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Citizens Market Accountability Advisory Committee Conference Call of 9-17-25: (meeting agenda and supporting documents/reports available at <https://www.citizensfla.com/-/20250917-maac>) Meeting started at 11am.

Market Accountability Advisory Committee (MAAC) Members:

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

The majority of the meeting focused on Citizens' appointed insurance agents and the changes underway to make those agents more accountable to procedures under the new policy Clearinghouse called "Citizens Reimagined," by EZLynx, that insurance agents have been required to use since November 2024 in placing new business with Citizens, with full implementation in April 2025. The next stage, involving Citizens' policy renewals, is about to begin. The Clearinghouse is 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-Citizen's policyholders, and reduce the risk to Florida taxpayers in this legislatively created and state-backed insurance company.

Approval of Prior Meeting's Minutes

[Previous MAAC Meeting Minutes 6.11.25](#)

APPROVED

Underwriting Market Update (by Stephen Mostella, VP of Underwriting)

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

Mostella reported that Citizens' policy count was 780,000 policies at the end of June 2025, a 17% decrease from year-end 2024. He also shared:

- Personal Lines (Multi-Peril and Wind Only) policy counts fell 16.7% through June, with Total Insured Value (TIV) falling by nearly 20% to \$245.9 billion due to depopulation.
- Residential policies in total have declined 36% from June 2024 to June 2025, with just under 16,000 new policies per month now being written. The largest declines have been in homeowners and condominium policies.
- Commercial Lines (Multi-Peril and Wind Only) policy counts fell 15.2% through June, with TIV falling by nearly 38%, to \$49.2 billion. The majority of the decrease was from commercial residential policies (down 19.5%).
- Commercial policies in total declined 29% from June 2024 to June 2025, with just 44 new policies per month now being written. Building counts declined 40% in the same period.

Chair Newell noted from the presentation the 98% decrease in commercial new business A-Rated building counts from March-June 2025 compared to the same period last year, calling it "a healthy percentage." A-Rated buildings are those with values over \$10 million. "Yes, we have seen a very substantial decrease on certainly the new business coming in that are A-Rated, and our existing book of A-Rated buildings have also dramatically decreased," said Mostella. His linked slide deck above contains further details and data breakouts, including by home and roof age.

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

[Depopulation, Clearinghouse & FMAP](#) (slide deck)

Pope shared Citizens' current policy count, which is a little over 771,000 policies as of last Friday, September 12, 2025, with a TIV of just over \$289 billion. "This is all great news," said Pope. "Our best forecasted estimate is having us land now at 516,487 policies by year end. That number would represent 7% of the overall market share." In March, Citizens was forecasting to end 2025 with just under 738,000 policies.

So far in 2025, Citizens has shifted more than 214,000 policies into the private market through its depopulation program, representing \$89 billion in exposure removed, the majority from its personal lines. The biggest takeouts may be yet to come, with Pope providing information for the table below.

Takeout Period	Carriers Approved	Policies Approved by OIR
September (Personal Lines)	2	51,500
October (Personal Lines)	9	369,000
November (Personal Lines)	8	443,547
November (Commercial Lines)	5	7,215
TOTAL	24	871,262

