



Lisa Miller & Associates

Business Development, Government Consulting, Public Relations

Citizens Market Accountability Advisory Committee Conference Call of 9-18-24: (meeting agenda and supporting documents/reports available at <https://www.citizensfla.com/-/20240918-maac>) Meeting started at 10am.

Market Accountability Advisory Committee (MAAC) Members:

- Dave Newell - Chair
- Lori Augustyniak
- Virginia Christy
- Lee Gorodetsky
- Brian Hodgers - Policyholder Representative
- Marshall Martin
- Allen McGlynn
- Lissette Perez
- Greg Rokeh
- Scott Rowe
- Stacey Tomko
- Jeremy Pope - Staff
- Christine Ashburn – Staff

Approval of Prior Meeting's Minutes

[06-26-24 MAAC Draft Summary Minutes](#)

APPROVED

MAAC Annual Charter Review (by Jeremy Pope, Chief Administrative Officer)

[MAAC Charter](#) (slide deck)

This is an annual exercise to review the committee's charter to validate its adequacy and include any updates desired by the committee, of which there was none noted.

APPROVED

Underwriting Market Update (by Jay Adams, Chief Insurance Officer)

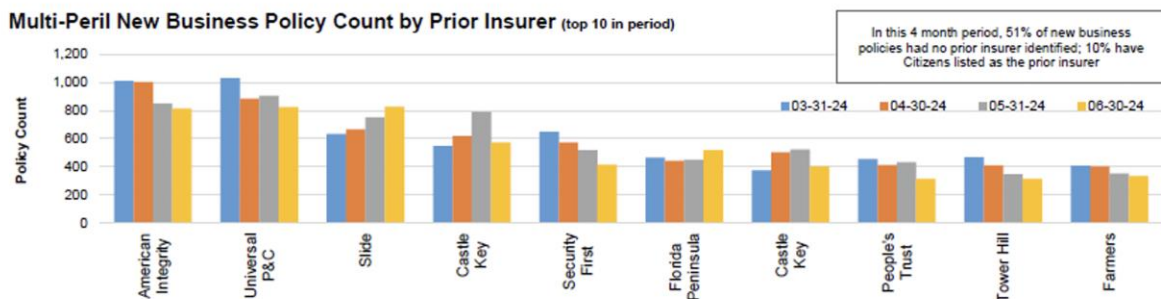
[Underwriting Market Update](#) (slide deck that provides details of the below)

Adams shared the following:

- Total policy count as of June 30, 2024 was 1.2 million policies, a decrease of 2.4% decrease from year-end 2023.
- Citizens averaged 38,042 new policies per month in the first half of 2024 (up 600 per month from the January-April average, which was up from the last six months of 2023).
- **In Personal Lines, its multiperil and wind-only policy count and its building count each decreased 1.3% at the end of Q2 with total insured value of \$421.24 billion. Its new monthly policy count is 35,931, continuing a downward trend from June 2023 of 54,781. The largest declines are in homeowner and dwelling, with a 6% increase in mobile home.**
- Citizens got most of its multi-peril new business from January-June 2024 from the ten private insurance companies noted in the below chart.



Personal Residential Policy Types (Mar '24 to Jun '24 Average Prior vs. Current)



Notes:

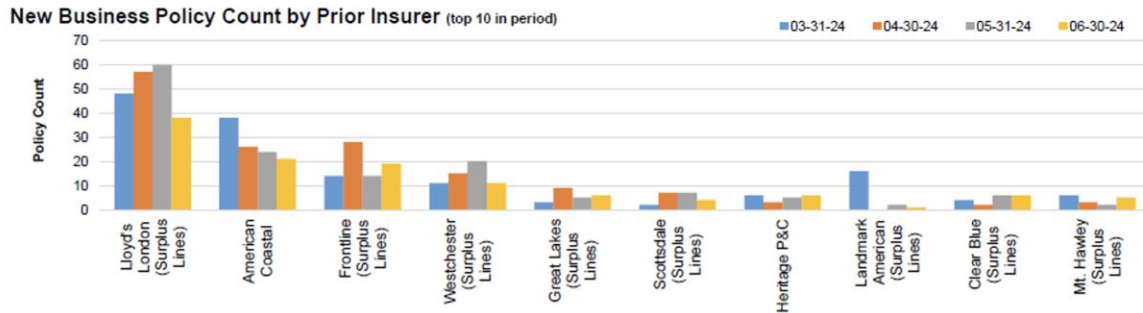
1. New Business Written is the count of new bound submissions at the month end snapshot
2. Policy types are defined as follows:
 - Homeowner - HO-3, HO-8, HW-2
 - Dwelling - DP-1 D, DP-3 D, DW-2
 - Condo - HO-6, HW-6, DP-1 C, DP-3 C
 - Mobile Home - MHO-3, MDP-1, MW-2, MD-1
 - Tenant - HO-4, HW-4, MHO-4, DP-1 T, DP-3 T
3. Regions are defined by county boundary as follows:
 - Southeast Coast - Broward, Miami-Dade, Palm Beach, Monroe
 - Tampa Bay Area - Hernando, Hillsborough, Pasco, Pinellas
 - North/Central East Coast - Nassau, Duval, Saint Johns, Flagler, Volusia
 - Brevard, Indian River, Saint Lucie, Martin
 - Southwest Coast - Charlotte, Collier, Lee, Manatee, Sarasota
 - SOLO - Lake, Orange, Osceola, Seminole
 - All Other Counties - Remaining 41 Florida counties not otherwise grouped above
4. Age of Roof is based on "Roof Update Year" where available. When it is not, "Dwelling Year Built" is used as a proxy for the age.
5. Prior Insurer list includes the top 10 by policy count with a multi-peril policy in the current four month period; Citizens, "No Carrier Found"/"null" values and wind only policies are excluded from the graph. Wind only policies are excluded due to prior insurer information, specific to the current ex-wind policy or previous multi peril policy, which can create misleading results.

- **In Commercial Lines, its multiperil and wind-only policy count increased 1.1%, its building count decreased 9.3% at the end of Q2 with total insured value of \$99.1 billion, which he noted is down about \$10 billion from the prior quarter.** The majority of the growth occurred from the non-residential, with an 8.4% increase in policy count with a 7.3% increase in total insured value.
- While the new monthly commercial policy count continues to decrease (274 in June from 1,420 in June 2023) the inforce building count has grown from 38,302 to 45,926.

- Citizens got most of its new commercial business in Q2 from Lloyds of London and American Coastal, along with the remaining ten private insurance companies noted in the below chart.



Commercial Policy Types (Mar '24 to Jun '24 Average Prior vs. Current)



Notes:

1. New Business Written is the count of new bound submissions at the month end snapshot
2. Building counts do not include special items such as pools, light poles, etc.
3. For Policy Type, Auxiliary Buildings includes clubhouses, guard houses, etc. and All Other includes Commercial Condos, Hotel, Nursing Home, etc.
4. Regions are defined by county boundary as follows:
 - Southeast Coast - Broward, Miami-Dade, Palm Beach, Monroe
 - Tampa Bay Area - Hernando, Hillsborough, Pasco, Pinellas
 - North/Central East Coast - Nassau, Duval, Saint Johns, Flagler, Volusia, Brevard, Indian River, Saint Lucie, Martin
 - Southwest Coast - Charlotte, Collier, Lee, Manatee, Sarasota
 - SOLO - Lake, Orange, Osceola, Seminole
 - All Other Counties - Remaining 41 Florida counties not otherwise grouped above
5. Commercial Product Types:
 - CR-W = Commercial Residential Wind Only
 - CR-M = Commercial Residential Multiperil
 - CNR-M = Commercial Non-Residential Multiperil
 - CNR-W = Commercial Non-Residential Wind Only
6. Prior Insurer list includes the top 10 by policy count; Citizens and "No Carrier Found"/"null" values are excluded from the graph.

Depopulation, CHIPS & FMAP Update (by Jeremy Pope, Chief Administrative Officer and Adam Marmelstein, Director of Agency and Market Services)

[Depopulation, CHIPS and FMAP Update](#) (slide deck)

Pope said Citizens has "an exciting very, very, busy fourth quarter planned, record-breaking actually" with 11 private insurance carriers looking to participate in the October, November, and December depopulation programs. He noted the program has seen five new entrants participate so far in 2024.

