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Business Development, Government Consulting, Public Relations

Citizens Market Accountability Advisory Committee Conference Call of 2-26-25: (meeting agenda and supporting documents/reports available at <https://www.citizensfla.com/-/20250226-maac>) Meeting started at 11am.

Market Accountability Advisory Committee (MAAC) Members:

- Dave Newell - Chair
- Lori Augustyniak
- Virginia Christy
- Lee Gorodetsky
- Julio Dominguez - Policyholder Representative
- Marshall Martin
- Allen McGlynn
- Lissette Perez
- Greg Rokeh
- Scott Rowe
- Stacey Tomko
- Jeremy Pope - Staff

Chair Newell welcomed the new policyholder representative, Julio Dominguez onto the committee, replacing Brian Hodgers. Dominguez, as was Hodgers, is a Citizen's customer.

Approval of Prior Meeting's Minutes

[Previous MAAC Meeting Minutes 11.20.24](#)

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, which he said was "all good news":

- Total policy count as of December 31, 2024 was 936,182 policies, a 24% decrease from year-end 2023, due to its depopulation program. Total insured value at year-end was \$385.8 billion (a

31% drop among personal lines policies and a 27% drop among commercial lines policies from year-end 2023).

- Despite the growing policy drop-off, Citizens last year wrote an average of almost 33,000 new policies each month. In the last fourth months of 2024, 59% of that new business had no prior insurer identified and 12% listed Citizens as the prior insurer. Otherwise, the top three prior carriers were Slide, Universal Property & Casualty, and Florida Peninsula. (See slide deck for more details.)
- Citizens commercial lines policy count by itself decreased 15.4% by year-end 2024; its building count decreased by 28%, its premiums by 21%, and total insured value (TIV) by 27%, with year-end TIV of \$79.2 billion.
- Projected policy count by year-end 2025 is 725,000 policies, which would represent a 10% share of the Florida property insurance market.

Depopulation, CHIPS & FMAP Update (by Jeremy Pope, Chief Administrative Officer and Carl Rockman, VP of Agency & Market Services)

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

Pope said he'd "continue the good news" in his report. "2024 was a record-breaking year around depopulation activity," he said, referencing the graphic below. "Historically, we have never depopulated so many policies in such a short amount of time, which is further validating the many positive developments that we are seeing take place in the Florida property insurance market."



ExRe Newswire

2024

- Total Carriers Participated in Depop: **16**
- New Entrants for 2024: **5**
- Total Policies Assumed: **477,821**

2025

- January CL Carriers Approved: **2**
- January CL Policies Assumed: **170**
- February PL Carriers Approved: **8**
- February PL Letters Mailed: **143,814**
- March CL Carriers Approved: **1**
- March CL OIR Approvals: **250**
- March PL Carriers Approved: **3**
- March PL OIR Approvals: **160,440**
- April PL Carriers Approved: **4**
- April PL OIR Approvals: **238,462**

In 2024, Citizens shifted 477,821 policies into the private market among 16 carries through its depopulation program, reducing its exposure by \$214 billion. (All but 2,124 were Personal Lines policies.) He walked the committee through the 2025 policy takeouts that have occurred so far (PL is Personal Lines and CL is Commercial Lines in the chart) and those scheduled through June. Pope said the February takeout resulted in 102,253 policies assumed by private carriers, of the 143,814 offers mailed to Citizens' policyholders. That means that Citizens current policy count is under 850,000, the lowest in three years. Looking beyond the chart, Pope said there is a commercial lines takeout scheduled for May and another takeout in June "in fact, higher interest than normal for June," he noted.

Pope said the customer experience during depopulation "is critical for us as an organization," while trumpeting Citizens' success with the program's outcomes and objectives. "We also can't lose sight of us also reducing the risk of emergency assessments for Citizens' policyholders and all potentially impacted Florida policyholders. So that's just as important as well," he added.

Gorodetsky Q: "This is really more of a comment. Jeremy, you would have much fewer depopulations necessary if we as agents could write the policies with these companies directly. But when they don't qualify because of an electrical panel or wiring or other things that are there, or maybe the roof is too old, but it still has life, and they won't take it, or the plumbing is too old. These companies won't take it, but they are depopulating it from you. From a perspective dealing with clients, they don't understand and comprehend that situation, why we can't write it and why it has to go to Citizens and get depopulated. But it's nothing you can do, I think. But just more of just what's out there in the world."

Pope A: "Our goal is to, before it comes to Citizens, to make sure that the policies are shopped as appropriately, and those requirements continue to change in the market, as you are fully aware. But I hear you."

This is a point that Gorodetsky, an agent representative on the committee, has brought up in past meetings. Both he and Pope agreed that depopulation remains good news for Citizens and for consumers, with Gorodetsky saying about those former Citizens consumers that "they're getting lower premiums, a lot of them." Pope agreed, noting "about 34% of our consumers have actually been receiving premiums lower than the Citizens premium."