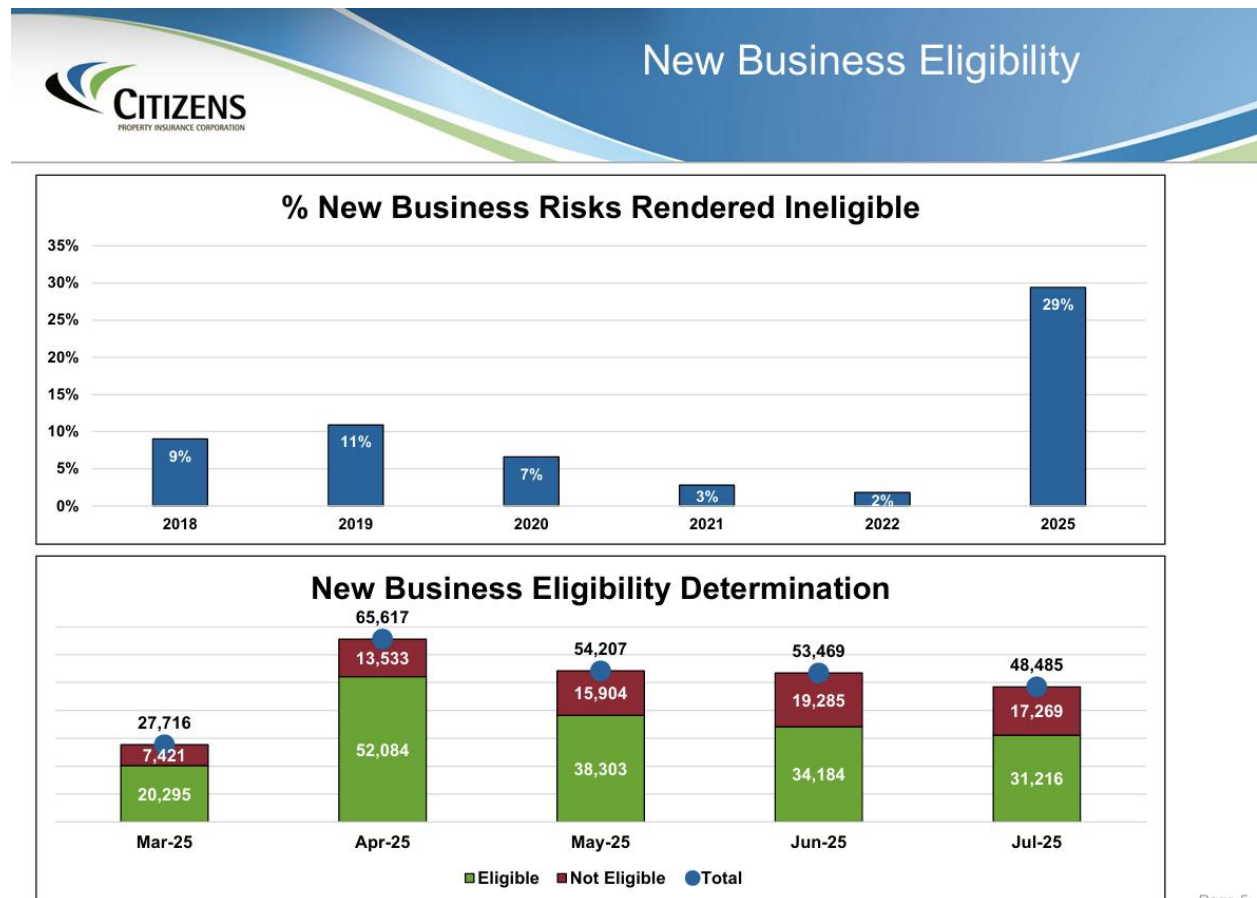
On the commercial policy takeouts planned for November, Pope said “the total 7,215 in comparison to our book (9,707 policies as of June 2025) is big. So we're seeing an extremely large interest in the commercial book for the month of November, which we're pleased with.”

Chair Newell Q: “Ridiculous numbers, I guess is the word, right? These numbers are mind boggling compared to what we’ve seen in the past for sure.”

Pope A: “Ridiculously great is what we would say.”

The New Clearinghouse

Carl Rockman continued the presentation by sharing performance metrics of Citizens’ new policy Clearinghouse system called “Citizens Reimagined,” by EZLynx, fully implemented this past April for new business, after several years of work. He described how those proposed new policies are now handled. Noting the chart below, Rockman explained “the box on the top reflects the percent of business that was deemed ineligible as new business on our prior platform. But you can see the 2025 results are really, really good. 29% of the business is getting some type of qualifying offer that is deeming it ineligible for Citizens, which we think is very, very good.”



