

Exposure Reduction Committee Minutes

ACTION ITEM

New Contract

Contract Amendment

Other - Committee Minutes

CONSENT ITEM

Contract Amendment

Existing Contract Extension

Existing Contract Additional Spend

Previous Board Approval _____

Other _____

Action Items: Items requiring detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

Move forward as Consent: This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

Consent Items: Items not requiring detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

Item Description	Exposure Reduction Committee Meeting Minutes September 24, 2024.
Purpose/Scope	Review of the September 24, 2024 Exposure Reduction Committee Meeting Minutes to provide opportunity for corrections and historical accuracy.
Contract ID	N/A
Budgeted Item	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No - Not applicable
Procurement Method	N/A
Contract Amount	N/A
Contract Terms	N/A
Committee Recommendation	Staff recommends the review and approval of the September 24, 2024, Exposure Reduction Committee Meeting minutes.
Contacts	Jeremy Pope, Chief Administrative Officer

CITIZENS PROPERTY INSURANCE CORPORATION

**Summary Minutes of the
Exposure Reduction Committee Meeting
Tuesday, September 24, 2024**

The Exposure Reduction Committee of Citizens Property Insurance Corporation (Citizens) convened at The Westin Lake Mary in Orlando, FL on Tuesday, September 24, 2024.

The following members of the Exposure Reduction Committee were present:

Chair Carlos Beruff
Governor Jason Butts
Governor LeAnna Cumber
Governor Robert Spottswood

The following Board members were present:

Governor Jamie Shelton
Governor Scott Thomas
Governor Erin Knight
Governor Charlie Lydecker
Governor Joshua Becksmith

The following Citizens Staff were present:

Jay Adams	Eric Addison
Tim Cerio	Carl Rockman
Bonnie Gilliland	Mark Kagy
Jennifer Montero	Jon Schmitt
Brian Newman	Jeremy Pope
Michael Peltier	Barbara Walke
Ken Tinkham	Andrew Woodward
Joe Martins	Raina Harrison

The following were present:

Kapil Bhatia, Raymond James
Mark Weinberg, Citi
Nathaniel Johnson, B of A
Jim Cook, JP Morgan

Call Meeting to Order

Roll was called and a quorum was present.

Depopulation, CHIPS & FMAP Update

Mr. Pope: Thank you, Chairman and good afternoon to you and the fellow committee members. This is Jeremy Pope, Chief Administrative Officer, for the record. And joining me today is Carl Rockman, our Vice President of Agency and Market Services. Today we will provide a brief update essentially hitting the highlights of our Depop program, our Clearinghouse Interim Program and while we don't have any major shifts with the Florida Market Assistance Program, answer any questions that the committee may have. We will begin, we have no action or consent items to bring forward for the committee's consideration today and we'll begin our update on page 2 of our materials. Again, we are going to hit a summary and answer any questions that the committee would like to get into further detail. Alive and well is obviously the Depop program. We've had a lot of discussion around it so far today. We have 11 carriers that are participating in Q4 Depop so that's October, November and December and although numbers are still being finalized for December's activity, we are expecting extremely active involvement. This year alone we've had 5 new entrants that have participated in the Citizens Depop program which is significant. You can see the October stats that we have there. We have 9. And we are currently in flight with this Depop as we speak. We have 9 personal lines carriers that have been approved to participate with an approved amount of a little over 410,000 policies through the Office and on the commercial lines carriers we have 4 that have been approved to participate, which totals 4,250 policies that have been approved through the Office. Consumers have until the middle of the month to make their selections. So, by the time we have our next committee meeting we'll have the results but in preliminary numbers, we're seeing a very significantly high number of policies that are ineligible to remain with Citizens, which is good news. For November we have 10 approved carriers participating in the personal lines assumption and that totals a little over 235,000 policies so just alone between October and November over 645,000 policies have been approved for takeout. We don't have anything official for December but again everything indicates to us it'll be a record-breaking month of activity.