Depopulation:

The October program currently underway has nine carriers participating looking to take out as many as 410,008 personal lines policies, and another four carriers looking to take out as many as 4,250 commercial line policies. Citizens policyholders involved have until October 11 to make decisions on moving their policies. Preliminary numbers show about 30,000 of them received offers from at least three or more carriers. "Also, 90%, a huge majority, of the offers that are being made are making policyholders ineligible to be with Citizens (meaning the private carrier's offer is priced within 20% of the Citizens premium, making them ineligible to remain with Citizens). So the market is getting more and more competitive, if you will. That's a sign of a healthy market, and that's exciting for us, obviously," Pope told the committee.

Year to date exposure removed from Citizens through depopulation = \$64.8 billion (\$59.2 billion through 131,848 personal lines policies and \$5.6 billion through 597 commercial lines policies).

2024 Depopulation forecast = 337,522 policies assumed, representing \$162.2 billion in exposure removed. This compares to the just over 275,000 policies removed in 2023 representing \$113 billion in exposure.

“So because we have the record-breaking numbers that we’re expecting in October, November, and December, we absolutely will exceed and supersede the results from 2023 and the forecast is, I would say, very conservative,” added Pope, noting the details in the two charts below.



2024 Completed Depopulations									
Assumption Date	Active Carriers	OIR Approved ¹	Requested By Carriers ²	Policyholder Choice Letters Mailed ³	Assumed ⁴	Assumed Premium Less Than Citizens Premium	Assumed Premium 0%-20% Higher Than Citizens	Assumption Rate ⁵	Exposure Removed ⁶
January 23	7	200,000	159,121	126,479	76,316	19,084	51,641	60%	\$33.9 B
February 20	4	39,000	29,230	27,652	15,713	4,871	10,302	57%	\$6.6 B
February 27 (CL)	1	850	437	437	321	309	11	73%	\$3.3 B
March 19	5	59,498	30,473	27,879	22,209	5,357	16,440	80%	\$10.7 B
April 23 (CL)	1	400	246	246	150	148	2	61%	\$1.1 B
May 21	3	54,386	35,350	34,760	17,610	5,545	9,386	51%	\$8 B
June 25 (CL)	1	300	170	170	126	117	9	74%	\$1.2 B
Totals		354,434	255,027	217,623	132,445	35,431	87,791	61%	\$64.8 B

2024 In Flight Depopulations								
Assumption Date	Active Carriers	OIR Approved ¹	Requested By Carriers ²	Policyholder Choice Letters Mailed ³	Offers Less Than Citizens Premium	Offers 0%-20% Higher Than Citizens	% Offers Less Than Citizens	% Offers 0%-20% Higher Than Citizens
October 22 (PL)	9	410,008	8/26					
October 29 (CL)	4	4,250	8/26					

¹OIR approval is maximum number of policies permitted to be assumed by carriers. ²Sum of all policies requested by carriers, including duplicate offers from multiple carriers. ³Total letters mailed, one (1) per policy. Multiple offers may be contained in a single mailing. ⁴Policies assumed by carriers on Assumption Date. ⁵Quotient of 'Assumed' divided by 'Policyholder Choice Letters Mailed' for completed assumptions. ⁶Exposure Removed as of Assumption Date.

Policies Assumed in 2024 by Company Name								
Company Name	JAN	FEB	FEB (CL)	MAR	APR (CL)	MAY	JUN (CL)	Totals
American Integrity						646		646
American Traditions				5,012				5,012
CORE			321		150		126	597
Edison	1,081	678		699				2,458
Florida Peninsula	14,793	6,577		4,779				26,149
Monarch National	2,917							2,917
Orange		5,832						5,832
Security First		2,626				979		3,605
Slide	38,657			9,943		15,985		64,585
Southern Oak	3,443			1,776				5,219
TypTap	9,478							9,478
US Coastal	5,947							5,947
Totals	76,316	15,713	321	22,209	150	17,610		132,445

Policies Assumed in 2024 by Business Line							
Business Line	JAN	FEB	MAR	APR	MAY	JUN	Totals
Personal Lines	76,316	15,713	22,209		17,610		131,848
Commercial Lines		321		150		126	597
Totals	76,316	16,034	22,209	150	17,610		132,445

The depopulation numbers re-opened the discussion and point of contention by some of the insurance agency members on the committee, who again wondered aloud as they have in past meetings, why private carriers aren't just writing these policies directly, rather than letting them come to Citizens first only to be later depopulated.