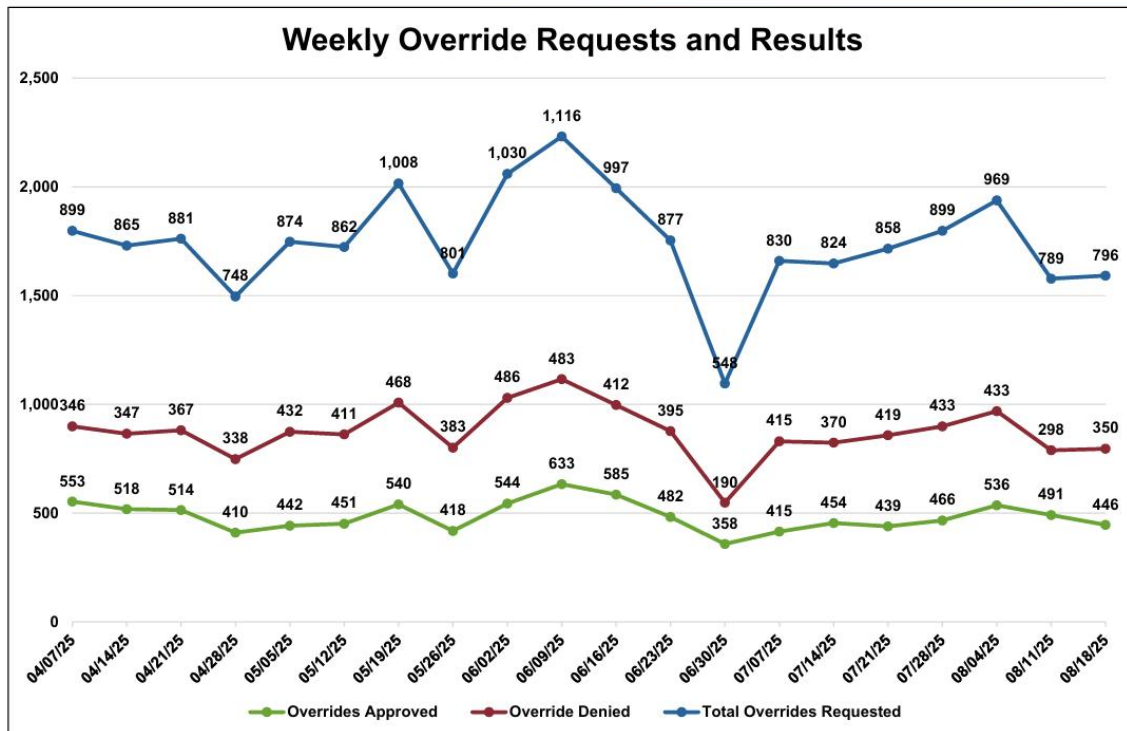
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Noting that the new Clearinghouse in some cases doesn’t ask all of the questions necessary to determine eligibility for a Citizens policy based on property condition, Rockman said the system has a program where agents can submit overrides for approval (see chart below). “You can see that not only the volume is very, very manageable, but we’re also driving down the number of overrides denied. We

want to make sure that the agents have the right information and are equipped to handle what we need to approve an override, and make sure we have good integrity at point of sale. And this shows, I think, some really, really encouraging trends. Agents are getting the message, and we're increasing our education efforts in this space," he told the advisory committee.



Weekly Override Requests and Results



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Under the new Clearinghouse system, Coverage A averted has increased from \$2.6 billion in March to \$34.5 billion in July, Rockman said, "so we're very, very pleased."