Augustyniak Q: "On some of the agent Facebook groups, I'm seeing some feedback from agents that the initial Depop letter is saying it's under the 20% rule. But then when the actual renewal comes out, it's over the 20% so then the agent has to then put in extra time and effort to rewrite it back to Citizens if the client does want to go back. I thought that we had worked with the carriers, and that was no longer supposed to be happening.

Pope A: "That sometimes will happen. There's some, what we call reweights for various reasons that could occur. It's rather minimal. But if that does happen, we have an expedited underwriting process back into Citizens where it shouldn't be as cumbersome."

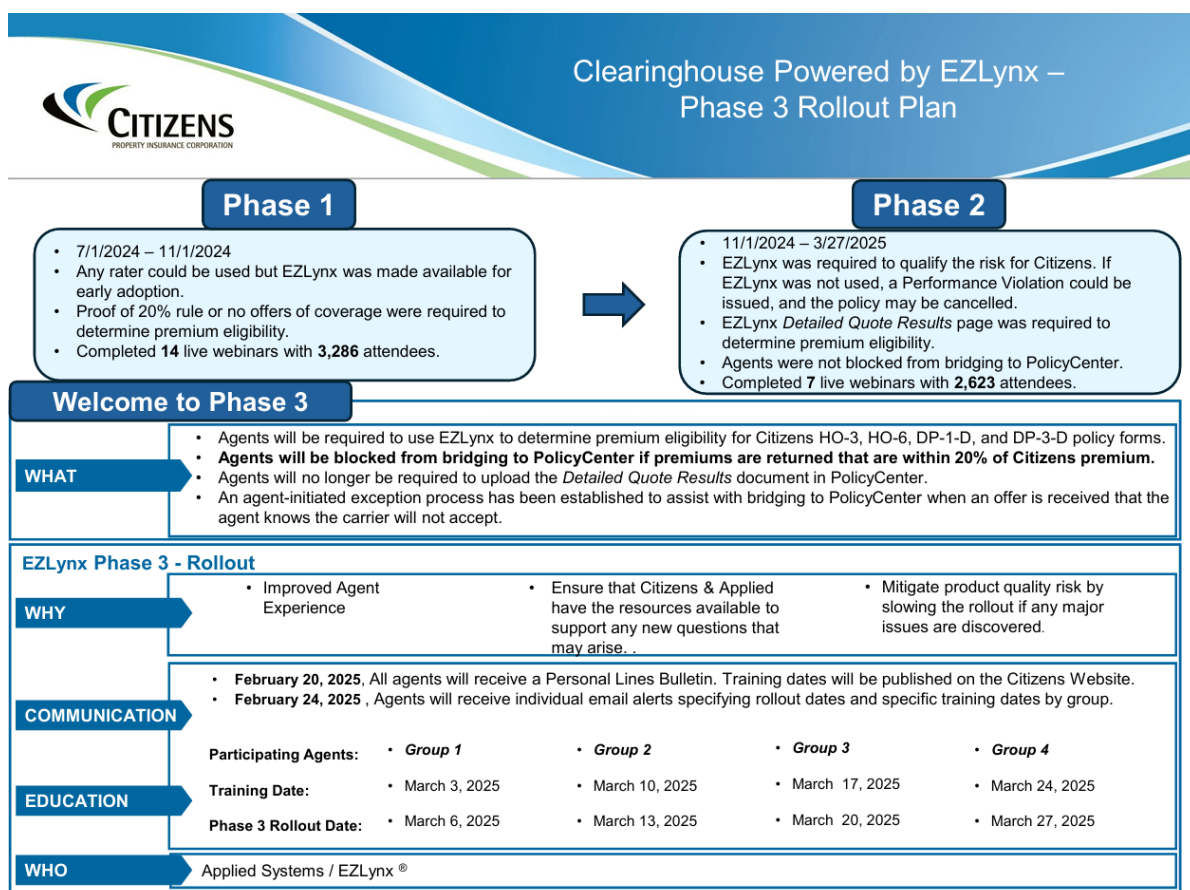
Rockman A: "When we built the Depop program, we understood that carriers may, downstream to the initial offer, take a rate change or rate increase. That is part of the program. So it can occur where the premium offer on the original assumption letter may change due to various reasons that are appropriate to the program." Rockman reiterated Pope's point that the program allows an agent in that case to re-present the policyholder to Citizens and a lot of the typical requirements are waived to make it easier to return.

CHIPS & FMAP Update

Carl Rockman finished the presentation by talking about the interim clearinghouse program (CHIPS) that agents have been using to market and pair Citizens policies with private insurance companies, as well as ongoing progress in premiering the new clearinghouse, called “Citizens Reimagined,” by EZLynx. It’s designed to divert ineligible applicants and existing policyholders from Citizens into the private (voluntary) insurance market. This will help Citizens further reduce its policy count, exposure, the risk for future assessments in bad storms for both Citizens and non-Citizens policyholders, and reduce the risk to Florida taxpayers in this legislatively created and state-backed insurance company.