"So many of these companies won't write the new business when we quote it, and then they'll depop it," said committee member Lee Gorodetsky with USAssurance in South Florida. "It just is such a stupid concept that we have to write the business with Citizens to get it into a carrier so it gets depopulated down the road, when the carrier could just open up their markets and write their freaking business, and you wouldn't have to go to Citizens in the first place." He noted that perhaps this was more of a South Florida problem. "We've given out seven quotes this week. Six of them are with Citizens because no carrier will take it or will come in close."

Pope expressed his understanding and said depopulation is always "a snapshot in time....and it has to work for the carrier's business model as well," he said. "So it's kind of hard for us to say why are certain carriers picking at certain times and not other times. It's reinsurance that's involved as well, not knowing, you know, their complete book of business."

Gorodetsky said he hears the same complaint from both clients and Realtors as well. "I know it's not a Citizen's problem. Maybe the Department of Financial Services can tell these carriers, 'If you're going to keep depopping, open up for business as well.'" Do both. Don't just Depop. Depop is an incentive for them. I get it. They make a lot of money. We're paying them a ton of money to take the policies, but

open up for business as well. Why can't we put that on them, or ask our board to put that on them?" Gorodetsky asked.

"You're preaching to the choir here, Lee," answered committee Chairman Dave Newell, noting there have been many conversations about this. "A lot of this is about timing. It's about how they look at their business model, how they look at their reinsurance buy, and how they look at their financial picture. We do hope that once they Depop and get a flow of business and like you say, a ton of money to fuel, put gas on the fire, so to speak, that they do open up from a voluntary basis."

Chair Newell brought up another point of contention: limited servicing agreements (LSA). To maximize the benefit of participating in Citizens' Property Insurance Clearinghouse (that tests eligibility for a consumer to obtain a Citizens policy before placing them through private carriers in the clearinghouse), carriers execute LSAs with agents who are unable to accept full appointments. Carriers are responsible for contacting agents to execute the LSAs, which are the responsibility of the insurance carrier and the individual agents.

"I know many on this call have had these discussions with Depop carriers, with the OIR (Office of Insurance Regulation), about the ability to offer (a policy) beyond just an LSA, because that is a frustrating part of an agency's life where you just have this block of policies and all you concentrate on is Depop, and you can't grow organically because that portal is not allowing some of those risks to come in," said Newell.

"Even if they are open and we can get a quote with that carrier, the premiums are so significantly higher that you're also driven back into Citizens," said committee member Lissette Perez of LP Insurance Associates. "And then they come in and they depop it at the Citizens' price, or a little bit over, still under what we would have quoted, or what we quoted originally. They're still paying less and then here we go with the depop process. And it's, again, a vicious cycle that we're going through," she said.

Committee member Brian Hodgers, who is the committee's policyholder representative and with Complete Choice Insurance, said he agreed with Perez and Gorodetsky, but noted there's something else he's seeing. "Why are some carriers allowed to eliminate water (damage coverage) and or limit water when Citizens is not, other than, of course, managed repair? So it seems like they're choosing to say, 'hey, yeah, we'll take it and we'll keep it for that three years, even though we wouldn't have normally written that policy. But we'll also go in here and we'll limit water.' I think that that's something that really needs to be addressed," Hodgers said.

"Brian, you bring up a great point," answered Chair Newell. "We certainly have had this discussion. Jeremy knows well, as Carl, there's been many, many discussions about comparable coverage, about the water exclusion, how that whole process works, and how the Depop policy comes into play versus the voluntary policy. So, again, you're preaching to the choir here." Calling it a challenge and "an exposure that nobody really wants to take on," Newell said it is something that is definitely being discussed among several stakeholders about water and "there could be other perils that may also not being considered when a takeout policy is reviewed."