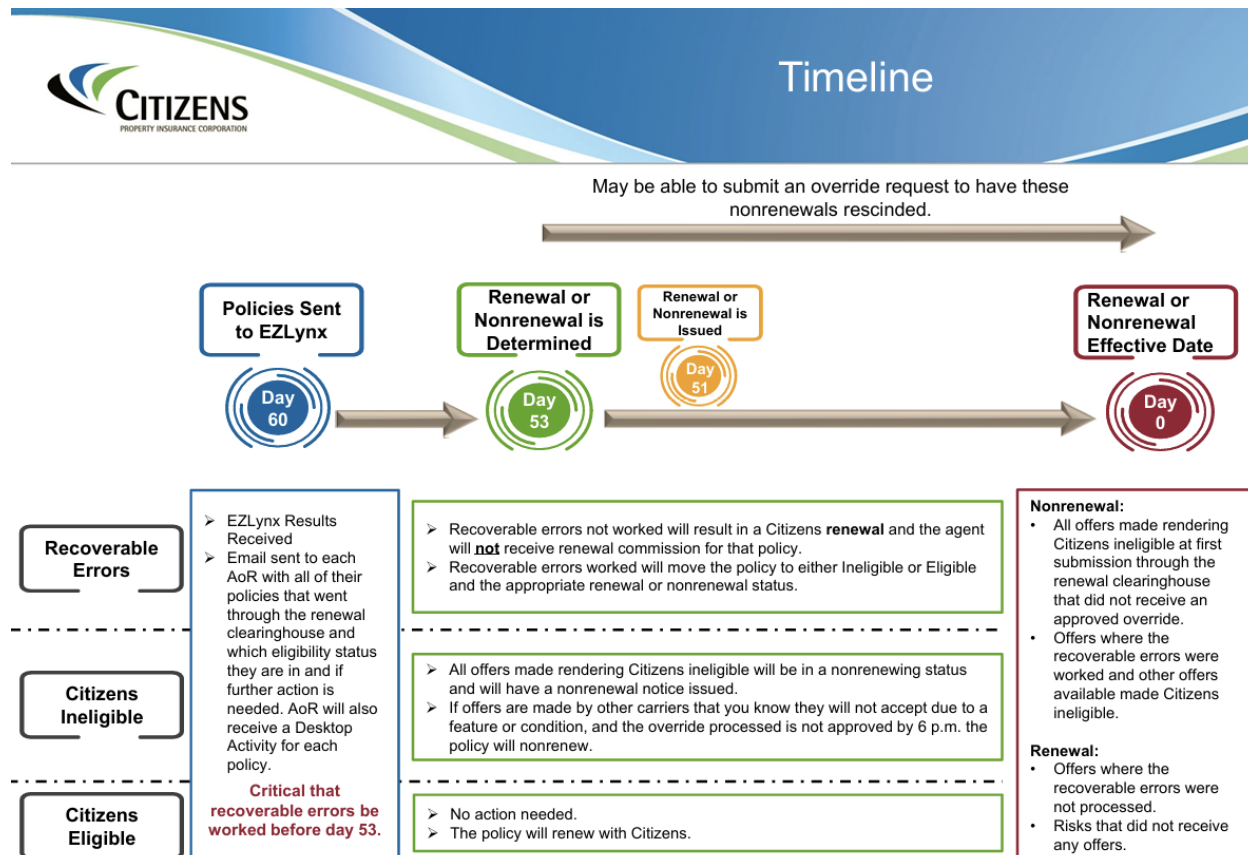
"Those are great numbers," commented Chair Newell.

Policy Renewals on the New Clearinghouse

Rockman then talked about how the new Clearinghouse will be handling policy renewals within Citizens, something he reminded the advisory committee is quantified in state statute "and Citizens has a lot of authority on how to apply the program," he said. This will happen after an initial pilot program and agent training this fall. All agent agreements now require that Citizens' policies be remarketed at renewal. He explained how it works, referencing the timeline chart below.

"We're going to take an agent's HO3, DP, and condo business, and 60 days prior to renewal we're going to put it into the Clearinghouse. It's going to be sent out to the participating carriers and they're going to be able to offer prices back in terms of, we want this risk at this price. If that price is within 20% of Citizens' (price), the citizens policy is non renewed. Now on the left-hand side (of the chart), from an

agency operations standpoint, here's what we're preparing the agents to manage. Three things are going to happen when that risk is sent out at day 60 and returned back to the agent in EZLynx. It's either going to be eligible for Citizens because no carrier came back with an offer within 20% or it's going to be ineligible because carriers have returned an offer within 20%.” The third thing that could happen, said Rockman, is **the policy could be marked with a “Recoverable Error,” requiring the same type of override request that’s part of its new business platform.** “The agent will need to work that out with the carrier, (saying) ‘Hey, the risk may not actually be eligible, and I need an override.’ That's about 6% of the business on new policies and we're anticipating it being about the same on renewal policies as well,” said Rockman.



Agent Penalties Under the New Clearinghouse

Rockman described a Recoverable Error as “typically a credentialing issue or something that's very easy to fix on the agent side.” However, failure by the agent to fix the error, will have consequences. “If an agent fails to work that recoverable error, we will have to renew the Citizens policy if there's no other offer, but **we're potentially going to be withholding the agent's commission on that,**” warned Rockman. “We do believe if the agent hasn't worked that recoverable error, and it's within their control, then we didn't have a fair chance of sending it to the private market.”

Rockman said **the renewal clearinghouse component will operate on a 53-day non-renewal cycle and not 120-days.** Agents, he said, will be need to be engaged to find these Citizens customers coverage in

the private market. “So this is a significant thing for the agents, but it's also a big part of our clearinghouse program to round out its implementation and its effectiveness,” said Rockman.

