	7,108	17%	1,261	3%
June	37,207	9,024	24%	2,119	6%
July	37,446	10,515	28%	2,062	6%
August	34,068	9,310	27%	1,855	5%
September	23,997	8,743	36%	1,789	7%
October					
November					
December					
YTD Grand Total	332,123	81,161	24%	17,729	5%

Data as of 9/30/2024

Agency and Agent Appointment Agreement Changes



Agency & Agent Agreements Update

WHAT

Citizens has revised both the Agency & Agent Agreements to update the terms and obligations of a Citizens insurance agency/agent as well as the consequences for any failure to meet such terms and obligations.

WHEN

February 15, 2025, through March 31, 2025

WHO

- **Agency Agreement:** All Agency Principals (AP)
 - **Agent Agreement:** All Appointed Full and Limited Agents
- Note:** APs that are full or limited agents will need to sign two agreements

WHY

We want all appointed agents on the same agreement so that we can better facilitate compliance to the agreement without waiting until renewal.

HOW

Via DocuSign. DocuSign will send reminders for unsigned agreements periodically.

EDUCATION & COMMUNICATION

Education:

Will hold webinars to train agents to the changes in the agreements.

Communication:

- Agent Bulletins announcing change with links to new agreements will be sent.
- A new Agent Portal page will be created to better assist agents in adhering to the agreements.

CONSEQUENCE

If an Agency Principal or agent does not sign their agreement their relationship with Citizens will terminate. Their Book of Business will move to another full agent within the same agency, need to be sold or will be brought to Citizens' internal agency.

The changes being requested will allow Citizens to:

- Strengthen agency and agent adherence to Performance Standards
- Remove BOG approval process for Performance Standards changes
- Strengthen requirements to re-market Citizens Business
- Strengthen language on requirements to transfer CPIC Book
- Strengthen prohibition on credential sharing
- Establish requirement for Trust Accounts to segregate policyholder funds
- Prohibit assignment or transfer of any interest in Operating or Trust Accounts

The changes being requested will allow Citizens to:

- Establish ability to “offset, deny or recover” commissions
- Expand reasons for Administrative Terminations
- Modify grounds for Terminations for Cause
- Eliminate “Certified Mail” notice requirement
- Enhance requirements to compel agent cooperation with inquires and investigations
- Define rules on policy transfers to Citizens Insurance Services
- Move all disputes with agencies and agents to DOAH
- Modify Indemnification between Agency/Agents and Citizens

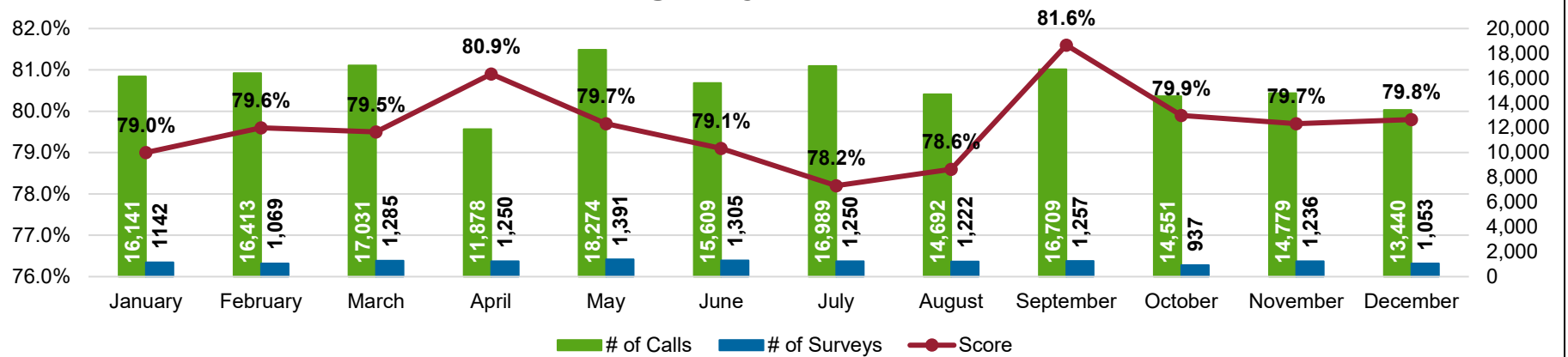


Please rate your satisfaction of the service provided by your Citizens agent

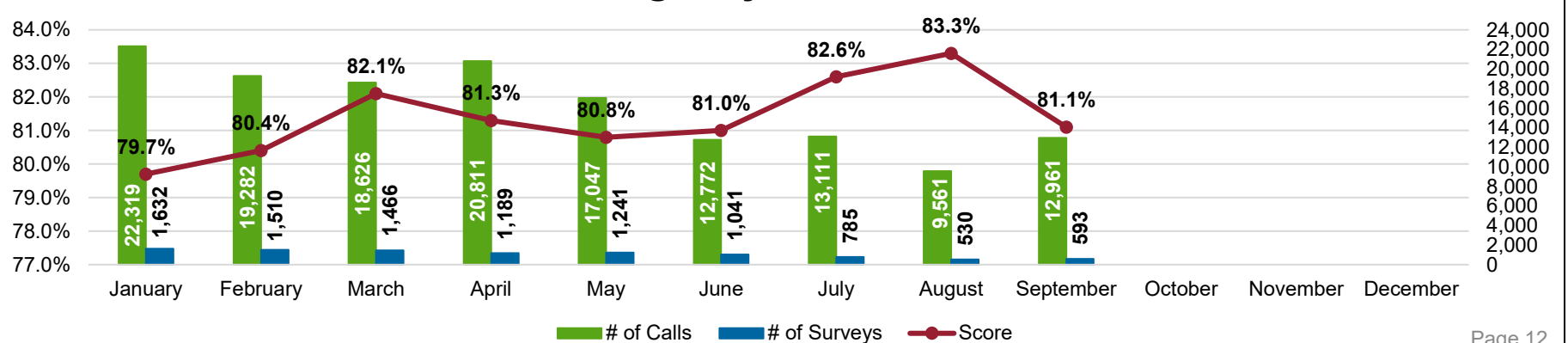
Did you contact your agent before contacting Citizens?

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

2023 VoC Agency Satisfaction Score



2024 VoC Agency Satisfaction Score



AgentAdvisor

**Alden Mullins, Director - Communications &
Strategic Services**