"Some of my clients are getting three and four offers, which is great, because now a customer gets a choice," replied Hodgers. "But some of them are only getting one choice, and if that one choice is limiting the water or not comparable coverage, what is the factor that goes into why that client is only

getting one offer versus another client getting three or four? Is there a possibility that we could look at changing the program to where every client has to get two, three, four offers? That way a client gets a choice of the carriers that are being presented to them instead of just one option,” Hodgers asked.

Newell called it a great question, something Citizens would have to pursue as a public policy change. Pope, while saying Citizens was open for feedback, said “Water is not considered today, at least, part of the comparable coverage...but feedback taken, feedback heard.”

Gorodetsky predicted the matter would end up in litigation “from limited water damage coverage when you have full coverage, it’s going to head right up to Citizens, not the agents. Especially in Florida, litigation is going to occur. It’s just a question of who, when, how, why and where,” Gorodetsky said.

Florida Deputy Insurance Commissioner for Property & Casualty, Virginia Christy, also a member of the committee, said “We are having conversations, especially about comparable coverage. We did add some language in the consent order on the last Depop that addressed comparable coverage, so that issue we’ll be continually talking about and monitoring at the Office (of Insurance Regulation).”

Christine Ashburn, Citizens Chief of Communications, Legislative and External Affairs weighed in. “Just as a reminder, comparable coverage is defined in the statute. When the Clearinghouse was created in 2012 or 2013, I don’t know that the water supplement issue was such a large factor,” she said. “Lee, I hear you and I appreciate what the Office did in these most recent orders. But as it relates to expanding what comparable coverage is, that would take legislative action. I don’t know how much leeway both the Office and certainly Citizens have to expand that without the statute being addressed. I’m not obviously saying that Citizens would take a position on that, but for the groups, and there’s a lot of conversation, it would take a legislative change,” Ashburn added.

“The more we can have discussions on this topic, I think the better we’ll all be,” concluded Newell, noting the Office is continuing to monitor the situation and trying to address it.

CHIPS (Clearinghouse Interim Program):

This program began in September 2023, where insurance agents are required to submit proof that a new business customer is eligible for a Citizens policy based on the 20% premium eligibility rule. This proof for selected policies is reviewed by Citizens’ underwriting and compliance department and action is taken on any policies where sufficient proof is not received. So far in 2024, 95.9% of policies have been verified as eligible. The program will go offline later this year as a new one, titled “Citizens Clearinghouse Reimagined” comes online, with greater agent accountability to ensure only those customers who qualify for a Citizens policy are so written.

Citizens Clearinghouse Reimagined:

Adam Marmelstein, Director of Agency and Market Services, walked the committee through recent progress. The Reimagined system, powered by EZLynx, went live in late June and continues to be phased-in and undergo testing under an initial group of 2,000 agents that are using it. The following benchmarks and results are reflected in the graphic below.

CLEARINGHOUSE
POWERED BY
EZLynx

Citizens Reimagined

Track A – Manual Eligibility Checks on Consistent Platform

- 5/31 - Completed pilot rollout (4 agencies)
- 6/17 – Deliver Citizens Rates to Current EZLynx Subscribers
- 6/24 to 9/16 (8/31 was prior target date) – Deliver Citizens Rates to Remaining Agents
- On-Line/On Demand Education Modules Developed
- 14 Webinars Conducted / 3,300 Attended

Track B – New Business Eligibility Checked Automatically
Mid Jan 2025

Track B – Renewal Eligibility Checked Automatically
Oct 2025

CHIPS - New Business

234,071 New Business Applications Submitted	148,462 New Business Applications Reviewed
137,929 Verified as Eligible (92%)	11,213 Performance Violations Issued

CHIPS - Renewals

22,764 High Potential Renewals Sent to Agents	13,602 Processed (61%) 62 Policies Voluntarily Canceled
\$21.8M Exposure Removed	

Marmelstein reported that by January 2025, the system will have automated eligibility checks for new business, “so the Clearinghouse on the new business side will look like the clearing house of old,” he told the committee. The automated eligibility process for policy renewals is expected to come online in October 2025.