Implementation of the renewal component of the Clearinghouse will begin with two pilot programs, starting next week (September 22, 2025) and running through early October, followed by all agent mandatory training module, with remaining agencies rolling out the system from late October through early December. Agents can attend one of a series of webinars instead of the online training module. The goal is for the renewal component to be fully implemented by the end of the year. “We want to make sure there's no technical glitches, but also we want to really understand the agency operations component,” Rockman told the advisory committee. “We want to understand the things that this is going to do in an agency, in terms of agency capacity, ability to touch the policy, etcetera.”

Questions

Chair Newell Q: “So is it everybody that's appointed within the agency that has to complete the training?”

Rockman A: “Yes, every appointed agent that's on an agency agreement will need to take it.”

Lee Gorodetsky Q: “What happens if the agent isn't appointed with that carrier that will take the client?”

Rockman A: “The renewals are only going to be sent to the carriers the agent is appointed with. We're not at a point where we're sending it to agents that you don't have a relationship with.”

Lisette Perez Q: “How are we going to know that there's a Recoverable Error that we should be fixing?”

Rockman A: “When we turn on the renewal Clearinghouse, the agent of record is going to get a daily email that is going to say, ‘You have these policies in the renewal Clearinghouse,’ and it's going to have an indicator that says, ‘By the way, these policies have a recoverable error.’ We're going to make sure the agents are very aware that there's a recoverable error out there, because if there's a commission consequence, we don't want them to miss that.”

Lisette Perez Q: “What's an example again of a Recoverable Error?”

Rockman A: “The best example is a credential hiccup. You've seen this in experiences. Typically, it's a credential hook that's very easily remedied. It's typically just a little connection. It's not something that the agent typically has to go digging for or can't resolve with just some attention and a couple of clicks, is what we're anticipating happening with recoverables.”

It is our perspective at LMA that the less sophisticated insurance agencies or the smaller ones may have challenges with the new platform that is being implemented by Citizens. Rockman's slide deck linked above contains further details on the new Clearinghouse.

Depopulation

Rockman provided additional detail and much more granular data on Citizens' depopulation, in slides 12-32 at the above-linked slide deck, with praise for “the great carriers and agents” who have made this happen with the success that it has. He also commented on assumed policies in takeouts that end up returning as new business to Citizens (slide 27). “That is not true, that we depopulate it and it ends up coming back as new business.” His data shows that of the 946,308 personal lines policies assumed from June 2023 through June 2025, just 2.2% (20,711) returned to Citizens for coverage, representing \$8.7 billion in returned exposure. “We're pleased with that. We're going to continue to monitor it. We

believe these are very manageable and probably a reflection of home ownership changes and other things that might be more practical,” said Rockman.

“I know in the past there's been some challenges there, but I just noticed something from Mangrove Insurance that just participated in a Depop and their news release said they were able to capture 90% of those Depop policies and transition them onto their paper,” said Chair Newell. “To your point, there's not many coming back to Citizens. They're actually renewing on that carrier's paper.”

The slide deck (slide 32) contains 2026 Timelines for depopulation takeout periods, with Chair Newell commenting that “It looks like 2026 is not slowing down.” Rockman replied that Citizens is a “victim of our own success in some ways. **We are moving business appropriately to the private market, but as we get down to a level of policies, there's going to be some policies that traditionally probably should be at Citizens, last resort type insurers, which is what we're about.** So we'll watch to see how that plays out over time.”

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

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

Rockman said the number of agencies selling Citizens’ policies has fallen by 125 so far in 2025 to 5,690. At the same time, the number of agents has increased by 1,060 (to 13,648) and the number of LCRs has increased by 1,716 (to 4,827). “We don't believe that's market demand as much as it is our multi-factor authentication and security standards are starting to kick in. So if folks are working with Citizens at a level, we really want them to have that individual credential,” said Rockman. He noted that overall, while there has been agency consolidation it really has to do with decreased demand. “You're seeing our agency segmentation, and the size of books of Citizens and agencies is starting to decrease. We're starting to see that trend that we hoped for.”

Changes to Performance Violations & Late Submission Program

Rockman announced changes to how Citizens will be handling performance violations by its agents going forward, prompted by a plateauing of those violations and of late submissions. 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.