Rockman told the committee that it is making “great progress” with the Citizens Reimagined program and is about to roll-out the final phase (Phase 3) where new business eligibility will be checked automatically by the EZLynx system. As for the interim CHIPS program, 2024 saw 345,154 new business applications submitted, 237,751 reviewed, and of those 224,341 were verified as eligible (94%) to become Citizens policyholders. Citizens issued 14,090 performance violations to agents as a result. (More details on CHIPS on pages 28-29 of the slide deck.)

Rockman explained the history of the new Citizens Reimagined clearinghouse program, referencing the chart below. It began rolling out on a voluntary basis in the summer of 2024 and became mandatory for agents to use in November 2024 to validate new business eligibility, except agents still were required to manually send proof documentation. The final phase roll-out soon in March will eliminate the need for the manual documentation and will also block agents from bridging into the policy center if the previous private market policy comes back within 20% of the Citizens premium, as required by law. “In a recent training session, that met with widespread applause from the agents,” Rockman told the committee.



“We did get tremendous feedback from our pilot group of agents and our agent roundtable to build-in an exception process. Then when prices come back from EZLynx, there may be an issue with eligibility, and we've built a very smooth exception process that we think is going to suit the agents, meet their needs, and also help us maintain the integrity of the program,” Rockman said.

Perez Q: “How are the agents being notified on when they're going to be able to start the rollout?

Rockman A: “Agents will start getting their emails this week informing them of that and also inviting them on which class to take. Agents can any of these training dates. This will be by direct email directly to the appointed agent.”

Gorodetsky Q: “Just repeating, I mean, I can't be the only one saying EZLynx is anything but easy, correct? Because this is a crazy system.”

Rockman A: “Believe me, we obviously take feedback. We've had this in our pilot agencies, 20 of them, the last feature, and we've had this on the street since July. I think with any new platform, there's always a change element. I have to remind agents though about the prior platform. It's important to understand the prior platform and the requirements that were required to put a policy in and get a decision. One of the things we did hear was ‘shorten that process.’ Okay? And so we are getting good feedback in that space, that getting an initial decision is certainly less laborious than it was on the prior platform, so we consider that to be a good thing. Obviously, there's things on the back end, like exception processes and things we're managing, but yeah, I'll say that the jury might potentially be out right now, but we are getting feedback from agents at different levels. Some are positive and happy to have it. Some, obviously, are seeing it as maybe like you expressed, maybe a little bit laborious and different. But we believe from our standpoint, that we met the expectations that we set out to do, and that is at least make that front end a little faster.”

Chair Newell commented to Gorodetsky and others on the committee to continue to provide feedback to Rockman and his team. “They'll certainly look at it and see if there's some changes that need to be made,” said Newell.

Rockman's Added Comments & Slides on Depopulation

The rest of the [slide deck](#) contains very granular detail on Citizens' depopulation efforts from 2024 and 2025 to date, including carrier participation. It also includes the complete 2025 timelines for takeouts. Rockman referenced the slide on page 20, “Personal Lines Assumed Policies Returning as New Business,” noting that **of the 746,448 policies assumed from June 2023 to present day, just 1.57% (11,737) returned as new business to Citizens.** “We rigorously monitor any policy that was assumed, if it comes back to us as new business, and you would want us to do that,” said Rockman. He said the portion of the above **policies that he refers to as “fully-baked,” meaning they were assumed and then after a year received a renewal offer from their private carrier but returned to Citizens, “runs at 5%.”** “We're going to continue to monitor these numbers, but it's not as high as you might be led to believe. It is a manageable number and it's certainly a number that we think is appropriate given the changes that carriers could take or that consumers could take on their policies,” he added.

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

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

Rockman shared the following:

- Citizens saw a net decrease of 258 agencies selling its policies in 2024 from 2023 (from 6,080 to 5,822), which is attributed partially to market consolidation and partially to the new requirement that agencies represent at least three insurance carriers by formal appointment.
- The number of insurance agents increased by 260 in 2024 from 2023, numbering 12,532.
- The 14,090 performance violations issued to agents from the CHIPS program plus others totaled 15,191 violations for 2024, among 392,948 total policy submissions (4%). “But those numbers were on the decline in November and December,” Rockman pointed out.
- The number of late-submission violations decreased in 2024 from 2023, representing 5% of all new policy submissions (down 1% from 2023).
- Customer satisfaction with their Citizens agent was 84.4% in December 2024 compared to 79.8% in December 2023.

At the committee’s request, Rockman will present a breakout on consumer satisfaction levels specific to the depopulation program at its next meeting.

New Business (by Chairman Newell) - NONE

Meeting Adjourned at 11:41am