On slide 3 this is our year-to-date results so far with the program. So far we have removed \$64.8B in total exposure back into the private market. Of that, we were talking about commercial a few minutes ago, \$5.6B of that belongs to commercial book of business which totals around 597 policies. The remaining portion belongs to our personal lines book of business. That's \$59.2B in exposure we've put back into the private market and that totals almost 132,000 policies. You'll see in your committee materials the 2024 forecast. We do feel these numbers are conservative and one could say understated at this point. As Governor Lydecker made comment previously, storm activity could change these numbers. We do have indications that our Depop, based on what we're seeing for December, may put us at 509,000 policies for the year. That would essentially put us right below 900,000 policies if we were to move into that direction, so we are very hopeful and we do continue to see the active involvement within the market around Depop. And in partnership with Christine Ashburn's communications team, there are various resources which have been made available to consumers, agents and internal staff. That's to ensure that consumers understand the Depop process and then we have agents and internal staff that are equipped and able to assist consumers as appropriate through their transition. Everything from posted resources online, policyholder newsletters and most recently videos distributed to consumers to help them

through step by step with the process. We will always ensure the agents and staff are equipped and empowered so our level of service remains consistent as an organization. We do have the 2025 Depop calendar finalized and that'll be included in the next committee's materials, but I did want to make everyone aware that for the personal lines book of business initially when we started off, we identified 8 opportunities or months next year to provide a Depop opportunity. That was approved through the Office and now we're working with the Office to increase that to 9 because we have additional interest from the market for participation. In addition, for the commercial book we have identified 6 opportunities or months for Depop next year and that calendar will be included in your committee materials at the next meeting. That concludes the Depop update. I'll be happy to answer any questions and if none, I'll turn it over to Carl.

Chairman: Go ahead, Carl.

Mr. Rockman: Thank you. For the record, Carl Rockman, Vice President Agency and Market Services. Another important component of our Exposure Reduction Program is the Clearinghouse Program. Page 4 will highlight our results in this important space. On the right-hand side is an update on our Clearinghouse Interim Program we call CHIPS. The volume of new business that is being thoroughly reviewed for eligibility and also our renewal program. Results are documented on the right side. On the left side of the page, there are updates on our roll out of the new Clearinghouse program in partnership with Applied Systems. Pleased to report to the committee that all Citizens credentialed users now have access to the Applied program that we call EZLynx. All of those folks have gotten access. We have run 14 webinars to support the agents, over 3,300 have attended and we actually kicked off round 2 of a support webinar series today with over 900 agents registered to attend. We'll be conducting 8 supplemental webinars in the final week of September and the first week of October. Checks right now are still being done manually. That'll be included in our CHIPS review. In January of 2025 we'll be mechanizing eligibility at point of sale which we'll ensure tighter compliance to the 20% rule. That concludes my update on the Clearinghouse.

Chairman: Comments? Questions?

Governor Butts: Mr. Chairman, just a comment and I've expressed this to Carl and Jeremy already. I think it's important that we start to have a conversation around insurance scoring or the use of insurance scoring. Whether or not Citizens actually uses it or at least we tell insureds that the carriers that could be taking those policies out of Citizens. My understanding is that those carriers file with the state of Florida if they want to use insurance scoring in their rate process. I do not think it's something we have in place now but something as the Clearinghouse starts to come online especially pushing policies out at renewal time that insurance scoring could potentially make more folks eligible to be pushed out of Citizens. Most of the systems in the way that it's going to work when that API delivers the rate call to the individual carriers to get those rates back, most of those carriers who have it filed again with the state are my thought would be that their sending those back with maybe a neutral score if they do not have permission to do it but I think it's something that Citizens needs to talk about and that may be a Christine issue or Brian or Tim but I think it's something we need to address especially with the automated takeout potential here next year.

Mr. Pope: Governor Butts definitely recognized and acknowledged. What we will be happy to do, we've had this discussion internally about different aspects of insurance scoring but what

we'd like to do is completely button that topic up and come back and run those options through the Office because to your point anything that we are able to do obviously to make the book more attractive it's a win for everyone involved. We will formally take that back and vet all aspects of insurance scoring.

Governor Butts: Perfect. Thank you.

Mr. Pope: Yep.

Chairman: Any other comments? Seeing none, any new business? Entertain a motion to adjourn.

Whereupon the meeting was adjourned.

DRAFT