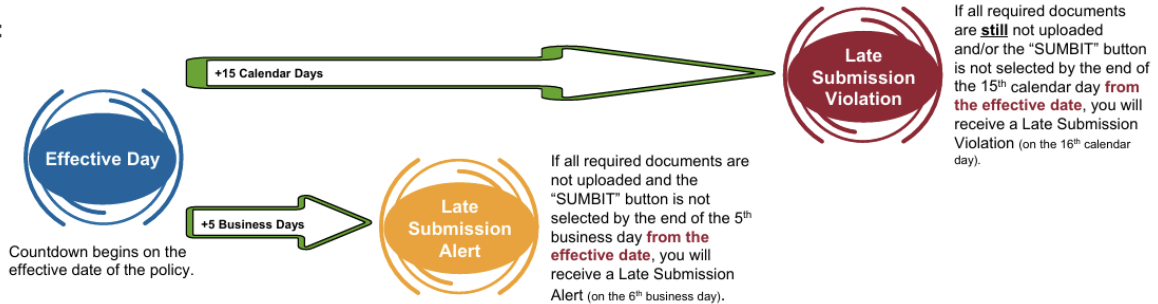
“We do give the agents binding authority at Citizens. But with binding authority comes a great deal of responsibility to make sure that the agents aren't binding us to risks that aren't appropriate. That's what this program is all about,” said Rockman. The problem, he said, is that the current thresholds to impose discipline are too generous, allowing agents to compile Performance Violations and Late Submission Violations without a consequence (suspension or termination).

Late Submissions

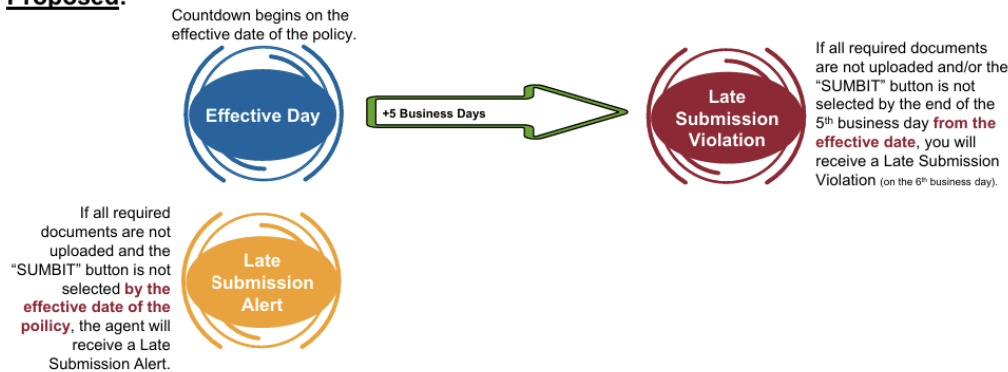
Rockman walked the advisory committee through the graphic below on the current system and the proposed changes for handling Late Submissions.

Current & Proposed Late Submission Program

Today:



Proposed:



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"The volume of late submissions in 2024 was 21,000, which is about 5% of our new business. But the alerts, on the left-hand side, we trigger an alert to the agent if the documents aren't there within five days. About 25% of our business still do not have documents submitted within five days of the effective date. Our underwriters can't underwrite it. In fact, won't underwrite it unless all the documents are submitted. Hence the need for good velocity here and living into the requirement of five days," explained Rockman. The idea is to be fair to agents but also reduce the administrative burden on Citizens should it need to take action against an agency.

Committee members Lee Gorodetsky and Lissette Perez expressed surprise that the current limit is 15 days, rather than five days. "I just always thought it was five and I don't know how it takes more than five days. It's a kind of a shocker," said Gorodetsky.

Performance Violations

Rockman said there are four categories of Performance Violations: Ineligible Risk, Uninsurable Risk, Premium Posted on Unbound Risk or Failure to Provide Premium Finance Company Contract, and Incorrect Application of Credits, Discounts or Surcharges; or Missing Signatures. He used the chart below that defines each category and reveals that the number of violations is on the upswing again.

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
2018	90,859	3,980	4%	87	827	31	2,075
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
2024	392,948	15,191	4%	7,912	2,987	60	4,232

Annual Performance Violation Disciplinary Action Summaries						
	2019	2020	2021	2022	2023	2024
Warning Notices	572	1,173	678	336	121	385
Suspensions	40	127	71	70	3	8
Terminations	0	0	0	0	0	0

"Similar to late submissions, we had two tranches... Agency structure is such that you're writing a lot of Citizens business that produced a lot of performance violations where we couldn't put you in the action pool," explained Rockman.