The issue of LSAs came up again.

Perez: Is the panel of carriers in the Clearinghouse the same carriers that take part in depopulation?

Marmelstein A: There is considerable overlap but they are not identical.

Perez Follow-up Q: “So supposing that we get a clearinghouse offer from a carrier that we are going to receive an LSA from, and we are not in agreeance with the LSA that the Clearinghouse carrier is providing us as agents for whatever the reason. What happens?”

Marmelstein A: “In the event that a carrier offers an LSA to and the agent chooses not to sign that LSA, if the carrier inside of Clearinghouse makes an offer that renders that risk ineligible for Citizens, that risk is ineligible for Citizens. The carrier can choose to attempt to write that risk, and they typically do so, although it wasn't really done in the prior Clearinghouse, because most carriers don't want to compete with the independent agents out there. They could theoretically write it through an inside sales force or turn it over to an agent who could pursue it.

Perez Q: “Basically that carrier can bypass the agent and write it directly with the client once the offer from the Clearinghouse is made. Is that what I'm understanding?”

Marmelstein A: Yes, that's correct.

Perez: “Clearly, I'm pretty sure there's things in these LSAs, in some of them, actually, that we may not agree with.”

Marmelstein: “We're talking strictly about new business. If that business has already been written in Citizens by the agent, because Clearinghouse does cover renewals, there is still that.”

The exchange prompted Brian Hodgers to say that some carriers will take part in depopulation, but never voluntarily write policies or pick a small group of agencies and exclude the rest. “So they’re telling you, ‘Hey, we won’t let you write,’ but they’re going to come to Citizens and say, ‘Hey, we’re going to participate in the Clearinghouse.’ So we have to give them the business that they wouldn’t otherwise voluntarily write with us, but they can take it through Clearinghouse,” Hodgers said.

“It presents issues for agents when this happens, because carriers won’t appoint agents, they just Depop, and then we run into all kinds of issues and complications,” added Gorodetsky.

“The issue is that some of these LSA’s...you have to be careful and read them...as some don’t necessarily allow you to keep your own business,” said Perez. “That’s a big problem for agents. We’re trying to do the right thing and doing this clearinghouse and giving these carriers all this information. It’s making it available to them and then they’re giving us these funny LSAs, and then we lose our (agency) policy counts.”

Chair Newell said “there’s certainly some frustration out there...it does create an imbalance at times. It’s great that everybody hears some of these concerns and hopefully some stakeholders will take some of that back to say, maybe we need to take a harder look at this process.”

The question also arose on why there is a requirement for LSAs on the depopulation program but not in the Clearinghouse. “The statute requires an LSA in place for depopulation, but the statute for Clearinghouse is specifically written to say that if an offer is made that renders a risk ineligible and the agent chooses not to participate with that carrier, that risk is still rendered ineligible,” answered Marmelstein, adding he cannot explain why that is the case. “I won’t attempt to speak the minds of the legislature,” he said.

FMAP (Florida Market Assistance Plan):

This program allows agents with 10 or more appointments to participate. Citizens gives leads to those agents from consumers interested in finding property insurance. These consumers cannot be converted to Citizens but can be placed in the private market. So far 381 agents are participating in 2024, with 509 offers accepted from 5,098 consumer requests, representing \$494 million in exposure placed in the private market.

Depopulation Marketing/Education Update (by Christine Ashburn, Chief of Communications, Legislative and External Affairs)

[Depopulation Marketing and Education Update](#) (slide deck)

Part of making Citizens Depopulation Program successful is consumer education. Ashburn said staff has been busy over the summer preparing a set of four videos to help Citizens policyholders better understand the program. She played two of them for the committee:

- Video 1: [What is Depopulation? How was I picked?](#)
- Video 2: [Explaining the Depopulation Packet](#)

You can view the complete set of four videos at the [Understanding Citizens' Depopulation Program](#) section of the Citizens website. A written article covering the material was also included in the [September Policyholder Newsletter](#).

