

VENDOR UPDATE

CLAIMS COMMITTEE MEETING MARCH 9, 2016
BOARD OF GOVERNORS MEETING MARCH 16, 2016

EXECUTIVE SUMMARY

Non-Litigated and Litigated Claims Adjusting Services

Citizens partners with Vendors who provide qualified and licensed adjusters to perform the following services, regardless of catastrophic or non-catastrophic circumstances, which aid Citizens in:

- completing daily claims operations and claims adjusting services
- additional resources for quality assurance and adjusting claims related to residential, commercial, litigated and disputed, and sinkhole
- contracting with companies that are able to provide independent adjusting services in order to service the policyholders and citizens of Florida.

Staff requests approval to amend the Contracts to add a line item fee of \$90.00 for assignments involving Third-Party Water Mitigation Review.

This additional fee applies to assignments sent to a third-party water mitigation company for a comparative review and estimate of claims involving water damage. The fee is applicable to all water assignments where the adjuster has attempted to secure the comparative estimate from the third-party water mitigation company.

At present, the claims handling process requires the adjuster to manage the file differently for losses involving a third-party water mitigation review, due to the various touchpoints with third-party vendors. To account for the extra work, we have historically used existing Time & Expense (T&E) or Gross Covered Amount (GCA) schedule line items.

To ensure that the proper analytics are captured related to these claims, specifically, and to ensure proper management of compensation, we recommended a separate line item.

RECOMMENDATION

Staff recommends that Citizens' Claims Committee approve and recommend the Board to:

- a) Approve amendment of the Contracts for Non-Litigated and Litigated Claims Adjusting Services to add a line item fee of \$90.00 for assignments involving Third-Party Water Mitigation Review;
- b) Authorize staff to take any appropriate or necessary actions consistent with this Action Item; and
- c) Approve this Consent Item subject to the approved contract budget of \$500,000,000.00.

CONSENT ITEM

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CONTRACT ID:	Non-Litigated and Litigated Claims Adjusting Services RFP 15-14-0019 MULTIPLE VENDORS
BUDGETED ITEM:	Yes. Funding for this contract is included in the Annual Operating Budget and is paid as a Loss Adjusting Expense (LAE).
CONTRACT AMOUNT:	The approved contract amount for this contract is \$500,000,000.00.
ORIGINAL CONTRACT APPROVAL:	The Board of Governors approved the contract spend of \$500,000,000.00 in June 2015.
PURPOSE / SCOPE:	<p>Staff requests approval to amend the Contracts to add a line item fee of \$90.00 for assignments involving Third-Party Water Mitigation Review.</p> <p>This additional fee applies to assignments sent to a third party water mitigation company for a comparative review and estimate of claims involving water damage. The fee is applicable to all water assignments where the adjuster has attempted to secure the comparative estimate from the third-party water mitigation company.</p> <p>At present, the claims handling process requires the adjuster to manage the file differently for losses involving a third party water mitigation review, due to the various touchpoints with third-party vendors. To account for the extra work, we have historically used existing Time & Expense (T&E) or Gross Covered Amount (GCA) schedule line items.</p> <p>To ensure that the proper analytics are captured related to these claims, specifically, and to ensure proper management of compensation, we recommended a separate line item.</p>
CONTRACT TERM(S):	Contracts have a base term of three (3) years; and, at Citizens discretion, have three (3) one (1) year renewal terms.
PROCUREMENT METHOD:	A Request for Proposal for Non-Litigated and Litigated Claims Adjusting Services, RFP 14-0019 on December 22, 2014 and Revised Notice of Intent to Award was issued on April 20, 2015 receiving approval by the Board of Governors on June 24, 2015.

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- c) Approve this Consent Item subject to the approved contract budget of \$500,000,000.00.

CONTACTS:

Jay Adams, Chief of Claims
LaTrice S. Grier, Assistant Director Vendor Relationship Management