His proposed solution is detailed in the two charts below. The first chart addresses the first two categories of violations: Ineligible Risk and Uninsurable Risk. "The PV one and two are the two most important performance violations. The agent bound us to a risk that is damaged, it's uninsurable, it's not a close call. Or they bound us to an ineligible risk, outside the Clearinghouse, where they couldn't prove that they had shopped it. Those are the two most important violations. We're going to give every agent, regardless of their production.... if you incur three of those in 12 months, you're going to get a warning," said Rockman, that with more violations will result in suspension and one last chance afterward to avoid termination.

PV01 (Ineligible Risk) & PV02 (Uninsurable Risk)

# of Violations	More than 3	After Warning Notice	3 or more additional violations	After Completing the 30-day Suspension	1 or more additional violations
Citizens Imposes	Warning Notice		30-day suspension		Termination for Convenience

A PV is only issued under the following circumstances:

- Warning Notice - Managed by AM's
- Suspension/Terminations - Managed by the Agent Compliance Team
- PV is only issued when a cancellation is issued.
- PV can also be issued if:
 - There is an EO that prevents a cancellation that would have happened.
 - If we are outside of 60-day discovery and nonrenew instead.

Note:

- Citizens reserves the right to work with agencies producing 200 NB or more to establish targeted performance violation thresholds.

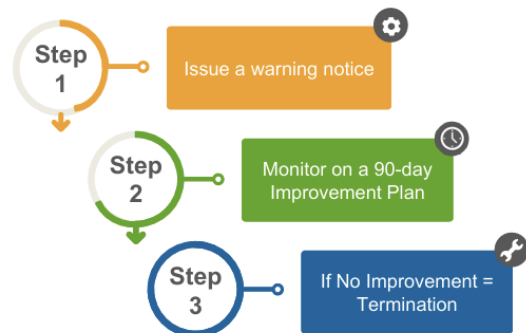
The second chart below addresses how Citizens will address the remaining two categories of violations: Premium Posted on Unbound Risk or Failure to Provide Premium Finance Company Contract, and Incorrect Application of Credits, Discounts or Surcharges; or Missing Signatures. Rockman said Citizens is going to combine both into one bucket and aggregate them, together with Late Submissions and Voice of the Customer complaints. Citizens will target the worst offenders by volume first, then work its way down the list of agents from there.

PV03 (PFC/Prem on Unbound), PV04 (Incorrect Credits/Missing Signatures), Late Submission Violations and Voice of the Customer (VoC)

Program	Target Group
PV03 (PFC/Prem on Unbound), PV04 (Incorrect Credits/Missing Signatures) AND Late Submission Violations	Identify the worst performing agents by volume accumulating PV03, PV04 and Late Submissions combined.
Voice of the Customer (VoC)	Identify the worst performing agencies below average by survey volume.

Notes:

- Agency Manager (AM) will manage.
- Volume would be determined after first 30-days of program.
- AM will send the Warning Notice from myAgency.



When	Who
Q1 (1/1/26-3/31/26)	1 st group (PV03, PV04 &LSV) / 1 st group (VoC)
Q2 (4/1/26-6/30/26)	Next groups (PV03, PV04 &LSV) / (VoC)
Q3 (7/1/26-9/30/26)	Next groups (PV03, PV04 &LSV) / (VoC)
Q4 (10/1/26-12/31/26)	Next groups (PV03, PV04 &LSV) / (VoC)

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“We’re going to be working with those agents,” said Rockman. “We’re going to identify them, we’re going to formally engage them, and we’re going to say, ‘Look at your performance here in terms of volume. We’re going to give you 90 days to improve your performance in late submissions, PV threes and PV fours. **If you can’t improve within 90 days, we’re going to be moving in a different direction.**’ Now this is going to be closely supported with our agency management team. We’re going to make sure that the agents that are in this are going to get every opportunity to improve. We’re going to be all over them. **Our goal is not to move agents out of the system. Our goal is to make sure that agents with binding authority are living into the rules.**”

Rockman said he has already made presentations to agent associations about these changes. His team will spend October through December communicating these changes to agents, training them, then conducting a soft launch, including working with agents who would have consequences under the new program. **Full implementation is anticipated for January 1, 2026.** “We think now is a perfect time too, with Citizens slowing a bit. Now is a perfect time to come in with these enhanced Titan standards, so we can all get to a mutually good place in terms of new business quality and rules.”

New Business (by Chairman Newell) - NONE

Meeting Adjourned at 11:52am