“You give a broad, high level, best practice view in the videos of the concept and the process, and then encourage folks to go seek more information, whether it's calling us, going to our website or, of course, reaching out to you all as their agent, to make sure they're making an informed decision,” Ashburn told the committee.

Agency Management Services Update (by Carl Rockman, VP of Agency & Market Services)

[Agency Management Services Update](#) (slide deck)

In the interest of time, Rockman skipped over the slides on current agent and agency counts, performance violations, and late-submission violations.

3+ Appointment Requirement for current and future Citizens agents:

In its effort to help depopulate Citizens and reduce assessment risks, the Florida Legislature this spring passed [HB 1503](#) that the Governor signed into law. Starting July 1, Florida insurance agents must have at least [three appointments](#) with authorized insurance companies before they can sell policies for Citizens. The previous law required one other appointment. Those who don't will lose the ability to write, service, or renew Citizens business. It's an effort to ensure that agents selling Citizens policies will be able to offer at least three private market alternatives to consumers.

“We continue working with impacted agents and haven't had to move any policies away from an agent at this time,” Rockman said.

Agency and Agent Appointment Agreement Changes:

Rockman spent the rest of his presentation going over [significant changes to the two different agreements that Citizens has: one with agencies and the other with agents \(beginning on page 11\)](#). These changes will go before the full Citizens Board of Governors (BOG) for consideration at its September 25 meeting.

[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
- 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

The rest of the slide deck contains red-lined changes to both sets of agreements. Among the highlights he shared with the committee:

- ✓ Defining “Source of Truth” for agent performance requirements (page 15). “So look for us to enhance visibility on what the agents are required to do, and then also make sure that the agents are obligated to refer to it on a regular basis,” Rockman said. “So no one can say, I didn't understand this rule. I can't be held accountable. We want to say that, ‘no, the rule is clearly stated here.’ We've communicated it, we've educated to it, and it'll have one source of truth.”
- ✓ “Transfer of Policies” when agents move on to another agency (page 19). “When that agent departs, you can only imagine the disputes that can come up. Who owns the book and who gets to take it? These changes to the agreement clearly establish that the agency principle is the one that can effectuate a book transfer in our eyes,” Rockman explained.
- ✓ “Credential Sharing” (page 21). “We have been beating this drum for many years. A lot of you know that we take information security and privacy very seriously, and one of the primary things that we want to do is make sure that agents understand in no uncertain terms you cannot share your Citizens’ credentials. So by putting it in the agreement, we believe this will help us enforce it,” Rockman said.
- ✓ “Segregation of Funds” eliminating any future co-mingling of funds (page 22). “What we’re looking for is an account that's separate. What it's called and how it's called, we'll figure that out. But right now, we need these funds segregated if they're going to be remitted and subsequently sent over to Citizens for that purpose,” Rockman said.
- ✓ “Deny or Recover Commissions” when funds are missing (page 23). “This change will allow us to not just withhold commissions, but it would give us the ability to recover or claw back commissions if we have cause to do so. This would only come up in circumstances where there is a practice or a behavior in the agency that would be fairly egregious, and perhaps the agent wasn't able or shouldn't have earned those commissions over time,” Rockman explained.’
- ✓ “Expand Reasons for Administrative Terminations” (page 24) and “Terminations for Cause” (page 25). “Right now, we have a lot of due process we have to go through. We want to shrink that,” he said.
- ✓ “Enhanced Requirement to Respond to Request for Information” (page 27) outside of formal investigations. “We're just trying to get to the truth, and we would require or respect that the agent cooperate with us, should we reach out for basic information on something that we think is causing the consumer harm or risk to Citizens,” Rockman explained.

- ✓ “Transfers to Citizens Insurance Services” (page 28). “This allows for Citizens to appoint a new agent in lieu of a policy being transferred to Citizens Insurance Services when the agent has walked away from their business, is terminated and can't sell their business,” he said.
- ✓ “Move Challenges to Agent/Agency Discipline to DOAH” (page 29). This would move all due process disputes from arbitration to the state Division of Administrative Hearings (DOAH). “The agent associations didn’t have really any objection to this,” Rockman told the committee.

The committee had just a couple of minor clarification questions.

Meeting Adjourned @ 11:34am